



**2023**

**匯僑設計  
永續報告書**

**Rich Honour International Designs Co., Ltd.**

**SUSTAINABILITY  
REPORT**



# CONTENTS

## Table of Contents

Message from the Management .....	2
Editorial Policy .....	3

1 Stakeholders and Major Topics Identification	
1.1 Sustainable Development Committee .....	5
1.2 Determine Stakeholders .....	6
1.3 Stakeholder Communication Channel and Topics of Concern .....	7
1.4 Material Topics Identification .....	9
1.5 Sustainable Development Goals .....	11

2 About Rich Honour Design Group	
2.1 Company Profile .....	14
2.2 History of RH .....	17
2.3 Awards and Honors Received and Management System .....	18
2.4 Participation in External Organization .....	20

3 Responsible Governance	
3.1 Governance Practice .....	22
3.2 Risk Management .....	26
3.3 Legal compliance .....	30
3.4 Operational Performance .....	31
3.5 Product and service .....	32
3.6 Information security protection .....	38

4 Green Sustainability	
4.1 Environmental Management Policy .....	41
4.2 Energy and resource management .....	47
4.3 Pollution Control .....	49
4.4 Climate Change Management .....	50

5 Social Care	
5.1 Employee Overview .....	54
5.2 Talent Selection and Appropriate Employment .....	57
5.3 Occupational safety and health .....	62
5.4 Public Welfare Participation .....	67

6 Appendix	
6.1 GRI Global Reporting Initiative Standards Comparison Table .....	71
6.2 Sustainability Accounting Standards Board (SASB) Comparison Table .....	74
6.3 Climate-Related Information of Publicly Listed Companies .....	75
6.4 Task Force on Climate-Related Financial Disclosures (TCFD) .....	77
6.5 Management System Certificates .....	78
6.6 Statement of Certification to AA 1000 .....	82

# Message from the Management

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

Benefiting from the urban renewal and the development of a rail economy in Taiwan, as well as strong consumer demand, the Company has achieved outstanding operating results for the past two years in a row. However, a massive labor shortage, China's economic recovery pressure, and global economic uncertainties are management challenges that the Company must face up to. Due to the same factors, the Company's consolidated revenue in 2023 was NTD 4.653 billion. However, under the leadership of the management team, we have adhered to the business philosophy of integrity and respect, quickly adjusted our operational strategies, and actively developed diversified businesses through new project development and customer relationship management, hoping to continuously create value to meet the needs of stakeholders.

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. In addition to focusing on our core business, we work with our stakeholders to systematically establish a long-term ESG development strategy. Moreover, we exert efforts in all aspects of 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. We care about the physical and mental health of our employees, and are committed to improving workplace environment and complying with various safety and health laws and regulations. In addition to regular employee health examinations and health promotion activities, we adopt diverse recruitment methods, engage in industry-academia collaboration, organize education and training, and implement a talent cultivation mechanism, in order to provide competitive salary and talent development plans, ensuring talent sustainability. Furthermore, the Company has built diverse communication channels to ensure smooth communication between employees. Labor-management meetings are organized periodically in order to understand the expectations of employees and use them as a 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, to cope with the impact of climate change, we continue to implement climate risk governance. In addition to monitoring greenhouse gas emissions through voluntary greenhouse gas inventory, in the process of providing products and services, we cooperate with proprietors' green designs 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 achieve the goal of sustainable development.

As for social care, upholding the philosophy of "Take from Society, Give Back to Society", RH uses limited resources to achieve the greatest strength; actively supports donations to disadvantaged groups; contributions to the community; engages in industry-academia collaboration, environmental protection, and exercise promotion; and encourages the engagement of all suppliers and partners, our employees, and their friends and families, contributing efforts to social welfare through actual actions. Below is an extract of the outcomes in 2023:

- ✔ Continuous donations to Eden Social Welfare Foundation, reaching NTD 676,440 as of 2023
- ✔ Industry-academia collaboration with the Department of Interior Design, Chung Yuan Christian University, with a total of 70 students participating in the design competition
- ✔ Hosted one beach cleanup, attended by a total of 50 colleagues
- ✔ Donation of NTD 100,000 to the Museum of World Religions to promote the vision of "Global Family for Love and Peace"
- ✔ Donation of NTD 50,000 to Mennonite Good Shepherd Center Taiwan to help protect underage teenage girls, abused women, and unmarried pregnant teenage girls
- ✔ Donation of NTD 1,000,000 to National Taiwan Sports University together with Taichung Suns Sports Foundation to promote basketball and cultivate young talent.

In an 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 customer cooperation relationships and will 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 the Sustainability Report of Rich Honour International Designs Co., Ltd. (Hereinafter referred to as “RH” or the “Company”) is from January 1 to December 31, 2023. 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 the 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.

Disclosure Category	Scope of Sustainability Information
Period	The entire year of 2023. In order to take into account the integrity of the information disclosed, the Company will explain in the text of this Report if part of the content involves business activities in different years.
Business Location	Taipei RH, Zhongli Rich Honour Fabricating, RH International Designs (Shanghai), and RHQ Furniture (Zhejiang)
Financial Data	Consistent with the data in the publicly available consolidated financial statements
Environmental Safety and Health, Employee, and Charity Event Data	Taipei RH, Zhongli Rich Honour Fabricating RH International Designs (Shanghai) and RHQ Furniture (Zhejiang)

## Report Management Process

Stage	Topic	Responsible Unit
Topics collection	1. Determine stakeholders 2. Collect topics of concern	Sustainable Development Committee
Material topics determination	1. Assessment of the degree of external economic, environmental and people impacts from stakeholders' point of view 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: June 2023.  
Present release time: August 2024.  
Scheduled next release time: August 2025.

## Restatement Status

There is no restatement due to material change of the organization or change of the report period or scope in this year's report.

## 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 the RH website <https://www.richhonour.com/tw/sustainability.html>.

If you have any suggestions or questions about this report, please contact us.  
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Tel | 02-25456011  
Email | [IR@richhonour.com](mailto:IR@richhonour.com)  
Company Website | <https://www.richhonour.com/tw/sustainability.html>

