

# 匯僑設計

# RH

RICH HONOUR DESIGN GROUP



# 2022

## 永續報告書

SUSTAINABILITY  
REPORT

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# Message from the Management

## To all friends caring about the sustainable operation of RH

Looking back on 2022, the global political and economic environment fluctuated wildly, and the trade war between China and the U.S. continued along with the COVID-19 pandemic, such that global economic growth slowed. Although the Company faced challenges, under the guidance of the management team along with the business philosophy of respect and honesty, the Company swiftly adjusted the business policy. In addition, through new project development and customer relationship management, the Company actively developed diverse businesses and continued to create value. In 2022, consolidated revenue was NT\$5.096 billion, an increase of 23.22% from the previous year. All such outcomes resulted from the dedicated cooperation and commitment of all employees as well as the long-term support of all friends caring for RH.

For RH, corporate sustainable development includes the aspects of sound corporate governance, consideration of balanced interests of stakeholders, supply chain responsible management, promotion of environmental sustainability, and fulfillment of social responsibilities. We uphold the vision of improving social responsibility and focus not only on the core business but also systematically establish an ESG long-term development strategy. In addition, we also exert efforts in all aspects of the corporate sustainable development, monitor ESG development trends and assessment standards, and periodically review implementation results.

With regard to caring for talent, human resources are the root of the sustainability of the Company, and it is our goal to establish a harmonious and stable working environment. We value the physical and mental health of all employees, workplace environment and compliance with all safety and health regulations. It is our highest standard at work to provide a safe and healthy environment and processes. In addition to employee care, we provide diverse education and training as well as a talent cultivation mechanism, in order to provide competitive salary standards and a talent development plan, thereby achieving talent retention actively. Furthermore, the communication between the Company and employees is smooth, and labor-management meetings are organized periodically in order to understand the expectation of employees and to use it as the reference for the improvement of the Company. Accordingly, employees are able to work securely and to utilize their talents at work without any concerns.

With regards to environmental sustainability, we cooperate with the proprietors' green design and green construction, including the use of energy saving, waste reduction, consumption reduction and highly efficient techniques for construction. We also promote green certification, along with an increase in the use of eco-friendly materials and the incorporation of green cycles in product design, in order to reduce environmental impacts and to achieve the goal of sustainable development.

With regards to social care, RH upholds the philosophy of "Take from Society, Give Back to Society", and uses limited resources to achieve greatest strength, actively assists disadvantaged groups, and improves the invisible security of society. In addition, the Company also actively makes donation to the disadvantaged, community return, and encourages all cooperating partners and Company employees as well as their friends and relatives to participate in public welfare together, thereby contributing efforts to social welfare through actual actions.

In such era of increasing severity of global climate change, we deeply understand that implementation of corporate sustainable development is important for the Company to accumulate operation energy, in order to mitigate operational risks and to share sustainable values with all stakeholders. With regards to the future development of the Company, RH will continue to strengthen the customer cooperation relationships and will also exert effort in the improvement of innovation and green production, in order to properly understand market development and regulatory trends, thereby achieving maximum profit for all shareholders. Through the release of this Report, we look forward to allowing all stakeholders to understand our commitment and efforts, in order to gain recognition from greater interested parties. We welcome your valuable comments and recommendations, and sincerely thank you for your support and recognition of RH.

Chairman





# Editorial Policy

The period of this Sustainability Report is from January 1 to December 31, 2022, and it is the first report released by Rich Honour Design Group (hereinafter referred to as "RH" or the "Company"). The content of this Report includes the disclosure of sustainability indicators of corporate governance, economic, social and environmental aspects. To completely disclose RH's achievements in sustainable development and to present the results of communication with stakeholders, the Company has prepared this Report in accordance with the latest "GRI Standards", Sustainability Accounting Standards Board (SASB) Standards, Task Force on Climate-Related Financial Disclosures (TCFD) and "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" specified by the government competent authority and links to the "United Nations Sustainable Development Goals (SDGs)", in order to report on the Company's strategies and activities in terms of economy, environment and society to all stakeholders with all due diligence, as well as to demonstrate the Company's determination in the fulfillment of social responsibility and the implementation of sustainable development.

## Description of Report Review

The information and data in this Report have been collected by the Sustainable Development Committee directly under the Chairman with respect to domestic and foreign economic, environmental and social sustainability topics. The topics of concern to all stakeholders are understood through diverse channels. Through engagement and analysis, we hope to discover the material topics of the Company. According to the topics, various management policies and performance information are collected and summarized, followed by submission to the Sustainable Development Committee for review and confirmation. Finally, after the approval of the Chairman, it is disclosed through public channels for stakeholders to view.

The financial data in this Report refers to information about annual financial statements audited by Deloitte Taiwan. To improve the disclosure quality of this Report, GREAT Certification has been retained to perform Type 1 moderate assurance level of certification according to AA 1000: AS v3, in order to verify conformity with the requirements of GRI Standards 2021 Version and to obtain the assurance statement. The Statement is also provided in the Appendix section of this Report.



## Report Preparation Principle and Guidelines

RH considers industry requirements, topics important to the international economy, and topics related to environment and society, and collects a stakeholder topic impact level assessment result through questionnaires, in conjunction with the business strategy of the Company, in order to convene the Sustainable Development Committee meeting for the screening and selection of material topics. After approval by the chairperson of each team, the implementation outcome is disclosed in this Report.

The economic aspects and financial business performance of this Report refers to the Group's consolidated financial statements performance. Financial data currency is calculated based on New Taiwan Dollars (NTD). For the environmental aspect performance indicator and social aspect performance indicator, the disclosure scope refers to RH, Zhongli Rich Honour Fabricating, RH International Designs (Shanghai) and RHQ Furniture (Zhejiang). In case of any disclosure content exceeding such scope, special notes will be indicated in relevant chapters of this Report.

## Report Management Process

Stage	Topic	Responsible Unit
Topics collection	1. Determine stakeholders 2. Collect topics of concern	Sustainable Development Committee
Material topics determination	1. Stakeholder external economic, environmental and people impact assessment 2. Internal operation impact assessment 3. Sustainable Development Committee meeting resolution	Sustainable Development Committee
Information summarization	Management directives and performance collection	Sustainable Development Committee
Initial draft preparation	Report information preparation	Sustainable Development Committee / Relevant Operation Department
Final draft review	Report internal review	Sustainable Development Committee
Publication and release	Submit to the Chairman/Release of Report	Sustainable Development Committee

## Release Date and Cycle

This Report is released annually, and the report release time is as follows:  
Previous release time: This is the first release of the Sustainability Report.  
Present release time: June 2023.  
Scheduled next release time: June 2024.

## Restatement Status

This is the first release of the Sustainability Report, and there is no restatement due to material change of the organization or change of the report period and scope

## Contact Method



To respond to the environmental protection and paperless policies, and to fulfill corporate citizen responsibility, the electronic Chinese version of this Report is published on the Company website for readers to review. We welcome you to download this Report (PDF file) from RH's website <https://www.richhonour.com/tw/sustainability.html>.

If you have any suggestions or questions about this report, please contact us.

Address: 12F, No. 75, Sec. 4, Nanjing E. Rd., Songshan Dist., Taipei City

Contact Person: Executive Secretary, Sustainable Development Committee

Tel: 02-25456011

Email: [IR@richhonour.com](mailto:IR@richhonour.com)

Company Website: <https://www.richhonour.com/tw/sustainability.html>

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## **Stakeholders and Major Topics Identification**

# ■ Stakeholders and Major Topics Identification

## Stakeholders and Material Topics Identification Process



### STEP 01

#### Understand organization context

According to sustainability related sector standards, review organization's operating activities and business relationships, and identify stakeholder process, understand the overall status of the organization and relevant impacts, and identify sustainable stakeholders



### STEP 02

#### Identify actual and potential impact

According to the overall status and business relationship of the organization, identify actual and potential impacts, including positive/negative, short/long term, intentional or reversible/irreversible, with respect to the economy, environment and people, and select 24 topics of concern related to sustainability



### STEP 03

#### Assess the significance level of impact

Perform materiality analysis based on the questionnaire of the stakeholders' external economic, environmental and people impact level and the questionnaire on internal operation impact level



### STEP 04

#### Arrange priority reporting sequence based on most significant impact

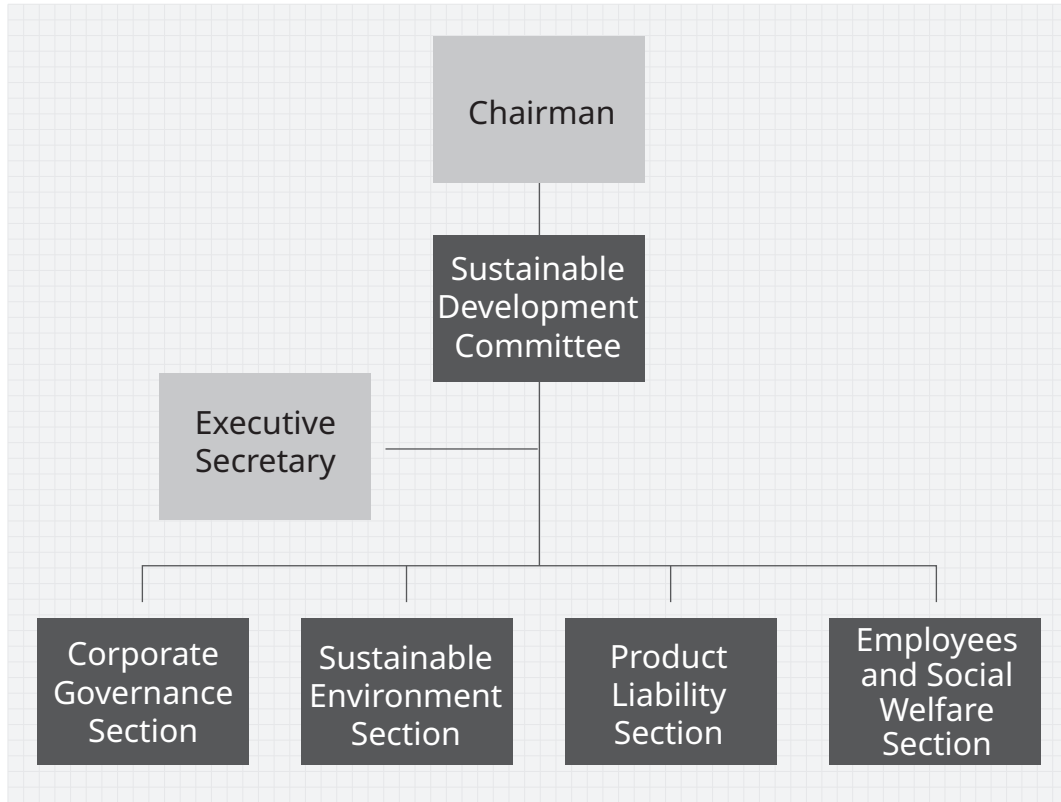
Arrange sequence according to impacts of topics identified, and according to the sustainability related sector standards and consideration of actual operation status of the Company, seven material topics are selected at the end

## 1-1 Sustainable Development Committee

RH understands the importance of corporate sustainable development and has established the Sustainable Development Committee to stipulate the sustainable development policy and to be in charge of internal promotion and implementation, thereby incorporating the sustainable operation concept into the corporate culture of RH progressively.

To cope with the aspects of environment, society and corporate governance (referred to as "ESG") covered by sustainable development, task forces have been set up under the Sustainable Development Committee, and responsible departments perform collection of topics of environmental protection, occupational safety, supply chain management labor human rights, business performance and corporate governance of concern to stakeholders. Furthermore, based on the respect of the rights and interest of stakeholders, the Stakeholders Section is also set up on the Company website, in order to properly respond to important sustainability topics of concern to stakeholders. RH also plans to report on the ESG implementation results to the Board of Directors annually beginning in 2023, in order to strengthen the Board's supervision and management functions on the Company's sustainable development.

## Corporate Sustainable Development Committee



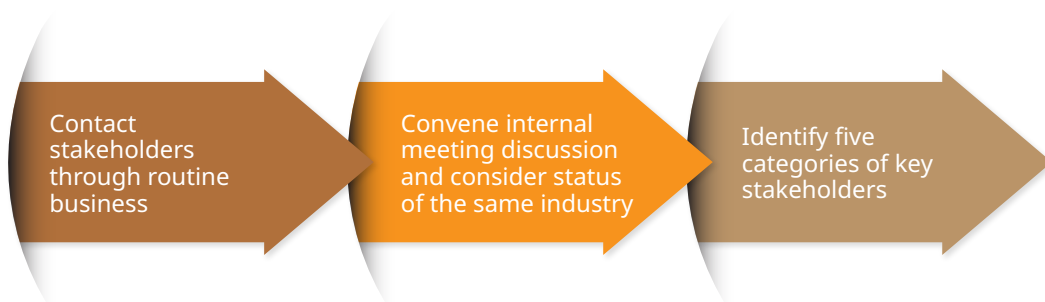
Section	Sustainability Topic	Responsible Unit
Corporate Governance Section	Board function enhancement, internal audit and control, ethics, risk management, performance evaluation, information security	Financial Department Audit Office Information Management Department
Sustainable Environment Section	Energy saving and carbon reduction, water usage, wastewater treatment, waste management, greenhouse gas management, green materials/techniques	Zhongli Rich Honour Fabricating RHQ Furniture
Product Liability Section	Customer relationship maintenance, supply chain management, product liability	R&D Department Engineering Department Design Department Commercial Space Department
Employees and Social Welfare Section	Salary and benefits, labor-management relations, human rights protection, social welfare participation	Administrative Service Department

## Sustainable development strategy



## 1-2 Determine Stakeholders

### Determine Key Stakeholders



Stakeholders refer to the group capable of affecting RH or being affected by RH, and the type of stakeholders contacted during routine business are preliminarily selected by each department. Next, according to interaction frequency, mutual impact level and importance to each other between each stakeholder and RH, after internal meeting discussion and consideration of the status in the same industry, five categories of key stakeholders having significance to RH are selected at the end. These key stakeholders include shareholders/investors, customers, employees, suppliers and competent authorities.



## 1-3 Stakeholder Communication Channel and Topics of Concern

Due to the different identity types of the key stakeholders of RH, there are certain differences in the topics of concern to each type of stakeholder. All departments also continue to actively maintain proper interaction with stakeholders via diverse channels in order to allow stakeholders to understand the operation status of the Company in a timely manner, and to allow the Company to understand the demands and expectations of stakeholders on the Company, thereby providing timely responses. Based on the topics of concern proposed and communicated between each department and key stakeholders of RH, the Sustainable Development Committee converges and summarizes communication results along with the reference to specific topics of the RGI Standards 2021 version and SASB industry sustainability indicators, and conducts actual and potential positive/negative impact assessments on the topics with respect to the aspects of economy, environment and people. Accordingly, 24 sustainability topics have been summarized to cover the economy, environment and social aspects, thereby ensuring that the sustainability information disclosed by RH for the aspects of Environment (E), Society (S) and Corporate Governance (G) is able to satisfy the expectations of stakeholder.

Key Stakeholders	Importance to the Company	Topic of Concern	Communication Channel / Frequency	2022 Actual Communication Outcome
Shareholders/ Investors	Shareholders are the investors of the Company. The Company protects the rights and interests of shareholders, treats all shareholders fairly, and ensures that shareholders have the right to sufficiently understand, participate and make decision on material matters of the Company.	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Legal Compliance</li> <li>Operational risk management</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Annual shareholders' meeting / once annually</li> <li>Investor conference / once annually</li> <li>When material information is announced on the Market Observation Post System (MOPS) website and the Company website</li> <li>Company website e-mail box, telephone / any time</li> <li>Contact unit/person: Spokesperson, Deputy Spokesperson / any time</li> </ul>	<ul style="list-style-type: none"> <li>Announced 31 material messages.</li> <li>Organized shareholders' meeting on 2022/6/9; Invited to participate in the investor conference organized by KGI Securities on 2022/11/24.</li> </ul>
Customers	Customers are the main source of profit for the Company. Ensuring excellent product quality of the Company and maintaining proper interaction with customers are the Company's commitment to customers.	<ul style="list-style-type: none"> <li>Customer relationship</li> <li>Innovative design</li> <li>Trade secret protection and transaction security</li> <li>Information security</li> <li>Operational risk management</li> <li>Green product</li> <li>Economic performance</li> <li>Customers' health and safety</li> <li>Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Customer service satisfaction survey / responsible supervisor selects completed project to implement the survey every two weeks</li> <li>Each business location / any time</li> <li>Company website, corresponding department telephone/ any time</li> <li>Contact unit/person: Customer Service / any time</li> </ul>	<ul style="list-style-type: none"> <li>Online Customer Satisfaction Questionnaire Survey</li> </ul>
Suppliers/ Contractors	Outstanding suppliers and contractors are important factors to successful projects. Accordingly, the Company strengthens the cooperation relationship between both parties, in order to ensure raw material quality and timely delivery, and to also fulfill social responsibility jointly.	<ul style="list-style-type: none"> <li>Operational risk management</li> <li>Procurement practices</li> <li>Anti-corruption</li> <li>Raw materials use</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation / perform evaluation after completion of main jobs of construction project every two weeks and during selection of new suppliers</li> <li>Non-disclosure Agreement / Suppliers or contractors with cooperation intention</li> <li>Contact unit/person: Procurement / any time</li> </ul>	<ul style="list-style-type: none"> <li>Due to the COVID-19 pandemic, the Company assigned the Administrative Service Department to be in charge of the preparation of epidemic control supplies and distribution of epidemic control resources while understanding epidemic safety and the health status of each job site at the same time, in order to implement epidemic control response strategies in a timely manner and to provide epidemic control supplies such as disinfection alcohol, test kits, thermometers and masks, etc., to personnel working at the front line for protection. In addition, the Company requested the implementation of the policy of body temperature measurement and masking upon entering job sites. In case of personnel infection, they were isolated immediately and tracked for subsequent condition with care. Furthermore, the Headquarter building implemented access control to reduce face-to-face contact, and all materials and samples delivered by suppliers or received by sales were requested to be transported to the lobby on the 1st floor. Sales personnel making contacts were required to adopt the methods of telephone, message transmission or video conference for interaction.</li> </ul>

Key Stakeholders	Importance to the Company	Topic of Concern	Communication Channel / Frequency	2022 Actual Communication Outcome
Employees	Employees are essential to the operation of the Company. The Company provides competitive salaries and benefits superior to the market standard in order to ensure talent retention. In addition, the Company is committed to the establishment of a working environment for achieving employee physical and mental health and diverse development.	<ul style="list-style-type: none"> <li>Occupational safety and health</li> <li>Labor-management relations</li> <li>Labor-management communication</li> <li>Training and education</li> <li>Diversity and equal opportunity</li> <li>Market presence</li> </ul>	<ul style="list-style-type: none"> <li>Labor-management meeting / once quarterly</li> <li>Department head communication / any time</li> <li>Employee feedback mailbox, telephone / any time</li> <li>Contact unit/person: Human Resource Head / any time</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, there were 672 persons-time participated in the employee education and training.</li> <li>In 2022, 49 sessions of field health service with a professional nurse were organized.</li> </ul>
Competent Authorities	Competent authorities are a key role to the supervision and assessment of corporate governance and sustainable development. The Company must comply with the policies and regulations of competent authorities for implementing sustainable governance, in order to ensure that the Company complies with the laws and corporate governance requirements.	<ul style="list-style-type: none"> <li>Legal Compliance</li> <li>Anti-corruption</li> <li>Economic performance</li> <li>Information security</li> <li>Waste management</li> <li>Energy consumption and energy saving</li> <li>Local community participation and public welfare activities</li> <li>Climate change response</li> <li>Occupational safety and health</li> <li>Water resource use and recycling</li> <li>Labor-management relations</li> </ul>	<ul style="list-style-type: none"> <li>Company website / irregularly</li> <li>Financial statements / quarterly</li> <li>Annual report / annually</li> <li>Sustainability Report / annually</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, the Company participated in four seminars organized by the Taiwan Stock Exchange Corporation (TWSE).</li> </ul>

No.	Sustainability Topic	Positive Impact	Negative Impact	Actual/Potential
S2	Occupational safety and health	V		Actual
G5	Customer relationship	V		Actual
S8	Trade secret protection and transaction security	V		Actual
G6	Operational risk management	V		Actual
S1	Labor-management relations	V		Actual
G8	Environmental protection, social and economic regulatory Compliance	V		Actual
E1	Raw materials use	V		Actual
S3	Training and education	V		Actual
G1	Economic performance	V		Actual
G7	Market presence	V		Actual
S7	Labor-management communication	V		Actual
G4	Innovative design	V		Actual
S4	Diversity and equal opportunity	V		Actual
E5	Waste management	V		Actual
G9	Information security	V		Actual
E6	Green product	V		Actual
G2	Anti-corruption	V		Actual
G3	Procurement practice (local procurement)	V		Actual
S6	Customers' health and safety	V		Actual
E3	Energy consumption and energy saving		V	Potential
E2	Greenhouse gas emissions		V	Potential
G10	Climate change response		V	Potential
E4	Water resource use and recycling	V		Actual
S5	Local community participation and public welfare activities	V		Actual

## 1-4 Material Topics Identification

### Material Topic Identification Process

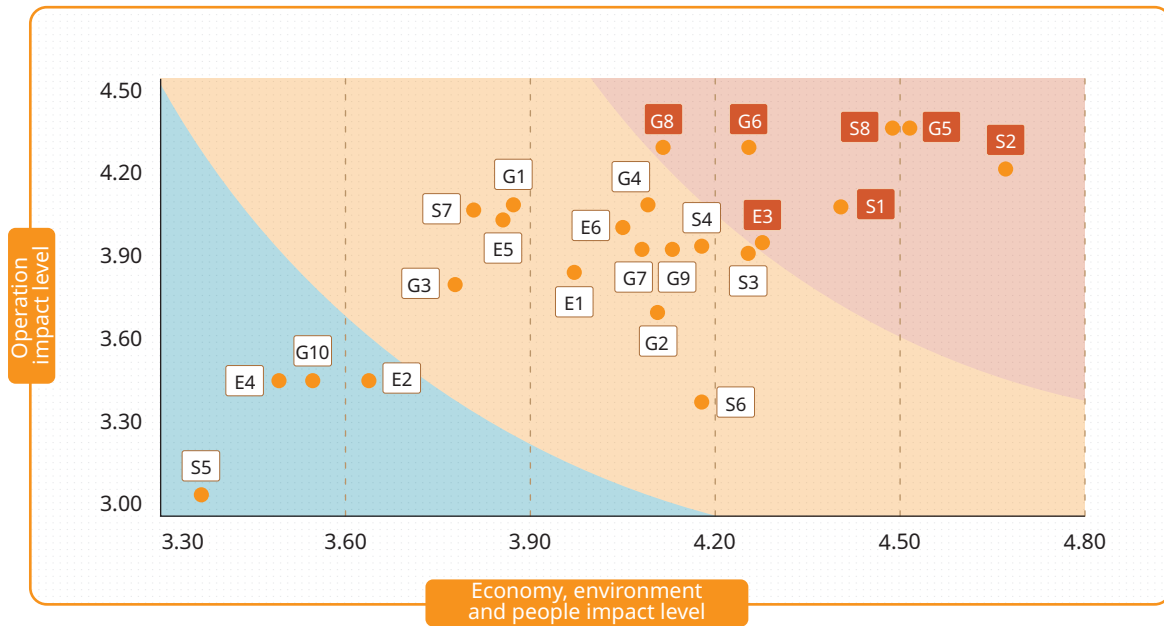


The RH Sustainable Development Committee has established 24 sustainability topics. Online questionnaires were distributed to key stakeholders, and a total of 105 valid questionnaires were returned. Evaluation scores of key stakeholders on each sustainability topic with respect to the impact level of economy, environment and people were then obtained. Furthermore, online questionnaires were also distributed to 15 Company supervisors to provide evaluation scores on the impact level of each sustainability topic on the operation of RH. The evaluation scores of the two were summarized to obtain the material topic matrix. Then, after discussion in the Sustainable Development Committee, environment, society and corporate governance topics were ranked in priority sequence for the material topics of the current year. Accordingly, for the current year, RH shall prioritize seven material topics with respect to the environment, society and corporate governance aspects. We explain the management directives and relevant disclosure items of each material topic in this Report. In addition, based on the consideration of the information balance of the Sustainability Report, RH's public welfare participation outcomes are also supplemented and disclosed.



Aspect	Material Topic
Environmental Aspect	Energy consumption and energy saving
Social Aspect	Occupational safety and health, trade secret protection and transaction security, employment
Corporate Governance Aspect	Customer relationship, operational risk management, legal compliance

RH 2022 Material Topics Distribution Diagram



No.	Topi	No.	Topi
S2	Occupational safety and health	S4	Diversity and equal opportunity
G5	Customer relationship	E5	Waste management
S8	Trade secret protection and transaction security	G9	Information security
G6	Operational risk management	E6	Green product
S1	Labor-management relations	G2	Anti-corruption
G8	Legal Compliance	G3	Procurement practices
E1	Raw materials use	S6	Customers' health and safety
S3	Training and education	E3	Energy consumption and energy saving
G1	Economic performance	E2	Greenhouse gas emissions
G7	Market presence	G10	Climate change response
S7	Labor-management communication	E4	Water resource use and recycling
G4	Innovative design	S5	Local community participation and public welfare activities

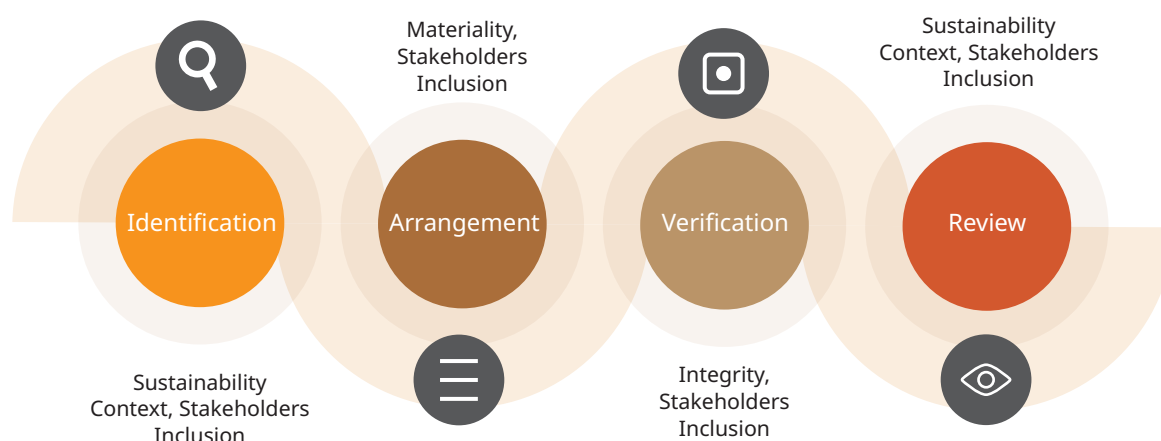
## Material Topic Identification Process



RH complies with the requirements of GRI Standards and prepares the ESG Report according to the four main principles defining the report content, including Stakeholder Inclusion: identification of five categories of key stakeholders; Sustainability Context: disclosure of how RH adopts measures to improve or reduce impact levels for business locations and development trends in the economy, environment and society of surrounding areas; Materiality: reflecting significant economic, environmental and social impacts of the Company on internal and external and assessment and decisions substantially affecting key stakeholders; Integrity: material topics and related internal/external boundaries covered by this Report, capable of reflecting the significant impact scope of RH in the aspects of the economy, environment and society.

Furthermore, RH defines the report quality requirements according to the GRI Standards in order to disclose information, Coverage Accuracy: report information shall be of adequate accuracy and details, in order to allow stakeholders to assess the ESG performance of the Company; Balance: information in the report shall reflect both positive and negative performance, allowing various sectors to make reasonable assessment on the overall performance of RH; Clarity: RH's information presentation method shall allow stakeholders using the information to understand and obtain information easily, and the information presentation method shall allow stakeholders to analyze the long-term performance of the Company; Reliability: the information disclosed by the Company shall be available for review, and the information quality and materiality method shall be established for collection, summarization and disclosure. RH provides important business operation information about the Company in a timely manner in order to help stakeholders understand the status of the Company immediately and to improve the information transparency of the Company.

### Determination of Material Topics and Boundary










Aspect	Material Topic / No.	Positive/Negative Impact on	Internal Boundary	External Boundary				Corresponding GRI Standards	Report Disclosure
			Company	Shareholders/Investors	Suppliers	Customers	Competent Authorities		
Environment	Energy consumption and energy saving E3	<ul style="list-style-type: none"> <li>The business of RH continues to grow. To prevent an increase in greenhouse gas total emissions ratio and an associated increase in future carbon fees, along with a consideration of the carbon fee collection to be implemented by the Taiwan government in 2024, this is listed as a negative potential impact.</li> </ul>	●			●	●	<ul style="list-style-type: none"> <li>302 Energy 2016 (302-1, 302-3)</li> <li>305 Emissions 2016 (305-1, 305-2)</li> </ul>	4.2 Energy Resource Management
Society	Occupational safety and health S2	<ul style="list-style-type: none"> <li>RH provides a healthy and safe working environment to employees, in order to allow employees to work safely. In 2022, there were no major occupational accidents and violations of laws and regulations, such that it is considered as a positive actual impact.</li> </ul>	●			●	●	<ul style="list-style-type: none"> <li>403 Occupational Health and Safety: 2018 (403-9)</li> </ul>	5.3 Occupational Safety and Health
Society	Employment S1	<ul style="list-style-type: none"> <li>Employees are important assets of the Company. Through comprehensive welfare measures, the stability and continuous development of human resources can be ensured. In 2022, there were no employment related complaints, and human resources were stable, such that it is considered as a positive actual impact.</li> </ul>	●					<ul style="list-style-type: none"> <li>401 Employment (401-1, 401-2, 401-3)</li> </ul>	5.2.2 Talent Cultivation
Society	Customer relationship G5	<ul style="list-style-type: none"> <li>Based on the objective of customer satisfaction, continuous improvement and an emphasis on quality serve as the basis for the Company to establish a long-term relationship with customers. In 2022, the Company continued to receive customer recognition, such that it is considered as a positive actual impact.</li> </ul>	●			●		<ul style="list-style-type: none"> <li>RH Self-defined Material Topic</li> </ul>	3.5.2 Customer Relationship
Corporate Governance	Legal Compliance G8	<ul style="list-style-type: none"> <li>Legal compliance is the cornerstone for the sustainable operation of RH, and it is also the core for mutual trust between RH and investors, customers, employees and competent authorities. In 2022, there were no major violation of laws and regulations, such that it is considered as a positive actual impact.</li> </ul>	●	●		●	●	<ul style="list-style-type: none"> <li>GRI 2-27</li> </ul>	3.3 Legal Compliance
Corporate Governance	Operational risk management G6	<ul style="list-style-type: none"> <li>To cope with global environmental change, the Company identifies and assesses risk items having material impact on operating activities early, in order to establish management mechanisms and an action plan, thereby preventing the occurrence of operating risk or reducing the impact on the Company. In 2022, all risks were effectively managed to satisfy the Company's requirements, such that it is considered as a positive actual impact.</li> </ul>	●	●		●		<ul style="list-style-type: none"> <li>GRI 2-12</li> <li>GRI 2-23</li> </ul>	3.2 Risk Management
Corporate Governance	Trade secret protection and transaction security S8	<ul style="list-style-type: none"> <li>RH values engineer services, R&amp;D technologies and confidential customer information as the core of the Company's business development. Through our information security management mechanism, employees are able to develop information security risk awareness. In addition, various information security controls are implemented to ensure that the confidential information of the Company is not disclosed and that transaction security is achieved. In 2022, relevant mechanisms operated effectively, and there was no incident of disclosure of any trade secrets, such that it is considered as a positive actual impact topic.</li> </ul>	●	●		●	●	<ul style="list-style-type: none"> <li>RH Self-defined Material Topic</li> </ul>	3.6 Information Security Protection



## 1-5 Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) was announced by the United Nations in 2015; 17 sustainable development goals and 169 sub-goals have been proposed, and are used as the guidelines for all member states and global enterprises to implement sustainable development before 2030.