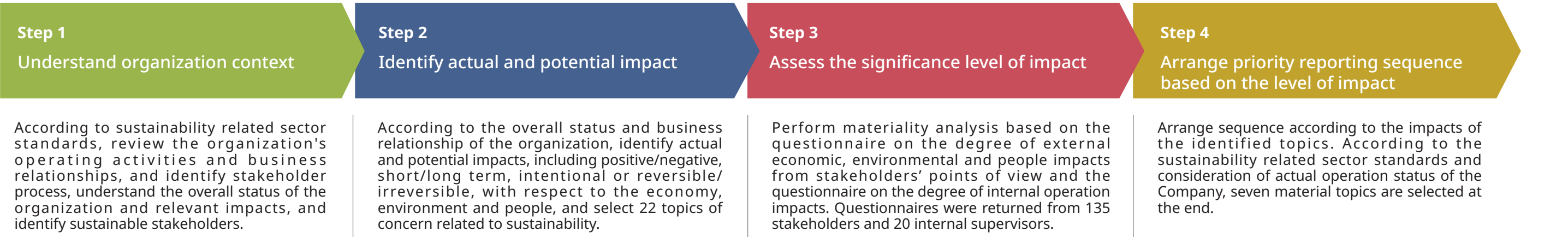


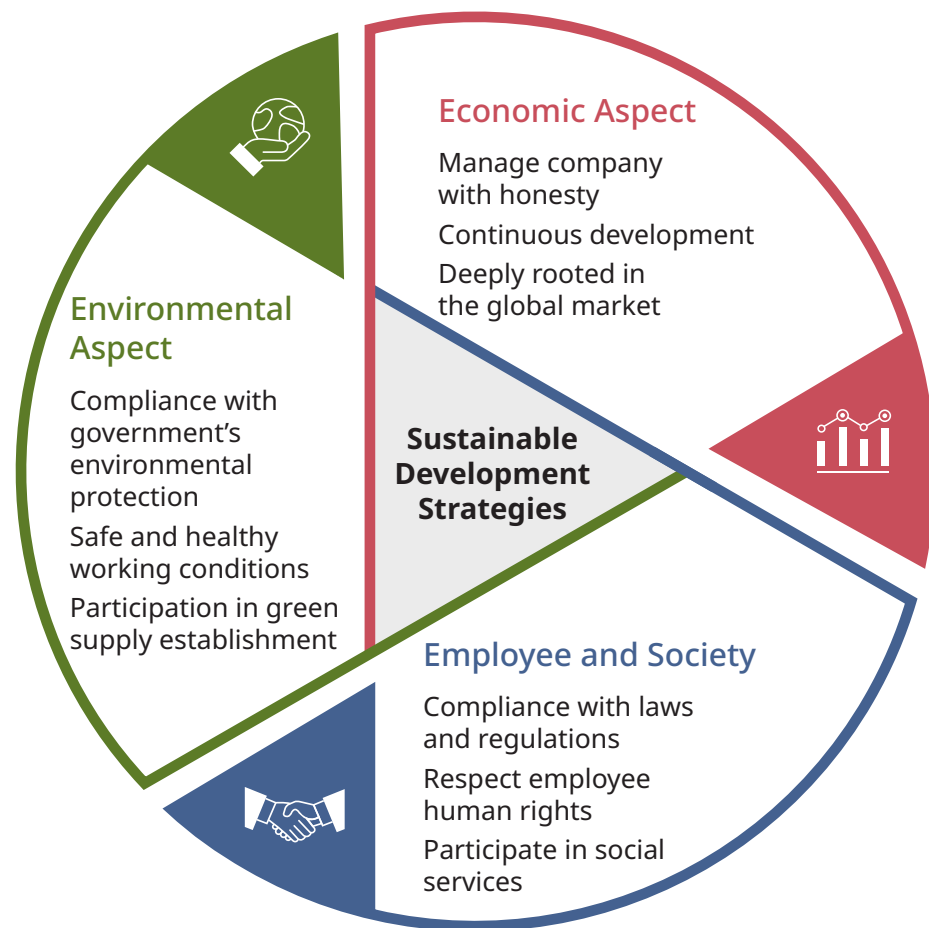


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## **Stakeholders and Major Topics Identification**

# Stakeholders and Major Topics Identification



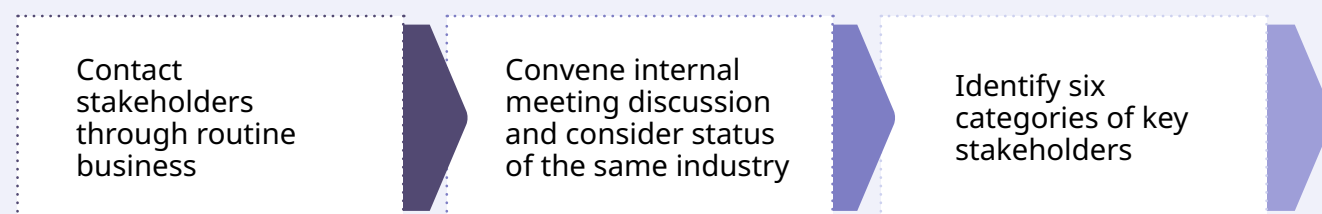


| Sustainable Development Strategies |

## Sustainable Development Strategies and Commitments

<p><b>Environment Aspect</b></p>	<ul style="list-style-type: none"> <li>Undertake to reduce environmental impact and seek sustainable development</li> <li>Use high performance/low energy consumption/healthy eco-friendly green building materials and equipment</li> <li>Adopt green solutions to ensure the synergy of business and environmental protection</li> </ul>
<p><b>Social Aspect</b></p>	<ul style="list-style-type: none"> <li>Provide employees with a safe, healthy, diverse, and equal working environment and support their professional and personal development</li> <li>Participate in community activities, give back to society, and support the development and improvement of local communities</li> <li>Make donations to charity and other contributions to support social welfare and charitable causes</li> </ul>
<p><b>Governance Aspect</b></p>	<ul style="list-style-type: none"> <li>Create a transparent and effective corporate governance structure and comply with laws, regulations, and ethical standards</li> <li>Establish systems and implement management mechanisms to reduce corporate risks and ensure stable business development</li> <li>Actively invest in the R&amp;D of innovative technologies to protect the rights and interests of customers, employees and shareholders</li> </ul>

## 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, six categories of key stakeholders having significance to RH are selected at the end. These key stakeholders include shareholders/investors, customers, employees, suppliers/contractors, competent authorities and community.

## 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 GRI 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 the economy, the environment and people. Accordingly, 22 sustainability topics have been summarized to cover the economy, environmental 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		2023 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> </ul>	<ul style="list-style-type: none"> <li>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> </ul>	<ul style="list-style-type: none"> <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>Released 26 pieces of material information and announcements</li> <li>Organized shareholders' meeting on 2023/6/28; Invited to participate in the investor conference organized by KGI Securities on 2023/11/21.</li> </ul>
Customers	Customers are the main source of profit for the Company. Providing high-quality services and maintaining proper interaction with customers are the Company's most steadfast commitments 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> </ul>	<ul style="list-style-type: none"> <li>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> </ul>	<ul style="list-style-type: none"> <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>Satisfaction questionnaire survey system</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>Risk Management</li> <li>Procurement practices</li> </ul>	<ul style="list-style-type: none"> <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>Online inquiry system for suppliers</li> </ul>
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 health and safety</li> <li>Employment</li> </ul>	<ul style="list-style-type: none"> <li>Training and education</li> <li>Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Labor-management meeting / once quarterly</li> <li>Department head communication / any time</li> </ul>	<ul style="list-style-type: none"> <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 2023, there were 634 persons-time participated in the employee education and training</li> <li>In 2023, 48 sessions of field health service with a professional nurse were organized</li> </ul>