RH has incorporated the SDGs into the business strategy of the Company, and the Company's business model focusing on economic performance in the past has been expanded to greater aspects, including the care of environmental protection and other legal compliance, improvement of employee benefits for talent retention, elimination of various unfair conditions at workplace, and reduction of wastewater discharge and greenhouse gas emissions. In addition, the Company invites suppliers to exert efforts in the improvement of the environment and to increase salaries and benefits in the workplace jointly. Looking into the future, RH will continue to make greater contributions to the SDGs and will also fulfill the corporate social responsibility.

SDGs	Sub-Goals	RH's Response
<b>01</b> No Poverty 	1.4 Ensure all men and women, particularly those among poverty and disadvantaged groups, have fair rights and equal rights to access economic resources.	<ul style="list-style-type: none"> <li>• Provide salary conditions with market competitiveness and complete benefits superior to the regulatory requirements in order to allow employees to work with dignity and to improve personal and family economic living standards.</li> <li>• Adjust employee salaries according to the profit status of the Company, and increase employee feelings of cohesion toward the Company.</li> </ul>
<b>04</b> Quality Education 	4.5 Eliminate education differences, and ensure that disadvantaged groups have a channel to receive various levels of education and occupational training, including disabled people, indigenous people and children in disadvantaged groups. 4.7 Promote sustainable development education, sustainable living model, human rights, gender equality, peace and non-violence.	<ul style="list-style-type: none"> <li>• Arrange occupational trainings for employees of different business attributes in order to ensure that all employees have the opportunity to receive occupational training.</li> <li>• Plan courses in sustainable development, workplace gender equality, labor human rights, and encourage employees to participate in these courses.</li> </ul>
<b>05</b> Gender Equality 	5.1 Eliminate any form of discrimination against women. 5.4 Recognize and value women's family care through social protection policies.	<ul style="list-style-type: none"> <li>• Prohibit the use of gender as the criteria for employment, performance review and job promotion of employees.</li> <li>• Provide employees the right to apply for parental leave without pay for both male and female employees.</li> </ul>
<b>08</b> Decent Work and Economic Growth 	8.5 Implement comprehensive employment with productivity, allowing all men and women to have a good job, including young people and disabled people, and also achieve salary equality. 8.7 Prohibit child labor, and eliminate forced labor. 8.8 Protect worker rights and interests and promote working environment safety, especially for women and workers performing hazardous jobs.	<ul style="list-style-type: none"> <li>• Prohibit the use of gender as the criteria for employment, performance review and job promotion of employees.</li> <li>• Adjust employee salaries according to the profit status of the Company, and increase employee feelings of cohesion toward the Company.</li> <li>• Respect labor rights and interests, including the prohibition of child labor and any form of workplace discrimination.</li> </ul>
<b>10</b> Reduced Inequalities 	10.2 Promote social, economic and political fusion, regardless of the age, gender, disability, religion, economy or other identity or status. 10.3 Ensure equal opportunity and reduce inequalities, including practical methods for eliminating discrimination.	<ul style="list-style-type: none"> <li>• Employee physiological or mental differences shall not be used as determination standards for the Company's recruitment, performance review or job promotion mechanism.</li> <li>• Employee whistleblowing channel has been established, and a comprehensive whistleblowing process is available to protect the whistleblower.</li> </ul>
<b>12</b> Responsible Consumption and Production 	12.5 Significant reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none"> <li>• Implement green products and design process optimization, and reduce waste output.</li> </ul>
<b>16</b> Peace, Justice and Strong Institutions 	16.6 Develop effective, responsible and transparent systems at all levels. 16.7 Ensure decisions at each level respond to public opinion, and are inclusive, participatory and representative.	<ul style="list-style-type: none"> <li>• Strengthen corporate governance, ensure practitioners comply with the Company's regulations through internal controls, and establish whistleblowing processes and channels.</li> <li>• Understand stakeholder requests and expectations of the Company through stakeholder communication.</li> </ul>

A modern interior space featuring several wireframe pendant lights with exposed bulbs. The lights are suspended from a ceiling with a dark, solid-colored section and a lighter section. The wall on the right is composed of vertical wooden slats. The overall lighting is warm and ambient.

2

## About Rich Honour Design Group

## ▲ About Rich Honour Design Group



### 2-1 Company Profile

RH, established in 1977, focuses on the business of design planning, brand identity, design implementation, project management, renovation, equipment manufacturing, etc., and provides services to various sections of recreation, catering, health care, shopping centers, boutiques and retail, brand image, commercial offices and public space exhibitions. The scope of services of the Company includes the regions of America, Europe, the Middle East, Asia and Pacific Islands, etc. In addition, with the service locations in four regions across the strait, the Company is able to connect global business channels.

Based on the philosophy of long-term development and inheritance of sustainable operation, RH Design publicly listed its stocks at the stock market in August 2020 (Stock Code 6754), thereby continuing the implementation of regularization of corporate governance and transparency of operation. RH Design has always upheld the initial vision and continues to adopt the business philosophy of "Respect" and "Honesty", in order to provide high quality service, thereby achieving a win-win cooperation model with customers.

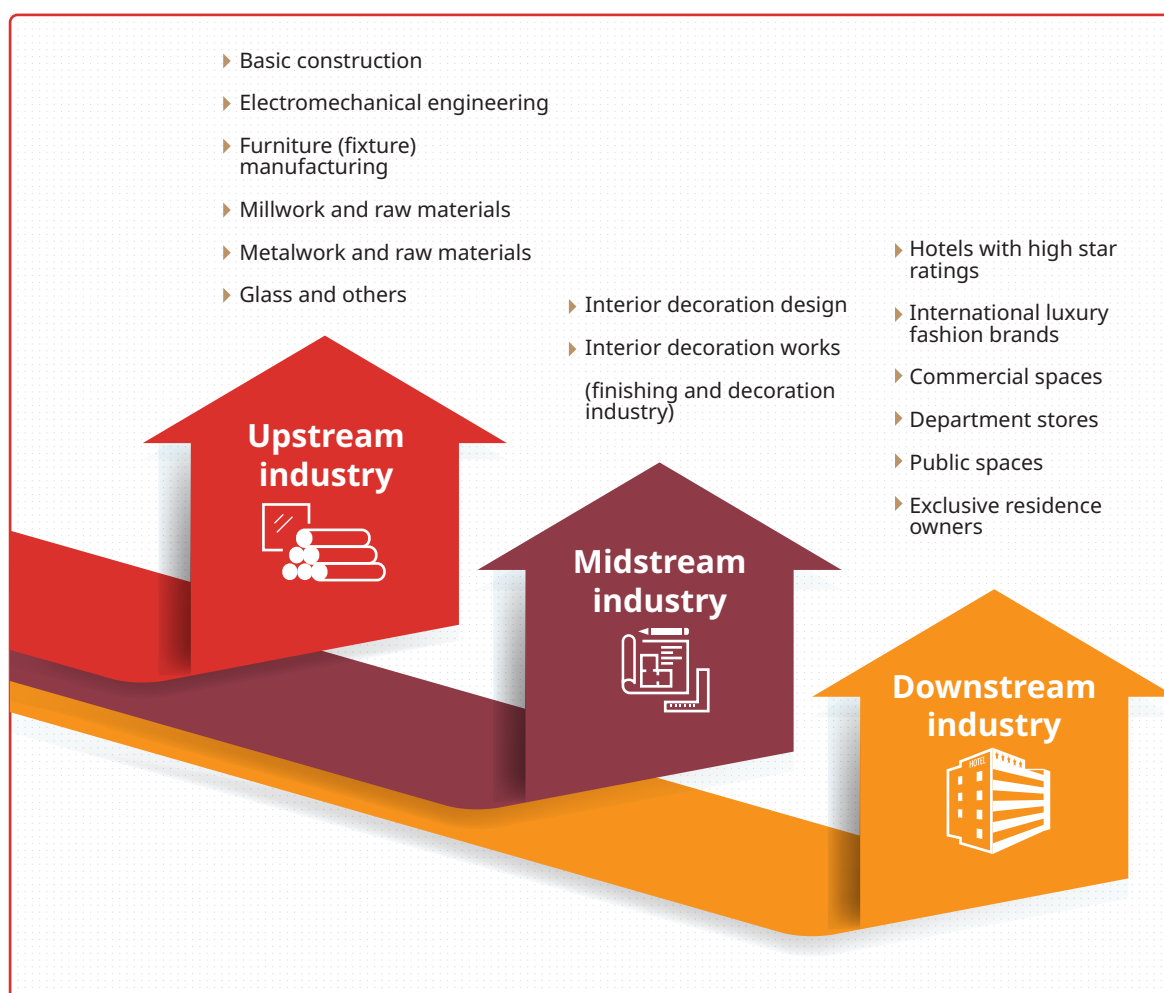
Company Name	Rich Honour International Designs Co., Ltd.	
Location of Headquarters	12F., No. 75, Sec. 4, Nanjing E. Rd., Songshan Dist., Taipei City	
Stock Code	6754	
Equity Structure and Ratio	Domestic corporate shareholders 1.47%, domestic individual shareholders 77.19%, foreign institutions and individuals 21.34%	
Authorized Capital (Unit: NT\$ thousand)	660,000	
2022 Consolidated Revenue (Unit: NT\$ thousand)	5,096,245	
Business Location of Each Region	Rich Honour Fabricating Co., Ltd.	📍 No. 1, Andong Rd., Zhongli Dist., Taoyuan City
	RH International Designs Co. Ltd.	📍 7F, No. 480, Wulumuqi N. Rd., Jing'an District, Shanghai
	RHQ Furniture Co., Ltd.	📍 No.89, Taoyuan Rd., Yaozhuang Town, Jiashan County, Zhejiang Province

Note: The information statistics is up to the end of 2022

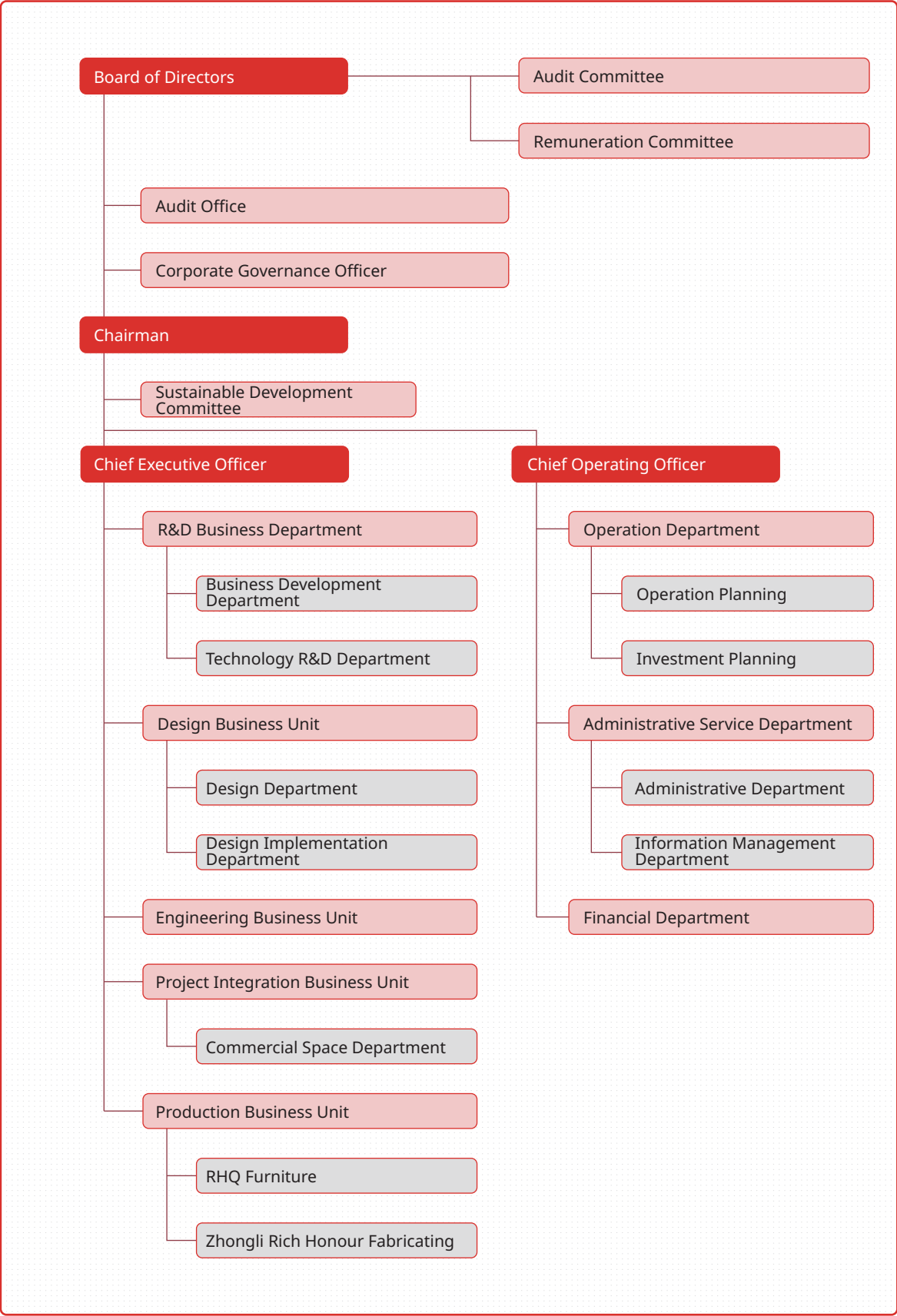
## Industry Chain

The Company operates in the building materials construction industry chain with building material suppliers and construction and design contractors in the upstream industry, contractors for interior decoration design projects and interior decoration works in the midstream industry, and international luxury fashion brands and hotel owners in the downstream industry. The Company undertakes interior decoration design projects and interior decoration works in the midstream industry and is engaged mainly in two stages, namely design and construction. The design stage involves communication with clients regarding their needs and the creation of shop drawings; the construction stage involves on-site construction (millwork, painting, plumbers and electricians) and construction management.

We have developed our business in the interior decoration industry for over 46 years. A sound supply chain has been built to allow us to offer comprehensive services based on client needs, including interior design services and furniture manufacturing in the upstream industry as well as project management and decoration services in the midstream industry.



# Organizational Structure



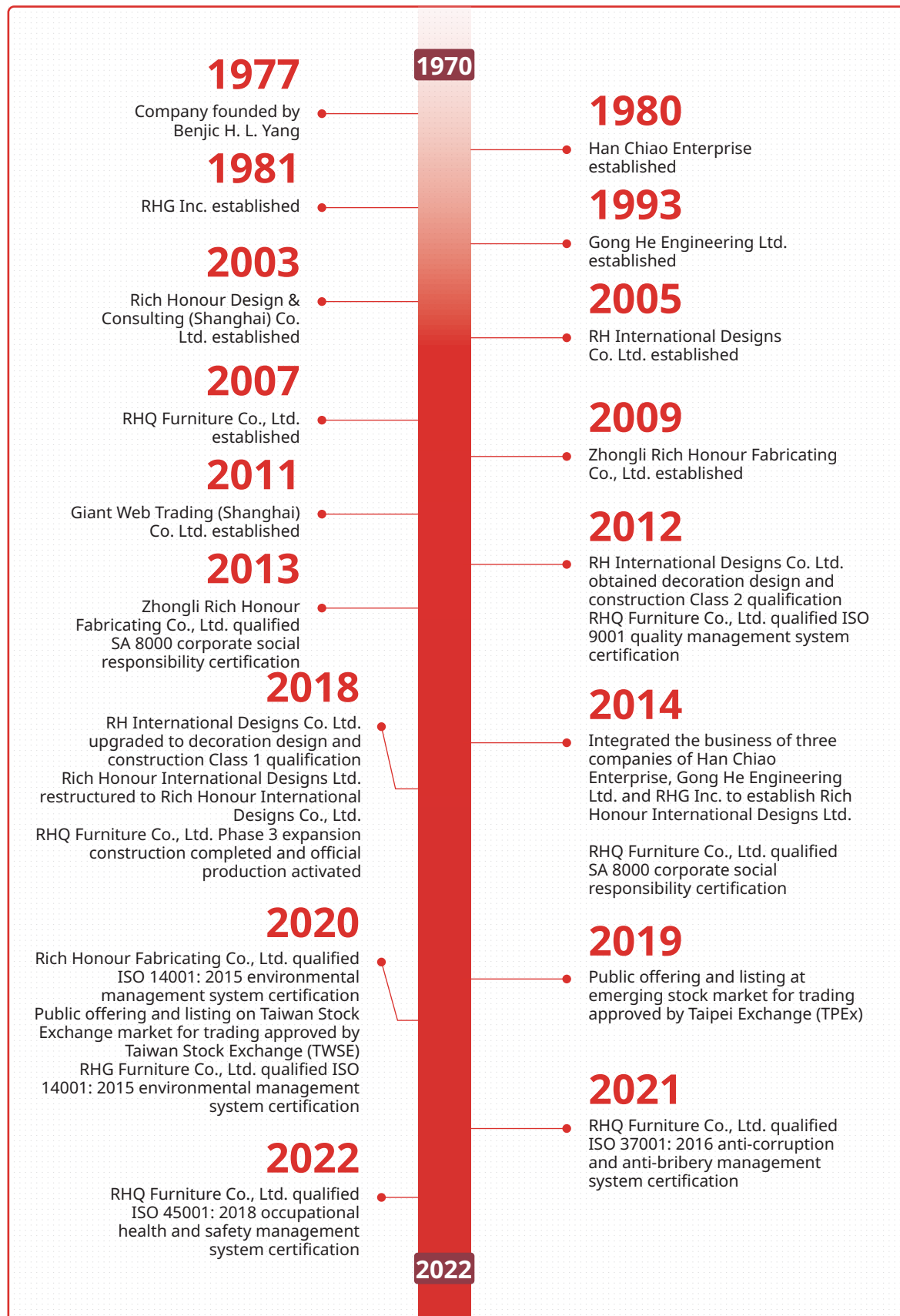
## Main Business of Each Key Department

Key Department	Main Job Duties and Authorities
R&D Business Department	<b>Business Development Department</b> <p>Collecting market information, conducting trend analysis, and developing new clients. Developing new business and participating in tendering. Performing project-based planning and design, reviewing building regulations, and other relevant matters. Maintaining existing client relationships and dealing with client complaints. Researching and introducing new techniques and construction methods.</p>
	<b>Electrical and Mechanical Engineering Department</b> <p>Responsible for mechanical and electrical drawing planning and integration as well as construction price estimation and inquiry. Reviewing mechanical and electrical drawings and checking client changes to ensure compliance with building and safety laws and regulations as well as other rules. Submitting system materials for review, inspecting construction practices, and scheduling works. Instructing and supervising contractors and controlling construction progress, quality, and budgets. Discussing work procedures and solving questions about drawings and other construction interfaces with clients, contractors, and designers.</p>
	<b>Materials and Hardware</b> <p>Gathering information on the latest building materials, performing dynamic analysis on raw material market status and reviewing supplier qualification. Assisting in the management and evaluation of suppliers. Assisting in the purchase of special (raw) materials and business equipment as well as construction procurement. Developing hardware accessories and researching application techniques. Researching the structure of special functional metal parts and processing techniques. Providing purchasing or customization suggestions that meet project needs and meet clients' use requirements.</p>
Design Business Unit	<p>Integrating project planning and reporting on project progress. Coordinating design projects, confirming styles, and completing the initial concept designs. Reviewing regulations on a project-by-project basis, performing layout planning and design, and confirming the design direction. Making shop drawings based on the design direction, choosing building materials, and completing tender documents. Inspecting key design elements, carrying out coordination and integration, controlling progress, etc. Assisting brand clients in product positioning, the creation of business expansion requirements, and module systematization. Conducting lot selection and analysis, requirement analysis, design planning, project design, and design development, making shop drawings, and performing electromechanical design and construction management. Assisting in relevant feasibility analysis, problem tracking and solving.</p>
Engineering Business Unit	<p>Undertaking construction projects, calculating prices, tendering, signing contracts, and other relevant matters. Creating and updating the basic unit price database for tendering and pricing analysis. Subcontracting and calling for tenders, choosing subcontractors, comparing prices (bargaining), awarding tenders, and other matters. Setting construction budgets and executing and settling the budgets. Responsible for the supervision of project construction progress, quality control and coordination, etc. Increasing awareness of occupational safety and health and environmental protection laws and regulations as well as their updates; auditing the quality management practice of all construction site offices on a regular and irregular basis. Conducting contractor management. After-sales services for completed projects. Assisting in relevant feasibility analysis, problem tracking and solving.</p>



Key Department	Main Job Duties and Authorities
Project Integration Business Unit	<p>Assisting cross-border project development feasibility assessment and verifying project positioning.</p> <p>Participating in early-stage development strategy and schedule planning.</p> <p>Responsible for executing design development or assisting the realization of foreign designers' plans.</p> <p>Responsible for interface integration management of interior design and construction, in order to implement design concept in practice.</p>
Production Business Unit	<p>Assisting in quoting and making samples for the furniture/fixture of all business units.</p> <p>Coordinating on furniture/fixture production plans and manufacturing and delivery scheduling.</p> <p>Performing warehouse management and control for the (raw) materials of the furniture/fixture and finished goods.</p> <p>Carrying out quality improvement and corrective/preventive measures.</p> <p>Maintaining and servicing machinery and equipment.</p> <p>Responsible for the incoming and outgoing of the furniture/fixture as well as their transportation control.</p> <p>Planning new production processes, techniques, and equipment for the furniture/fixture and evaluating their effectiveness.</p>
Audit Office	<p>Formulating audit policies and annual overall audit plans for the Company.</p> <p>Implementing the annual audit plans.</p> <p>Responsible for auditing and inspecting all departments' implementation of the internal control system, giving improvement suggestions, conducting re-inspections for deficiencies, and other matters.</p> <p>Submitting annual routine matters.</p>
Operation Planning	<p>Developing management strategies for the Company, setting business goals, and supervising and evaluating the fulfillment and attainment of the business goals.</p> <p>Defining the functions and responsibilities of the Company's departments and creating and promoting project plans.</p> <p>Integrating, coordinating, and supporting all departments' business promotion and project implementation.</p> <p>Creating external public relations</p>
Investment Planning	<p>Planning medium-to-long term business management.</p> <p>Developing and setting up new businesses.</p> <p>Reconstructing or reforming the management model.</p>
Administrative Service Department	<p>Managing human resources and developing the organization.</p> <p>Calculating and paying salaries.</p> <p>Managing general administration, administrative, and business matters and implementing relevant procedures.</p> <p>Purchasing assets and miscellaneous equipment.</p> <p>Carrying out operating procedures and supporting document control.</p>
Information Management Department	<p>Evaluating and purchasing information software and hardware.</p> <p>Planning and creating an information environment.</p> <p>Establishing and reviewing information systems.</p> <p>Developing and managing information systems.</p> <p>Controlling and monitoring information security.</p> <p>Providing education and training on information use and solving problems.</p>
Financial Department	<p>Handling accounting and tax affairs, performing tax planning, budgeting, and controlling budgets.</p> <p>Acquiring, utilizing, and deploying financial funds and other relevant matters.</p> <p>Compiling financial and management statements and providing management information.</p> <p>Managing the formulation and review of contracts.</p> <p>Integrating consultations and suggestions regarding legal affairs and mediating and handling legal disputes.</p> <p>Managing patents, copyrights, trademarks, and other types of intellectual property.</p> <p>Dealing with matters related to shareholder services, public information disclosure, shareholders' meetings, and board meetings.</p>

## 2-2 History of RH Design



## 2-3 Awards and Honors Received and Management System

Year	Winning Projects	Awards
2022	Chlitina Shanghai Factory Exhibition Hall	2022 BLT Built Design Award Winner
		2022 U.S. Architecture Master Prize Winner (best of best)
		2022 Red Dot Award Winner
	MUSE	A'DESIGN - Bronze Award
	Taoyuan Shin Kang Cinemas	MUSE Design Awards Platinum Winner
2021	Kaohsiung Park One International Hospital	Taiwan Good Design Award - Gold Award
	Synera Renewable Energy Office	Taiwan Good Design Award - Bronze Award
2017	Starbucks Reserve Roastery Shanghai	Award of Excellence
2016	1436 Kerry Center Feature Wall, Beijing	"Interior Design" Magazine Best of Year Award
2015	Bernini Shanghai Store Design	Successful Design Award Winners
	Silks Place Tainan	A'DESIGN - Silver Award
	Silks Place Tainan	IDA Design Awards - Bronze Award
2014	BVLGARI	Top Project Management Award
	Silks Place Tainan	APIDA, Asia Pacific Interior Design Awards - Bronze Award Golden Pin Award
2010	Taipei Breeze Center Lounge	TAID Annual - Commercial Space Silver Award
2009	Silk Place Yilan	Asia Pacific Interior Design Elite Invitational IAI Award - Excellent Award
2007	SOCIE SOGO, Taichung	TAID Commercial Space Gold Award
2006	Freeway Taian Service Area	TAID Commercial Space Excellent Award

Relevant Photos of Honors

Chlitina Shanghai  
Songjiang Factory



reddot winner 2022

2022

Red Dot Award Winner



ARCHITECTURE  
MASTERPRIZE™

2022

U.S. Architecture  
Master Prize Winner  
best of best

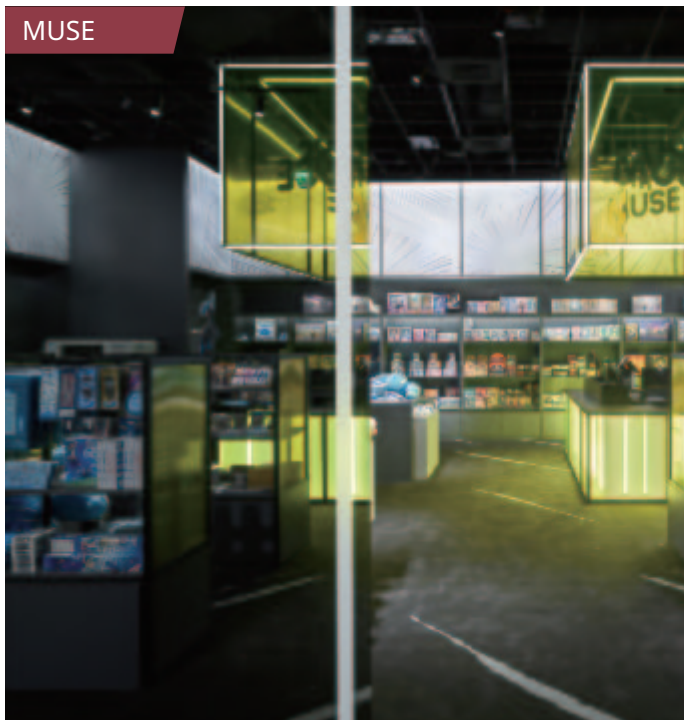


BUILT  
DESIGN  
AWARDS

2022

U.S. BLT  
Built Design Award  
Winner

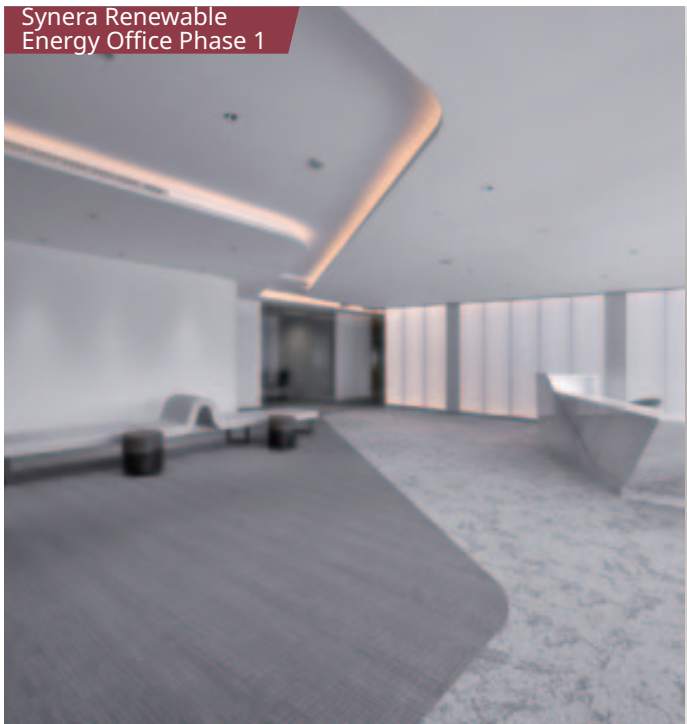
MUSE



2022

A'DESIGN -  
Bronze Award

Relevant Photos of Honors





# Relevant Photos of Honors

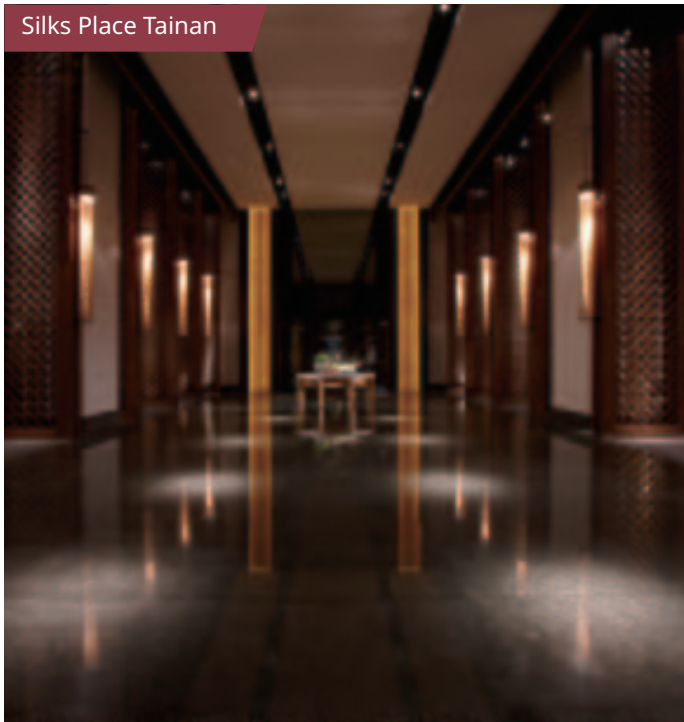
Kaohsiung Park One International Hospital



2021

Taiwan Good Design Award Gold Award

Silks Place Tainan



2015

International Design Awards - Bronze Award



2015

A'DESIGN - Silver Award



2014

2014 Golden Pin



2014

APIDA, Asia Pacific Interior Design Awards



RH continues to improve and innovate on the Company's products, engineering and services, in order to satisfy customer demands. Over the past four decades, in addition to focusing on the business performance of the Company, the Company also pays attention to the demands of internal and external stakeholders, and has implemented relevant management systems in order to satisfy the demands of internal and external stakeholders. Accordingly, through the introduction of risk awareness and the management philosophy of PDCA, the Company aims to continue to improve in order to achieve sustainable operation. The Company continues to operate the following management systems. Please refer to the Appendix for relevant certificates.

Management System	ISO 14001:2015	ISO 14001:2015	ISO 45001:2018
Certification Institution	TUV NORD TUV NORD Taiwan Co., Ltd.	AXE REGISTER	AXE REGISTER
Certificate Expiration Date	July 26, 2023	December 8, 2023	December 11, 2025
Business Location	Zhongli Rich Honour Fabricating	RHQ Furniture	RHQ Furniture
Management System	ISO 9001:2015	SA 8000:2014	ISO 37001:2016t
Certification Institution	AXE REGISTER	TUV NORD TUV NORD Taiwan Co., Ltd.	AXE REGISTER
Certificate Expiration Date	April 14, 2024	October 14, 2025 December 19, 2023	December 14, 2024
Business Location	RHQ Furniture	Zhongli Rich Honour Fabricating RHQ Furniture	RHQ Furniture

Note: Please refer to Appendix for certificates

## 2-4 Participation in External Organization

In addition to improving the competitiveness of the Company's products, RH also actively communicates with all stakeholders. Through the opportunities of participating in industry-related associations, the Company, as an association member, engages in excellent interactions with other association members, thereby understanding the latest development trends in the industry. RH Design implements green energy and environmental protection beginning with the design stage, and continues to participate in relevant courses and forums. In addition, the Company shares its professional implementation experience with the general public, in order to achieve joint advancement and improvement with society.

In 2022, GREEN DESIGN certification program invited RH to provide course guidance and donation. In 2022, RH sponsored Taiwan Green Design Council and supported its philosophy and actions.

External Association Participated	Member Identity
Taipei Association of Interior Designers (TAID)	Member
Taiwan Association of Interior Design (TnAID)	Member



3

**Responsible Governance**



## ◆ Responsible Governance

Comprehensive corporate governance includes sound Board function, rigorous internal control systems and stable financial controls, etc., such that it is advantageous to reduce the operational risks of the Company and improve the competitiveness of the Company as well as to create brand value. The Company establishes honest and responsible corporate culture and also complies with various laws, in order to implement ethical management. Furthermore, a structure with proper operation of corporate governance is able to ensure the sound development of the Company's operation, thereby protecting the rights and interests of the investors and other stakeholders.

RH establishes the corporate governance system according to the Securities and Exchange Act and relevant laws and regulations of R.O.C. To enhance the protection of the rights and interests of stakeholders, to strengthen the Board function, to respect the interests of stakeholders and to improve information transparency, the Board of Directors has approved the "Corporate Governance Best Practice Principles", in order to adopt a fair, impartial and open director election procedure and to set up independent directors, etc., thereby strengthening the management and supervision functions of the Board of Directors. The Board of Directors has also approved the "Regulations for Preventing Insider Trading" in order to prevent insiders who are directors, managerial officers or employees from gaining profit using information that is not externally accessible. Furthermore, the Company also upholds proper, timely and fair disclosure principles to establish a comprehensive information disclosure system, in order to provide various information related to operations, finance, Board of Directors and shareholders' meeting on the Company website and Market Observation Post System (MOPS) website, thereby ensuring that shareholders are able to obtain the latest information related to the Company.

## 3-1 Governance Practice

The shareholders' meeting is comprised of all shareholders and is held in order to make decisions on material matters of the Company; it is also the highest decision-making body for the Company. The Board of Directors is the highest governance body of the Company, and all Board members act as prudent administrators with due care to establish business policies and to review the financial performance of the Company, and also to ensure that the Company's operation complies with various laws and regulations. To improve corporate governance operations, to strengthen the competitiveness of the Company and to ensure the sustainable development of the Company, the Board of Directors has established the Audit Committee and Remuneration Committee in order to achieve sound operation of the Board. In addition, the Audit Office is also established under the Board, and internal auditors set up an annual audit plan to perform audit operations according to the regulations of the competent authority and risk consideration, or to perform irregular audits, thereby ensuring the effectiveness of internal control design and thoroughness of implementation. Moreover, audit report is also issued, and the improvement status is tracked continuously until the improvement is complete; audit results are reported to the Audit Committee and the Board of Directors.

RH values corporate governance, seeks sustainable growth and ethical management, continues to strengthen the corporate governance structure, maintains information transparency along with effective internal control systems, in order to protect the rights and interests of stakeholders. The Company measures the overall operating activities of the Company in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, in order to design internal control systems and to implement them properly. In addition, review is made at all time in order to cope with internal and external environmental changes, thereby ensuring the continuous effectiveness of the design and implementation of internal systems. Through comprehensive management systems, operation performance can be improved in order to achieve the goal of sustainable operation.

### 2022 Corporate Governance Execution Outcome

- The continuing education and training of Board members on sustainability-related course reached 54 hours, such that the continuing education and training hours of directors and supervisors complied with the requirements of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" with a ratio of 100%.
- To improve information transparency and disclosure timeliness, the shareholders' meeting handbook and meeting supplemental information is uploaded 30 days before the convention of a general shareholders' meeting, and an annual report is uploaded 18 days in advance, in order to comply with the 2022 Corporate Governance Evaluation Indicators.
- Shareholders' meetings adopt the electronic voting method, and the candidate nomination system is adopted fully for the election of directors.
- Set up Corporate Governance Officer to act as the highest supervisor in charge of corporate governance-related matters.
- Assist directors in assuming their positions and hire external instructors to provide the latest or relevant competency courses to directors annually.
- Independent directors, CPAs and the audit officer may contact each other at any time depending upon the needs such that communication channels are smooth.
- Evaluate and apply for appropriate liability insurances for directors and managerial officers.

In addition, the Company's financial statements are audited periodically by retained an accounting firm, such that various information disclosures are completed properly and in a timely manner according to regulatory requirements, and responsible personnel have been assigned to disclose Company information externally. Furthermore, the spokesperson system has been established to ensure that all material information can be disclosed timely and appropriately, in order to provide the Company's financial and business related information to all shareholders and stakeholders. Looking into the future, our goals include continuing to strengthen Board functioning, and improving information transparency and the Company's governance structure progressively.



### 3-1-1 Board of Directors

The Board of Directors plans and establishes the business strategy of the Company, and takes responsibility for shareholders and other stakeholders. Directors perform duties properly and act as prudent administrators with due care, and exercise authorities in a rigorous manner. For the execution of duties of the Company and various governance system operations and arrangements, except that the laws or Articles of Incorporation specify the required resolution of shareholders' meeting, such matters shall be handled according to the resolutions of the Board of Directors.

The Articles of Incorporation of RH has specified the adoption of a candidate nomination system for the election of directors, and periodic re-election is implemented along with the principle of recruiting proper talent. In addition, according to the Corporate Governance Best Practice Principles, the number of directors concurrently acting as managerial officers shall not exceed one-third of the total number of directors; the Board member diversity policy is also considered, including but not limited to the two main aspect standards of basic criteria and value, professional knowledge and skills. Board members must also be equipped with the knowledge, skills and quality necessary for job duty performance.

The directors of RH are equipped with professional competence as well as extensive practical experience of the industry and are also familiar with industry development trends. Presently, the Board consists of eight directors (including four independent directors), the term of office of directors is three years, and at least one Board meeting is convened quarterly. In 2022, a total of six Board meetings were convened.

The Company values the gender equality of the Board member composition. Presently, the number of male Board members accounts for 75% (six seats) and female Board members accounts for 25% (two seats). In the future, the Company will make efforts to continue to increase the number of female directors.

Board of Directors					
Job title	Name	Actual attendance rate (%)	Number of other companies for adjunct position of director	Equipped with industry, ESG related background/experience	Holding shares of competitors, suppliers or customers
Chairman	Jessica H.C. Wang	100	7 (Note)	Industry/S&G	×
Director	Benjic H. L. Yang	100	1 (Note)	Industry/S&G	×
Director	Ting-Yu Yang	100	1	Industry/S&G	×
Director	Yi-Chen Wang	100	0	Company CEO/E&S&G	×
Independent Director	Chih-Wei Chen	100	3	COO/S&G	×
Independent Director	Wen-Hung Li	83.33	1	Consultant/S&G	×
Independent Director	Hui-Ying Wu	100	1	Financial background/S&G	×
Independent Director	Hsiao-Lei Wang	100	0	Professor/S	×

Note: They are all companies of the Group

To establish proper Board operation systems, sound supervisory functions, and to ensure the independence of independent directors during the performance of their duties, the Board of the Company has approved the "Regulations Governing Procedure for Board of Directors Meetings" in order to explicitly specify the scope of responsibility of independent directors for compliance. Directors also uphold high self-discipline to implement recusal from conflicts of interest. Directors or juridical representatives who have personal interest in the content of a motion are required to clarify the content of their interest at a board of directors' meeting. The directors or the juridical representative shall recuse themselves from the discussion or voting if their personnel interest may undermine the Company's interest, and are not allowed to vote on another director's behalf. In addition, to improve the quality of Board decisions, the Board has also approved the "Procedures for Performance Evaluation of Directors and Managerial Officers" in order to conduct internal evaluation of the Board, individual board members and functional committees annually. The Board meeting affairs unit distributes the self-evaluation questionnaires to Board members for self-evaluation, and evaluation is also performed by external professional independent institutions or external experts and scholar teams every three years.

To improve performance evaluation independence and reliability, in 2022, the Company retained the Taiwan Corporate Governance Association to complete the annual Board external performance evaluation. The performance evaluation results of the Board of Directors serve as a reference for electing or nominating directors; the performance evaluation results of individual directors are used as a reference for determining their respective remuneration.



To achieve effective risk management, and to increase the willingness of professional talents to assume the position of director, RH applies for liability insurance for directors, allowing them to feel security during the performance of job duties while reducing and diversifying the risk of material damage to the Company and shareholders due to the error or negligence of directors.

Based on the consideration that directors participating in decision making about the operation of the Company may face various legal compliance and governance issues, RH actively encourages and arranges continuing education and training of relevant professional courses for directors. In 2022, the total education and training hours of all directors was 54 hours. During the publication period of this Report, the Company approved the proposal for the establishment of the Corporate Governance Officer in the Board meeting held in December 2022. Further education and training courses related to corporate sustainable operation will be planned for directors. We believe that under the leadership of the Board equipped with ethical management and extensive industry experience, the Company's business will continue to grow and to move forward toward sustainable operations.

## Communication on Critical and Material Events

The Company's Board has approved the "Procedures for Handling Material Inside Information" on March 20, 2020, in order to regulate the critical and material event communication process. In 2022, a total of 31 material messages were announced. Please refer to the MOPS website for relevant information.

<https://mops.twse.com.tw/mops/web/t05st01> 

### 3-1-2 Functional Committees

To improve supervisory functions and to enhance the management mechanism, the Board has established the Audit Committee and the Remuneration Committee. The functional committees exercise authorities independently according to the laws, and are also responsible for the Board. In addition, the functional committees also submit proposals to the Board for resolution.



## Audit Committee

The Audit Committee assists the Board in the supervision of the quality and integrity of the company in terms of the execution of work related to accounting, auditing, financial report processes and financial control, and the evaluation result is submitted to the Board for discussion. The Board of RH has approved the "Audit Committee Charter" and "Regulations Governing Audit Committee Meeting Operation". In 2019, the Audit Committee was established, consisting of four independent directors as the committee members. Among these, one acts as the convener, and at least one member is equipped with accounting or financial expertise. The committee meeting is convened at least once quarterly. In 2022, a total of five Audit Committee meetings were held, and the attendance rate of all members reached 94.4%.

For the 2022 Audit Committee member composition and meeting resolutions, please refer to Corporate Governance Chapter (II) Audit Committee Operation Status of the Annual Report of the Company.



## Remuneration Committee

To improve the remuneration system of directors and managerial officers, RH evaluates the management performance of directors and managerial officers and determines whether their remunerations are reasonable. The Board has also approved the "Remuneration Committee Charter" and "Regulations Governing Remuneration Committee Operation", and the Board has established the Remuneration Committee. Committee members shall include the participation of at least one director. Presently, all three members are independent directors. In 2022, a total of four committee meetings were convened, and the attendance rate of all members reached 91.7%.

The main authority of the Remuneration Committee is to establish and periodically review the performance and remuneration system and standard for directors and managerial officers, and to periodically evaluate the remuneration of directors and managerial officers. Furthermore, during evaluation, the Remuneration Committee is required to consider the following principles: that the Company's remuneration complies with relevant laws and is sufficient to attract outstanding talent; that the performance evaluation and remuneration of directors and managerial officers shall consider the common payment standard adopted in the same industry, and that the individual's contribution time, responsibility, personal goal achievement status, performance in other job positions, and remuneration paid by the Company to those at equivalent job positions are also considered. Furthermore, based on the consideration of the achievement of the Company's short and long term business goals and financial status, etc., the reasonableness of the correlation between the personal performance and the Company's business performance and future risk is considered. Accordingly, directors and managerial officers are guided to not engage in any conduct exceeding the risk appetite of the Company during the pursuit of remuneration. For the ratio of short-term performance compensation issued to directors and senior managerial officers and any change to the remuneration payment time, it shall be determined after a consideration of the industry characteristics and the business nature of the Company.

Under actual operations, the Remuneration Committee rigorously acts as a prudent administrator with due care to properly establish and periodically review the performance evaluation and remuneration policy, system, standard and structure for directors and managerial officers. In addition, the authority for establishing the remuneration of directors and managerial officers is assessed periodically. The Remuneration Committee also submits recommendations to the Board for discussion.

For the 2022 Remuneration Committee member composition and meeting resolutions, please refer to Corporate Governance Chapter 2 Remuneration Committee Operation Status of the Annual Report of the Company.

### 3-1-3 Internal Audit

## Purpose of Internal Audit and Organization

The purpose of internal audit is to assist the Board and the management to inspect and review the control operations of internal control systems of various operation procedures, as well as to measure operational outcomes and efficiency. RH complies with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" along with the consideration of the overall operating activities of the Company and its important subsidiaries, in order to establish an effective internal control system. In addition, to cope with the internal and external environmental changes of the Company, the Company also performs continuous review and improvement, in order to ensure that the design and implementation of the internal control system continue to be effective.

To ensure that auditors perform audit work in an impartial and independent manner, RH has established an independent unit of the Audit Office under the Board according to the laws, and full-time auditors have been arranged. Presently, full-time internal auditors with appropriate qualification are staffed and deputy personnel are arranged, in order to report for recordation periodically according to the format specified by the competent authority. The appointment and dismissal of internal audit officers shall be approved by the Audit Committee and reported to the Board for resolution and approval.

## Internal Audit Operation Status

The internal audit unit establishes an annual audit plan according to the risk assessment results and the provision of Article 13 of the “Regulations Governing Establishment of Internal Control Systems by Public Companies”, which is then implemented after the approval of the Board. In addition, project audit or review is also performed depending upon needs. For the implementation of general audit and project audit, the internal control operation status is provided to the management for review, and existing or potential internal control deficiencies are also provided in a timely manner to management.

The internal audit reviews the internal control system self-evaluation operation performed by each unit, including an inspection of whether operations are performed and a review of documents to ensure the quality of implementation.

To strengthen the professional competence of auditors, RH arranges for them to continuously participate in professional knowledge and skills training and internal audit seminars organized by professional institutions approved by competent authorities, in order to improve and maintain audit quality and implementation outcomes.

Through the continuous monitoring of auditors of the implementation status of various operation systems, RH expects to promote governance practice along with the consideration of risk control mechanisms in order to achieve an operation environment of sustainable development. In 2022, the Audit Office's audit did not discover any material deficiencies.

## Reporting of Internal Audit

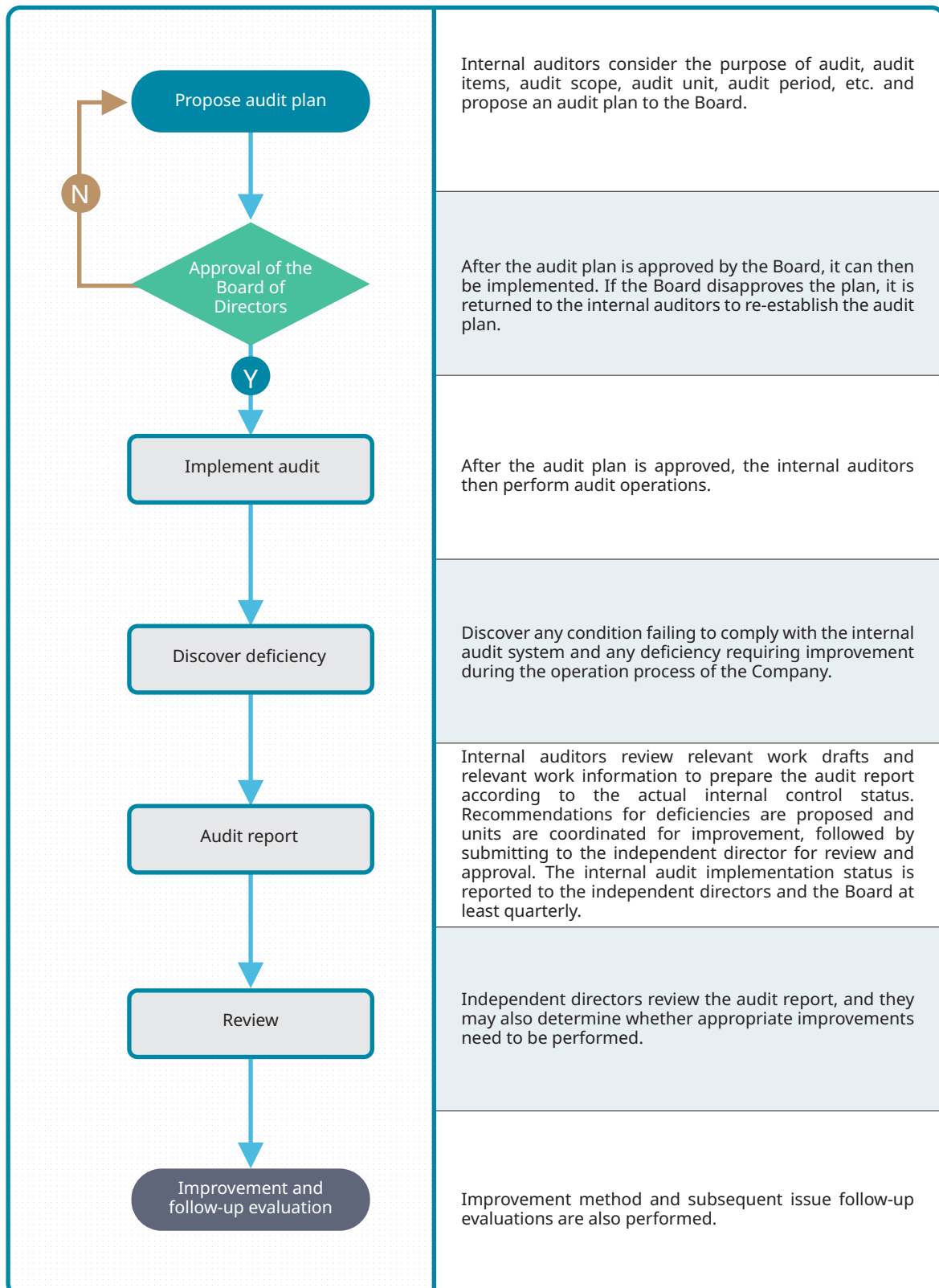
After the audit operation is performed for the internal audit, a written audit report is issued and submitted to each independent director for review before the end of the following month after the completion of audit items.

All internal audit deficiencies found during the internal audit shall be properly disclosed on the audit report and tracked after the submission of the report. The tracking report is made at least quarterly until improvement is complete.

The audit officer is required to report the audit operation to the Audit Committee at least once quarterly and is also listed to attend the Board meeting in order to submit the report on the internal audit implementation status and internal control operation status of the Company. In addition to the aforementioned routine reports, in the case of material deficiency, it is also reported to the independent directors and the Board immediately, in order to implement the principle of corporate governance.

The internal control system self-evaluation report of each unit and important subsidiaries are reviewed, which is also reported to the management, the Board and Audit Committee along with the internal control deficiency and abnormality found by the audit unit, in order to use such information to assess the effectiveness of the overall internal control system and to use it as a basis for the issuance of internal control system declarations.

## Audit Flow Chart



### 3-1-4 Ethnics and Integrity




RH establishes corporate core values based on the principle of legal compliance and integrity in priority, in order to conduct business in an honest and legitimate manner. To ensure the thorough implementation of ethical management in the Company, the Company values the ethics of employees. New employees are asked to sign the "Integrity Declaration" during onboarding, and employees' awareness about ethics is developed. Furthermore, the Company requests that management set themselves as examples to others, and that they comply with the principles of ethics, thereby establishing an overall culture of ethics in the Company through joint effort and influence. During the first business dealing with the Company, suppliers are asked to sign the "Supplier Declaration" and "Supplier Social Responsibility Undertaking"; the "Honesty and Integrity Declaration" is also signed according to customer demands.

RH has established internal regulations for the "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conducts" and "Regulations Governing Prevention of Insider Trading" which have been approved by the Board through resolution. Internal regulations related to ethics are also disclosed on the Company website for stakeholder inquiry, and a corresponding contact unit/person has been established to receive feedback and opinions from stakeholders.

The Company irregularly performs construction contractor evaluation on contractors (items include management operation support capability and construction technical capability) and also strongly promotes the business philosophy of "Respect" and "Honesty" in order to continuously strengthen the operating environment of sustainable development.

## Complaint and Reporting Channels

To protect the rights and interests of all stakeholders, the Company has established a relevant code of conduct, and a reporting system and procedures have been provided. In case of discovery of a violation against the "Code of Ethical Conducts", "Ethical Corporate Management Best Practice Principles" and any laws and regulations, a complaint and report can be filed to the following unit:

-  **Spokesperson** ▶ Reports and complaints from stakeholders of shareholders and investors are accepted.
-  **Audit Officer** ▶ Reports and complaints from customers, suppliers and contractors.
-  **Chief Financial Officer** ▶ Reports and complaints from internal employees of the Company are accepted.

With regard to the business interaction, during the performance of job duties, RH employees shall explain the ethical management policy and relevant regulations of the Company to the transaction counterparty, and shall also clearly refuse any direct or indirect offer, promise, request or acceptance of any illegal benefits in any form or name. In addition, employees shall be cautious to prevent any business dealings with agents, suppliers, customers or other transaction counterparties involving unethical conduct. If a party in business dealing or a cooperating party is found to engage in any unethical conduct, it is necessary to assess whether it shall be listed as a rejected party, in order to implement the ethical management policy of the Company. Finally, when RH is signing a contract with a transaction counterparty, it is necessary to sufficiently understand the ethical management status of such transaction counterparty.

To further strengthen the concept of ethics and honesty during the job duty performance of employees, the Ethical Management Promotion Team progressively plans to implement online ethics training for employees in the future. Senior officers are arranged to convey the importance of corporate ethics culture during meetings and discussion sessions periodically. In addition, management reviews and evaluates whether the preventive measures established for ethical management are operating effectively, and evaluates the compliance status of relevant business processes, in order to report the implementation outcome to the Board. Moreover, the Audit Office supervises and audits the overall ethics implementation status of the Company and reports to the Board depending upon needs. For 2022, the ethical management implementation status was reported to the Board on March 23, 2023. The Board of the Company acts as a prudent administrator with due care to supervise and prevent unethical conduct of the Company, in order to ensure the implementation of ethical management policy.

## 3-2 Risk Management

Material Topic	Operational risk management
Impact on the Company	To cope with global environmental changes, the Company identifies and assesses risk items having material impact on the operating activities early, in order to establish management mechanism and action plan, thereby preventing operational risks to the Company.
Policy	Establish risk culture-Comprehensive implementation-Effective prevention
Goal	<ul style="list-style-type: none"> <li>• Establish sustainability indicator of ESG risk.</li> <li>• ESG risk measures effectiveness of 100%</li> </ul>
Resource invested and actual outcome in the current year	<ul style="list-style-type: none"> <li>• Completed ESG related risk identification and handling</li> <li>• Introduced TCFD structure to implement climate change risk governance</li> </ul>
Responsible department and complaint filing mechanism	<ul style="list-style-type: none"> <li>• Contact Person: Chief Financial Officer</li> <li>• Tel: 02-25456011</li> <li>• Email: IR@richhonour.com</li> </ul>
Assessment mechanism	Sustainable Development Committee reviews risk management implementation performance annually.

For RH's risk management structure, each responsible department serves as the core in order to deploy relevant risk assessment operations. The risk occurrence probability and impact level on RH are used as the criteria for assessment, following which risk response is performed on specific high-risk items in order to ensure that the Company is able to achieve the objective of sustainable operation.

## RH Risk Management Framework

Risk item	Responsible department	Risk affairs
Strategy risk	Operation Department	<ul style="list-style-type: none"> <li>Establish the Company's future operation strategy</li> </ul>
Operation and market risks	Operation Department	<ul style="list-style-type: none"> <li>Perform R&amp;D, manufacturing and sales of products according to the Company's strategy, and commit to the improvement of manufacturing technologies, quality improvement and reduction of cost, in order to increase the Company's profit.</li> </ul>
Financial and liquidity risk	Financial Department	<ul style="list-style-type: none"> <li>Interest rate, exchange rate risk, bank limit management and relationship maintenance, etc.</li> </ul>
Customer credit risk	Financial Department	<ul style="list-style-type: none"> <li>Customer credit limit establishment and review, and management and collection of accounts payable.</li> </ul>
Legal risk	R&D Business Department Design Business Unit Engineering Business Unit Financial Department Contract Team	<ul style="list-style-type: none"> <li>Review contracts, company authorization and reduction of corporate legal risk, protect company's tangible and intangible assets.</li> </ul>
Worker safety risk	Engineering Business Unit Administrative Service Department	<ul style="list-style-type: none"> <li>For possible safety and health hazards and specific risk factors of the working environment, implement safety and health management and improve management performance based on the core of safety and health policy.</li> </ul>
Information security risk	Information Management Department	<ul style="list-style-type: none"> <li>General and digital information security and confidentiality, risk of being unable to ensure information content and handling methods, and the risk of being unable to access information and to use relevant assets in a timely manner.</li> </ul>
Environmental risk	Engineering Business Unit	<ul style="list-style-type: none"> <li>Greenhouse gas emissions management, carbon rights management, energy management, risk of complying with international and local environmental protection regulations or environmental assessment requirements.</li> </ul>
Human resources risk	Administrative Service Department	<ul style="list-style-type: none"> <li>Human rights topics of employees of suppliers, including but not limited to labor-management relations, child labor, forced labor, talent development management, including but not limited to the risk of talent recruitment and retention, and talent development.</li> </ul>

### 2022 Risks and Response Measures Identified by the Company are as follows

Risk type	Risk description	Risk management strategy (response measures)
Environmental risk	Greenhouse gas emissions continue to increase	Group
		<ul style="list-style-type: none"> <li>▶ Encourage employees to use public transportation for commuting to/from work, take MRT, bus, or carpool for commuting to/from work, in order to reduce carbon dioxide emissions and to reduce air pollution</li> <li>▶ Enhance the promotion of office electricity saving (indoor temperature adjusted and controlled at 26 degree Celsius) to reduce carbon emissions</li> <li>▶ Enhance promotion of daily reduction of plastics: protect environment, and prevent harm to animals, reduce carbon emissions to mitigate severe climate change</li> </ul>
		Factory
		<ul style="list-style-type: none"> <li>▶ Continue to strengthen electricity saving projects, and incorporate ISO 14001 performance indicator in the management</li> <li>▶ Diesel is mainly used for the diesel power generator during power rationing and for forklift trucks. Optimize the manufacturing machine activation program during power rationing in order to reduce the consumption of diesel for power generation</li> </ul>



Risk type	Risk description	Risk management strategy (response measures)
Environmental risk	Cannot effectively save energy and resources	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>▶ Properly manage electricity consumption</li> <li>▶ Increase equipment utilization rate and periodic maintenance, inspect electrical quality to reduce unnecessary waste</li> <li>▶ Factory and office with staged replacement of high-efficiency LED energy-saving lighting fixtures, and promote paperless operation</li> <li>▶ Continue to promote resource recycling in order to recycle waste paper and plastics as well as other recyclable materials</li> <li>▶ Enhance the promotion of employees' habit of turning off lights during break and non-working hours at all times</li> <li>▶ Faucets use sensor faucets in order to reduce water outlet volume and to reduce water consumption</li> </ul>
		<p><b>Factory</b></p> <ul style="list-style-type: none"> <li>▶ Use renewable energy, and continue to promote energy-saving projects such as replacement with energy-saving light bulbs, automatic office lighting, energy-saving equipment, air energy heater, etc.</li> </ul>
Environmental risk	Wastewater discharge volume continues to increase	<ul style="list-style-type: none"> <li>▶ All technical processes of factories do not generate industrial wastewater. As for domestic sewage, the Company continues to promote water saving to all employees.</li> <li>▶ The factory has completed rainwater and sewage divergence acceptance completely, in order to ensure that the discharge of sewage is 100% drained into the city's sewage network and to receive effective treatment.</li> <li>▶ Domestic sewage discharge inspection is performed annually. Presently, the discharge standard of domestic sewage is lower than the national standard. In 2022, the test result indicated COD=84 (national standard COD&lt;500)</li> </ul>
Environmental risk	Increase of waste disposal volume	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>▶ Factory sites in both Taiwan and China have established and implemented waste management strategies in order to reduce environmental impact. We classify wastes into domestic waste and resource recycling and reuse waste, general industrial waste, and harmful industrial waste according to the impact of the waste on the environment.</li> </ul> <p>Scrap treatment is further classified to enhance the waste reduction process,</p> <ul style="list-style-type: none"> <li>▶ to implement packaging material reuse and to promote office paper consumption reduction measures. The Company will continue to actively promote waste reduction activities</li> <li>▶ Explicitly specify waste management operation procedures and ensure that our waste disposal contractor is a legitimate company.</li> </ul>
		<p><b>Factory</b></p> <ul style="list-style-type: none"> <li>▶ Establish waste disposal total volume plan annually, and under the control of the total waste volume, implement recycling and reusing as much as possible. Continue to convey the concept of waste reuse during relevant meetings, such as reuse of scraps, etc.</li> <li>▶ The Company recently installed central dust removal equipment (two units in total) capable of achieving a dust collection efficiency in the workshop of more than 95%. In addition to the highly efficient collection of wooden debris and powder for recycling, the equipment is also beneficial to the direct improvement of occupational health of employees in the workshop.</li> </ul>
Environmental risk	Water shortage and power rationing	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>▶ Water saving and electricity saving</li> <li>▶ Prepare response measures for power rationing and cooperate with the facilities equipped with emergency power generators to maintain basic power supply capabilities</li> </ul>
		<p><b>Factory</b></p> <ul style="list-style-type: none"> <li>▶ For peak seasons of summer and winter for power rationing, the Company has installed diesel power generators, which are maintained annually. All of the waste gas and noise generated by the diesel power generators comply with environmental requirements.</li> <li>▶ The factory is not located in a water shortage area; therefore, there has been no water restriction policy. Nevertheless, the Company continues to promote the basic rule of water saving.</li> </ul>