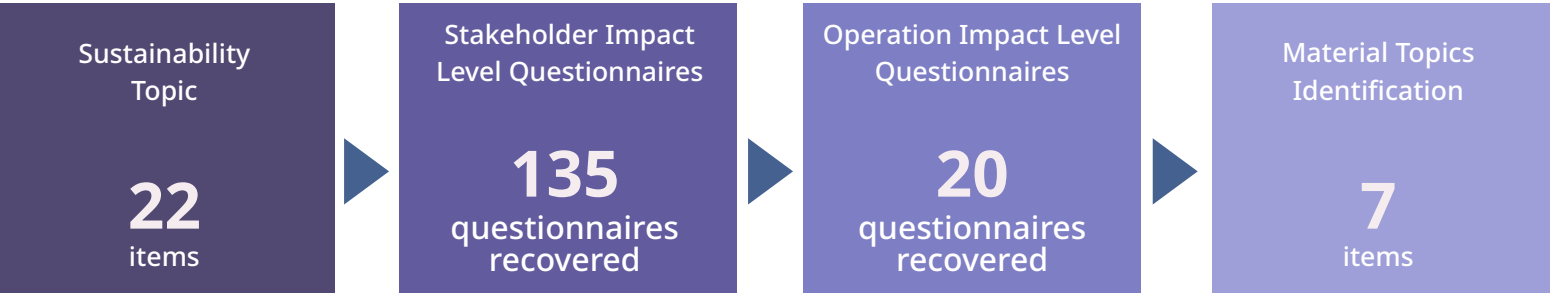
Key Stakeholders	Importance to the Company	Topic of Concern		Communication Channel / Frequency		2023 Actual Communication Outcome
Competent Authorities	Competent authorities are a key role to the supervision and assessment of corporate governance and sustainable development. The Company must comply with 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 management</li> <li>Greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>Local community participation and public welfare activities</li> <li>Climate change response</li> <li>Occupational health and safety</li> <li>Water resource management</li> <li>Employment</li> </ul>	<ul style="list-style-type: none"> <li>Company website / irregularly</li> <li>Financial statements / quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Annual report / annually</li> <li>Sustainability Report / annually</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, the Company participated in five seminars organized by the Taiwan Stock Exchange Corporation (TWSE).</li> </ul>
Community	With social co-prosperity as the goal of sustainability promotion, we enhance social positive influence by giving back to society	<ul style="list-style-type: none"> <li>Local community participation and public welfare activities</li> <li>Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>Climate change response</li> <li>Waste management</li> </ul>	<ul style="list-style-type: none"> <li>Community meetings / irregularly</li> <li>Charity donations / irregularly</li> </ul>		<ul style="list-style-type: none"> <li>Hosted one beach cleanup</li> <li>Donation to Eden Social Welfare Foundation</li> <li>Donation to Genesis Social Welfare Foundation</li> <li>Industry-academia collaboration with the Department of Interior Design, Chung Yuan Christian University</li> <li>Donation to the Museum of World Religions</li> <li>Donation to Mennonite Good Shepherd Center Taiwan</li> </ul>

No.	Sustainability Topic	Positive Impact	Negative Impact	Actual/Potential
S2	Occupational health and safety	✓		Actual
G7	Legal compliance	✓		Actual
G8	Information security	✓		Actual
S7	Trade secret protection and transaction security	✓		Actual
G5	Customer relationship	✓		Actual
S1	Employment	✓		Actual
E3	Energy management		✓	Potential
S3	Training and education	✓		Actual
G6	Risk Management	✓		Actual
S6	Customers' health and safety	✓		Actual
S4	Diversity and equal opportunity	✓		Actual

No.	Sustainability Topic	Positive Impact	Negative Impact	Actual/Potential
G3	Procurement practices	✓		Actual
G4	Innovative design	✓		Actual
G2	Anti-corruption	✓		Actual
E1	Raw materials use	✓		Actual
G1	Economic performance	✓		Actual
E5	Waste management	✓		Actual
E6	Green product	✓		Actual
G9	Climate change response		✓	Potential
E2	Greenhouse gas emissions		✓	Potential
E4	Water resource management	✓		Actual
S5	Local community participation and public welfare activities	✓		Actual



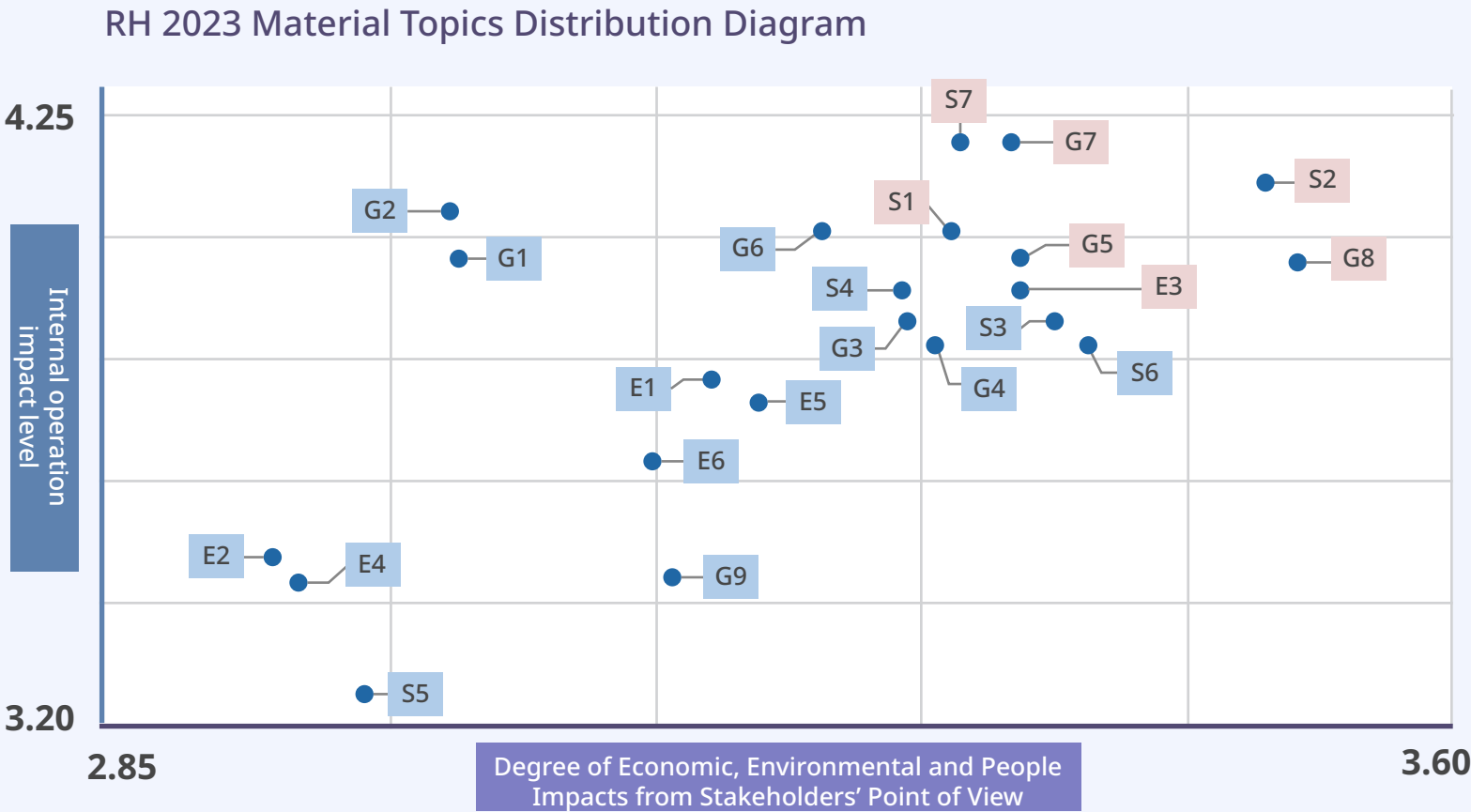
# 1.4 Material Topics Identification



| Material Topic Identification Process |

The RH Sustainable Development Committee has established 22 sustainability topics. Online questionnaires were distributed to key stakeholders, and a total of 135 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 20 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 management
Social Aspect	Occupational health and safety, trade secret protection and transaction security, employment
Corporate Governance Aspect	Customer relationship, information security, legal compliance