Risk type	Risk description	Risk management strategy (response measures)
Environmental risk	Typhoon, flood	<ul style="list-style-type: none"> <li>▶ Typhoon and flood-related training courses are further included in the annual training plan in order to enhance employee response capability in the case of natural disasters.</li> <li>▶ Establish disaster prevention supplies list and perform supplies storage annually in order to ensure that there are sufficient supplies in case of a natural disaster.</li> </ul>
Environmental risk	Violation of environmental protection laws	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>▶ The Group always operates in compliance with applicable domestic and foreign laws and regulations, and environmental protection laws and regulations required for corporate compliance are summarized. For important policies and legal changes, including environmental protection and relevant labor laws, the Group has made proper adjustments and arrangements. In addition, the Group also continues to pay close attention to important policies and legal changes at home and abroad on a continuous basis and adjusts company management strategies according to information gathered on market conditions to effectively control their impact on the financial position and business performance of the companies.</li> </ul> <p><b>Factory</b></p> <ul style="list-style-type: none"> <li>▶ The list of relevant laws and regulations is reviewed quarterly, and compliance assessment is also performed. (according to the requirements of ISO14001: 2015)</li> <li>▶ The Company participates in the environmental protection unit group of the local government in order to ensure that the Company is able to obtain relevant governmental policy and inspection focus in a timely manner.</li> <li>▶ The Company has obtained ISO14001 certification, and internal and external reviews are performed annually in order to ensure that the Company complies with basic regulations and laws with respect to each environmental protection requirement.</li> </ul>
Environmental risk	Cannot satisfy customer demands related to improved sustainable development for climate change	<ul style="list-style-type: none"> <li>▶ Establish green interior materials database. Actively purchase interior building materials database in order to obtain eco-friendly, modular and competitive prices, and provide such information to customers for use during the design stage. Improve understanding about circularity.</li> <li>▶ Recommend that customers use more green and reusable recycled materials in the interior structure. Improve subcontractor implementation and understanding of global green trading trends.</li> </ul>
Social risks	Operating risks due to the COVID-19 pandemic	<p><b>Operating risks due to the COVID-19 pandemic</b></p> <ul style="list-style-type: none"> <li>▶ Since the decoration and renovation industry is a labor-intensive industry, the risks associated with resumption of work can be great. Accordingly, the Company has established the epidemic control task force and stipulated the work resumption epidemic control plan in order to prepare sufficient protection supplies and to implement daily epidemic control measures. In addition to the proper resumption of work of the Company, various job sites have also cooperated with local government policies and safety requirements in order to deploy work in proper order. The Company has established a COVID-19 pandemic response task force, and the administrative highest supervisor acts as the leader. In addition, a response preliminary plan has been completed, and various hardware and epidemic control supply storage has been prepared.</li> <li>▶ The Company maintains close contact with the local epidemic control unit in order to ensure that the latest epidemic control policy is obtained in a timely manner. For personnel on business trips, sufficient epidemic control supplies are distributed, and the Company also ensures that personnel on business trip receive the latest local epidemic control policy before the business trip.</li> <li>▶ The factory has stored epidemic control supplies for at least 15 days, and a sufficient amount of supplies have been distributed to employees. The Company has established the Safe Production Committee, and the stationed highest leader acts as the chairperson of the committee. In addition, conclusions about each occupational health work is provided quarterly and improvement plans are proposed.</li> </ul>
Social risks	Overwork due to long working hours	<ul style="list-style-type: none"> <li>▶ The Company has established the Occupational Safety and Health Committee, and the stationed highest supervisor acts as the chairperson of the committee, in order to pay great attention to the protection and prevention of various occupational diseases, food safety protection and safety protection of employees regularly, and also provides conclusions about occupational health and proposes improvement plans.</li> <li>▶ For overwork (long period of work hours) issues, the Safety and Health Committee and the Human Resource Department promotes the occupational disease and routine health examination for all employees annually in order to ensure that the health conditions of all employees are within the controllable scope. For abnormalities, the Company also provides warning and implements work shifts and transfers.</li> <li>▶ The Company progressively promotes machinery-automated operation, such as manual cutting machines with the installation of a digital control automatic feeding rack which leads to a reduction approximately 50% of manual board cutting time. In addition, with the computation of computers, board material cut by machine is of higher precision and without errors.</li> </ul>

Risk type	Risk description	Risk management strategy (response measures)
Social risks	Labor shortage risk	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>▶ The Company has applied for a public offering at the stock exchange market, and the Company's popularity has increased, which is beneficial to attracting and retaining outstanding talent.</li> <li>▶ We activated the employee stock ownership trust in 2022 to help our employees build up wealth, retain talent, and enhance their cohesion.</li> <li>▶ We aim to cultivate cross-sector professional talent in the long term through internal on-the-job training and external professional education and training.</li> <li>▶ Enhance industry-academia collaboration in order to apply knowledge and skills learned at work, and to cultivate young talent.</li> <li>▶ Implement surveys on employee satisfaction, organization participation level, organization morale and other internal surveys, and establish improvement plans.</li> <li>▶ Implement corporate's comprehensive human resource quality and quantity inspection, and establish short/medium/long term human resource plans accordingly.</li> <li>▶ Assess and plan bonus and incentive regulations of equity nature or for medium and long term plans for the management team.</li> <li>▶ Promote a friendly workplace, gender equality, pregnancy and parental care, diverse and inclusive culture, or other actual actions for public welfare and giving back to the local community.</li> </ul> <p><b>Factory</b></p> <ul style="list-style-type: none"> <li>▶ Adopt the temporary worker method for jobs requiring relatively lower technical skills, in order to ensure that technicians are able to perform technical works, and the waste of human resource can be prevented.</li> <li>▶ Understand the local wage standard for each job type annually, and use it as an important reference basis for annual salary adjustments in order to ensure that employees are satisfied with their salary and benefits in principle.</li> </ul>
Corporate governance risks	Risk of price competition	<ul style="list-style-type: none"> <li>▶ The Company adopts market segmentation and focuses on the interior decoration of luxury goods stores, hotels with high star ratings, and commercial spaces. As large-scale public building decoration projects involve complex processes, clients have strict requirements for design/construction capabilities and quality. For high-end luxury brands in particular, contractors must undergo long-term evaluation to be qualified as service providers. The Company's subsidiary RH International Designs has acquired not only a Class III General Building Construction Contractor certificate, but also a Class B Architectural Decoration and Design certificate and a Class I Architectural Decoration and Finishing Contractor certificate, so that the Company has relatively strong competitive advantages over its competitors.</li> <li>▶ The Company is one of the few large interior decoration business operators in the industry capable of integrating turnkey (design-build; EPC) projects, and the Company is equipped with early-stage planning capability, a high level of design capability, meticulous project management capability and rigorous control of construction progress and quality. In addition, the Company also collaborates with foreign designers to expand the international perspective along with extensive and diverse experience, so that the Company is of great international competitiveness.</li> </ul>
Corporate governance risks	Economic cycle, national policy and industry change related risks	<ul style="list-style-type: none"> <li>▶ The Company continues to expand the decoration and renovation market in high-end high-star hotels, commercial/office spaces, department stores, high-end residential houses, and medical care, and business has expanded globally. Presently, in addition to Taiwan, the Company has established business in China, Hong Kong, Macau, the Asia-Pacific region, Europe, and North American countries, in order to reduce the economic impact of one single industry, single region or customer group.</li> <li>▶ With the emergence of internet e-commerce, the number of physical stores may be reduced. However, as boutique brands have adjusted their strategies to enter different sectors, including catering, art and cultural collaboration to luxury resorts, the brand spirit can still be conveyed through digital interaction and immersion experiences, thereby re-establishing the image and culture value in consumers' minds, and expanding the demand for physical stores, such that the demand for decoration and renovation is also driven to grow.</li> </ul>

Risk type	Risk description	Risk management strategy (response measures)
Corporate governance risks	Information security events	<ul style="list-style-type: none"> <li>▶ Implement information security event reporting and information security education and training for employees in order to increase employee awareness about information security comprehensively.</li> <li>▶ Implement third party inspection to enhance information security operations. Every year, the Company retains a professional accounting firm to perform an information department audit.</li> <li>▶ Perform disaster recovery drills periodically.</li> </ul>
Corporate governance risks	Impact of change of interest rate, exchange rate and inflation on the Company's profit or loss	Change of interest rate
		<ul style="list-style-type: none"> <li>▶ In order to obtain prime rates and preferential terms when the companies needs funds to expand business in the future, the Group always builds and maintains good credit history with banks, and observes and understands trends for market interest rate changes. We also use other financial instruments to mitigate the risk of interest rate changes through sound financial planning.</li> </ul>
Corporate governance risks	Risks faced due to concentrated purchase or sales and response measures	Change of exchange rate
		<ul style="list-style-type: none"> <li>▶ The Group's sales transactions denominated in foreign currencies have used primarily RMB, followed by USD. RMB has been the most-used transaction currency in the Group's procurement transactions, followed by the USD and EUR.</li> <li>1 The Group primarily uses sales revenues to defray procurement expenses for naive hedging.</li> <li>2 We pay attention to exchange rate trends for the primary currencies in the international currency market to track trends for a timely response. In addition, the risk from exchange rate changes is taken into account during quoting to adjust the selling price if necessary, thereby ensuring the desired profit.</li> <li>3 The financial information and foreign exchange reports of financial institutions are acquired on a regular basis so as to project trends for exchange rates and interest rate changes from a comprehensive perspective, and to make flexible adjustments to foreign exchange and funding strategies.</li> </ul>
Corporate governance risks	Risks faced due to concentrated purchase or sales and response measures	<ul style="list-style-type: none"> <li>▶ The Group's main raw material suppliers and contractors are from Taiwan and Mainland China and are not individually irreplaceable. We have multiple supply sources and maintain long-term stable partnerships with the suppliers. The Group has thus not been exposed to supplier concentration risk. Taking purchase cost and quality control as well as risk diversification into consideration, the Group will continue looking for good suppliers to avoid possible supplier concentration risk.</li> <li>▶ The Group has operated in high-end retail, hotel, public spaces, and commercial corporate headquarters industries with long-term plans. As our clients are either at home or from abroad and we have no single client occupying a large proportion of our sales, we have been able to reduce our exposure to the risk of concentrated sales.</li> </ul>

## 3-3 Legal Compliance

Material Topic	Legal Compliance
Impact on the Company	Legal compliance is the baseline for corporate governance. Thorough implementation of legal compliance is essential for the enterprise to achieve stable growth and sustainable operation.
Policy	Establish risk culture-Comprehensive implementation-Effective prevention
Goal	<ul style="list-style-type: none"> <li>• Implement legal compliance training and establish a culture of legal compliance</li> <li>• Zero violation of laws and regulations</li> </ul>
Resource invested and actual outcome in the current year	<ul style="list-style-type: none"> <li>• Completed law and regulation identification and handling</li> <li>• Completed legal compliance related training</li> <li>• In 2022, there were no major violation of laws and regulations</li> </ul>
Responsible department and complaint filing mechanism	<ul style="list-style-type: none"> <li>• Contact Person: Chief Financial Officer</li> <li>• Tel: 02-25456011</li> <li>• Email: IR@richhonour.com</li> </ul>
Assessment mechanism	Sustainable Development Committee reviews legal compliance implementation performance annually.

Note: Major violation of laws and regulations generally refers to incidents with penalties imposed by competent authority reaching NT\$500,000.

Legal compliance is fundamental to corporate management. RH promotes internal regulations on ethics and requires new employees to sign an integrity declaration upon reporting to work. In addition, due to the great variety of laws and regulations, when each department is aware of any relevant regulatory amendment updates and information through interaction with government agencies or from media reports, internal and external trainings are performed for each department's staff in order to ensure that the Company's operation complies with all laws and regulations.

First, with regards to the corporate governance aspect, RH has established functional committees to supervise the financial operation status and internal control system of the Company. In addition, with the approval of the "Corporate Governance Best Practice Principles" and the "Procedures for Performance Evaluation of Directors and Managerial Officers", the Board is promoted to actively participate in major resolutions and decisions of the Company. Furthermore, a Corporate Governance Officer is established in order to assist with Board operations and to provide professional opinions, thereby enhancing Board functioning. In the future, RH will continue to comply with the Corporate Governance Evaluation and the Corporate Governance Best Practice Principles, in order to improve the legal compliance awareness of all employees of the Company.

Furthermore, with regards to personnel management, RH has established relevant internal regulations on ethics, and has repeatedly conveyed the philosophy that the Company values honesty and integrity as its core values. Through the stipulation of a series of regulations, proper implementation, self-review and smooth reporting channel as well as a protection mechanism for reporters, the Company has established a comprehensive legal compliance firewall. With management setting themselves as an example for others, the Company requests that all employees ensure that their relevant business conduct complies with the law and with the Company's internal policies and regulations. Furthermore, through the annual internal control self-evaluation, compliance status is reviewed, and an internal audit is implemented. Compliance guidelines for employees performing job duties have been stipulated, and all employees of each company of the Group, regardless of their job positions, job ranks or locations, are required to comply with the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct". The content thereof includes working environment standards, equal opportunity, non-disclosure clauses, adjunct job position prohibition and refusal of conflict of interest, gift offering or receipt and business etiquette, respect of employees and customers, complaint reporting, protection and exemption, etc., in order to gain public trust, to improve corporate image and to ensure the sustainable operation and development of the Company. To prevent and avoid the violation of fair competition conduct, anti-trust laws such that a penalty may be imposed, relevant codes of conduct have also been stipulated in order to be used as the standard for the Company's management and practitioners engaging in business conduct, thereby reducing the risk of violating any laws. The Company participates in industry competition based on the principle of ethics and fairness in order to achieve a corporate culture of legal compliance, and to establish a trustworthy and respectful corporate reputation.






Furthermore, with regards to personnel training, to improve employee knowledge about professional ethics and legal compliance, the Financial Department, Administrative Service Department and other responsible departments of RH cooperate with each other according to the laws and the internal regulations of the Company to implement training on laws and regulations related to business conducted by different departments and employees of different ranks. For example, corresponding training content is provided to employees according to their job duties, including new employee orientation, physical courses, promotion of each unit and external training, etc. In addition, through factory site posters and internal webpages of the Company, legal compliance guidelines are provided in order to allow employees to access and obtain legal knowledge at any time.

Finally, with regards to environmental safety and health, RH has established relevant supervision, measurement and performance management systems in order to ensure that the Company is able to comply with environmental protection and occupational safety regulatory requirements during the product lifecycle process, and that the environment and occupational safety and health management system can be operated effectively. Through the management cycle method, possible potential problems can be found, and control measures are adopted in a timely manner in order to prevent damage to the Company.

In terms of the overall legal compliance practice of RH, there have been no major violation records related to corporate governance, securities trading, environmental protection, labor rights, occupational safety, disclosure of customer privacy, anti-competition actions, marketing labels or product safety and liability, etc. in the last three years.

## 3-4 Operational Performance

The Company's consolidated operating revenue in 2022 was NT\$5.096 billion, an increase of 23.22% from the previous year, which was mainly a result of the recovery from the impact of the pandemic and an increase in market demand. Accordingly, the sales performance of all key business locations indicated growth from the previous year.

Future Operational Directives	
	RH will further grow the existing client base and actively expand the business in the overseas international market, expand global planning, and maintain growth momentum.
	Improve management integration capability, including design and engineering, sales, and manufacturing, in order to achieve maximum value.
	In response to the market labor shortage, the Company will continue to expand cooperating partners in order to increase the overall team force.
	Strengthen industry-academia collaboration and promote the exchange of professional skills and practical experience to enhance the employability and competitiveness of graduates.
	The Company will pay attention to the impact of aging society and intelligent technology development on future industries to target new markets.



Operational Performance In Recent Years		Unit: NT\$ thousand	
Item	2020	2021	2022
Total operating revenue	3,117,134	4,136,015	5,096,245
Total operating cost	2,293,085	3,250,918	4,061,213
Gross profit (loss)	824,049	885,097	1,035,032
Total operating expense	469,640	539,168	596,722
Operating profit (loss)	354,409	345,929	438,310
Total non-operating revenue and expense	23,358	20,676	46,144
Net income (loss) of the current period	213,206	232,345	345,268
Basic earnings per share	3.43	3.52	5.23

- Revenue is defined to include net sales plus revenue from financial investments and sale of assets. Operating cost is defined to include cash expense for the purchase of raw materials, product components, field facility and service paid to the external of the organization.

Employee salary and benefits (Unit: NT\$ thousand)	Item	2020	2021	2022
	Salary expense	493,672	493,881	583,236
	Labor and health insurance expenses	32,575	36,489	41,701
	Pension expense	12,521	26,706	9,566
	Other employee benefit expenses	39,181	37,445	21,804
	Total	577,949	594,521	656,307

- Employee salary and benefits is defined to include the total salary (including employee salary and amount paid to the government for employees) plus the benefit total amount (excluding education and training, protective equipment costs and other costs directly related to the job duties of employees).

Payment to investors (Unit: NT\$ thousand)	Item	2020	2021	2022
	Interest expense	4,630	1,453	1,045
	Dividends	184,800	231,000	244,200
	Total	189,430	232,453	245,245

- Payment to investors is defined to include all dividends paid to shareholders plus the interest paid to the lender.

Payment of government fees (Unit: NT\$ thousand)	Item	2020	2021	2022
	Tax (income tax)	164,561	134,260	139,186
	Tax (tax payment)	27,066	110,187	53,008
	Penalty fine	58	-	55
	Total	191,685	244,447	192,249

- Payment of government fees is defined to include all taxes and fines required to be paid according to international, domestic and local standards. Taxes may include business tax, income tax and property tax.

Community contribution (Unit: NT\$ thousand)	2020	2021	2022
	53	20	120

Remaining economic value (Unit: NT\$ thousand)	2020	2021	2022
	7,546	-18,697	120,426

- Remaining economic value: "Direct economic value generated" less "Economic value distributed".

## 3-5 Products and Services

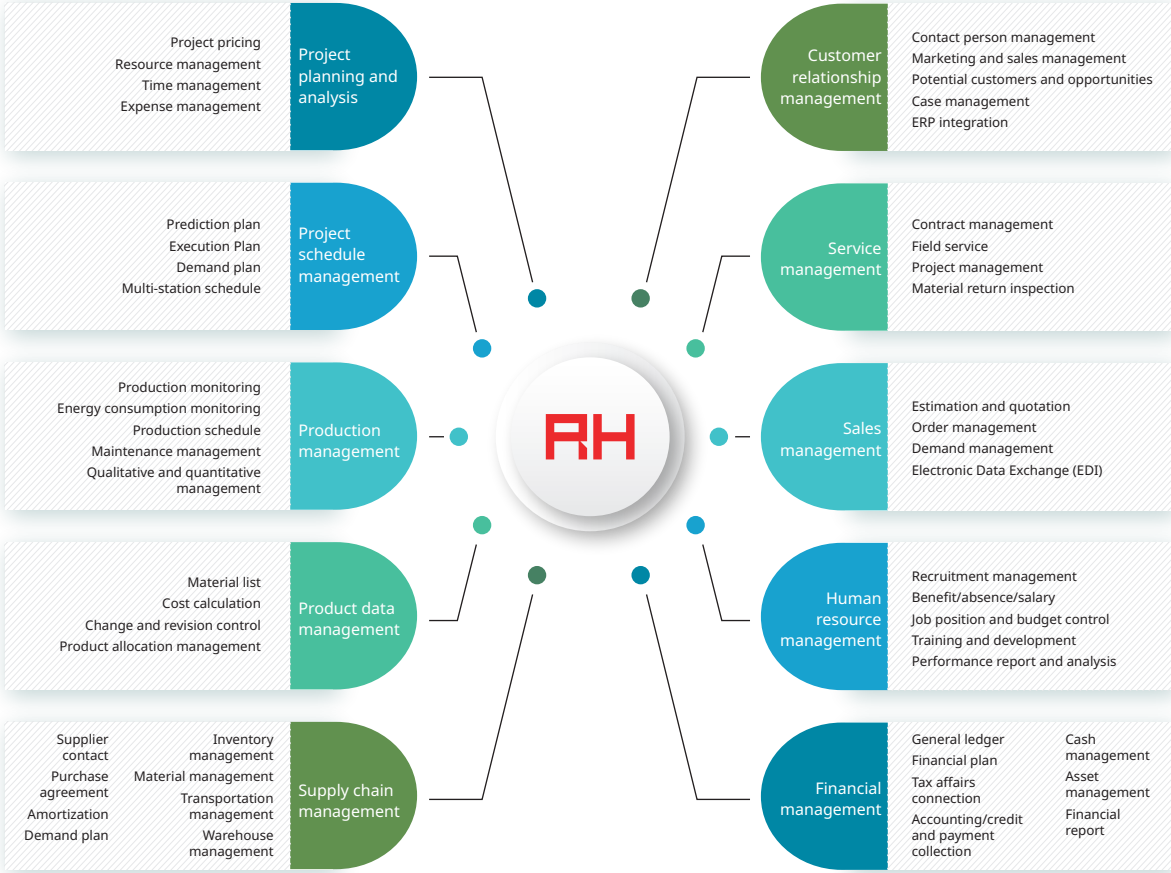
The service scope of the Company includes design planning, brand identity, design implementation, project management, renovation, equipment manufacturing, and more. The Company mainly provides comprehensive services to various sections of recreation, catering, health care, shopping centers, boutiques and retail, brand image, commercial office and public space exhibitions.

The Company will continue to provide services satisfying customer demands, values customer opinions and feedback, and maintains smooth communication channel with customers in order to establish stable and excellent cooperation relationships. For comments provided by customers, the sales team reflects to the R&D Business Department and Administrative Service Department for subsequent improvement, in order to gain customer trust with quality service.

### 3-5-1 R&D Innovation

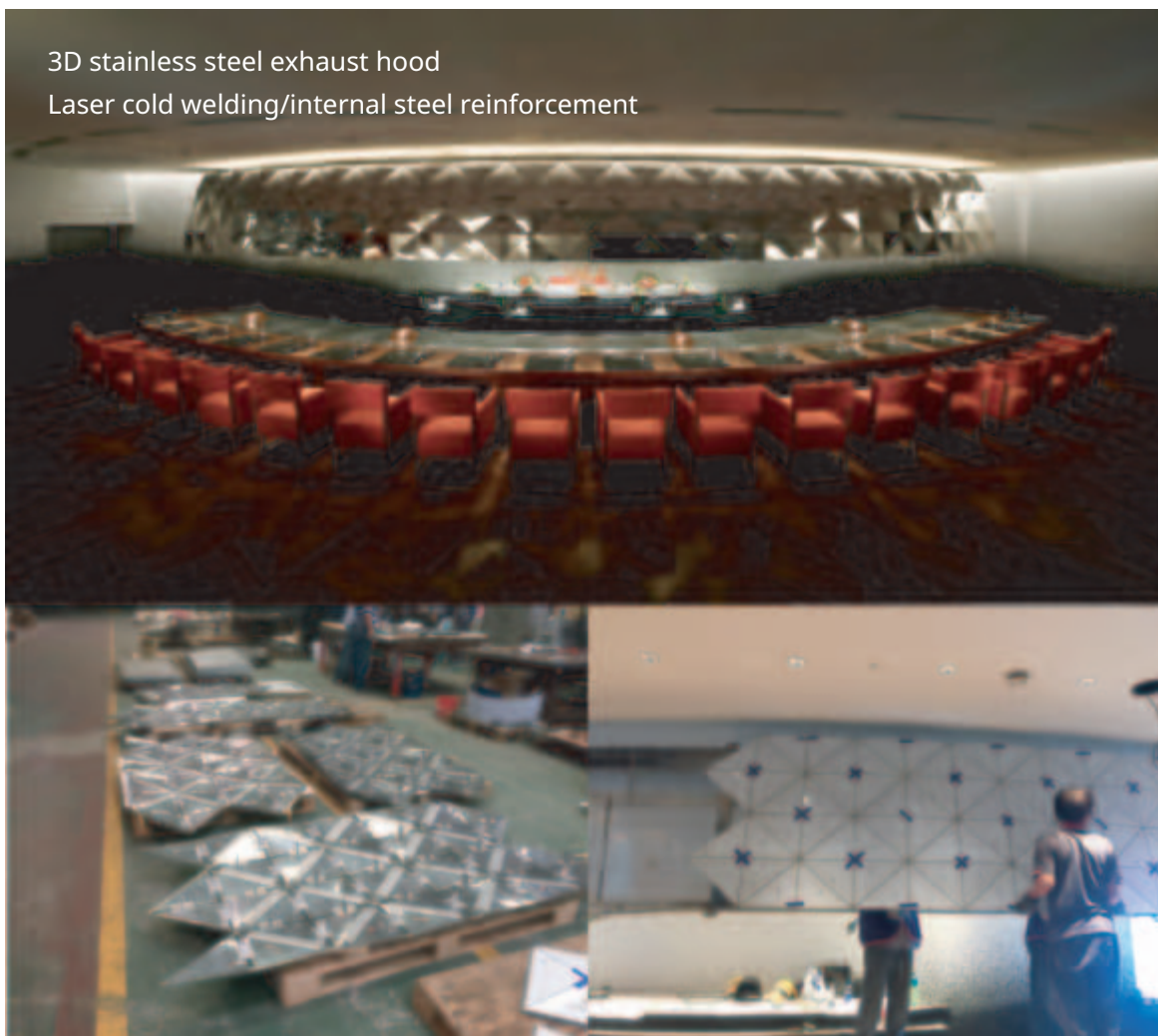
Major R&D Applications	
Year	Item
1990	Developed CAD computer-aided design
	Developed 3D perspective plan design
2000	Developed 3D animation technology simulation
2008	Strengthened prefabricated (modular) production
2017	Established integration project control mechanism in conjunction with BIM application development, and virtual reality (VR) application
	Utilized 3D printing to assist the detailed design
2022	Applied new techniques, new technologies and new materials to develop green energy and smart space decoration design to achieve sustainable green building

interior decoration enterprise  
information system

[illegible][illegible]

Strengthen prefabricated (modular)  
production- core competitiveness

3D stainless steel exhaust hood  
Laser cold welding/internal steel reinforcement



Strengthen prefabricated (modular)  
production- core competitiveness

► Design  
technology  
review



► Production  
assembly  
quality  
control



► Packaging  
field  
installation

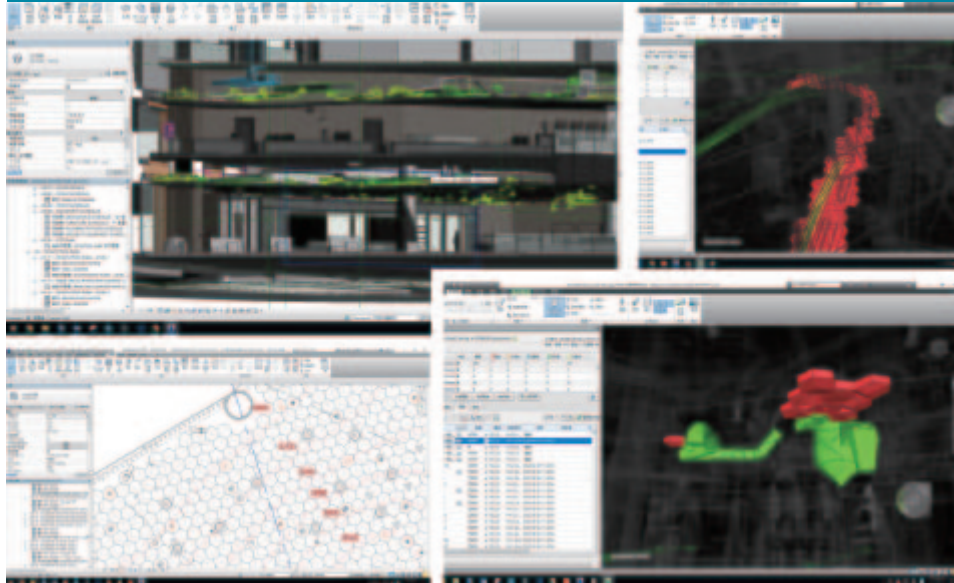




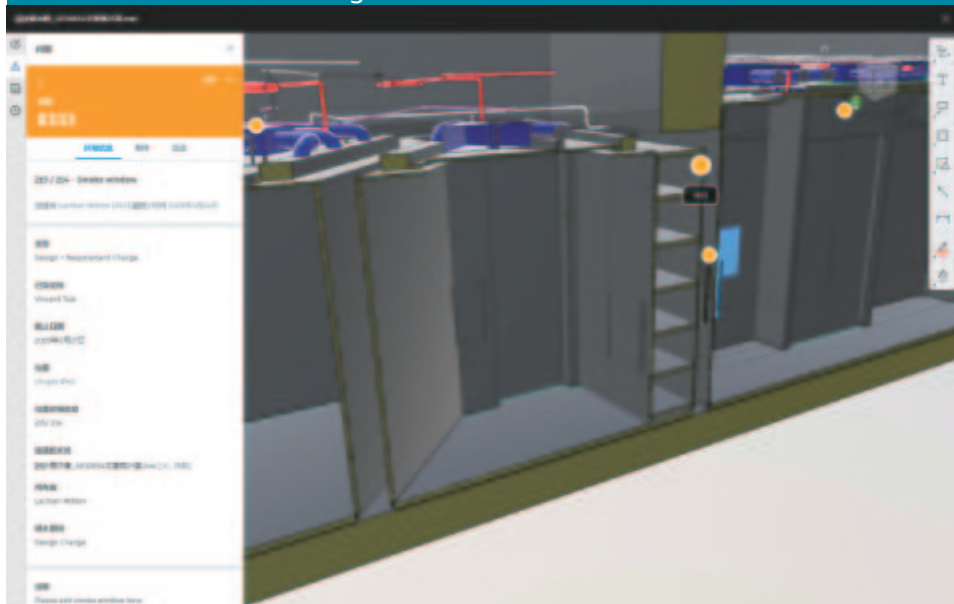
## Established integration project control mechanism in conjunction with BIM application development, and virtual reality (VR) application

Building Information Modeling - smart control management technology, beneficial to quality, progress and cost management

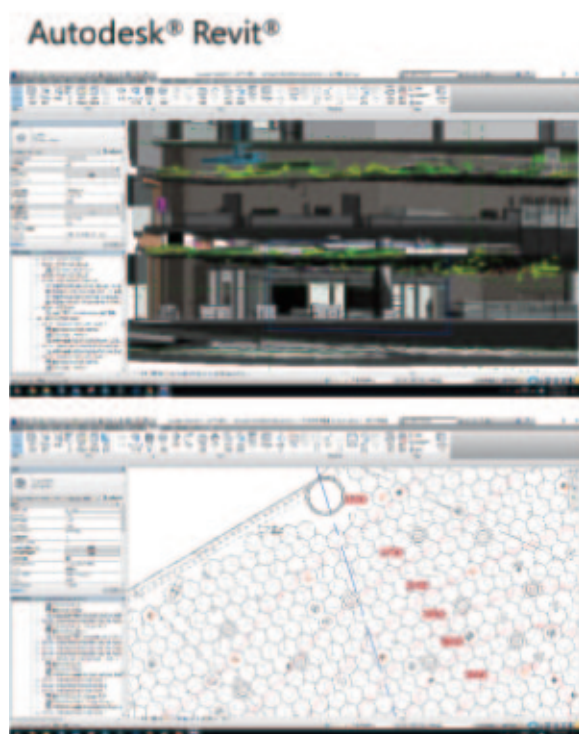
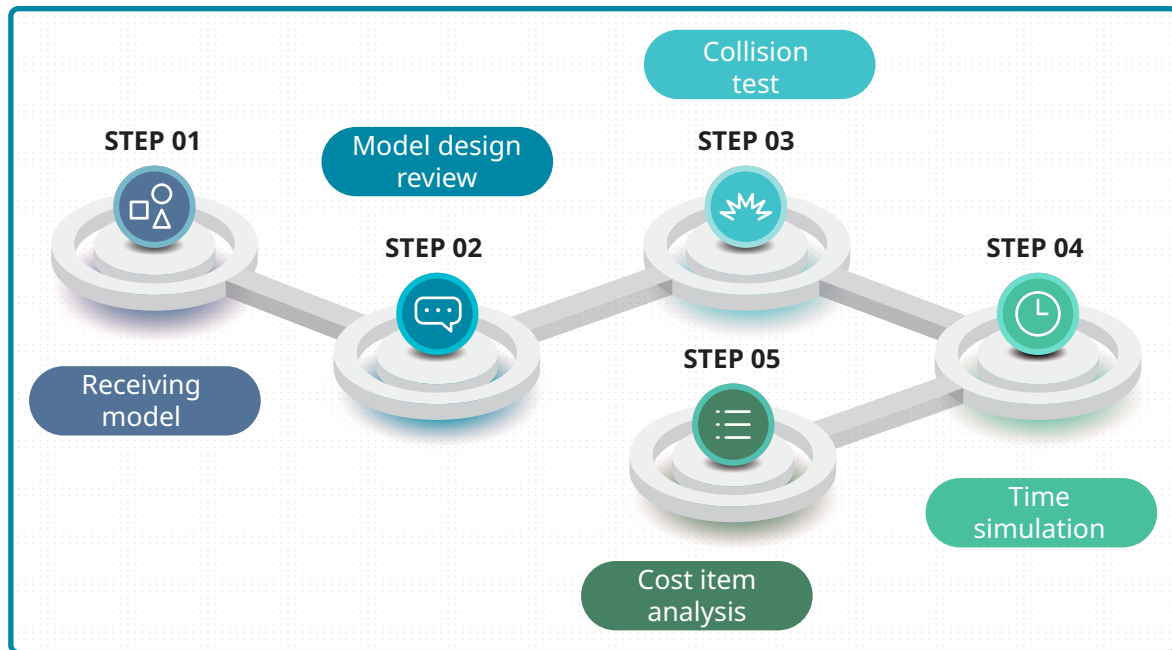
### BIM application actual case example 2017



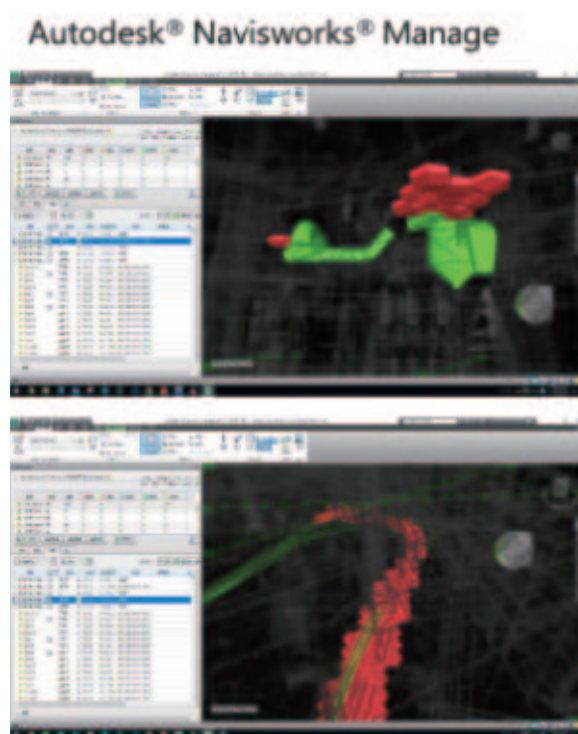
### Design coordination BIM360 2019







Use 3D perspective view to understand the 3D changes of the stylish suspended ceiling profile, and obtain information from the model, such as the element type, rotational angle and quantity, in order to simplify the statistical analysis and analysis process.



Perform interior, channel and equipment model collision tests, and precisely allocate problem areas and understand the situation swiftly. Coordinate various parties efficiently to save time and to achieve effective review and correction.

# RH Utilizes New Technologies to Improve Industry Performance



## Design Definition

A good design is equipped with  
50% Sensibility + 50% Rationality  
50% Appealing + 50% Function

## Software Technology Simulation Experience

- 1980 Developed CAD (computer-aided design)
- 1990 Developed 3D see-through perspective plan design
- 2000 Developed 3D animation technology simulation
- 2018 Utilized 3D printing to assist the detailed design
- 2022 Development in the direction of 3D virtual reality (VR).



Concept of sensibility



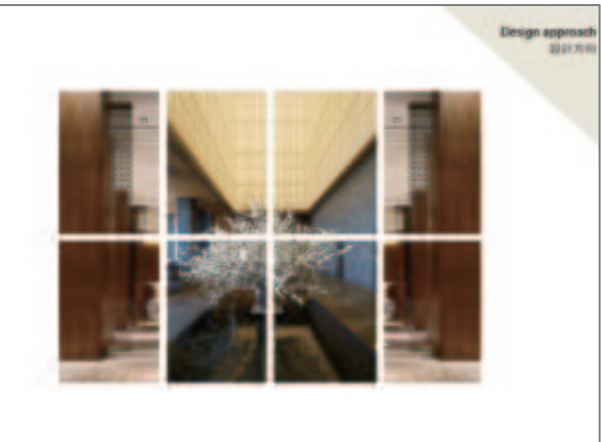
Rational plan layout



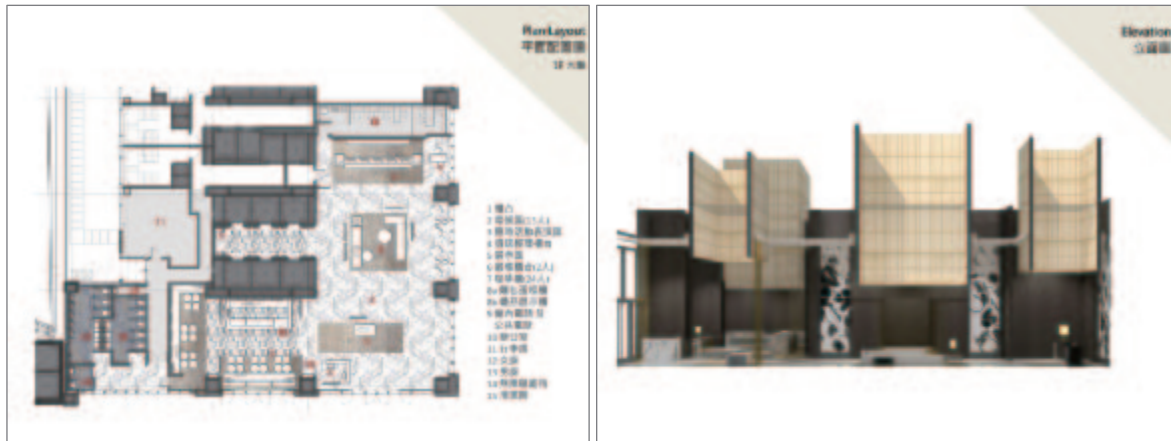
Color coordination with sensibility



Rational arrangement integration



Concept of 50% sensibility



50% Rational plan layout



OUR GOAL,  
and what we do now.

Designer's creativity plus new technology to present the final work.

RH Design implements creative designs and accumulates professional information in order to obtain a significant amount of Big Data resources, and the Company utilizes technologies to assist in project execution. Accordingly, the team is able to focus on exploiting its creativity and to make the design more delicate and exquisite, thereby securing the team's competitiveness and achieving greater market value.



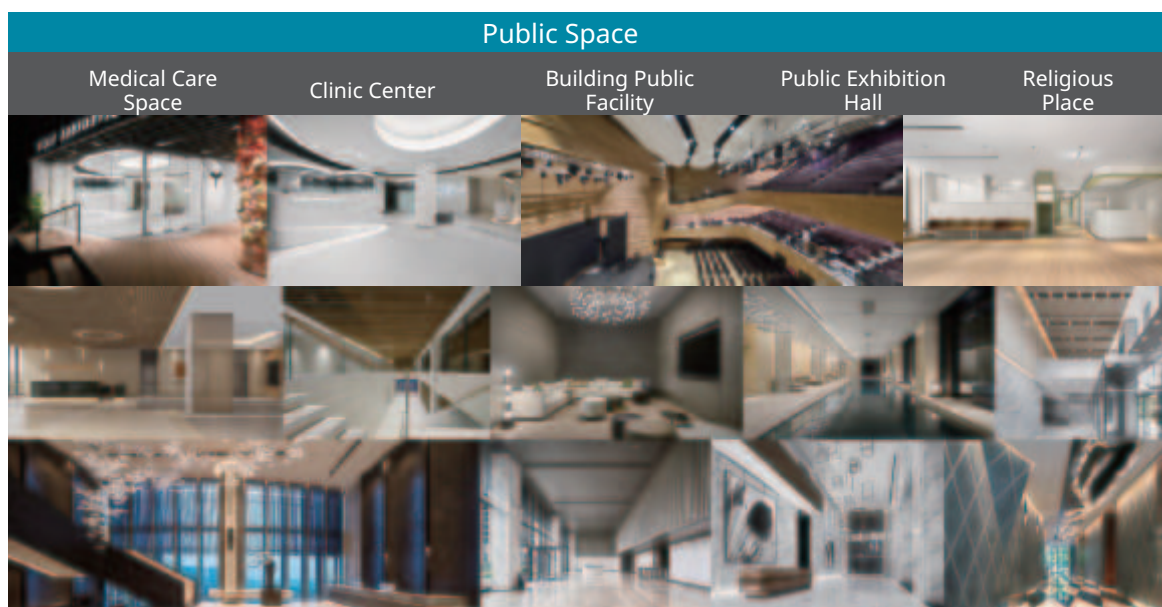
# Projects



# Projects



## Projects



### 3-5-2 Customer Relationship

Material Topic	Customer relationship, trade secret protection and transaction security
Impact on the Company	Ensure trade secret protection and transaction security, and provide quality service to improve customer satisfaction, allowing the business of the Company to be expanded, and the objective of sustainable development to be achieved.
IPolicy/Commitments	Fulfill non-disclosure obligation, provide quality, fast, safe and reliable service, in order to increase customer satisfaction
Goal	<ol style="list-style-type: none"> <li>1 Goal of customer satisfaction to achieve above 85 points</li> <li>2 Zero disclosure of confidential information</li> </ol>
Resource invested and actual outcome in the current year	<ol style="list-style-type: none"> <li>1 Completed satisfaction questionnaire survey</li> <li>2 New employees signed confidentiality and non-compete agreements</li> </ol>
Responsible department/ Complaint filing mechanism	<ul style="list-style-type: none"> <li>• Contact unit: Administrative Service Department</li> <li>• Tel: 02-25456011</li> <li>• Email: info@richhonour.com</li> </ul>
Assessment mechanism/Result	<ol style="list-style-type: none"> <li>1 Annual management review meeting reviews customer service performance</li> <li>2 Annual satisfaction survey score of 88.3 points, satisfying the goal</li> <li>3 No disclosure of confidential information or suspected disclosure event for the year</li> </ol>



## Customer Satisfaction Survey

For completed projects, RH performs a customer satisfaction survey every two weeks, and the annual satisfaction survey statistic is also performed annually. In 2022, the satisfaction survey result was 88.3 points, satisfying the annual goal.

To improve after-sales service satisfaction, we organize a technology forum and educational training seminars. The corporate and academic sectors are invited to participate in these events in order to understand the market and the customer demand direction. Understand customer service demands, take the initiative to proceed to the customer's site to understand the demand, and satisfy customer demands with the overall technology energy of RH.

Through continuous review and improvement, we aim to increase customer trust in and the reliability of the brand of RH, in order to further establish long-term trust of the Company's brand. Up to the end of 2022, with respect to the Company's protection of customers' personal information, there has been no infringement of customer privacy or complaint due to loss of customer data. In addition, the Company complies with product and service related health and safety regulations, and product and service information and labeling regulations, such that there is no violation of government standards and relevant laws and regulations. In addition, there are no major penalty fines imposed by government agencies.

## Trade Secret Protection and Transaction Security

Trade secrets and confidential information are important intellectual properties of the Company. Through relevant control mechanisms, we ensure that trade secrets and confidential information are protected without disclosure, such that we are able to maintain a competitive advantage and to protect the rights and interests of customers at the same time.

The Company establishes and implements management, preservation and confidentiality operation procedures for trade secrets, trademarks, patents and works. The implementation result is also reviewed periodically, in order to ensure that internal personnel are able to comply with the operation procedures of the Company effectively during the performance of job duties. On the first day of reporting to work, new employees participate in an orientation in order to improve and enhance employee awareness about the protection of trade secrets and personal data. Furthermore, through irregular announcement on confidentiality messages, employees are reminded to properly comply with the rules prohibiting any disclosure of the Company's intellectual property rights of trade secrets, trademarks, patents, or works learned during the performance of job duties, and that it is also prohibited to seek or collect any intellectual property rights of trade secrets, trademarks, patents, or works of the Company irrelevant to one's own job duties.

The Company has established an independent reporting channel and subsequent investigation procedure. In addition, irregular audits and inspections are also performed on the job performance of employees. In 2022, there were no records of disclosure or loss of trade secrets or customer information of the Company.

## 3-5-3 Sustainable Supply Chain

The Company is in the interior design decoration industry, and provides the services of design and construction. To achieve the goal of completing projects on time and meeting expected levels of quality, it is necessary to ensure that the component parts and engineering service supply are properly provided and arranged. Accordingly, the Company maintains close cooperation with suppliers and contractors in order to seek sustainable growth for both parties and to establish a cooperation partnership of mutual benefits.

The Company has established the supplier management process to ensure that cooperating suppliers/contractors must qualify the supplier evaluation review in order to officially become a cooperating partner of RH. Communication during the review process is intended to understand supplier's construction capability, supply quality and delivery stability, and the Company is also able to establish close bonding with suppliers based on the concept of cooperation.

Due to industry characteristics, the Company's construction works are subcontracted to various professional subcontractors for construction. These subcontractors include millwork, painting, iron work, glass work, plastering work, and electrical, fire safety, and air conditioning systems. The construction materials mainly include veneers, plates, metal, glass, etc. The Company is responsible for the selection of building materials or customers may designate materials individually, and the material source includes market available parts. We have built long-term good relationships with suppliers and subcontractors for a long period of time, and the cooperation relationship between the two parties have been excellent. Thus, we can ensure the stability of the suppliers. In addition, through the Materials Department's periodic supplier evaluation, the suppliers' service and quality stability can be ensured, and the suppliers' capability can also be understood.

### ► Local Procurement

To promote local economic development and to respond to low-carbon transportation, the Company's procurement policy prioritizes local procurement.

Taipei Headquarters Local Procurement	2020	2021	2022
Number of local suppliers/percentage	89%	91%	86%
Amount of local procurement/percentage	91%	96%	91%
Zhongli Rich Honour Fabricating Local Procurement	2020	2021	2022
Number of local suppliers/percentage	91%	92%	69%
Amount of local procurement/percentage	85%	97%	65%
RH Shanghai Local Procurement	2020	2021	2022
Number of local suppliers/percentage	76%	66%	61%
Amount of local procurement/percentage	89%	86%	87%
RHQ Furniture Local Procurement	2020	2021	2022
Number of local suppliers/percentage	92%	83%	85%
Amount of local procurement/percentage	100%	81%	99%

Note: In 2022, since Zhongli Rich Honour Fabricating started to accept turnkey projects, the local procurement percentage was reduced.

### ► Supplier Communication

The Company aims to ensure the ethical and environmental standards for suppliers and manufacturing processes based on win-win cooperation with suppliers. In addition to performing evaluation of product quality, and on-time delivery and cooperation of suppliers periodically, the Company also communicates with suppliers. For suppliers with outstanding cooperation outcomes, the Materials Department also adjusts the annual purchase allocation of contractors and suppliers in order to achieve the win-win objective for both parties.

### ► Supplier Sustainable Development Audit

To allow suppliers to achieve outstanding product quality with the cooperation between both parties, and to achieve quality service levels and sustainable value, the Company plans to invite suppliers to jointly focus on and promote sustainable development in 2023. In addition to the request for the establishment of a fair and proper transaction environment and the promotion of cooperation relationship between both parties, the Company and suppliers jointly fulfill their corporate social responsibilities.

In 2022, the business locations of RH, Zhongli Rich Honour Fabricating, RH International Designs (Shanghai) and RHQ Furniture (Zhejiang) included 369 new suppliers, and an environmental and social aspect assessment had not yet been conducted. For new and existing suppliers, quality audits were mainly performed. Starting in 2023, the Company will introduce the environmental and social aspect assessment on new and existing suppliers. In 2022, the business locations of RH, Zhongli Rich Honour Fabricating, RH International Designs (Shanghai) and RHQ Furniture (Zhejiang) had no incidents related to major environmental or social impacts causing transaction suspension.

## 3-6 Information Security Protection

RH values information security and establishes comprehensive information security protection and data protection mechanisms in order to prevent the risk of disclosure of confidential information or data damage. The internal of the Company has established relevant information security control mechanism, application technology and data security standards, and data backup mechanisms are also set up for important systems of the Company. Each year, recovery tests are performed irregularly, in order to ensure that information systems can be recovered normally, thereby reducing the risk of unexpected natural disaster or human errors that may cause system interruption, and ensuring the satisfaction of the system recovery goals set by the Company.

The Information Management Department of the Company is responsible for the coordination and implementation of the information security policy, and promotes information security messages, in order to improve employee information security awareness, and to collect and improve organization information security management system performance and technology, product or procedure effectiveness. The Audit Office performs an information security audit on the internal control system computer cycle annually in order to assess the effectiveness of the information operation internal control of the Company.

### RH Information Security Management Plan

Control item	Implementation measures
Internet network information security control	<ul style="list-style-type: none"><li>• Installation of firewall.</li><li>• Virus scan on computer system and data storage media periodically.</li><li>• Review system log of network service items periodically, and track abnormal conditions.</li></ul>
Data access control	<ul style="list-style-type: none"><li>• Computer equipment is under custody of dedicated personnel, and account and password are set up.</li><li>• Users are required to change password periodically.</li><li>• Computer server room access control measures.</li><li>• Remote login management information system requires appropriate approval.</li></ul>
Emergency recovery mechanism	<ul style="list-style-type: none"><li>• Establish system backup mechanism and implement remote backup.</li><li>• Inspect computer network security control measures periodically.</li></ul>

RH complies with the information security policy to implement information security protection and establishes the information security system, such that the Company's information security protection capability can be improved effectively, thereby protecting the confidentiality, integrity and availability of the Company's information. In case of any human errors, intentional destruction or natural disaster, any improper use, disclosure, alternation, damage or loss of the Company's assets affecting the operation or interests of the Company can be prevented. In 2022, there were not any major information security incidents.





4

**Green Sustainability**

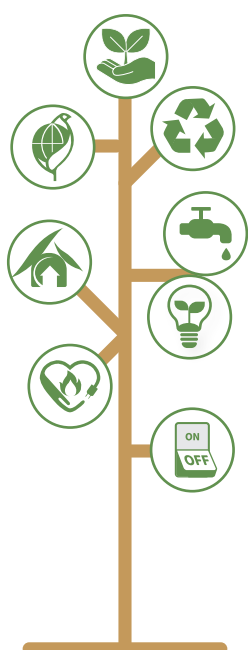
# Green Sustainability

## 4-1 Environmental Management Policy

As countries around the world focus on ESG sustainable operations, and to achieve the goal of the “Paris Agreement”, all industries and sectors worldwide are heading toward the direction of net zero emissions by 2050. For the interior design and decoration industry, international customers emphasize ecological environments and seek sustainable development. Domestic business operators are focusing on the design and construction of residential houses that are healthy, energy saving, environmental friendly and low pollution through the implementation of green building design, real property technology and smart city planning, and so on. RH actively cooperates with domestic and foreign policies and project demands in order to implement ESG in all aspects of each operation from design to construction and factory manufacturing.

Environmental Policy	
Compliance with all government environmental protection regulations	Focus on the balance between industry development and environmental protection
Zero pollution	Implement resource recycling and effective reuse
Establishment of green supply chain	Promote energy saving, carbon and waste reduction to achieve the goal of a sustainable environment

### Our Method:



- We also enhance the inspection and maintenance of pollution prevention operation equipment, in order to reduce equipment malfunctioning.
- Sustainability/innovative and revolutionary designs are adopted.
- High performance/low energy consumption/healthy eco-friendly green building materials and equipment are used.
- We promote employees to set the indoor air conditioning temperature at the most comfortable temperature of 26°C, and also install curtain and insulation paper based on the consideration of different sunlight exposure and thermal load.
- The air conditioning equipment is cleaned and maintained periodically in order to maintain efficient operation.
- During non-working hours, computers and monitors are turned off.
- We select air conditioners, refrigerators and other appliances, including multi-function machines, that are equipped with energy-saving marks.
- The lights, air conditioners and projectors in meeting rooms are turned off after the end of meetings.
- LED energy-saving and carbon reduction light tubes and bulbs are used in the new office area.
- Waste classification, reduction and resource recycling are implemented properly.
- Toner cartridges equipped with eco-friendly mark are used, and the temperature of printers is reduced with less paper consumption.
- Employees are encouraged to use their own water bottles or cups during internal meetings.
- Employees bring their own tableware and cups in order to reduce the use of disposable tableware and cups.
- Faucet water output volume is lowered to reduce water consumption.

## Green Service Implementation

To catch up with the global trend of green building, Taiwan has established the “Nine Main Evaluation Indicators of Green Building” and promotes the “Green Building Mark” in order to encourage the construction of building spaces that are healthy, comfortable and environmentally friendly. In recent years, RH Design has completed numerous eco-friendly certified projects as shown in the image below:

### Environmental Sustainability Achievements

#### ESG Corporate Sustainability

- Implement strategic planning for sustainability topics early, and introduce international certifications in sequence
- Establish a Sustainable Development Committee, and make progress toward corporate operation and environmental sustainability goals

#### Design Stage

- Adopt sustainability/innovative and revolutionary designs
- Select and use high performance/low energy consumption/healthy eco-friendly green building materials and equipment

#### Construction Stage

- Adopt material plans which maximize utilization value as the goal for managing the proper and precise use of materials
- Adopt techniques of high efficiency/focusing on environmental quality for management
- Implement waste management, and prevent interior decoration waste pollution

#### Factory Site Construction

- Establish a waste treatment system to reduce environmental impact
- Use an environmental purification system to provide a healthy working environment



In terms of the design, in addition to the effective use of space, we focus on the living perspective of combining physical/mental state- with the environment, and have introduced healthy and non-toxic building materials in order to plan friendly spaces to be comfortable, with ventilation and sufficient lighting.

### Design Planning

#### Emotional and Mental Health

- Working environment: smart divergence
- Dynamic and static divergence without interference with each other
- Prevent noisy activities from affecting quiet activities

Share  
 × Focus  
 Socialization  
 × Individual  
 Independence  
 × Cooperation  
 Recreation  
 × Profession

#### Healthy Interpersonal Social Activities

- Emotional health requires exits and space design support in order to reduce stress, to satisfy personal needs, and to establish and maintain meaningful relationships
- Capable of choosing work location, work method, and flexible time
- Receive benefits from emotional health

#### Health Environment

- Environmental health benefits from the design and the sustainability plan of the users
- By providing continuous, flexible and ready-for-change spaces, the environment can be maintained and used in a healthy manner

Scene Sharing  
 Interactive  
 Experience  
 Flexible  
 Functions  
 Comfort and  
 Environmental  
 Friendliness

#### Body Health

- Body health relies on the factors of controllable acoustics, lighting and thermal comfort of users
- It includes the factors of proper hydration, nutrient, sunlight and fresh air as well as multiple places for relaxation

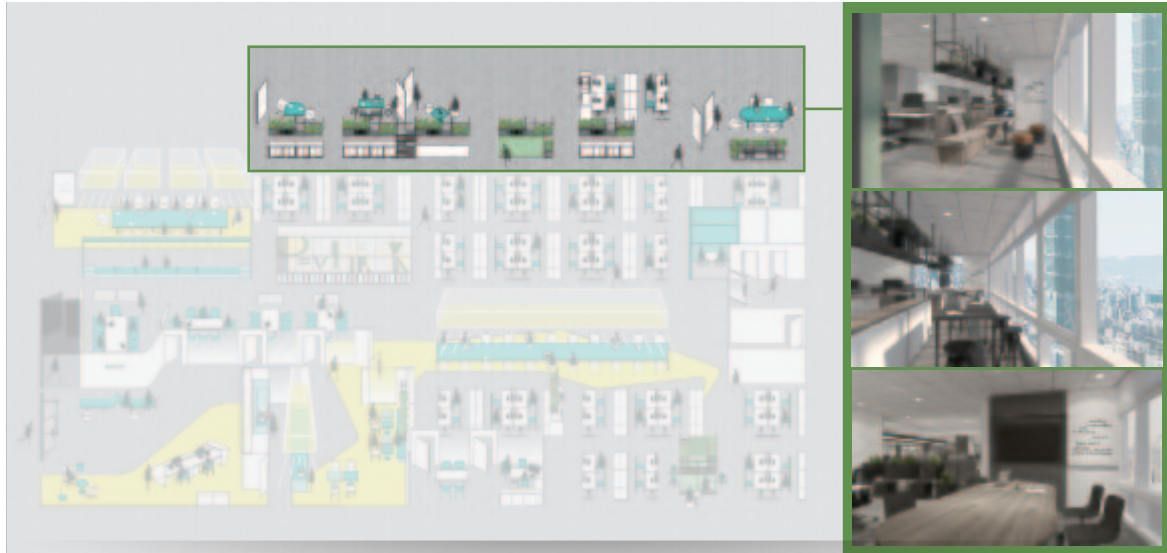


## EMPLOYEE EXPERIENCE

### Physical wellness

### Environmental wellness

Proper interior design planning is able to provide healthy and natural lighting to staff working for a long period of time, and personal work/auxiliary space can be centralized at the artificial lighting area



### Physical wellness

If noisy and quiet activities can be separated, social activities will not affect office activities



## Sustainable Solution



During the early design stage, RH considers the factors of lighting, air, sound and temperature, in order to provide a comfortable indoor environment. Under the mission of sustainable development, the Company also values the use of renewable energy and green building materials in order to achieve the goal of net zero emissions and to protect our Earth environment.

## Physical wellness

## Environmental wellness

Proper interior design planning is able to provide healthy and natural lighting to staff working for a long period of time, and personal work/auxiliary space can be centralized at the artificial lighting area



For 90% of our lifetime, we live in an indoor environment. Accordingly, how to increase the environmental and health benefits of building materials and to improve living health are essential subjects for the interior design industry. For project materials, the Company use numerous green building materials approved by the Construction and Planning Agency, including: plastic and rubber recycled products, isolation materials for construction, water-based paints, regenerated products from recycled woods, resource reused tiles, resource recycled and reused building materials. The Company looks forward to driving the upgrade of the traditional building material industry, in order to achieve the consensus of mutual existence and co-prosperity with the environment.