No.	Topic	Sequence	No.	Topic	Sequence
S2	Occupational health and safety	1	G3	Procurement practice (local procurement)	12
G7	Legal compliance	2	G4	Innovative design	13
G8	Information security	3	G2	Anti-corruption	14
S7	Trade secret protection and transaction security	4	E1	Raw materials use	15
G5	Customer relationship	5	G1	Economic performance	16
S1	Employment	6	E5	Waste management	17
E3	Energy management	7	E6	Green product	18
S3	Training and education	8	G9	Climate change response	19
G6	Risk Management	9	E2	Greenhouse gas emissions	20
S6	Customers' health and safety	10	E4	Water resource management	21
S4	Diversity and equal opportunity	11	S5	Local community participation and public welfare activities	22

Changes in Material Topics

As this year’s sustainability issues are different from those of 2022, the material topics are also changed.

Material Topic		
2022	2023	Changes in Ranking
Occupational safety and health	Occupational health and safety	--
Customer relationship	Legal compliance	↑ 4
Trade secret protection and transaction security	Information security	Newly added
Operational risk management	Trade secret protection and transaction security	↑ 1
Employment	Customer relationship	↑ 3
Legal compliance	Employment	↑ 1
Energy management	Energy management	--











Aspect	Material Topic	Positive/Negative Impact on RH	Internal Boundary	External Boundary				Corresponding GRI Standards	Report Disclosure
			Company	Shareholders/ Investors	Suppliers	Customers	Competent Authorities		
Environment	Energy management E3	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 2025, this is listed as a negative potential impact.	●			●	●	302 Energy: 2016 (302-1, 302-3) 305 Emissions: 2016 (305-1, 305-2)	4.2 Energy Resource Management
Society	Occupational safety and health S2	RH provides a healthy and safe working environment to employees, in order to allow employees to work safely. In 2023, there were no major occupational accidents and violations of laws and regulations, such that it is considered as a positive actual impact.	●			●	●	403 Occupational Health and Safety: 2018 (403-9)	5.3 Occupational Safety and Health
Society	Employment S1	Employees are important assets of the Company. Through comprehensive welfare measures, the stability and continuous development of human resources can be ensured. In 2023, there were no employment related complaints, and human resources were stable, such that it is considered as a positive actual impact.	●					401 Employment (401-1, 401-2, 401-3)	5.2.2 Talent Cultivation
Corporate Governance	Customer relationship G5	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 2023, the Company continued to receive customer recognition, such that it is considered as a positive actual impact.	●			●		RH Self-defined Material Topic	3.5.2 Customer Relationship
Corporate Governance	Legal Compliance G7	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 2023, there were no major violation of laws and regulations, such that it is considered as a positive actual impact.	●	●		●	●	GRI 2-27	3.3 Legal Compliance
Corporate Governance	Information security G8	In response to the increasing information security threats in recent years, the Company has actively invested resources in information security to strengthen the information security protection network. In 2023, there were no major information security incidents, which is considered an actual positive impact	●	●		●		RH Self-defined Material Topic	3.6 Information Security Protection
Society	Trade Secret Protection and Transaction Security S7	RH values engineer services, R&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 2023, relevant mechanisms operated effectively, and there was no incident of disclosure of any trade secrets, which is considered a positive actual impact issue	●	●		●	●	RH Self-defined Material Topic	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>1 No Poverty</b> 	<b>1.4</b> Ensure all men and women, particularly those among economically disadvantaged and other disadvantaged groups, have fair rights and equal rights to access economic resources.	<ul style="list-style-type: none"> <li>We have provided 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 living standards. In 2023, the salary of entry-level male employees was 1.65 times higher than the local minimum wage, and the salary of entry-level female employees was 1.70 times higher than the local minimum wage</li> <li>We have adjusted employee salaries according to the profit status of the Company, and increased employee cohesion in the Company.</li> </ul>
<b>4 Quality Education</b> 	<b>4.5</b> 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.  <b>4.7</b> Promote sustainable development education, a sustainable living model, human rights, gender equality, peace and non-violence.	<ul style="list-style-type: none"> <li>We have arranged occupational training for employees of different business attributes in order to ensure that all employees have the opportunity to receive occupational training.</li> <li>We have planned courses on sustainable development, workplace gender equality, and labor human rights, and encouraged employees to participate in these courses. In 2023, the number of average training hours of male employees at the Headquarters was 7.07, and the number of average training hours of female employees was 6.86</li> </ul>
<b>5 Gender Equality</b> 	<b>5.1</b> Eliminate all forms of discrimination against women.  <b>5.4</b> Recognize and value women's family care through social protection policies.	<ul style="list-style-type: none"> <li>We have prohibited the use of gender as a criteria for employment, performance review and job promotion of employees. The ratio of male to female employees in 2023 was 1.06:1</li> <li>We have provided employees the right to apply for parental leave without pay regardless of gender. In 2023, the total number of eligible employees was 23, and a total of 12 employees applied for unpaid parental leave.</li> </ul>
<b>8 Decent Work and Economic Growth</b> 	<b>8.5</b> 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.  <b>8.7</b> Prohibit child labor, and eliminate forced labor.  <b>8.8</b> 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>We have prohibited the use of gender as a criteria for employment, performance review and job promotion of employees.</li> <li>We have adjusted employee salaries according to the profit status of the Company, and increased employee cohesion in the Company.</li> <li>We respect labor rights and interests, including by prohibiting child labor and all forms of workplace discrimination. No complaints of discrimination or suspected incidents of discrimination occurred in 2023</li> <li>We have implemented an occupational health and safety management system to effectively improve workplace safety for employees</li> </ul>

SDGs	Sub-Goals	RH's Response
<b>10</b> <b>Reduced Inequalities</b> 	<b>10.2</b> Promote social, economic and political fusion, regardless of age, gender, disability, religion, economic or other identity or status.  <b>10.3</b> 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 mechanisms.</li> <li>An employee whistleblowing channel has been established, and a comprehensive whistleblowing process is available to protect the whistleblower.</li> </ul>
<b>12</b> <b>Responsible Consumption and Production</b> 	<b>12.5</b> Significantly reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none"> <li>We have implemented green products and design process optimization to reduce waste output.</li> </ul>
<b>13</b> <b>Climate Action</b> 	<b>13.2</b> Incorporate climate change measures into policies, strategies, and plans	<ul style="list-style-type: none"> <li>In 2023, the Company continued to implement climate change risk governance in accordance with TCFD's disclosure requirements, and disclosed the implementation in the Sustainability Report</li> <li>We completed a voluntary greenhouse gas inventory</li> </ul>
<b>16</b> <b>Peace, Justice and Strong Institutions</b> 	<b>16.6</b> Develop effective, responsible and transparent systems at all levels.  <b>16.7</b> Ensure decisions at each level respond to public opinion, and are inclusive, participatory and representative.	<ul style="list-style-type: none"> <li>We have strengthened corporate governance, ensured that practitioners comply with the Company's regulations through internal controls, and established whistleblowing processes and channels.</li> <li>We understand stakeholder requests and expectations for the Company through stakeholder communication.</li> </ul>