### Green Procurement Category

- ✓ PVC floor tiles and linen floor tiles, equipped with the floorscore mark
- ✓ Bolon carpet (brand: Bolon), equipped with floorscore mark
- ✓ PVC floor tiles, equipped with recycle and reuse material mark confirmation
- ✓ PVC floor tile series: FOSSIL Gray #51956
- ✓ NTERFACE carpet, equipped with LEED certification



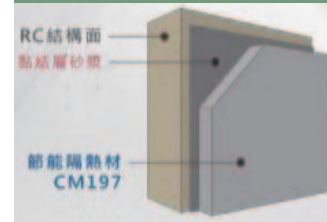
F1 low-formaldehyde boards



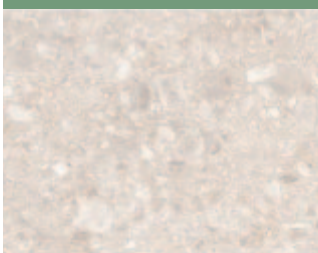
Green building material calcium silicate boards



Insulative mortar



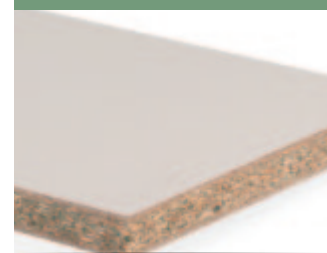
LEED artificial stone



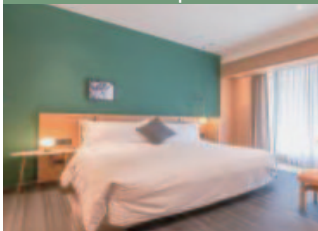
Green building material plastic floor



F1 particle boards



Green building cement paint



Green building material gypsum boards



EPD standard terrazzo



Rich Honour Design Group Sustainable Environment | Sustainability Report



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graph LR
    subgraph Planning
        DP[Drawing plan] --> RD[RH Design drawings]
        DP --> DI[Drawing interface]
        DP --> DFI[Drawing for plan interpretation]
        CP[Construction plan] --> MSP1[Material substitution plan]
        CP --> IMP[Imported material plan]
        CP --> MSP2[Material substitution plan]
    end
    subgraph Execution
        PE[Plan execution] --> CDP[Construction deployment plan]
        PE --> CPP[Construction progress plan]
        PE --> EPHSP[Environmental protection health and safety plan]
        PE --> CQP[Construction quality plan]
        PE --> FPP[Finished product protection plan]
    end

```

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## 4-2 Energy Resource Management

Material Topic	Energy consumption and energy saving
Impact on the Company	Energy cost accounts for a relatively higher ratio of the production cost, and the control of energy consumption has a significant impact on production costs. Accordingly, RH continues to exert efforts towards energy control and reducing energy consumption.
Policy	Implement energy saving and carbon reduction, and reduce unnecessary waste
Goal	<ul style="list-style-type: none"> <li>Continue to review energy management</li> <li>Replace old lighting fixtures with highly efficient LED lighting fixtures</li> <li>Energy savings rate of 1%</li> </ul>
Resource invested and actual outcome in the current year	<ul style="list-style-type: none"> <li>Promote electricity saving</li> <li>Encourage staff to reduce the use of elevators and use the staircase more often</li> <li>Turn of lights during lunch break for 1 hour</li> </ul>
Responsible department and complaint filing mechanism	<ul style="list-style-type: none"> <li>Contact unit: Administrative Service Department</li> <li>Tel: 02-25456011</li> <li>Email: info@richhonour.com</li> </ul>
Assessment mechanism	Administrative Service Department inspects and reviews energy consumption status monthly

As global warming becomes more severe, energy and climate change have become key issues faced by the world. To effectively use energy, RH will establish a cross-departmental energy saving team. In addition to establishing energy-saving performance indicators and proposing enforceable energy-saving plans, the Company also verifies energy-saving plans in order to effectively reduce energy consumption. Energy used by the Company mainly refers to externally purchased electricity and gasoline used for company vehicles.

Energy consumption				
Region	Item	2020	2021	2022
Taipei Headquarters	Electricity consumption (kWh)	579,413	564,570	560,692
	Electricity consumption (GJ)	2,085.89	2,032.45	2,018.49
	Gasoline (L)	49,430.65	48,093.37	50,510.41
	Gasoline (GJ)	1,613.95	1,570.29	1,649.21
Zhongli Rich Honour Fabricating	Electricity consumption (kWh)	223,120	231,680	259,360
	Electricity consumption (GJ)	803.23	834.05	933.70
	Gasoline (L)	8,663.60	6,912.40	6,476
	Gasoline (GJ)	282.87	225.70	211.45
	Diesel (L)	699.29	697.69	536.55
	Diesel (GJ)	24.59	24.53	18.87



Energy consumption				
Region	Item	2020	2021	2022
RH International Designs	Electricity consumption (kWh)	28,022	33,429	25,536
	Electricity consumption (GJ)	100.88	120.34	91.93
	Gasoline (L)	4,410	3,908	3,119
	Gasoline (GJ)	143.99	127.60	101.84
RHQ Furniture	Electricity consumption (kWh)	1,167,540	1,214,700	1,288,620
	Electricity consumption (GJ)	4,203.14	4,372.92	4,639.03
	Gasoline (L)	2,168	2,974	2,281
	Gasoline (GJ)	70.79	97.10	74.48
	Diesel (L)	1,257	4,005	1,273
	Diesel (GJ)	44.20	140.83	44.76
	Liquefied petroleum gas (kg)	6,710	4,390	1,425
	Liquefied petroleum gas (GJ)	186.36	121.93	39.58
Total energy consumption (GJ)		9,559.89	9,667.74	9,823.32

Note: The above gasoline consumption is estimated according to the average gasoline price announced by the Chinese Petroleum Corporation. The heating value refers to the Greenhouse Gas Emissions Factor Management Table Version 6.0.4 announced by the Environmental Protection Administration, R.O.C. The heating value of diesel is 8,400kcal per liter, the heating value of liquefied petroleum gas is 6,635kcal per liter, the heating value of gasoline is 7,800kcal per liter; where 1kcal is equivalent to 4,186J, 1 kWh is equivalent to 3,600KG, and 1GJ = 1x10<sup>9</sup>J. Diesel is mainly used for power generation operations, and the number of liters is an estimation value.

Energy intensity			
Item	2020	2021	2022
Operating revenue (NT\$ million)	3,117	4,136	5,096
Electricity consumption Intensity (GJ/NT\$ million)	2.308	1.779	1.508
Diesel Intensity (GJ/NT\$ million)	0.677	0.489	0.400
Gasoline Intensity (GJ/NT\$ million)	0.022	0.040	0.012
Liquefied petroleum gas Intensity (GJ/NT\$ million)	0.060	0.029	0.008
Total energy Intensity (GJ/NT\$ million)	3.067	2.337	1.928

Energy Saving Measures		
2021	Zhongli Rich Honour Fabricating Replacement of LED lighting fixtures	Saved energy and electricity of 1,000 kWh, 3.6GJ, and reduced carbon dioxide emissions of 0.509 tons
2022	Zhongli Rich Honour Fabricating Replacement of LED lighting fixtures	Saved energy and electricity of 1,000 kWh, 3.6GJ, and reduced carbon dioxide emissions of 0.509 tons
	RHQ Furniture Use of heat pumps	Saved electricity of 5,000 kWh, 18GJ, and reduced carbon dioxide emissions of 2.55 tons

Note: The 2021 electricity carbon emissions factor was 0.509kgCO<sub>2</sub>e/kWh. Since the electricity carbon emissions factor has not yet been announced in 2022, the 2021 factor is used.

## Water Resource Management

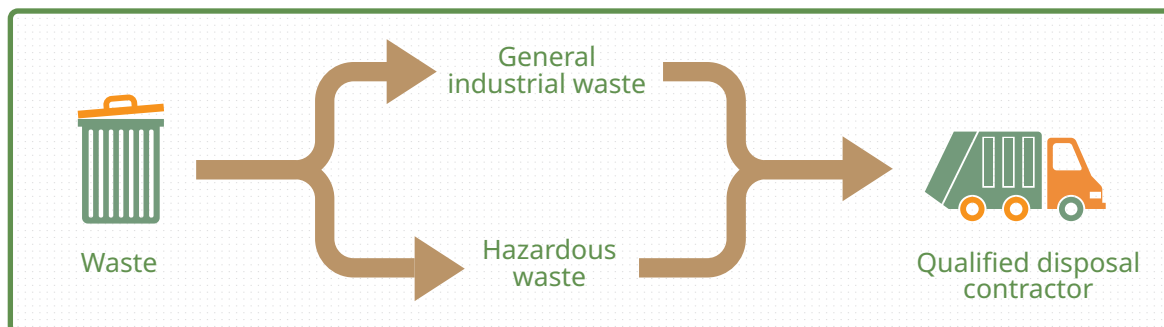
The Company's headquarters and RH International Designs are located at commercial buildings, and the factories of Zhongli Rich Honour Fabricating and RHQ Furniture are located at industrial parks in non-ecological conservation related areas, and all the water used comes from the water company. The main purpose of water use is for domestic water. There were no water resources significantly affected by Company water use for business operations. To cope with climate change and the condition of decreasing water resources, we continue to promote the concept of water saving to all employees, and we have installed water-saving facilities.

Water resource consumption				
Region	Item	2020	2021	2022
Taipei Headquarters	Water withdrawal (ML)	3.068	2.876	2.982
	Water withdrawal (ML)	1.356	1.218	0.758
Zhongli Rich Honour Fabricating	Water discharge (ML)	1.064	0.975	0.606
	Water consumption (ML)	0.292	0.243	0.152
RH International Designs	Water withdrawal (ML)	-	-	2.133
RHQ Furniture	Water withdrawal (ML)	12.036	14.519	15.595

Note: Since the water withdrawal of RH International Designs has not been statistically calculated in 2020 and 2021, no relevant disclosure is made. Since the water discharge and consumption of RHQ Furniture has not been statistically calculated in 2022, no relevant disclosure is made.

### 4-3 Pollution Control

RH is in the interior design and decoration industry, and relevant processes do not generate hazards of wastewater or waste gas, etc. The wastes generated by the Company are classified into general industrial waste and hazardous waste. Industrial waste mainly refers to waste woods and packaging materials. Hazardous waste mainly refers to paint residue, waste packaging tanks, waste filter cottons, and waste activated carbon, etc. In addition, employee domestic waste is handled by a qualified disposal contractor for removal and treatment.



Total waste reduction and resource utilization are the management objectives of the Company, and recycling and reuse are the goals for implementation. The traditional end-treatment model has been replaced by a transformation of wastes into reusable resources. For internal waste management, in addition to the introduction of ISO 14001 environmental management system and compliance with relevant laws, the industrial waste disposal plan has been completed and submitted to the competent authority for review with qualification. Furthermore, industrial waste is handled by dedicated personnel, and the output and storage volumes are reported online, in order to comply with regulatory requirements.

RHQ Furniture - Waste type and output volume		2020	2021	2022
General industrial waste	Styrofoam (tons)	0.8	0	0.1
	Board leftover materials (tons)	35.13	17.15	30.34
<b>Total</b>		<b>35.93</b>	<b>17.15</b>	<b>30.44</b>
Hazardous industrial waste	Paint residue	5.92	8.27	6.75
	Waste packaging tanks	0.87	2.33	2.83
	Waste filter cotton	0.75	0.56	0.25
	Waste activated carbon	1.99	1.45	0.00
<b>Total</b>		<b>9.53</b>	<b>12.61</b>	<b>9.84</b>

Zhongli Rich Honour Fabricating - Waste type and output volume		2020	2021	2022
General industrial waste	Waste woods (tons)	260	280	296


Note: The above statistics disclose the waste data of RHQ Furniture and Zhongli Rich Honour Fabricating. Since Taipei Headquarters and RH International Designs are offices in nature and they have domestic waste only, waste volumes are not statistically calculated, and no relevant disclosure is made.

## 4-4 Climate Change Management

In recent years, the extreme climate has become more severe, indicating that the crisis caused by global warming is closer to all of us nowadays. Accordingly, countries around the world are focusing on the topic of climate change with greater attention. In addition, all countries have established laws and regulations to enhance and urge enterprises to include climate change topics in their corporate operation management.

RH identifies the operational risks associated with climate change and also incorporates the four disclosure core items of "Governance", "Strategy", "Risk Management", "Indicator and Goals" into the operational management according to the Task Force on Climate-Related Financial Disclosures (TCFD) announced by the Financial Stability Board (FSC), and the Company discloses its governance performance in the Sustainability Report in order to allow stakeholders to understand the impact of climate change-related risks and opportunities and relevant response measures of RH.



Governance	Strategy	Risk Management	Metrics and Targets
RH's governance status on climate-related risks and opportunities:	Business, strategy and financial planning, and actual and potential climate-related impact	Climate-related risk management process	Assess and manage indicators and goals of climate-related topics
<ul style="list-style-type: none"> <li>Climate risk and opportunity governance status is reported by the Chairman to the Board of Directors along with the annual sustainable development status, and the Board of Directors supervises implementation outcomes.</li> </ul>	Refer to 2022 Short-/Medium-/Long-term Climate Risk and Opportunity Table	<p>The risk identification, assessment and management process is as follows:</p>  <ul style="list-style-type: none"> <li>ESG Committee members complete the climate environmental background information collection</li> <li>Climate risk and operating scope assessment</li> <li>Establish climate risk and opportunity item list</li> <li>Establish internal operational impact survey questionnaires</li> <li>ESG Committee members implement climate risk, opportunity and operational impact analysis</li> <li>Determine material risk items</li> <li>Establish implementation strategies and set up goals</li> <li>Review implementation strategies and outcome of goals through ESG Committee meeting's continuous review annually</li> </ul>	<ul style="list-style-type: none"> <li>In 2022 the greenhouse gas inventory inspection was completed, and additional website and public information disclosure was made</li> <li>Annual electricity savings rate of 1%</li> </ul>
<ul style="list-style-type: none"> <li>The Chairman acts as the chairperson for climate risk and opportunity governance, and all first level department heads perform risk identification, assessment and handling.</li> </ul>	Refer to climate-related impact		In 2022, the Headquarters' Scope 1 emissions was 114.31 tons CO <sub>2</sub> e, and Scope 2 emissions was 285.39 tons CO <sub>2</sub> e;
	The Company conducts discussion during the Risk Committee meeting based on the 2°C scenario (2DS), and uses the tool provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) as the assessment reference for climate change physical risk scenarios. The 2DS/RCP2.6 scenario is used as the Company's climate change physical risk scenario. In such scenario, climate change risks and opportunities are described with respect to the physical risk and legal transformation risk, etc.	The Company's risk management system has incorporated climate risks and opportunities into the operation of each unit.	Carbon neutrality by 2050

2022 Short-/Medium-/Long-term Climate Risk and Opportunity Table

No.	Climate Change Risk Topic	Risk level	Time scope
R1	Increase greenhouse gas emission pricing	High	Short-term, Medium-term
R2	Strengthen emissions reporting obligation	Medium	Short-term
R3	Requirements of existing products and services and supervision	Medium	Short-term
R4	Use low carbon products to replace currently existing products and services	Medium	Medium-term, Long-term
R5	Low carbon technology transformation cost	Medium	Short-term, Medium-term
R6	Customer behavior change	Medium	Short-term, Medium-term
R7	Extreme change in rainfall (precipitation) pattern change and climate pattern	High	Medium-term, Long-term
R8	Increase of severity of extreme weather events of typhoon and flood	Medium	Medium-term
R9	Raw material cost increase	High	Short-term, Medium-term, Long-term
R10	Increase of average temperature	Medium	Medium-term, Long-term
R11	Sea level rise	Medium	Medium-term, Long-term
No.	Climate Change Opportunity Topic	Opportunity level	Time scope
O1	Reduce water usage and consumption	Low	Short-term, Medium-term, Long-term
O2	Use production and distribution process of higher efficiency	Medium	Medium-term, Long-term
O3	Recycle and reuse	Medium	Medium-term, Long-term
O4	Change to use building of higher efficiency	Medium	Medium-term, Long-term
O5	Adopt transportation method of higher efficiency	Medium	Short-term, Medium-term, Long-term
O6	Use low carbon energy	Medium	Medium-term, Long-term
O7	Implement incentive policy	Medium	Medium-term, Long-term
O8	Use new technologies	Medium	Medium-term, Long-term
O9	Participate in carbon trading market	Medium	Medium-term, Long-term
O10	Change to non-centralized energy	Low	Medium-term, Long-term

Note: Short-term refers to 1-5 years; Medium-term refers to 5-10 years; Long-term refers to more than 10 years

Climate-related Impact and Strategy

Risk and Opportunity Item	Financial Impact	Response Mechanism
Increase greenhouse gas emission pricing	With regards to the overall temperature rise caused by climate change, the European Union (EU) implements a carbon tax and Taiwan will also collect carbon fees in 2024 to prevent the excessive emission of greenhouse gas, which will cause an increase in the operating costs of the Company.	Presently, the Company is in a high carbon emissions industry; therefore, it can cause an impact on overall operations. The Company currently implements a comprehensive greenhouse gas inventory inspection and will begin the assessment operation on the purchase of green electricity and bioenergy. We will establish carbon reduction goals in order to achieve carbon neutrality by 2050.
Extreme change in rainfall (precipitation) pattern change and climate pattern	Operation interruption caused by climate disasters, such as raw material and product transportation, information servers, or production equipment being damaged, resulting in operation interruption and increase in operating costs.	The response measure of the Company is to implement drainage system maintenance and establish typhoon and rainstorm emergency response plans in order to reduce immediate risks. The factory site has completed waterproof construction, and the third party certification ISO 14001: 2015 environmental management system has been introduced. Pump drainage facility maintenance is performed monthly. In addition, RHQ Furniture has applied for property insurance as a protective measure to damage caused by natural disasters such as typhoon, flood and earthquake, so that this risk has no significant impact on overall operations.
Raw material cost increase	The EU will implement a trial collection of carbon tax in 2023, which will cause an increase in costs of a large quantity of products and raw materials.	The response solution is green procurement, green design, green construction to reduce raw material use, and strengthening the local procurement ratio for the supply chain, in order to reduce the increase and expansion of cost of raw materials and transportation. Please refer to Section 3-5-3 of this Report for the local procurement ratio.

### Implementation plan for achieving 2050 carbon neutrality goal

- 1 Through green procurement, purchase infrastructure equipment equipped with eco-friendly labels (implementation period: 2023~2030)
- 2 Implement ISO 14064-1 greenhouse gas inventory inspection (implementation period: 2025~2026)
- 3 Physical server room UPS replacement with new one, and replace with Cloud server room at the end (implementation period: 2026~2030)
- 4 Purchase energy storage and electricity regulation system to improve energy consumption efficiency (implementation period: 2026~2030)
- 5 Purchase green electricity and solar power generation (implementation period: 2030~2035)
- 6 Purchase carbon rights (implementation 2035~2045)

## Greenhouse gas emissions

Greenhouse gas emissions is the main factor causing climate change. As a global citizen, RH is committed to the fulfillment of sustainable environmental responsibility, and aims to adopt relevant policies to reduce greenhouse gas emissions through greenhouse gas inventory results, and to implement review and continuous improvement annually. With regards to the greenhouse gas inventory inspection, Scope 1 of direct emissions mainly refers to gasoline used in company vehicles, diesel used in power generators, and gas. For Scope 2, it mainly refers to indirect emissions (electricity). Scope 3 of other emissions is not included in the inventory inspection.



Region	Category	2020	2021	2022
Taipei Headquarters	Scope 1 (tons CO2e)	111.87	108.84	114.31
	Scope 2 (tons CO2e)	290.87	287.37	285.39
	Scope 1+Scope 2 (tons CO2e)	402.73	396.21	399.70
Zhongli Rich Honour Fabricating	Scope 1 Scope 2 (tons CO2e/ in NT\$ million revenue)	0.129	0.096	0.078
	Scope 1 (tons CO2e)	21.43	17.46	16.05
	Scope 2 (tons CO2e)	112.01	117.93	132.01
	Scope 1+Scope 2 (tons CO2e)	133.44	135.39	148.07
RH International Designs	Scope 1 Scope 2 (tons CO2e/ in NT\$ million revenue)	0.043	0.033	0.029
	Scope 1 (tons CO2e)	9.98	8.84	7.06
	Scope 2 (tons CO2e)	14.07	17.02	13.00
	Scope 1+Scope 2 (tons CO2e)	24.05	25.86	20.06
RHQ Furniture	Scope 1 Scope 2 (tons CO2e/ in NT\$ million revenue)	0.008	0.006	0.004
	Scope 1 (tons CO2e)	19.94	24.86	10.98
	Scope 2 (tons CO2e)	586.11	618.28	655.91
	Scope 1+Scope 2 (tons CO2e)	606.05	643.15	666.89
	Scope 1 Scope 2 (tons CO2e/ in NT\$ million revenue)	0.194	0.155	0.131

Note: According to the Greenhouse Gas Emissions Factor Management Table Version 6.0.4 announced by the Environmental Protection Administration, R.O.C., the diesel emission factor is 2.6060KgCO2/L, gasoline emission factor is 2.2631KgCO2/L, gas emission factor is 1.7529KgCO2/L. The 2020 electricity emission factor is 0.502KgCO2/kWh, and the 2021 electricity emissions factor is 0.509KgCO2/kWh. Since the 2022 electricity emissions factor has not yet been announced, the 2021 electricity emissions factor is used.





5

Social Care

## • Social Care

Material Topic	Employment
Impact on the Company	Increase employee salary and benefits to improve employee recognition of the Company and to attract and retain outstanding
Policy	<ul style="list-style-type: none"> <li>• Provide competitive remuneration and comprehensive on-the-job training</li> <li>• Proper and smooth labor-management communication</li> </ul>
Goal	<ul style="list-style-type: none"> <li>• Annual employee training participation ratio above 90%</li> <li>• No annual labor-management disputes</li> </ul>
Resource invested and actual outcome in the current year	<ul style="list-style-type: none"> <li>• Organize new employee orientation</li> <li>• Convene labor-management meetings quarterly</li> <li>• Organize year-end lottery activity, new employee seminar and travel allowance, etc.</li> </ul>
Responsible department and complaint filing mechanism	<ul style="list-style-type: none"> <li>• Contact unit: Administrative Service Department</li> <li>• Tel: 02-25456011</li> <li>• Email: hr@richhonour.com</li> </ul>
Assessment mechanism	<p>1 The Labor-Management Committee convenes labor-management meeting quarterly in order to communicate matters related to labor status, company operation information, labor activity and benefits, etc.</p> <p>2 In 2022, there were no labor-management dispute cases.</p>

Corporate is an organization established based on the core of people. To promote corporate sustainable development, RH upholds a “people-oriented” management philosophy in order to construct a comprehensive employee care and management system, thereby providing a friendly workplace and allowing each employee to grow with the Company together without any worries.

RH complies with labor related laws and regulations rigorously, and has established work rules to legally protect and secure the rights and interests of employees. In addition, the Company follows the SA 8000 social responsibility standard to provide a healthy and safe working environment to employees, testablish diverse and open labor-management communication channels in conjunction with fair remuneration and job promotion, complete a training development system, maintain a sound welfare system and an open and transparent profit-sharing system, such that employees are able to contribute their efforts and achieve performance with security and to grow and advance further with the Company jointly. The enhancement of proper labor-management relations and the establishment of a warm and harmonic working atmosphere is the cornerstone to achieving sustainable operation.

Talent Sustainability	
Talent Selection	Recruit appropriate professional talent according to the business strategy of the Company; promote corporate image to enhance the image of RH in the manpower market, and also enhance industry-academia collaboration to develop students' employment capability, and properly utilize the experience of retiring talent through inheritance.
Talent Recruitment	Respect employee diversity and human rights, and offer a diverse salary portfolio along with a comprehensive welfare system, in order to construct a complete salary and bonus structure.
Talent Cultivation	Plan education and training according to job rank and competency, implement job transfer and development system, subsidize employee continuing education and encourage the design team to participate in domestic and foreign design competitions in order to improve the international experience and to establish reputation for the Company.
Talent Retention	Based on the work performance and the principle of profit sharing, the Company develops an incentive and competitive remuneration plan and a comprehensive employee welfare system in order to improve harmonic development and to achieve consensus and develop team cohesion. The Company also implements an Employee Assistance Plan (EAP) in order to provide comprehensive growth care to employees through the professional team. Value employees' opinions and improve labor-management relations.
Talent Protection	People are the most important assets of the Company, and the Company values employee health and workplace safety and sanitation. The Company identifies workplace risks and cares for employee physical and mental health in order to establish a working environment achieving "balance between working and living".

## 5-1 Employee Overview

RH treats employees fairly and implements various equality measures in order to eliminate any labor conditions that may cause unfair treatment at the workplace, thereby protecting the labor rights of employees. Human resource cultivation and development is essential to sustainable corporate operations. RH implements the management strategy of talent selection, recruitment and cultivation, in order to allow each employee to work with security and to continue to utilize their expertise. Consequently, the Company is able to retain outstanding talent and to advance further with the organization, thereby achieving a win-win outcome of long-term development of employee and sustainable growth of the Company.

### 5-1-1 Human Rights Protection

RH complies with the local laws and regulations of each business location, and also supports and voluntarily complies with various international human rights conventions, including the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights" and "United Nations International Labor Organization" as well as other international human rights conventions and the Labor Standards Act of R.O.C. According to each human rights framework and convention principle, the Company treats and respects all personnel with dignity, establishes and implements human rights policies according to the guidelines of the aforementioned documents, and also requests supply chain partners to comply with these conventions and regulations jointly.



Human rights policy implementation directive	Improvement of human rights awareness
<ul style="list-style-type: none"> <li>✓ Comply with relevant laws and regulations, provide a safe and healthy working environment with zero harassment.</li> <li>✓ Eliminate illegal discrimination and ensure equal job opportunities.</li> <li>✓ Prohibition on child labor.</li> <li>✓ Prohibition on forced labor.</li> <li>✓ Assist employees to maintain physical and mental health as well as work balance.</li> <li>✓ Periodic inspection and evaluation of relevant system and actions.</li> </ul>	<ul style="list-style-type: none"> <li>✓ New employee orientation: Orientation content includes prohibition on forced labor, anti-discrimination, anti-harassment, promotion of flexible working hours, protection of human rights treatment and provision of a healthy and safe working environment.</li> <li>✓ Prevention of workplace violence: Through promotions and announcements, guide employees to understand that they have the responsibility to prevent illegal infringement at the workplace during the performance of their job duties, in order to establish a friendly working environment.</li> <li>✓ Occupational safety series of trainings: Training content includes health information promotion, occupational nurse health service consultation, labor safety and health training, first-aid personnel training.</li> </ul>

In addition, RH also provides a reporting channel for employees for use, and dedicated personnel are assigned to accept reported cases, followed by diligent investigation. In addition, the personal information of the reporter is kept confidential. In cases where a reported case is verified to be true, the Company also guarantees not to impose any treatment unfavorable to the reporter. In 2022, RH had no record of violation of human rights.



## 5-1-2 Employee Statistics

Due to the industry characteristics, RH is in the design and highly professional industry, such that labor structure for both male and female employees are nearly the same as each other. All employees of RH are mainly non-fixed term contract types (i.e. official employees) and full-time employees, and there is no employment of child labor. The Company provides a long-term and stable working environment, allowing employees to work and contribute efforts securely without any worries, which is also beneficial to protecting the economic living of employees.

Employee Overview							
Statistics/Year		2020		2021		2022	
Total Number of Employees (Note 1)		566		596		618	
Employment Contract (Note 2)		Non-fixed term	Fixed-term	Non-fixed term	Fixed-term	Non-fixed term	Fixed-term
Gender	Male	295	0	299	5	313	8
	Female	270	1	291	1	294	3
Region	Taipei Headquarters	242	1	263	2	266	9
	Zhongli Rich Honour Fabricatin	40	0	36	0	36	0
	RH International Designs	127	0	131	0	137	0
	RHQ Furniture	150	0	160	4	168	2
Employment Type (Note 2)		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	295	0	300	4	319	2
	Female	271	0	292	0	297	0
Region	Taipei Headquarters	243	0	265	0	275	0
	Zhongli Rich Honour Fabricatin	40	0	36	0	36	0
	RH International Designs	127	0	131	0	137	0
	RHQ Furniture	150	0	160	4	168	2

Note 1: The total number of employees is calculated at the end (12/31) of each year.

Note 2: The employee contract is classified into non-fixed term contract employees (official) and fixed-term contract employees (temporary, short-term, seasonal, specific nature).

Note 3: Employment type is classified into full-time employees (weekly working hours reaching statutory working hours upper limit) and part-time employees (weekly working hours not reaching statutory working hours upper limit as part-time personnel, such as interns, hourly-paid personnel).

Statistics of Other Workers							
Statistics/Year		2020		2021		2022	
Total Number of Other Workers (Note 1)		18		22		21	
Contract Type		Dispatch	Other Types	Dispatch	Other Types	Dispatch	Other Types
Gender	Male	0	17	4	17	2	18
	Female	0	1	0	1	0	1
Region	Taipei Headquarters	0	1	0	1	0	1
	Zhongli Rich Honour Fabricatin	0	17	0	17	0	18
	RH International Designs	0	0	0	0	0	0
	RHQ Furniture	0	0	4	0	2	0
Job Type		Technicians/ Operators	Technical Consultants	Technicians/ Operators	Technical Consultants	Technicians/ Operators	Technical Consultants
Gender	Male	17	0	21	0	20	0
	Female	1	0	1	0	1	0
Region	Taipei Headquarters	1	0	1	0	1	0
	Zhongli Rich Honour Fabricatin	17	0	17	0	18	0
	RH International Designs	0	0	0	0	0	0
	RHQ Furniture	0	0	4	0	2	0

Note 1: The total number of workers is calculated at the end (12/31) of each year.



Governance Unit Diversity Statistics/Year			2020		2021		2022	
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Director	Gender	Male	5	71.43%	5	71.43%	6	75.00%
		Female	2	28.57%	2	28.57%	2	25.00%
	Age	Under 50 years old	3	42.86%	3	42.86%	3	37.50%
		50–60 years old	2	28.57%	2	28.57%	2	25.00%
		Above 60 years old (inclusive)	2	28.57%	2	28.57%	3	37.50%
	Educational Background	Doctoral degree	1	14.29%	1	14.29%	2	25.00%
		Graduate School	5	71.42%	5	71.42%	5	62.50%
		College and University	1	14.29%	1	14.29%	1	12.50%
		Others	0	0.00%	0	0.00%	0	0.00%

Employee Diversity Statistics/Year				2020		2021		2022	
				Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Employees	Direct	Gender	Male	101	17.84%	102	17.23%	114	18.51%
			Female	51	9.01%	58	9.80%	60	9.74%
		Age	Under 30 years old	30	5.30%	26	4.39%	28	4.55%
			Above 30 years old (inclusive) but less than 50 years old	111	19.61%	119	20.10%	127	20.62%
			Above 50 years old (inclusive)	11	1.94%	15	2.53%	19	3.08%
		Educational Background	Graduate School	15	2.65%	17	2.87%	13	2.11%
			College and University	40	7.07%	45	7.60%	53	8.60%
			Others	97	17.14%	98	16.55%	108	17.53%
	Indirect	Gender	Male	194	34.28%	198	33.45%	205	33.28%
			Female	220	38.87%	234	39.53%	237	38.47%
		Age	Under 30 years old	93	16.43%	99	16.72%	119	19.32%
			Above 30 years old (inclusive) but less than 50 years old	269	47.53%	278	46.96%	265	43.02%
			Above 50 years old (inclusive)	52	9.19%	55	9.29%	58	9.42%
		Educational Background	Graduate School	29	5.12%	30	5.07%	27	4.38%
			College and University	310	54.77%	320	54.05%	344	55.84%
			Others	75	13.25%	82	13.85%	71	11.53%

Note: The aforementioned personnel diversity includes the four main business locations of Headquarter, Zhongli Rich Honour Fabricating, RH Designs (Shanghai), RHQ Furniture; temporary manpower is not included in the calculation.

New and Resigned Employees Statistics/Year			2020		2021		2022	
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
New Employees	Age	Under 30 years old	27	23.68%	90	73.77%	87	60.42%
		Above 30 years old (inclusive) but less than 50 years old	41	10.93%	76	19.39%	59	15.25%
		Above 50 years old (inclusive)	6	9.84%	11	16.18%	4	5.33%
	Gender	Male	38	13.52%	83	28.42%	91	29.17%
		Female	36	13.38%	94	32.41%	59	20.07%
	Educational Background	Graduate School	6	13.95%	17	36.96%	9	23.68%
		College and University	50	14.49%	113	31.22%	100	25.71%
		Others	18	11.11%	47	27.01%	41	22.91%
	Region	Taipei Headquarters	45	18.60%	77	29.28%	67	25.19%
		Zhongli Rich Honour Fabricatin	8	20.00%	6	17.14%	10	27.78%
RH International Designs		7	5.51%	47	35.88%	31	22.63%	
RHQ Furniture		14	8.97%	47	29.38%	42	25.00%	
Resigned Employees	Age	Under 30 years old	30	26.32%	49	40.16%	32	22.22%
		Above 30 years old (inclusive) but less than 50 years old	77	20.53%	76	19.39%	75	19.38%
		Above 50 years old (inclusive)	15	24.59%	27	39.71%	26	34.67%
	Gender	Male	70	24.91%	79	27.05%	77	24.68%
		Female	52	19.33%	73	25.17%	56	19.05%
	Educational Background	Graduate School	7	16.28%	14	30.43%	17	44.74%
		College and University	84	24.35%	99	27.35%	74	19.02%
		Others	31	19.14%	39	22.41%	42	23.46%
	Region	Taipei Headquarters	65	26.86%	56	21.29%	64	24.06%
		Zhongli Rich Honour Fabricatin	7	28.00%	10	35.71%	10	28.57%
RH International Designs		19	14.96%	43	32.82%	25	18.25%	
RHQ Furniture		31	19.87%	43	26.88%	34	20.24%	

## 5-2 Talent Selection and Appropriate Employment

Sound human resources are the key to the sustainable operation of RH. To attract outstanding talent, the Company provides competitive salaries and benefits, and provides rewards to employees of outstanding performance and long-term contribution. The Company upholds the philosophy of fair employee treatment and plans transparent evaluation and reward/discipline systems in order to establish a positive atmosphere of fair competition and to assist employees in achieving greater performance at work and to establish a corporate culture of talent retention. Furthermore, employee cohesion toward to the Company is enhanced, such that employees are able to participate in Company affairs and duties actively. Moreover, with regards to the job promotion, the Company adopts the method of transparent and open job promotion information, such that employees of great working performance are able to receive the opportunity for job promotion, thereby driving an atmosphere of role model learning of employees, and the Company may then continue to cultivate more outstanding talent. In addition, the Company also arranges education and training plans to provide continuing education for employees, allowing employees to continue to grow in their own professional fields and to realize their values. Finally, RH has established diverse channels to communicate with employees, such that employees may submit their comments and opinions at any time. The Company also provides friendly responses in order to maintain harmonic interaction with trust between labor and management.

## 5-2-1 Remuneration and Welfare

For remuneration, RH adopts the policy of transparency, and the average salary is above the median level of salaries paid by other business operators in the same industry. We are committed to providing comprehensive and competitive salaries and benefits in order to attract and retain outstanding talent. The Company understands the market conditions through salary surveys annually, in order to perform salary adjustment and to maintain salary competitiveness. In 2022, the entry level male employee salary was 1.31 times higher than the local minimum wage, and the entry level female employee salary was 1.38 times higher than the local minimum wage.

The Company complies with the gender equality principle, and prevents any basic differences due to gender. All salaries are determined according to the internal salary table of the Company. The overall salary standard considers an employee's job position, job rank, educational background and seniority. As for comparison within the same job category, male employees tend to have higher rates of business travel, and there is a slight difference in the male and female employee average salary ratio.

Item	2020		2021		2022	
	Ratio of basic salary of men to women	Ratio of remuneration of men to women	Ratio of basic salary of men to women	Ratio of remuneration of men to women	Ratio of basic salary of men to women	Ratio of remuneration of men to women
Direct personnel	1.06:1	1.07:1	1.12:1	1.15:1	1.19:1	1.19:1
Indirect personnel	1.1:1	1.01:1	1.11:1	1.1:1	1.11:1	1:1

Note: Direct personnel often require trips to job sites; therefore, they are mostly male employees, and they also need to cooperate with the project's extended working hours, so their salaries are relatively higher.

Key Business Locations	Total number of senior officers in 2022 (above the rank of Assistant Vice President)	Number of Taiwanese residents employed as senior officers in 2022	Employment Ratio
Taipei Headquarters	12	12	100%

RH adopts a policy of parental leave without pay, and in accordance with Article 16 of the Act of Gender Equality in Employment, after being in service for six months, employees may apply for parental leave without pay before any of their children reach the age of three years old. The period of this leave is until their children reach the age of three years old but may not exceed two years. In 2022, the total number of employees qualified for parental leave was 31 people, including seven new qualified employees in 2022, and the actual accumulated number of employees applying for parental leave was 16 people. For Zhongli Rich Honour Fabricating, seven employees were qualified to apply for parental leave, with two new qualified employees in 2022, and the actual accumulated number of employees applying for parental leave was two people. Other benefits and systems are as follows:

Employee Benefit Item	Full-time employees				
	Description	Taipei Headquarters	Zhongli Rich Honour Fabricating	RH International Designs	RHQ Furniture
Year-end bonus	Year-end bonus is distributed according to the annual operation performance of the Company and the performance of employees	●	●	●	●
Three-holiday bonus	Bonus for Dragon Boat Festival, Mid-Autumn Festival and Chinese New Year	●	●	●	●
Seniority bonus	Encourage long-term employment and retention of employees	●	●	●	●
Marriage/funeral/maternity subsidy	Provide marriage, maternity and funeral subsidies to employees	●	●	●	●
Periodic health examination	Provide health examinations of higher quality than the Regulations of Labor Health Protection Health	●	●	●	●
Group insurance	Provide employee group life insurance and hospitalization medical care, cancer insurance, accident insurance, etc. (insurance items may be different depending upon the region)	●	●	●	●
Birthday gift money	Employees may receive birthday gift money on the month of their birthday	●		●	●
Breastfeeding room	Breastfeeding room is installed and available for employees	●	●		
Employee children scholarship	Scholarship is provided to employee children from elementary school to college and university	●			
Childcare allowance	Childcare allowance is provided to employees with children under the age of six years old	●			
Employee stock ownership	Employee Stock Ownership Committee is established, and employees interested in participating in the employee stock ownership program may enter the Committee	●			
Employee Welfare Committee activities	Group activities, employee travel and employee discounted products are organized irregularly	●		●	●

Friendly Workplace - Breastfeeding Room



## Comfortable Office Environment





## Comfortable Office Environment



## Retirement Benefit Plan:

- Defined appropriation plan (new pension system): RH Design Headquarters and Rich Honour Fabricating appropriates an amount not less than 6% of monthly wages as the pension for depositing into the labor pension account according to the Labor Pension Act since July 1, 2005. In addition to the fixed appropriation of 6% of pension from the employer, employees may also choose to appropriate a maximum amount of 6% for pension for depositing into the personal pension account.
- RH International Designs (Shanghai) and RHQ Furniture apply for endowment insurance according to the Social Insurance Law of the People's Republic of China, such that employees may enjoy secured benefits after retirement.
- Employee stock ownership trust: To protect the financial planning for employee retirement, RH Headquarters activated the employee stock ownership trust program in 2022, in order to assist employees to accumulate a retirement pension to serve as another support for their retirement. In addition, it enhances team cohesion through the sharing of operational outcomes.

## 5-2-2 Talent Cultivation

RH values employee occupational development, and plans education and training according to possible challenges faced by each job rank and the skills required for each department. In addition, to allow employees to utilize their occupational skills properly during their career development stage, the Company provides job transfer opportunities to internal personnel and supervisors. We also encourage employees to continue to improve and have established regulations for an interior decoration professional technical license allowance and subsidy. RH has established the education and training management system, and the core is to implement proper talent recruitment and appropriate employment for right positions, in order to achieve maximum functions and benefits.

### ► Construct an education and training system based on the core of corporate vision development:

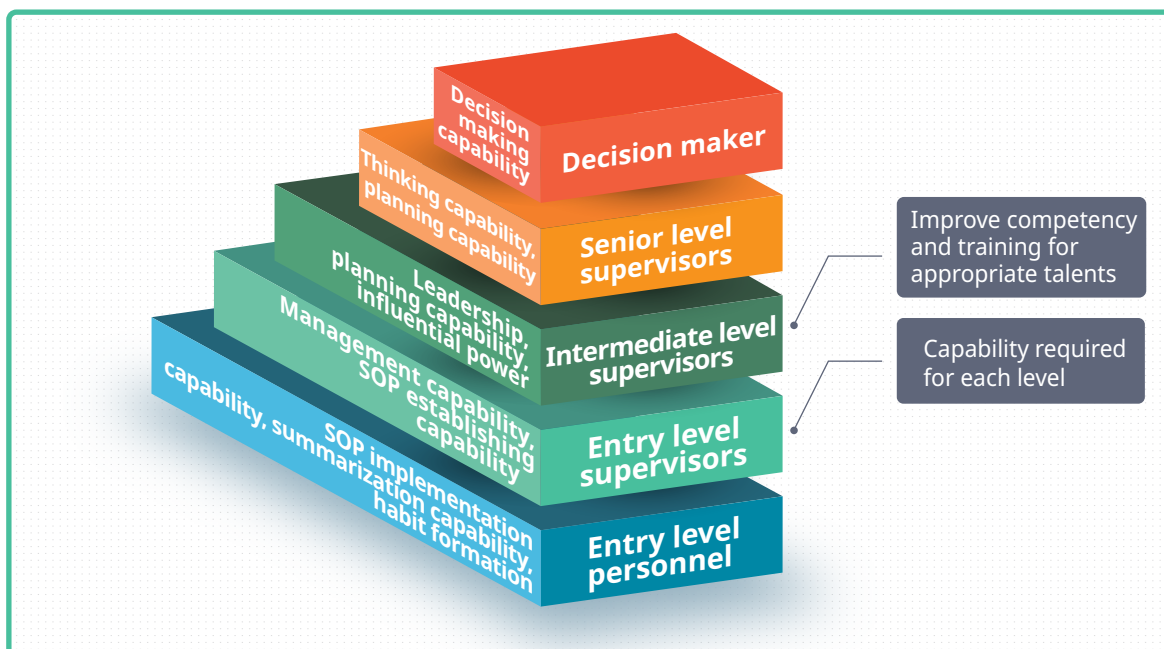
Integrate the corporate vision and annual goal to establish the annual plan and implement education and training according to the plan.

### ► New employee orientation:

Through new employee orientation, quick learning and reduction of recruitment costs can be achieved, in order to facilitate new employees to stabilize at work early.

- On the day of reporting to work, complete new employee orientation is provided in order to understand the Company's system.
- After being employed for three months, a probation period maturity performance review is used to understand the job adaptation status of a new employee, and necessary assistance is provided.

### ► Talent development management:



Professional skills, general skills and supervisor management skills are developed according to job ranks and demands. For each functional department a training plan is proposed according to its professional competency. In addition to trainings by internal instructors or external experts and instructors, on-the-job training (OJT) and internal training courses (such as general core courses and professional courses) are arranged and planned, in order to implement professional competency training. Furthermore, employees are also arranged to receive external training organized by relevant training institutions, in order to gain external professional knowledge.

### ► Diverse learning:

Employees may improve personal learning development at any time through diverse learning channels. Presently, employees are able to improve personal professional competence through internal training (in-person and online courses), external training, and exchange with superior officers/colleagues. Employees may also improve the depth and breadth of their experience and knowledge through job transfer, technology exchange with overseas subsidiaries and the opportunities of assignment of important overseas jobs, and so on.

Education and Training Photos





Regional Training Statistics						
Region	Statistics/Year		2020	2021	2022	Remarks
Taipei Headquarters	Average training hours per employee		6.75	10.99	10.75	<ul style="list-style-type: none"> <li>In 2020, due to the COVID-19 pandemic, the number of training hours was reduced in order to reduce the risk of group infection.</li> <li>During the period of 2021~2022, the demand for interior decoration projects increased, and numerous training units organized online courses. Fourteen employees were newly trained to participate in the labor safety supervisor license course; the engineers participating in the course were mostly male, and the number of training hours was greater than the other two years.</li> <li>In 2021, a total of 31 sessions of talent cultivation and training courses were organized, allowing employees to have the opportunity and channel to improve competency.</li> <li>In 2022, training courses for corporate social responsibility and human rights policy promotion were added.</li> </ul>
	Average training hours of employees according to gender	Female	7.01	7.37	11.29	
		Male	6.42	15.78	11.05	
	Average training hours of employees according to employee type	Direct	2.77	8.11	7.11	
		Indirect	7.7	11.67	11.61	
Zhongli Rich Honour Fabricating	Average training hours per employee		8.6	4.1	4.1	<ul style="list-style-type: none"> <li>Mainly for license and regulatory type of trainings.</li> <li>In 2020, due to job site needs, construction workers needed to obtain general labor safety and health training certificates; therefore, employees of the Production Department and Project Department attended external trainings, such that the number of training hours was higher.</li> </ul>
	Average training hours of employees according to gender	Female	5.3	4	4.3	
		Male	9.2	4.1	4	
	Average training hours of employees according to employee type	Direct	10	4	4	
		Indirect	4.4	4.2	4.3	
RH International Designs	Average training hours per employee		0.31	1.79	0.88	<ul style="list-style-type: none"> <li>Due to the characteristic of business trip of engineers, the employee training is mainly for new employees, and the number of training hours varies depending upon the number of new employees. The average training hours for indirect employees refers to new employees joining the Company in 2022/new employees remained on the job during the end of that year</li> </ul>
	Average training hours of employees according to gender	Female	0.28	2.06	0.91	
		Male	0.36	1.43	0.83	
	Average training hours of employees according to employee type	Direct	-	-	-	
		Indirect	2.33	2.35	1.29	
RHQ Furniture	Average training hours per employee		11.4	10.55	13.79	
	Average training hours of employees according to gender	Female	6.7	6.14	8.52	
		Male	14.5	12.92	16.57	
	Average training hours of employees according to employee type	Direct	21	18.44	19.99	
		Indirect	2.5	3.23	6.29	

## Performance evaluation

To allow the work performance of employees to be properly reflected in their salary, all employees are required to undergo a performance evaluation annually. The evaluation result is included in consideration for the job promotion development of employees, such that employees equipped with specific skills and expertise may become a professional in that field through their own efforts at work. In addition, employees with management capability and leadership potential can be promoted to management, such that the Company provides broad career development outlook to all employees.

Taipei Headquarters	Employees evaluated in 2022	Number of employees evaluated	Total number of employees	Percentage
Gender	Male	111	266	41.7%
	Female	139	266	52.3%
Employee type	Direct	53	266	19.9%
	Indirect	197	266	74.1%

Zhongli Rich Honour Fabricating	Employees evaluated in 2022	Number of employees evaluated	Total number of employees	Percentage
Gender	Male	25	36	69.4%
	Female	11	36	30.6%
Employee type	Direct	22	36	61.1%
	Indirect	14	36	38.9%

RH International Designs	Employees evaluated in 2022	Number of employees evaluated	Total number of employees	Percentage
Gender	Male	59	137	43.07%
	Female	75	137	54.74%
Employee type	Direct	-	-	-
	Indirect	134	137	97.81%

RHQ Furniture	Employees evaluated in 2022	Number of employees evaluated	Total number of employees	Percentage
Gender	Male	94	168	56.0%
	Female	65	168	38.7%
Employee type	Direct	88	168	52.4
	Indirect	71	168	42.3%

Note: Contract/part-time personnel are not included in the calculation of total number of employees



## 5-2-3 Labor-management Communication

RH values harmonic employee relationships and has established diverse communication channels, including various types of meeting organizations, a public email box for complaint filing, telephone hotline, etc., in order to implement interaction and exchange on various types of labor-management issues.

### ► Diverse communication channels:

RH upholds the philosophy of openness and respect, and has established diverse labor-management communication channels. The Company respects employees' opinions, promotes harmonic labor-management relationships and enhances employee cohesion, thereby achieving great benefits to operation performance. Accordingly, the Company actively establishes diverse labor-management communication channels in order to maintain smooth two-way exchange between labor and the management, allowing the Company's information to be conveyed timely, properly and effectively, and further assisting the Company in the improvement of various management actions.

The three main types of labor-management communication models of the Company are explained in the following:

Various types of meetings	Internal unit/department routine meetings, and functional meetings.
Announcement/survey/evaluation/comment and feedback	Performance evaluation, commendation and feedback channel, employee complaint filing channel, personnel announcement, etc.
Labor-management meeting organization	Labor-management meetings and Employee Welfare Committee, etc. The aforementioned diverse communication channels include one-way, two-way, interactive models, and in conjunction with the organization's internal operation and management regulations, thereby ensuring proper and smooth conveying of various types of communication messages.

### ► Labor-management meeting organization:

We respect employee rights of freedom of assembly and association as granted by the laws, and we do not oppose, stop or hinder employee assembly or association activities. In addition, we have established labor-management meetings and an Employee Welfare Committee according to the law, and have also submitted such establishment to the competent authority for recordation before official operation. Presently, the labor-management meetings are convened quarterly, and the Employee Welfare Committee members also convene meetings periodically. Each labor-management communication organization is in charge of its own duties and responsibilities in order to communicate different topics and to exert effort in the promotion of co-prosperity and co-existence of the labor and management jointly, thereby achieving mutual benefits and a win-win situation for both labor and management.

### ► Complaint handling and resolution:

The labor-management communication channel of the Company is smooth, and the employee relationship is harmony. In 2022, there were no major complaint cases.

### ► Handling of workplace violence and sexual harassment incidents:

The Company has established the "Regulations for Workplace Sexual Harassment Prevention Measures, Complaints and Disciplinary Actions", "Prevention Plan for Illegal Infringement in the Performance of Job Duties" in order to prevent occurrence of workplace sexual harassment and bullying incidents. In the case of occurrence of such incident, employees may file a complaint according to the "Internal Reporting Mechanism" of the Company. Since the implementation of the Regulations, the Company has not received any complaint about sexual harassment or bullying from employees in 2022.

### ► Response actions to corruption and bribery incidents:

The Company has established the "Code of Ethical Conduct" in order to serve as the compliance basis for the daily ethical conduct of employees.

The Company's employees have not been involved in any corruption or bribery incidents. In case of any occurrence of similar incident, investigation and handling will be performed according to relevant management regulations. If it is verified to be true with evidence, it will be handled and punished according to the management regulations of the Company or the government's relevant laws and regulations.

## 5-3 Occupational Safety and Health

Material Topic	Occupational safety and health
Impact on the Company	To establish healthy workplace culture, safety and health management is important. Through the management system operation and promotion, potential hazardous risks can be reduced effectively, thereby preventing accidents, protecting the physical and mental health of workers and protecting the Company's assets and operations.
Policy	Continue to enhance safety and health management and periodically assess the safety and health performance, in order to establish a safe, healthy and friendly working environment.
Goal	<ul style="list-style-type: none"> <li>• Zero occupational accidents</li> <li>• Enhance employees' safety and health awareness</li> <li>• Zero violation of laws and regulations</li> <li>• Healthy workplace</li> </ul>
Resource invested and actual outcome in the current year	<ul style="list-style-type: none"> <li>• Continued to implement ISO 45001 occupational health and safety management system operation</li> <li>• Completed law and regulation identification and compliance determination</li> <li>• All new employees completed the 3-hour occupational safety and health training</li> <li>• Implemented labor health protection four main plans</li> </ul>
Responsible department and complaint filing mechanism	<ul style="list-style-type: none"> <li>• Contact unit: Administrative Service Department</li> <li>• Tel: 02-25456011</li> <li>• Email: hr@richhonour.com</li> </ul>
Assessment mechanism	<ol style="list-style-type: none"> <li>1 Occupational Safety and Health Management Committee inspects and reviews environmental safety and health related laws and implementation performance every three months.</li> <li>2 Internal audits and management review meetings to review the performance with regards to occupational safety and health.</li> </ol>

### 5-3-1 Occupational Safety and Health Policy and Commitment

For RH, presently, RHQ Furniture has fully introduced the ISO 45001 occupational safety and health management system, but the headquarters and other business locations have not yet implemented the occupational safety and health management system. For each project, the occupational safety and health management plan is established in order to implement construction safety management properly and to ensure zero occupational accidents for the construction and services. We are committed to providing high quality and safe services complying with relevant laws, regulations and standards to customers. We also prevent occupational accidents properly, and through health promotion, we aim to establish a friendly workplace and to fulfill corporate social responsibility.

RH is committed to the active promotion of occupational safety and health as well as health promotion in order to reduce the occurrence of occupational accidents. The Company continues to improve the safe and healthy working environment for employees according to the Occupational Safety and Health Act and social responsibility international regulatory requirements, to prevent occupational injury and disease, and to reduce hazardous factors in the working environment. Through compliance with regulations of the Occupational Safety and Health Act, the Company aims to establish a quality, safe and healthy corporate workplace.

We are dedicated to employee care, employee health and safety, fulfillment of corporate social responsibility and pursuit of corporate sustainable operation. We deeply believe that employee safety and health is the most valuable asset of the Company!

Legal compliance

Comply with domestic relevant occupational safety and health laws and regulations as well as customer requirements.

Risk Management

Implement occupational safety and health opportunity management and achieve the objective of preventing accident occurrence and reducing hazardous risk.

Participation of all employees

Enhance the joint participation of all stakeholders, and through educational training, consultation, communication and other methods, improve the environmental safety and health awareness of employees, suppliers and contractors. Implement field environment safety installation in order to achieve the protection of workers' safety.

Continuous Improvement

Establish a quality and healthy workplace through continuous risk management and worker personal health self-management.

Education and Training Photos

Safety Training



## Education and Training Photos

### Fire Drill





### 5-3-2 Worker Participation, Consultation and Communication

Although the Company has not established the Occupational Safety and Health Committee, the occupational safety organization includes occupational safety personnel, professional physicians and nurses for the organization of occupational safety meetings or assistance meetings irregularly. The Company is provided with a public complaint mailbox and telephone hotline, and employees are able to send messages or make telephone contact with occupational safety nurses or human resources personnel directly and securely. The privacy of the contact person is protected as the first priority during the complaint process. In 2022, there were no relevant complaints.



### 5-3-3 Hazard Identification, Risk Assessment, and Incident Investigation

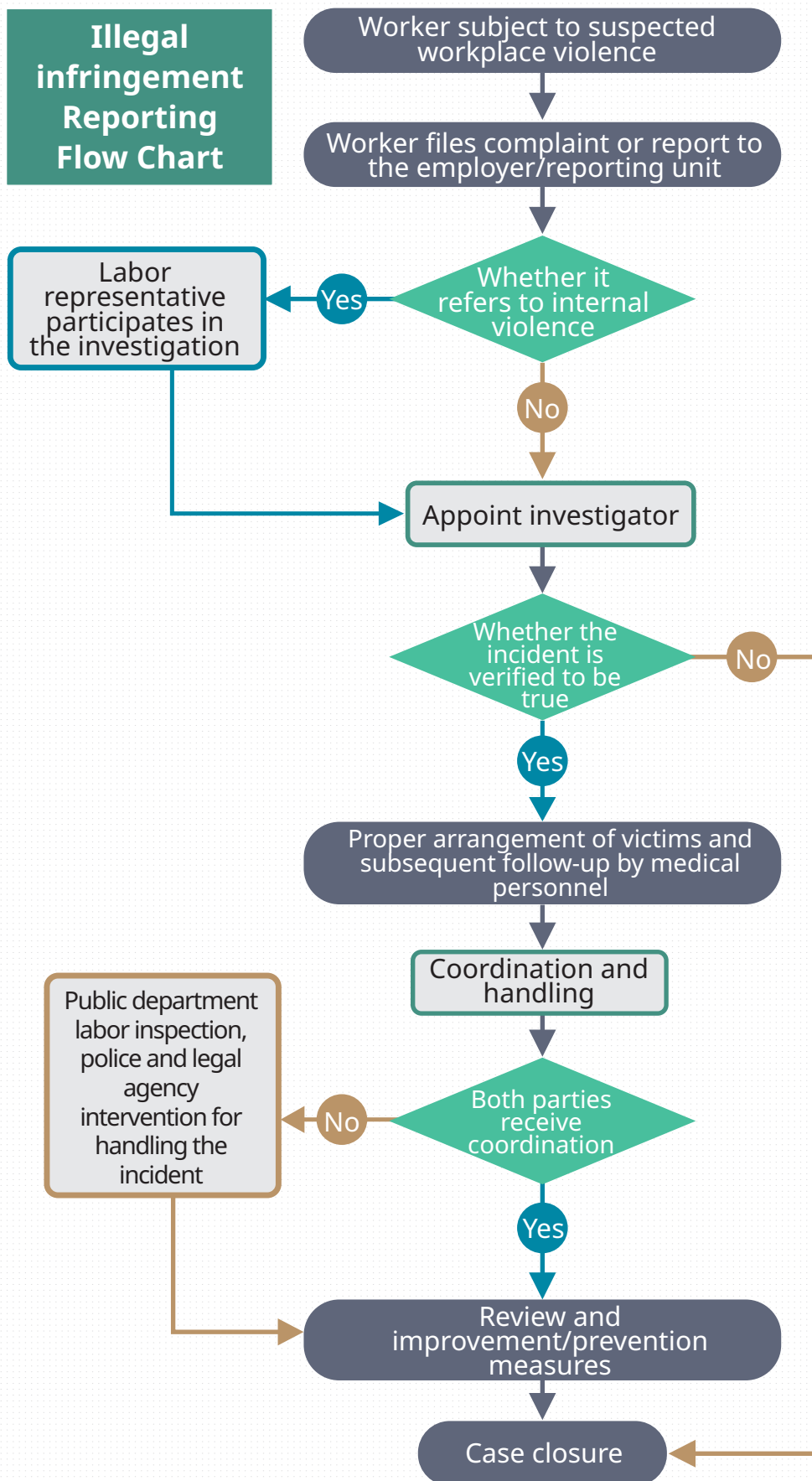
Hazard identification and risk assessment are performed periodically according to the operation standards specified in the Occupational Safety and Health Act, and different operation procedures are established according to the risk level. Furthermore, annual safety and health related education and training are planned, such as fire extinguishing drills and emergency evacuation drills, in order to teach employees to understand the Company's safety and health facilities and methods of use. In this way, employees are able to determine the impact of possible occurrence before an accident and to use a fire extinguisher and guide employees to evacuate appropriately, thereby preventing injuries resulting from major accidents.

The Company has established the Labor Safety and Health Work Rules, and 79 construction industry labor safety affairs supervisor qualified personnel are arranged in order to perform safety and health risk assessment control for each project site according to the work rules and the regulations of each job site. Construction project related hazards include falling, tripping and incision; common hazards for the office area include ergonomic hazards; common hazards for the factory include cutting, incision and crushing injuries. All possible hazards are monitored and managed according to the occupational safety and health management plan.

For workers subject to abuse, threat or attack, etc. at work-related environment (including commuting to/from work), the Company has established the "Prevention Plan for Illegal Infringements in the Performance of Job Duties" in order to explicitly or implicitly perform risk control and prevention of incidents causing challenges to worker safety, benefit or health.



## Illegal infringement Reporting Flow Chart



With regards to the occupational accident investigation process, after the unit in which an accident has occurred reports to the labor safety responsible unit, a relevant accident investigation is conducted. The occurrence background is investigated, and direct, indirect and basic causes are analyzed. After proper handling is conducted and recurrence prevention strategy is established, the accident occurring unit and relevant unit supervisors then sign the investigation report once the investigation is complete.

### 5-3-4 Workplace Violence Prevention and Sexual Harassment Control

RH is committed to the establishment of a friendly workplace and protects employees from any potential illegal infringement threats at the workplace. The types of workplace violence include physical, mental, verbal and sexual harassment. The Company has established the "Prevention Plan for Illegal Infringement in the Performance of Job Duties", "Regulations for Workplace Sexual Harassment Control Measures, Complaints and Disciplinary Actions". The Company improves the workplace safety and gender equality awareness of supervisors and employees through promotion, and also implements education and training when new employees report to work, thereby enhancing the self-protection awareness of employees. Say No to workplace violence and sexual harassment!



### 5-3-5 Occupational Health Service

RH has always valued employees as the most important assets of the Company, and employee safety and health protection is an important subject to RH for more than four decades. For the annual employee health examination, different from general industries viewing employee health examination as a routine work of required labor inspection only, the Company's employee health examination is superior to the regulatory requirements and seniority ratios in Taiwan, demonstrating the Company's efforts towards the care of employee health. In 2022, there were a total of 173 people in Taipei Headquarters participating in the health examination, and the Company's health examination employee participation rate reached 65%.



In addition, health services further include the following:

- ✓ A professional medical nurse provides field health services four times monthly.
- ✓ A professional physician provides field service quarterly.
- ✓ Provide health education information irregularly.

In 2022, the health examination results indicated no occupational diseases or suspected occupational disease cases.

Note: Zhongli Rich Honour Fabricating implements health examination once every three years, and it was not implemented during the reporting period. For RH Designs (Shanghai) and RHQ Furniture, since the labor health protection rules and standards are not applicable, no relevant information is disclosed.

### 5-3-6 Occupational Safety and Health Training

With regards to occupational safety and health training, RH follows the education and training plan. In addition to the periodic statutory safety and health re-training courses (technicians, relevant affairs supervisors, fire control administrators, first-aid personnel) and new employee orientation, the Company also implements a fire drill once each during the first and second half of the year. Internal training and promotion are provided free of charge. To ensure the training outcome, tests and examinations are implemented immediately after some of the trainings, such as the new employee orientation.

2022 training outcomes are summarized in the following:

Course name	Description	Number of training hours	Number of participants	Region
Fire drill training	Organized during the first and second half of the year	144	36	Zhongli Rich Honour Fabricating
Initial training - Occupational safety and health related training	Training for new occupational safety and health affairs supervisors, fire control administrators and first-aid personnel	548	15	Taipei Head-quarters
Re-training- Occupational safety and health related training	To maintain the validity of licenses, people with the licenses of Labor Safety Class B Technicians, occupational safety and health affairs supervisor, fire control administrator, first-aid personnel are arranged to participate in re-training courses	298	49	
General safety and health education and training (construction industry)	Labor safety and health education and training	246	41	
Building barrier-free facility equipment installation survey and inspection personnel	To cope with the change of demographic structures and the regulatory requirements of barrier-free construction, professional personnel for barrier-free facility equipment are trained	16	1	
New employee orientation	Allow new employees to understand the basic regulations of the Company, including the Company's introduction, personnel regulations, occupational safety promotion, sexual harassment prevention, welfare policy, information security promotion, and environment introduction, etc.	504	73	RHQ Furniture
License training	The training includes safe production responsible person, safe production administrator and occupational health administrator	120	10	
General safety and health education and training	Safety awareness, emergency response drills, operation safety, management series of training, etc.	2,287	2,073	
New employee orientation	Allow new employees to understand the basic regulations of the Company, including the Company's introduction, personnel regulations, occupational safety promotion, sexual harassment prevention, welfare policy, information security promotion, and environment introduction, etc.	800	100	

Note: For RH Designs (Shanghai), due to the COVID-19 epidemic quarantine control in 2022, relevant trainings were reduced, and since the information related to occupational safety training is insufficient, no relevant information is disclosed.

## Occupational Safety and Health Training



### 5-3-7 Promotion of Employee Health

RH values employees as the most important assets and is committed to establishing a friendly workplace along with the implementation of a series of measures of long-term care of employee health and promotion of balance between work and living. For employees sitting in the office for a long period of time or performing repetitive tasks, the musculoskeletal survey and Framingham risk score table are used to perform surveys, so that professional nurses can assess and prevent overload and ergonomic issues through interviews. In 2022, a total of 11 employees received the preventive interviews and appropriate health education to make adjustments to working posture was provided. 17 employees have participated in the overload care interview and mental issues. The nurse or physician also refers to relevant medical department and physicians in order to provide a psychological consultation channel to employees with needs.

The human resource unit also inquires after employees with abnormal attendance and provides care and companionship. In addition, the Company applies employee group insurance, such that employees with health issues may receive necessary hospitalization and surgery, etc., without any worries.

Other health promotion plans and services are as follows:

- ✔ Promote healthy diet and exercise through occupational safety electronic newsletters.
- ✔ Provide recreation and exhibition information irregularly to encourage employees to participate in recreation activities.
- ✔ Periodically survey employee needs, and purchase books, and provide books for borrowing and reading; in addition to professional design type of books, other books related to health and medical care, mental and emotional state related books are also provided, in order to improve the physical and mental health of employees.

Baseball activity



Stress relief and health care book borrowing and reading





## 5-3-8 Prevention and Mitigation of Business-related Occupational Health and Safety Impacts

In 2022, the occupational safety and health objective and focus were related to COVID-19 epidemic control, including epidemic control discussion meetings, epidemic control warning important announcements, daily implementation of employee body temperature and health condition self-reporting, divergence mechanism for the Company, employee vaccination survey, visitor control measures, and environmental disinfection operations, etc.

2022 Taipei Headquarters Occupational Injury and Disease Statistics Performance				
Statistics/Year		2020	2021	2022
Total number of working hours lapsed		485,336	481,360	525,536
Death incident due to occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Severe occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational injury	Number of People	3	3	41
	Ratio	1.24	1.25	15.60
Work-related ill health	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational disease	Number of People	0	0	0
	Ratio	0	0	0

2022 Zhongli Rich Honour Fabricating Occupational Injury and Disease Statistics Performance				
Statistics/Year		2020	2021	2022
Total number of working hours lapsed		109,168	97,336	98,024
Death incident due to occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Severe occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational injury	Number of People	2	1	1
	Ratio	3.66	2.05	2.04
Work-related ill health	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational disease	Number of People	0	0	0
	Ratio	0	0	0

2022 ZH International Designs (Shanghai) Occupational Injury and Disease Statistics Performance				
Statistics/Year		2020	2021	2022
Total number of working hours lapsed		263,896	258,744	266,512
Death incident due to occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Severe occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Work-related ill health	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational disease	Number of People	0	0	0
	Ratio	0	0	0

2022 RHQ Furniture Occupational Injury and Disease Statistics Performance				
Statistics/Year		2020	2021	2022
Total number of working hours lapsed		335,666	336,645	346,701
Death incident due to occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Severe occupational injury	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational injury	Number of People	0	0	2
	Ratio	0	0	1.15
Work-related ill health	Number of People	0	0	0
	Ratio	0	0	0
Recordable occupational disease	Number of People	0	0	0
	Ratio	0	0	0

Note 1: Ratio is calculated based on the unit of per million working hours

Note 2: Severe occupational injury: refers to the death of any worker, or injury causing a worker to be unable to or having difficulty to recover back to the health condition prior to the injury within six months; however, the statistical data excludes the number of deaths.

Note 3: Recordable occupational injury or disease: refers to occupational injury or disease caused by any one of the following conditions, such as death, leaving job position, work restriction or job transfer, medical care exceeding first-aid procedures, or loss of conscious, or major injury or disease diagnosed by physician or other medical professional equipped with licenses; the statistical data shall include the number of deaths; however, excluding minor injuries that can be self-treated onsite;

Note 4: Recordable occupational injury ratio refers to: (Number of people of recordable occupational injury x 1,000,000) / Total number of working hours lapsed