2

**About Rich Honour  
Design Group**



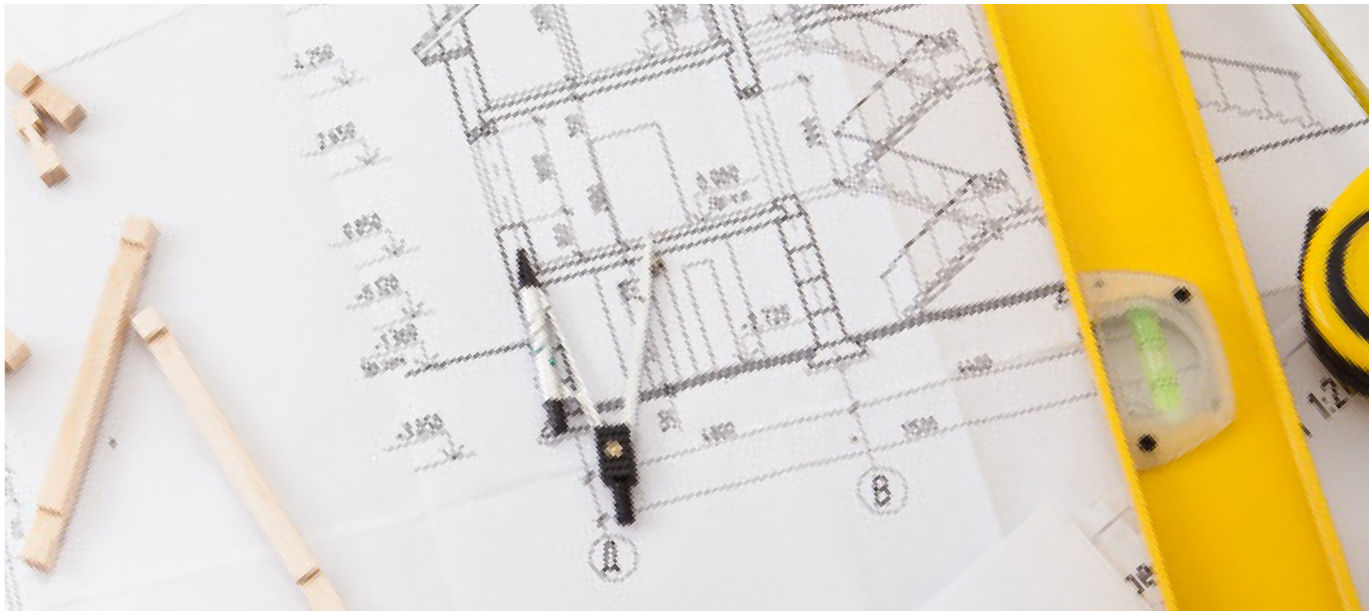
# About Rich Honour Design Group

Annual Sustainability Performance	
RHQ Furniture Co., Ltd. was selected as a Four-star Enterprise in Yaozhuang and one of the Top 10 Safety Production Enterprises	
<ul style="list-style-type: none"><li>City Hall Flagship Store of Curista Coffee won the 2023 iF Design Award</li><li>SS Bar • Spring of YUIMOM Residence won the 2023 iF Design Award</li><li>SS Pâtisserie • Summer of YUIMOM Residence won the 2023 iF Design Award</li></ul>	<ul style="list-style-type: none"><li>SS Bar • Spring and AW Café • Winter of YUIMOM Residence won the Interior Design Golden Award in the 2023 Finland Arch Design Award</li><li>SS Pâtisserie • Summer and AW Restaurant • Autumn of YUIMOM Residence won the Interior Design Silver Award of the Finland Arch Design Award</li><li>SS Bar • Spring and SS Pâtisserie • Summer of YUIMOM Residence were winners of the 2023 World Luxury Restaurant Awards</li><li>AW Restaurant • Autumn and AW Café • Winter of YUIMOM Residence were winners of the 2023 World Luxury Restaurant Awards</li></ul>
Became a member of EcoVadis, a global supply chain sustainability assessment platform, and Sedex, a supplier ethical data exchange platform, and supported the TCFD initiative	

## 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 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. We have always upheld our initial vision and continue to adopt the attitudes of “Respect” and “Integrity” in business in order to provide high quality services, thereby achieving a win-win cooperation model with customers.



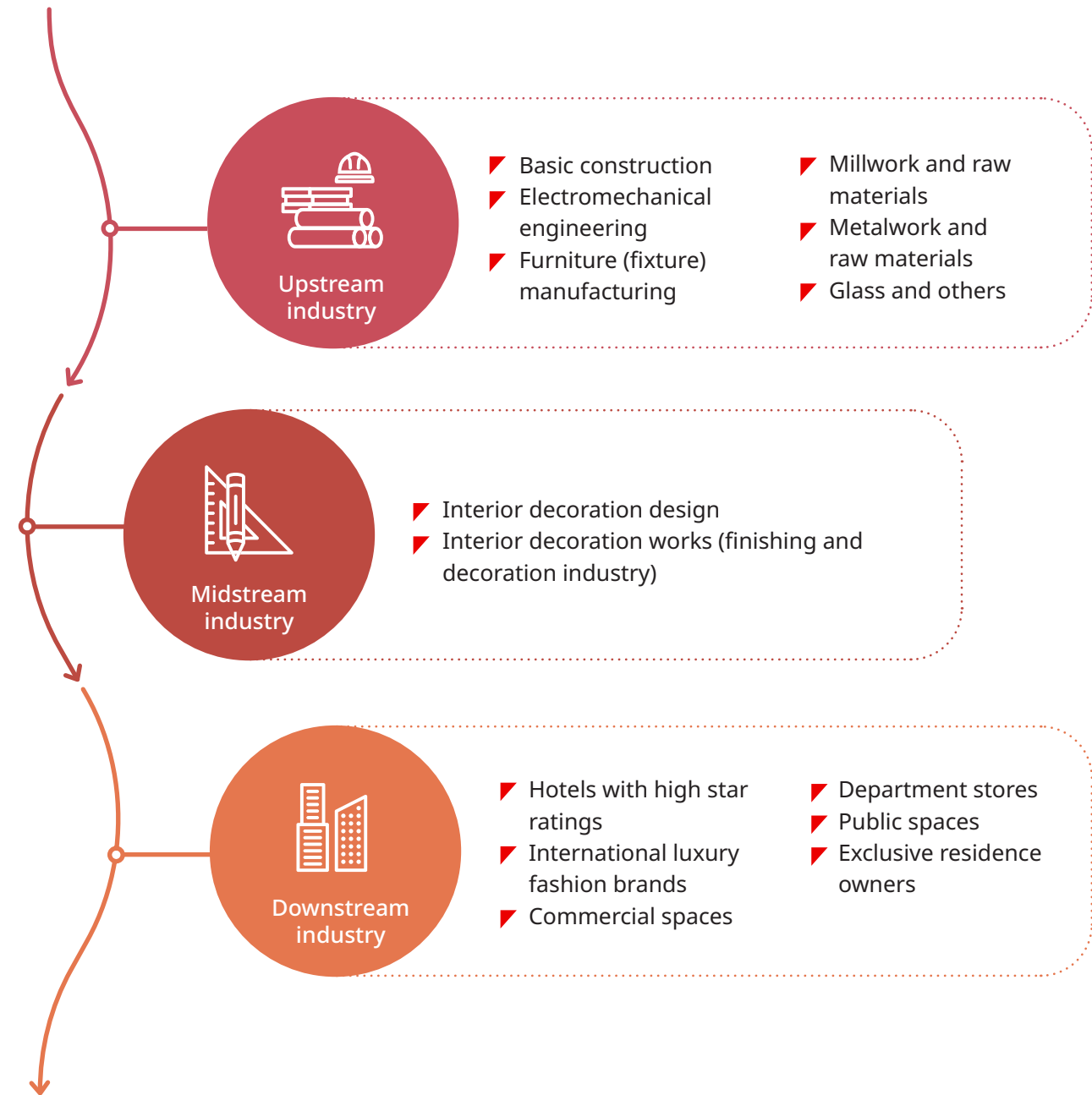
Company Name	Rich Honour International Designs Co., Ltd.
Location of Headquarters	12F., No. 75, Sec. 4, Nanjing E. Rd., Songshan Dist., Taipei City
Stock Code	6754
Equity Structure and Ratio	Domestic corporate shareholders and trust funds: 7.65%, domestic individuals: 75.64%, foreign institutions and individuals: 16.71% (as of 2024/4/1)
Authorized Capital (Unit: NTD thousand)	660,000
2023 Consolidated Revenue (Unit: NTD thousand)	4,653,172
Business Location of Each Region	<b>Rich Honour Fabricating Co., Ltd.</b> No. 1, Andong Rd., Zhongli Dist., Taoyuan City
	<b>RH International Designs Co. Ltd.</b> 7F, No. 480, Wulumuqi N. Rd., Jing'an District, Shanghai
	<b>RHQ Furniture Co., Ltd.</b> No.89, Taoyuan Rd., Yaozhuang Town, Jiashan County, Zhejiang Province

Note: The information statistics is up to the end of 2023.

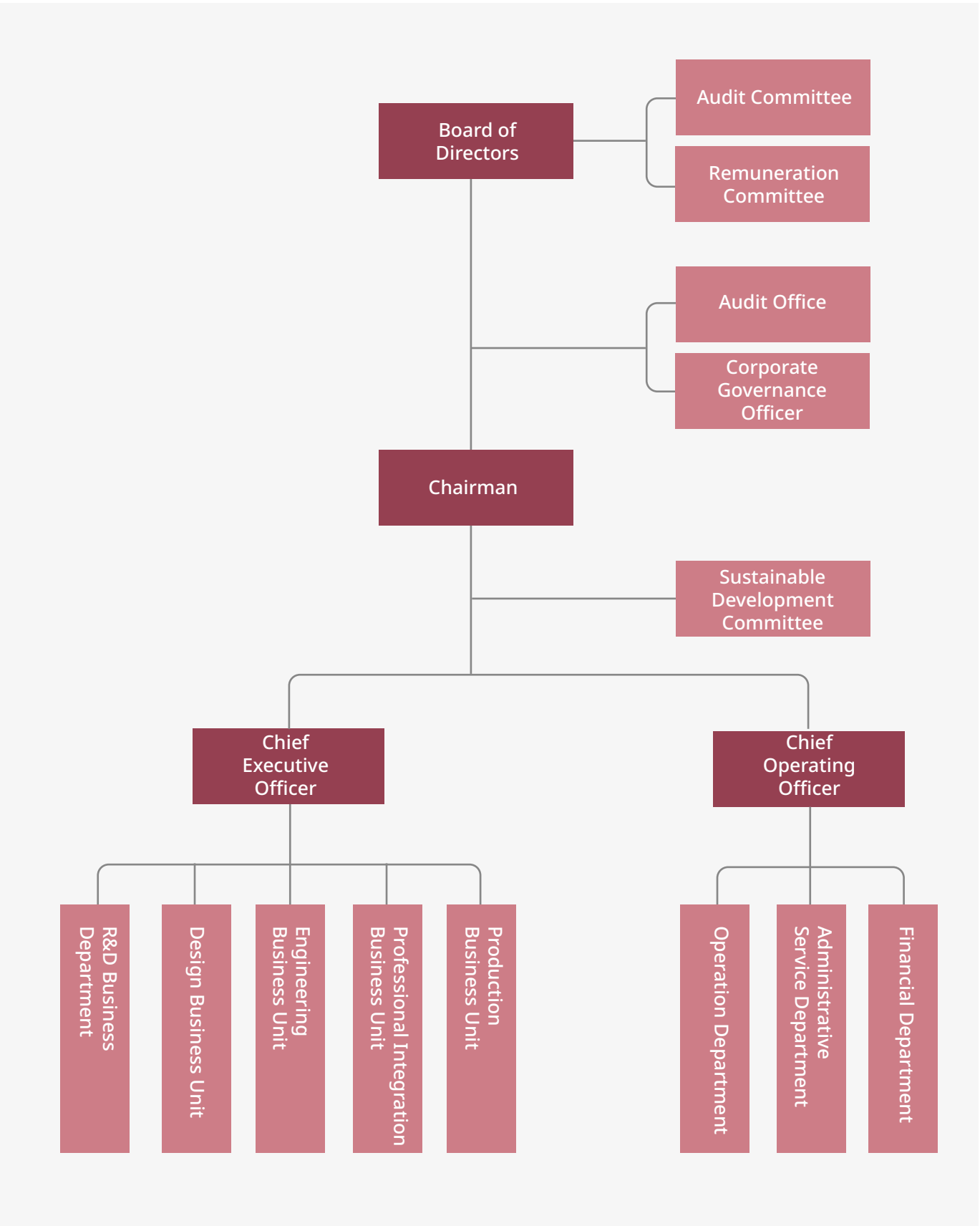
Industry Chain

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 proprietors 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 47 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 and project management and decoration services in the midstream industry.