Note 5: For non-employee workers, there were no incidents of death, severe occupational injuries or recordable occupational injury or disease in 2022.

Note 6: In 2022, Taipei Headquarters had 41 recordable occupational accidents mainly related to the COVID-19 pandemic, and 40 employees were suspected of being affected by COVID-19 at the office area; one employee had a traffic accident during their commute to/from work.

## 5-4 Public Welfare Participation

As a member of the whole society, RH mutually exists with investors, employees, local communities and other stakeholders. The Company aims to utilize its own influential power through encouragement and inspiration to fulfill corporate social responsibility. We cooperate with local groups in each business location to ensure that resources are provided to those with real needs, thereby making efforts towards improving society.

### Public Welfare Activity Certificates



34th Term of Graduation Exhibition Sponsorship for the Department of Interior Design of Chung Yuan Christian University



Graduation Exhibition Sponsorship for China University of Technology



Speech for Department of Civil Engineering of National Yang Ming Chiao Tung University



Social Topic Support for HannStar Foundation



Taiwan Green Design Council



Sun Sports Foundation

## Sports Industry Sponsorship

### ► Education Bureau of Taichung City Government

After a long period of waiting, the all-weather stadium of Dapeng Elementary School was finally completed. With the completion of the all-weather stadium, children may still attend their favorite physical education course in an outdoor environment on rainy days. In addition, during sunny days, they may also enjoy the fun of sports with sweat while being protected from the harm of UV rays. On November 9, 2022, with the completion of the stadium, the "Taichung City Sun Sports Foundation" and the foundation's main sponsor "RH International Designs Co., Ltd." donated NT\$300,000 to subsidize the training budget and out-of-town competition games of disadvantaged children, in order to assist and mitigate the stress of their parents such that the training practice of disadvantaged children can be continued. With the sponsorship of the foundation, Dapeng Elementary School aims to become the promoter of entry sports development and to establish a diverse and positive learning field, in order to assist disadvantaged children to grow with confidence, such that they are able to achieve diverse development and to learn happily under the support and companionship with love.





RH dedicates great effort in assisting the cultivation of domestic sports talents and team development, and also sponsors the remote Li-Jen Junior High School through the sports foundation. The Li-Jen Junior High School basketball team once won the championship in the Taichung City Junior High School Group B Contest organized by the Ministry of Education in 2019, and the team represented Taichung City to participate in the national advanced contest. Nevertheless, the basketball team of Li-Jen Junior High School is not under any specialized sports program, and they have limited public resources. Accordingly, RH hopes to effectively reduce the difficulty of the insufficient budget faced by the school sports team through sponsorship, in order to provide substantial assistance to athletes and to improve the training environment.

In addition, National Taiwan University of Sport has been established for more than 60 years, and the Taiwan basketball industry development program has introduced the professional basketball team business model to adopt the three main strategies of industry management, scientific professional training, and branding talent development as the focus of the program, in order to establish a business model similar to the U.S. professional team, and to enhance the sense of belonging and identity. RH looks forward to investing greater resources and to providing the best environment through corporate sponsorship, in order to establish excellent sports culture and to cultivate outstanding athletes in Taiwan.







# 6

## Appendix

# Appendix

## 6-1 GRI Global Reporting Initiative Standards Comparison Table

Statement of Use		Rich Honour International Designs Co., Ltd. has disclosed the content for the period from January 1 to December 31, 2022 according to the GRI Standards			
GRI 1 Adopted		GRI 1: Foundation 2021			
Applicable GRI Sector Standards		There are no applicable GRI Sector Standards; the industry for publicly listed company in Taiwan is under other industries publicly listed			
Note		Topics indicated with * at the front refers to Material Topics			
Topic	Disclosure Item	Item description	Chapter	Page No.	Omission/Remarks
GRI 2: General Disclosures 2021					
The organization and its reporting practices	2-1	Organizational details	2-1 Company Profile	18	
	2-2	Entities included in the organization's sustainability reporting	Editorial Policy	4	
	2-3	Reporting period, frequency and contact point	Editorial Policy	4	
	2-4	Restatement of information	Editorial Policy	4	
	2-5	External assurance	Editorial Policy	4	
Activities and workers	2-6	Activities, value chain and other business relationships	2.1 Company Profile	18	
	2-7	Employees	5.1 Employee Overview	79	
	2-8	Workers who are not employees	5.1 Employee Overview	49	
Governance	2-9	Governance structure and composition	3.1 Governance Practice	31	
	2-10	Nomination and selection of the highest governance body	3.1 Governance Practice	31	
	2-11	Chair of the highest governance body	3.1 Governance Practice	31	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.1 ESG Steering Committee	7	
	2-13	Delegation of responsibility for managing impacts	1.1 ESG Steering Committee	7	
	2-14	Role of the highest governance body in sustainability reporting	1.1 ESG Steering Committee	7	
	2-15	Conflicts of interest	3.1 Governance Practice	31	
	2-16	Communication on Critical and Material Events	3.1 Governance Practice	31	
	2-17	Collective knowledge of the highest governance body	3.1 Governance Practice	31	
	2-18	Evaluation of the performance of the highest governance body	3.1 Governance Practice	31	
	2-19	Remuneration policies	3.1 Governance Practice	31	
	2-20	Process to determine remuneration	3.1 Governance Practice	31	
	2-21	Annual total compensation ratio	Disclosure omitted	-	Highest annual total salary is the Company's confidential information
Strategy, policy and practices	2-22	Statement on sustainable development strategies	Message from the Management	3	
	2-23	Policy commitments	3.1 Governance Practice 5.1.1 Human Rights Protection	31 79	
	2-24	Embedding policy commitments	3.1 Governance Practice 5.1.1 Human Rights Protection	31 79	
	2-25	Processes to remediate negative impacts	3.2 Risk Management	39	
	2-26	Mechanisms for seeking advice and raising concerns	3.1 Governance Practice	31	
	2-27	Legal Compliance	3.3 Legal Compliance	45	
	2-28	Membership associations	2.4 Participation in External Organization	28	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.3 Communication with Stakeholders Communication Channel and Concerned Issues	10	
	2-30	Collective bargaining agreements	5.2 Talent Selection and Appropriate Employment	83	The Company has not signed any collective bargaining agreements

Topic	Disclosure Item	Item description	Chapter	Page No.	Omission/Remarks
GRI 3: Material Topics 2021					
Material Topic	3-1	Process to determine material topics	1.4 Material Topics Identification	12	
	3-2	List of material topics	1.4 Material Topics Identification	12	
*Trade secret protection and transaction security					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.5.2 Customer Relationship	58	
* Legal Compliance					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3 Legal Compliance	45	
* Operational Risk Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.2 Risk Management	39	
* Customer Relationship					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.5.2 Customer Relationship	58	
Economic Aspect					
Economic performance					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.4 Operational Performance	46	
	201-3	Defined benefit plan obligations and other retirement plans	5.2 Talent Selection and Appropriate Employment	84	
Market presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Talent Selection and Appropriate Employment	84	
	202-2	Proportion of senior management hired from the local community	5.2 Talent Selection and Appropriate Employment	84	
Procurement practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.5.3 Sustainable Supply Chain	59	
Environmental Aspect					
* Energy consumption and energy saving					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.2 Energy Resource Management	70	
	302-1	Energy consumption within the organization	4.2 Energy Resource Management	70	
	302-2	Energy consumption outside of the organization	Omitted	-	Available information incomplete. External energy consumption of the organization includes value chain upstream/downstream. The external upstream and downstream oil and electricity consumption are not available.
	302-3	Energy intensity	4.2 Energy Resource Management	70	
	302-4	Reduction of energy consumption	4.2 Energy Resource Management	70	
	302-5	Reductions in energy requirements of products and services	Omitted	-	Incomplete disclosure. For green service, green building and green building materials, the energy saving outcome is controlled by the proprietor, such that the information is not available.

Topic	Disclosure Item	Item description	Chapter	Page No.	Omission/Remarks
Environmental Aspect					
Water Resource Management					
GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	4.2 Energy Resource Management	70	
	303-2	Management of water discharge-related impacts	4.2 Energy Resource Management	70	
	303-3	Water withdrawal	4.2 Energy Resource Management	70	
Greenhouse gas emissions					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.4 Climate Change Management	73	
	305-2	Energy indirect (Scope 2) GHG emissions	4.4 Climate Change Management	73	
	305-4	GHG emissions intensity	4.4 Climate Change Management	73	
	305-5	Reduction of GHG emissions	4.2 Energy Resource Management	70	
Waste Management					
GRI 306: Waste 2020 Management Approach	306-1	Waste generation and significant waste-related impacts	4.3 Pollution Control	72	
GRI 306: Waste 2020	306-3	Waste generated	4.3 Pollution Control	72	
Social Aspect					
*Employment					
GRI 3: Material Topics 2021	3-3	Management of material topics	V. Social Co-prosperity	77	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1 Employee Overview	79	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Talent Selection and Appropriate Employment	83	
	401-3	Parental leave	Omitted	-	
Labor/management relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.2 Talent Selection and Appropriate Employment	83	
Occupational health and safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.3 Occupational Safety and Health	93	
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational health and safety management system	5.3 Occupational Safety and Health	93	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3 Occupational Safety and Health	93	
	403-3	Occupational health services	5.3 Occupational Safety and Health	93	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3 Occupational Safety and Health	93	
	403-5	Worker training on occupational health and safety	5.3 Occupational Safety and Health	93	
	403-6	Promotion of worker health	5.3 Occupational Safety and Health	93	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Occupational Safety and Health	93	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.3 Occupational Safety and Health	93	
	403-9	Work-related injuries	5.3 Occupational Safety and Health	93	
	403-10	Work-related ill health	5.3 Occupational Safety and Health	93	

Topic	Disclosure Item	Item description	Chapter	Page No.	Omission/Remarks
Social Aspect					
Training and education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.2.2 Talent Cultivation	88	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2.2 Talent Cultivation	88	
Diversity and equal opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1 Employee Overview	79	
	405-2	Ratio of basic salary and remuneration of women to men	5.2 Talent Selection and Appropriate Employment	83	

## 6-2 SASB Standards Comparison Table - Professional and Commercial Services

Disclosure Topic	Code	Metric	Nature	Corresponding Chapter of Report Content	Remarks
Data Security	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Discussion and Analysis	3.6 Information Security Protection	
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Discussion and Analysis	The Company establishes the Personal Data Protection Management Regulations to regulate customer data management	
	SV-PS-230a.3	<ol style="list-style-type: none"> <li>Number of data breaches</li> <li>Percentage involving customers' confidential business information (CBI) or personally identifiable information (PII)</li> <li>Number of customers affected</li> </ol>	Qualification	In 2022, there were no incidents of information disclosure, stealing or loss of customer data verified	
Workplace Diversity & Engagement	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for <ol style="list-style-type: none"> <li>executive management</li> <li>all other employees</li> </ol>	Qualification	5.1 Employee Overview	
	SV-PS-330a.2	Turnover rate for employees <ol style="list-style-type: none"> <li>voluntary</li> <li>involuntary</li> </ol>	Qualification	5.1 Employee Overview	Statistics for different categories have not yet been made, and the total turnover rate is disclosed. It is planned to disclose the statistics for different categories in 2023.
	SV-PS-330a.3	Employee engagement as a percentage	Qualification	5.2 Talent Selection and Appropriate Employment Performance evaluation qualification ratio of 96.5%	



Disclosure Topic	Code	Metric	Nature	Corresponding Chapter of Report Content	Remarks
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Discussion and Analysis	3.1.4 Ethnicity and Integrity	
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Qualification	In 2022, there was no monetary loss due to legal proceedings associated with professional integrity	
Activity Metrics	SV-PS-000.A	Number of employees by: 1 full-time and part-time 2 temporary 3 contract	Qualification	5.1 Employee Overview	

## 6-3 Climate-Related Information of Publicly Listed Companies

Risks and opportunities of climate change on the Company and relevant response measures adopted by the Company		Report Disclosure Chapter
Item		
1	Describe the oversight and governance of the Board and the management on climate-related risks and opportunities	4.4 Climate Change Management
2	Describe how the climate risks and opportunities identified affect the business, strategy and finance (short-term, medium-term, long-term) of the Company	4.4 Climate Change Management
3	Describe the impact of extreme climate events and transformation actions on finances	4.4 Climate Change Management
4	Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system	4.4 Climate Change Management
5	If the scenario analysis is used to assess the resilience against the climate change risk, it is necessary to describe the scenario, parameters, assumptions, analysis factors used and the key financial impacts.	4.4 Climate Change Management
6	If the transformation plan for managing climate-related risk is available, the plan content shall be explained, and the indicators and goals for identifying and managing physical risks and transformation risk shall be described.	4.4 Climate Change Management
7	If the internal carbon pricing is used as a planning tool, it is necessary to explain the price establishment basis.	Internal carbon pricing has not yet been implemented
8	If a climate-related goal has been set up, it is necessary to describe the information of activity covered, greenhouse gas emissions scope, plan schedule, annual achievement progress, etc. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant goals, it is necessary to explain the carbon reduction source and quantity for the offset or the quantity of renewable energy certificates (RECs).	4.4 Climate Change Management
9	Greenhouse Gas Inventory and Assurance Status	4.4 Climate Change Management

Scope 1	Total emissions (tons CO2e)	Intensity (tons CO2e/ NT\$ thousand)	Assurance Institution	Assurance Status Explanation (Verification Certificate)
Taipei Headquarters	114.31	2.24302E-05	Without assurance	Complete the parent company only assurance in 2028 according to the regulatory requirements, and complete the consolidated financial statements parent and subsidiaries (Group) assurance in 2029.
Zhongli Rich Honour Fabricating	16.05	3.14938E-06	Without assurance	
RH International Designs	7.06	1.38533E-06	Without assurance	
RHQ Furniture	10.98	2.15453E-06	Without assurance	
Scope 2	Total emissions (tons CO2e)	Intensity (tons CO2e/ NT\$ thousand)	Assurance Institution	
Taipei Headquarters	285.39	5.60001E-05	Without assurance	
Zhongli Rich Honour Fabricating	132.01	2.59034E-05	Without assurance	
RH International Designs	13.00	2.5509E-06	Without assurance	
RHQ Furniture	655.91	0.000128705	Without assurance	
Scope 3	Total emissions (tons CO2e)	Intensity (tons CO2e/ NT\$ thousand)	Assurance Institution	
Taipei Headquarters	-	-	-	

## 6-4 Task Force on Climate-Related Financial Disclosures (TCFD)

Aspect	TCFD Disclosure Item	Corresponding Chapter	Page No.
Governance	Describe the Board's oversight of climate-related risks and opportunities	4.4 Climate Change Management	
	Describe management's role in assessing and managing climate-related risks and opportunities	4.4 Climate Change Management	
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	4.4 Climate Change Management	
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	4.4 Climate Change Management	
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios	4.4 Climate Change Management	
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	4.4 Climate Change Management	
	Describe the organization's processes for managing climate-related risks	4.4 Climate Change Management	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4.4 Climate Change Management	
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	4.4 Climate Change Management	
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	4.4 Climate Change Management	
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	4.4 Climate Change Management	

## 6-5 Management System Certificates

### SA 8000



# CERTIFICATE

Management system as per  
**SA 8000 : 2014**

In accordance with TÜV NORD CERT procedures, it is hereby certified that

**Rich Honour Fabricating Co., Ltd.**  
No. 1, Andong Rd., Zhongli Section,  
Taoyuan City 320,  
Taiwan

applies a management system in line with the above standard for the following scope

**Manufacture and Marketing of Customized Fixture**  
**audited site: No. 1, Andong Rd., Zhongli Section, Taoyuan City 320, Taiwan**

Certificate Registration No. 44 114 131694  
Audit Report No. 3531 7776

Valid from 2022-10-15  
Valid until 2025-10-14  
Initial certification 2013



Certification Body  
at TÜV NORD CERT GmbH

Essen, 2022-06-27

This certification was conducted in accordance with the TÜV NORD CERT auditing and certification procedures and is subject to regular surveillance audits.

TÜV NORD CERT GmbH      Am TÜV 1      45307 Essen      [www.tuev-nord-cert.com](http://www.tuev-nord-cert.com)



Social Accountability International and other stakeholders in the SA8000 process only recognize SA8000 certificates issued by qualified CBs granted accreditation by SAAS and do not recognize the validity of SA8000 certificates issued by unaccredited organizations or organizations accredited by any entity other than SAAS  
[www.saasaccreditation.org/certification](http://www.saasaccreditation.org/certification)

ISO 14001



## ISO 9001



# CERTIFICATE

**N. CN21 – 06402A**

This is to certify that the Quality Management System of

**RHQ Furniture CO.,LTD.**

Unified social credit code: 91330421661716364M  
Registered Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County  
Office & Production Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County  
Jiaxing, Zhejiang, China

Has been independently assessed and found in conformance with the standard

## ISO 9001:2015

For the following scope of activities:  
**Manufacture and Sales of Display Props**

IAF 23,29

For further and updated information regarding any changes in the status of this certification please contact via phone under +355696037861 / +39 0296368458 or via email to [info@axe-register.com](mailto:info@axe-register.com) or verify directly on the website [www.axe-register.com](http://www.axe-register.com) by using the organization name or the certificate number.

The validity of this certificate is subject to periodic yearly surveillance audit and triennial review of the entire management system of the certified organization.

Date of first registration	15/04/2021
Date of this certificate	15/04/2021
Date of expiry	14/04/2024



CS 007 26.02.18



MEMBER OF MULTILATERAL  
COOPERATION ARRANGEMENT

On behalf of the Certification Body  
**AXE REGISTER Ltd**  
Antonio Luvda  
Technical Director



(1) Surveillance Audit Mark

(2) Surveillance Audit Mark

Signatory of EA/MLA, Mutual Recognition Agreements

During validity period of the certificate a surveillance audit should be carried out once within each 12 months. The label should be pasted on specified position of right side of the certificate then it is valid. The certificate can be checked out at CNCA website ([www.cnca.gov.cn](http://www.cnca.gov.cn)).

**AXE REGISTER**  
Via Caduti della Liberazione, 2 - 21047 Saronno (VA) - Italia | +39 02 96368458 | [info@axe-register.com](mailto:info@axe-register.com)  
Sheshi "Skenderbej", Pallati i Kulturës, Zyra 7, Tirana (AL) | +355696037861 | [info@axe-register.com](mailto:info@axe-register.com)



## ISO 14001



# CERTIFICATE

**N. CN20 – 32402B**

This is to certify that the Environmental Management System of

**RHQ Furniture CO., LTD.**

Unified social credit code: 91330421661716364M  
Registered Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County  
Office & Production Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County, Jiaxing  
Zhejiang, China

Has been independently assessed and found in conformance with the standard

## EN ISO 14001:2015

For the following scope of activities:  
**Manufacture and Sales of Display Props**

IAF 23,29

For further and updated information regarding any changes in the status of this certification please contact via phone under +355696037861 / +39 0296368458 or via email to [info@axe-register.com](mailto:info@axe-register.com) or verify directly on the website [www.axe-register.com](http://www.axe-register.com) by using the organization name or the certificate number.

The validity of this certificate is subject to periodic yearly surveillance audit and triennial review of the entire management system of the certified organization.

**Date of first registration** 09/12/2020  
**Date of this certificate** 09/12/2020  
**Date of expiry** 08/12/2023





CS 007 26.02.18



On behalf of the Certification Body  
**AXE REGISTER Ltd**  
*Antonio Lovda*  
Technical Director

Signatory of EA/MLA, Mutual Recognition Agreements

During validity period of the certificate a surveillance audit should be carried out once within each 12 months. The label should be pasted on specified position of right side of the certificate then it is valid. The certificate can be checked out at CNCA website ([www.cnca.gov.cn](http://www.cnca.gov.cn)).



(1)  
Surveillance  
Audit Mark



(2)  
Surveillance  
Audit Mark

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Via Caduti della Liberazione, 2 - 21047 Saronno (VA) - Italia | +39 02 96368458 | [info@axe-register.com](mailto:info@axe-register.com)  
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# ISO 37001



# CERTIFICATE

N. CN21 – 29503K

This is to certify that the Anti-Bribery Management System of

**RHQ Furniture CO.,LTD.**

Unified social credit code: 91330421661716364M  
Registered Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County  
Office & Production Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County  
Jiaxing, Zhejiang, China

Has been independently assessed and found in conformance with the standard

**ISO 37001:2016**

For the following scope of activities:  
**Manufacture and Sales of Display Props**

IAF 33,29  
For further and updated information regarding any changes in the status of this certification please contact via phone under +355699037861 / +39 0296368458 or via email to [info@axe-register.com](mailto:info@axe-register.com) or verify directly on the website [www.axe-register.com](http://www.axe-register.com) by using the organization name or the certificate number  
The validity of this certificate is subject to periodic yearly surveillance audit and triennial review of the entire management system of the certified organization.

Date of first registration	15/12/2021
Date of this certificate	15/12/2021
Date of expiry	14/12/2024



On behalf of the Certification Body  
**AXE REGISTER Ltd**  
Antonio Landa  
Technical Director



CS 007 26.02.18

Signatory of EA/MLA, Mutual Recognition Agreements

During validity period of the certificate a surveillance audit should be carried out once within each 12 months. The label should be pasted on specified position of right side of the certificate then it is valid. The certificate can be checked out at ENCA website ([www.enca.gov.cn](http://www.enca.gov.cn))





**AXE REGISTER**  
Piazza Unità d'Italia, 5 - 21047 Saronno (VA) - Italia | +39 02 96368458 | [info@axe-register.com](mailto:info@axe-register.com)  
ACM (CHINA) LIMITED, Rm B201, No 362, Waihan Road, Minhang District, Shanghai 201199, China

## ISO 45001



# CERTIFICATE

**N. CN22 – 28174C**

This is to certify that the Occupational Health and Safety Management System of

**RHQ Furniture CO.,LTD.**

Unified social credit code: 91330421661716364M  
Registered Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County  
Office & Production Address  
No.89, Taoyuan Road, Yaozhuang Town, Jiashan County  
Jiaxing, Zhejiang, China

Has been independently assessed and found in conformance with the standard

## ISO 45001:2018

For the following scope of activities:  
**Manufacture and Sales of Display Props**

IAF 23.29

For further and updated information regarding any changes in the status of this certification please contact via phone under +390296368458 or via email to [info@axe-register.com](mailto:info@axe-register.com) or verify directly on the website [www.axe-register.com](http://www.axe-register.com) by using the organization name or the certificate number

The validity of this certificate is subject to periodic yearly surveillance audit and triennial review of the entire management system of the certified organization.

Date of first registration	12/12/2022
Date of this certificate	12/12/2022
Date of expiry	11/12/2025



CS 007 26.02.18





On behalf of the Certification Body  
**AXE REGISTER Ltd**  
Antonio Lando  
Technical Director





During validity period of the certificate a surveillance audit should be carried out once within each 12 months. The label should be posted on qualified portions of main side of the certificate then it is valid. The certificate can be checked out at CNCA website ([www.cnca.gov.cn](http://www.cnca.gov.cn)).



(1)  
Surveillance  
Audit Mark



(2)  
Surveillance  
Audit Mark

**AXE REGISTER**  
Piazza Unità d'Italia, 5 - 21047 Saronno (VA) - Italia | +39 02 90368458 | [info@axe-register.com](mailto:info@axe-register.com)  
ACM (CHINA) LIMITED, Rm B201, No 352, Waihuan Road, Minhang District, Shanghai 201199, China

## SA 8000



# CERTIFICATE

Management system as per  
**SA 8000 : 2014**

In accordance with TUV NORD CERT procedures, it is hereby certified that

**RHQ Furniture Co., Ltd.**  
No. 89, Taoyuan Rd., Yashuang Town, Jiahsan County  
Zhejiang Province  
China



applies a management system to the add the above identifier for the following scope

**Manufacture and Marketing of Customized Fixture**  
(audited site: **No. 89, Taoyuan Rd., Yashuang Town, Jiahsan County, Zhejiang Province, China**)

Certificate Registration No. 44 114 143888  
Audit Report No. 3308 E130



Certification Body  
as TUV NORD CERT GmbH

Valid from 2020-12-29  
Valid until 2025-12-19  
Initial certification 2014

Essen, 2020-12-11

This certification was conducted in accordance with the TUV NORD CERT auditing and certification procedures and is subject to regular surveillance audits.

TUV NORD CERT GmbH

Langermühlstraße 20

45741 Essen

[www.tuv-nord.com](http://www.tuv-nord.com)



SA 8000

SA 8000 certificates issued by TUV NORD CERT are granted according to SA 8000 and do not recognize the validity of SA 8000 certificates issued by any other entity other than SAAS.

[www.saas-creditation.org/certification](http://www.saas-creditation.org/certification)



## 6-6 Third Party Independent Assurance Opinion Statement



### Independent Assurance Statement Based on 2022 Sustainable Report of RICH HONOUR INTERNATIONAL DESIGNS CO., LTD.

Statement No.: 2306006

RICH HONOUR INTERNATIONAL DESIGNS CO., LTD. (hereinafter referred to as RICH HONOUR DESIGNS) and Great Certification International Co., Ltd. (hereinafter referred to as Great Certification) are independent companies and organizations. Except for the evaluation and verification of the company's 2022 sustainability report, Great Certification has no financial relationship with RICH HONOUR DESIGNS.

The purpose of this independent guarantee statement (hereinafter referred to as the statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant RICH HONOUR DESIGNS's Sustainability Report, and not for other purposes. Except for the independent guarantee statement for fact verification, Great Certification does not bear or assume any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this independent guarantee statement.

This independent guarantee statement is based on the conclusions made by the relevant information verification provided by RICH HONOUR DESIGNS to Great Certification. Therefore, the scope of the review is based on and limited to the content of the information provided. Great Certification believes that the information content is complete, accurate and precise. Any questions about the content of this independent guarantee statement or related matters will be answered by RICH HONOUR DESIGNS.

#### The Scope of Assurance

The verification scope of RICH HONOUR DESIGNS and Great Certification agreement includes:

- The contents of the entire report and all operating performance of RICH HONOUR DESIGNS from January 1, 2022 to December 31, 2022;
- According to the first application type of AA1000 Assurance Standard v3, evaluate the nature and degree of RICH HONOUR DESIGNS's compliance with the AA1000 Principle of Principle Standard (2018), excluding the verification of the reliability of the information/data disclosed in the report
- This statement is made in Chinese and translated into English for reference.

#### Verification Opinion

We summarize the content of RICH HONOUR DESIGNS's sustainability report, and provide a fair standpoint of RICH HONOUR DESIGNS's related operations and performance. We believe that the specific performance indicators of RICH HONOUR DESIGNS in 2022, such as economy, society, environment and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate RICH HONOUR DESIGNS's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and





instructions. We believe that the evidence provided by RICH HONOUR DESIGNS is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the core options of the GRI Sustainability Reporting Guidelines.

#### Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to RICH HONOUR DESIGNS's corporate policies to confirm the appropriateness of the statement in this report;
- To Discuss with the management of RICH HONOUR DESIGNS about the way of stakeholder participation, and have no direct contact with external stakeholders;
- To interviews with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of RICH HONOUR DESIGNS on a sampling basis;
- To evidence supporting the claims made in the review report;
- To Review the process management of the principles of inclusivity, materiality, responsiveness and impact described in the company report and its related AA1000 Principles of Discipline (2018).

#### Conclusion

The results of a detailed review of the AA1000 Principles of Consequence (2018) including inclusiveness, materiality, responsiveness, impact and GRI sustainability reporting criteria are as follows:

##### - Inclusivity

RICH HONOUR DESIGNS has established a process of cooperation with major stakeholders, including shareholders/ investors, customers, employees, suppliers/contractors, and government agencies, etc., and will launch a series of stakeholder activities in 2022, involving economy, society and the environment and a series of major themes. In our professional opinion, this report covers the inclusion issues of RICH HONOUR DESIGNS.

##### - Materiality

The report has stated that RICH HONOUR DESIGNS focuses on economic, social and environmental topics, and identified 7 major topics including energy consumption and energy saving, occupational safety and health, employment relations, customer relations, regulatory compliance, operational risk management, trade secret protection and transaction security, etc. In our professional opinion, this report appropriately covers the materiality issues of RICH HONOUR DESIGNS.

##### - Responsiveness

RICH HONOUR DESIGNS responds to requests and opinions from interested parties. Implementation methods include customer satisfaction surveys and numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In our professional point of view, this report covers the responsive issues of RICH HONOUR DESIGNS.

##### - Impact

RICH HONOUR DESIGNS has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. RICH HONOUR DESIGNS has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. As far as our professional standpoint is concerned, this report covers the impact issues of RICH HONOUR DESIGNS.

##### - GRI Guidelines

RICH HONOUR DESIGNS provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information equivalent to "core options". Based on the results of the review, we confirm that the report refers to the



social responsibility and sustainability of the GRI Sustainability Reporting Standards Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In our professional consideration, this self-declaration covers RICH HONOUR DESIGNS' s social responsibility and sustainability themes.

#### Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Addendum, we have verified that this statement is a moderate level of assurance, as described in the scope and methods of this statement.

#### Responsibility

The statement of opinion in this Statement of Independent Warranty is for the use of RICH HONOUR DESIGNS. Our responsibility is solely to provide professional advice and provide interested parties with an independent statement of assurance based on the scope and methods described.

#### Ability and Independence

Great Certification is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

#### On behalf of the assurance team

JUNE 16<sup>th</sup>, 2023

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager

W. J. Chen



**AA1000**  
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000-250/V3-8AUE2

**RICH HONOUR DESIGN GROUP  
SUSTAINABILITY REPORT  
2022**



Rich Honour International Designs Co., Ltd.