Organizational Structure



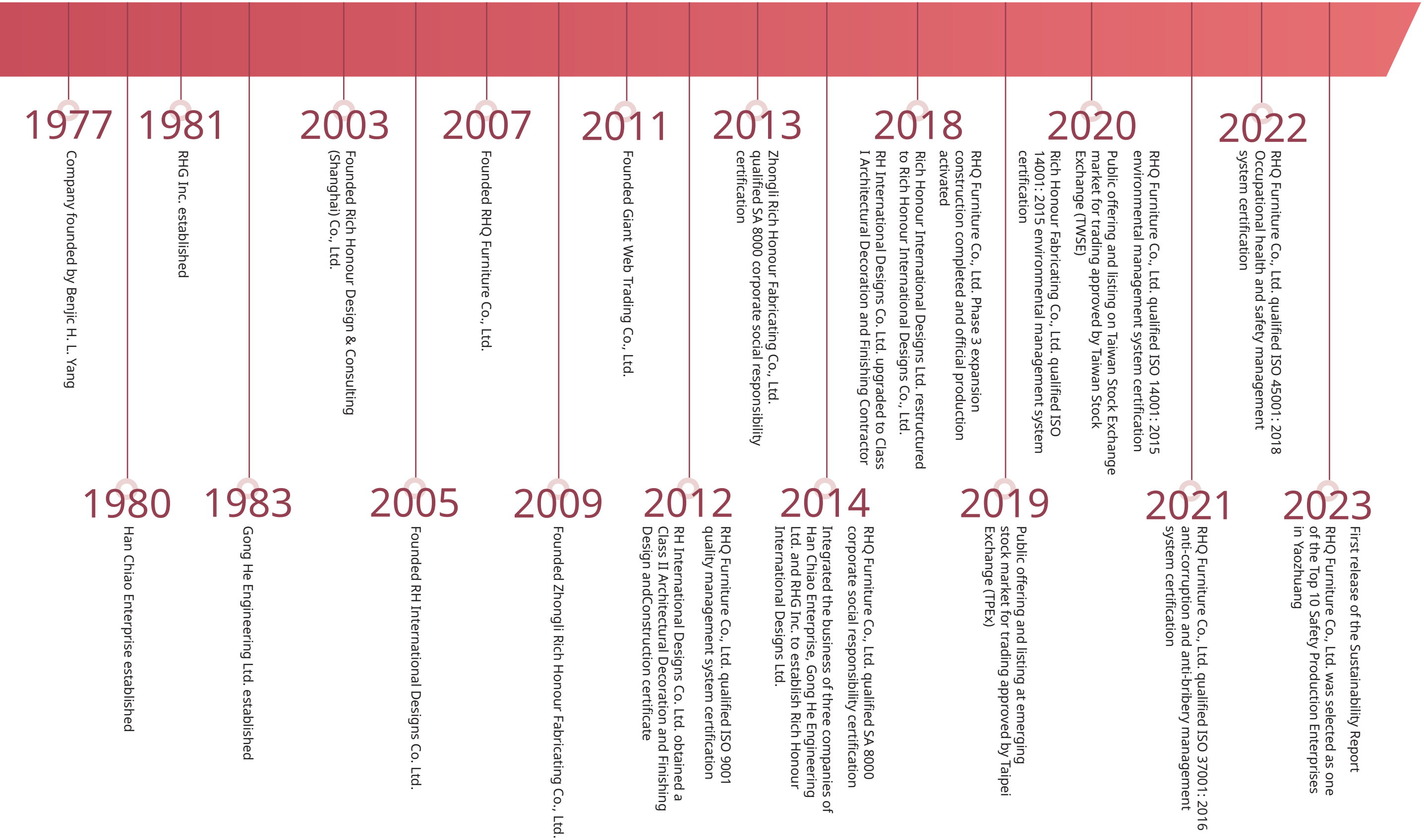
## Main Business of Each Key Department

Key Department	Main Job Duties and Authorities
R&D Business Department	<b>Business Development Department</b> <ol style="list-style-type: none"> <li>1. Collecting market information, conducting trend analysis, and developing new clients.</li> <li>2. Developing new business and participating in tendering.</li> <li>3. Performing project-based planning and design, reviewing building regulations, and other relevant matters.</li> <li>4. Maintaining existing client relationships and dealing with client complaints.</li> <li>5. Researching and introducing new techniques and construction methods.</li> </ol> <b>Electrical and Mechanical Engineering Department</b> <ol style="list-style-type: none"> <li>1. Responsible for mechanical and electrical drawing planning and integration as well as construction price estimation and inquiry.</li> <li>2. Reviewing mechanical and electrical drawings and checking client changes to ensure compliance with building and safety laws and regulations as well as other rules.</li> <li>3. Submitting system materials for review, inspecting construction practices, and scheduling works.</li> <li>4. Instructing and supervising contractors and controlling construction progress, quality, and budgets.</li> <li>5. Solving problems about construction interfaces with proprietors, contractors, and designers.</li> </ol> <b>Material Management Office</b> <ol style="list-style-type: none"> <li>1. Gathering building materials market information and develop new vendors</li> <li>2. Assisting in the qualification review of vendors and the management and evaluation of suppliers</li> <li>3. Researching and introducing new techniques and construction methods.</li> <li>4. Providing purchasing or customization suggestions that meet project needs and meet proprietors' use requirements.</li> </ol>
	Comprehensively assisting clients in the overall planning of related design matters: <ol style="list-style-type: none"> <li>1. Assisting in developing project execution strategies and conducting feasibility analysis, problem tracking and solving</li> <li>2. Coordinating the execution progress of projects</li> <li>3. Design execution: Solution design, design development, making of shop drawings, and key project management</li> <li>4. Integrating the drawings of the design team</li> </ol>
	<ol style="list-style-type: none"> <li>1. Undertaking construction projects, calculating prices, tendering, signing contracts, and other relevant matters.</li> <li>2. Setting construction budgets and executing and settling the budgets.</li> <li>3. Subcontracting and calling for tenders, choosing subcontractors, comparing prices (bargaining), awarding tenders, and other matters.</li> <li>4. Responsible for the supervision of project construction progress, quality control and coordination, etc.</li> <li>5. Integrating project team interfaces and discussing construction methods</li> <li>6. 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.</li> <li>7. After-sales services for completed projects.</li> <li>8. Conducting contractor management.</li> </ol>
	<ol style="list-style-type: none"> <li>1. Assisting in project development feasibility assessment and project positioning confirmation</li> <li>2. Participating in early stage development strategy and schedule planning</li> <li>3. Responsible for design development or assisting foreign designers in the realization of solutions</li> <li>4. Responsible for the interface integration management of interior design and construction in order to put the design concept into practice</li> </ol>

Key Department	Main Job Duties and Authorities
Project Integration Business Unit	<ol style="list-style-type: none"> <li>1. Assisting in project development feasibility assessment and project positioning confirmation</li> <li>2. Participating in early stage development strategy and schedule planning</li> <li>3. Responsible for design development or assisting foreign designers in the realization of solutions</li> <li>4. Responsible for the interface integration management of interior design and construction in order to put the design concept into practice</li> </ol>
Production Business Unit	<ol style="list-style-type: none"> <li>1. Assisting in quoting and making samples for the furniture/fixtures of all business units.</li> <li>2. Coordinating on furniture/fixture production plans and manufacturing and delivery scheduling.</li> <li>3. Performing warehouse management and control for the (raw) materials of the furniture/fixtures and finished goods.</li> <li>4. Carrying out quality improvement and corrective/preventive measures.</li> <li>5. Maintaining and servicing machinery and equipment.</li> <li>6. Responsible for the incoming and outgoing of the furniture/fixtures as well as their transportation control.</li> <li>7. Planning new production processes, techniques, and equipment for furniture/fixtures and evaluating their effectiveness.</li> </ol>
Audit Office	<ol style="list-style-type: none"> <li>1. Formulating audit policies and annual overall audit plans for the Company.</li> <li>2. Implementing the annual audit plans.</li> <li>3. Responsible for auditing and inspecting all departments' implementation of the internal control system, suggesting improvements, conducting re-inspections for deficiencies, and other matters.</li> <li>4. Submitting annual routine matters.</li> </ol>
Operation Department	<b>Operation Planning</b> <ol style="list-style-type: none"> <li>1. Developing management strategies for the Company, setting business goals, and supervising and evaluating the fulfillment and attainment of the business goals.</li> <li>2. Defining the functions and responsibilities of the Company's departments and creating and promoting project plans.</li> <li>3. Integrating, coordinating, and supporting all departments' business promotion and project implementation.</li> <li>4. Creating external public relations.</li> </ol>
	<b>Investment Planning</b> <ol style="list-style-type: none"> <li>1. Planning medium-to-long term business management.</li> <li>2. Developing and setting up new businesses.</li> <li>3. Reconstructing or reforming the management model.</li> </ol>
Administrative Service Department	<ol style="list-style-type: none"> <li>1. Managing human resources and developing the organization.</li> <li>2. Calculating and paying salaries.</li> <li>3. Managing general administration, administrative, and business matters and implementing relevant procedures.</li> <li>4. Purchasing assets and miscellaneous equipment.</li> <li>5. Carrying out operating procedures and supporting document control.</li> </ol>
Information Management Department	<ol style="list-style-type: none"> <li>1. Evaluating and purchasing information software and hardware.</li> <li>2. Planning and creating an information environment.</li> <li>3. Establishing and reviewing an information system</li> <li>4. Developing and managing information systems.</li> <li>5. Controlling and monitoring information security.</li> <li>6. Providing education and training on information use and solving problems.</li> </ol>
Financial Department	<ol style="list-style-type: none"> <li>1. Handling accounting and tax affairs, performing tax planning, budgeting, and controlling budgets.</li> <li>2. Acquiring, utilizing, and deploying financial funds and other relevant matters.</li> <li>3. Compiling financial and management statements and providing management information.</li> <li>4. Managing the formulation and review of contracts.</li> <li>5. Integrating consultations and suggestions regarding legal affairs and mediating and handling legal disputes.</li> <li>6. Managing patents, copyrights, trademarks, and other types of intellectual property.</li> <li>7. Dealing with matters related to shareholder services, public information disclosure, shareholders' meetings, and board meetings.</li> </ol>



## 2.2 History of RH



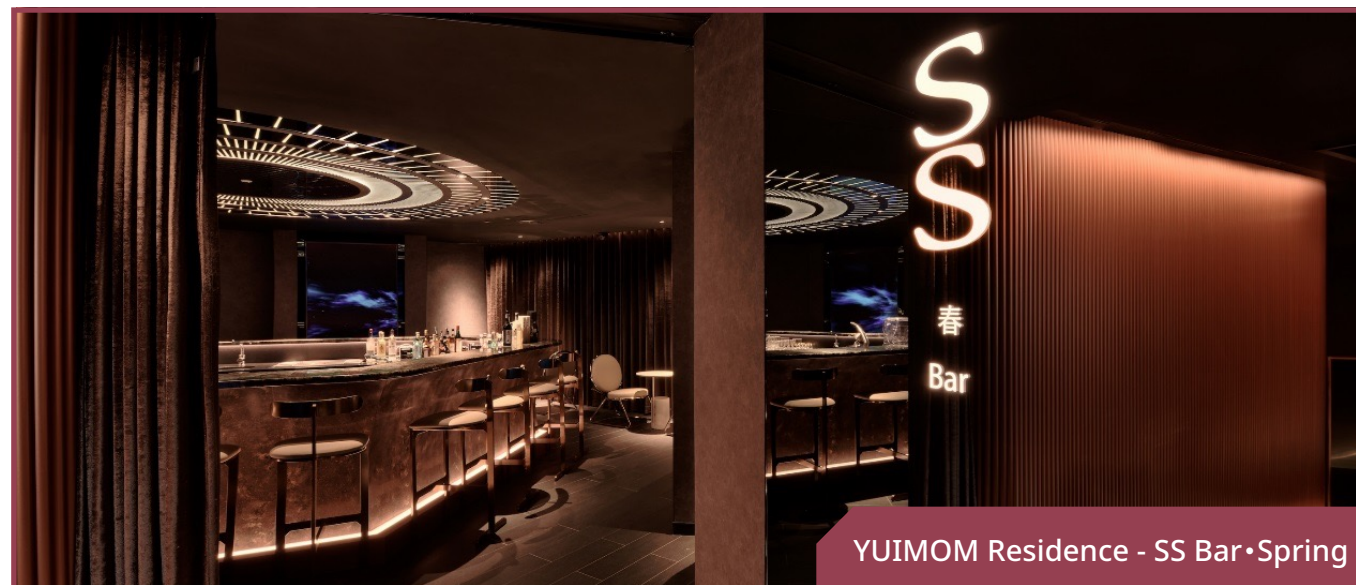
## 2.3 Awards and Honors Received and Management System

Year	Winning Projects	Awards
2023	City Hall Flagship Store of Curista Coffee	2023 iF Design Award
	YUIMOM Residence - SS Bar•Spring	2023 iF Design Award
	YUIMOM Residence - SS Pâtisserie•Summer	2023 iF Design Award
	YUIMOM Residence - SS Bar•Spring and AW Café•Winter	Interior Design Golden Award of the 2023 Finland Arch Design Award
	YUIMOM Residence - SS Pâtisserie•Summer and AW Restaurant•Autumn	Interior Design Silver Award of the 2023 Finland Arch Design Award
	YUIMOM Residence - SS Bar•Spring and SS Pâtisserie•Summer	2023 World Luxury Restaurant Awards
2022	YUIMOM Residence - AW Restaurant•Autumn and AW Café•Winter	2023 World Luxury Restaurant Awards
	Chlitina Shanghai Factory Exhibition Hall	2022 Red Dot Award Winner
	Chlitina Shanghai Factory Exhibition Hall	2022 BLT Built Design Award Winner
	Chlitina Shanghai Factory Exhibition Hall	2022 U.S. Architecture Master Prize Winner (best of best)
	MUSE	A'DESIGN - Bronze Award
2021	Taoyuan Shin Kang Cinemas	MUSE Design Awards Platinum Winner
	Kaohsiung Park One International Hospital	Taiwan Good Design Award - Gold Award
	Synera Renewable Energy Office	Taiwan Good Design Award - Bronze Award

### Relevant Photos of Honors







YUIMOM Residence - SS Bar•Spring

**2023** 2023 iF Interior Design Award



**2023** Interior Design Golden Award of the Finland Arch Design Award



**2023** World Luxury Restaurant Awards



YUIMOM Residence - SS Pâtisserie•Summer

**2023** 2023 iF Interior Design Award



**2023** Interior Design Silver Award of the Finland Arch Design Award



**2023** World Luxury Restaurant Awards

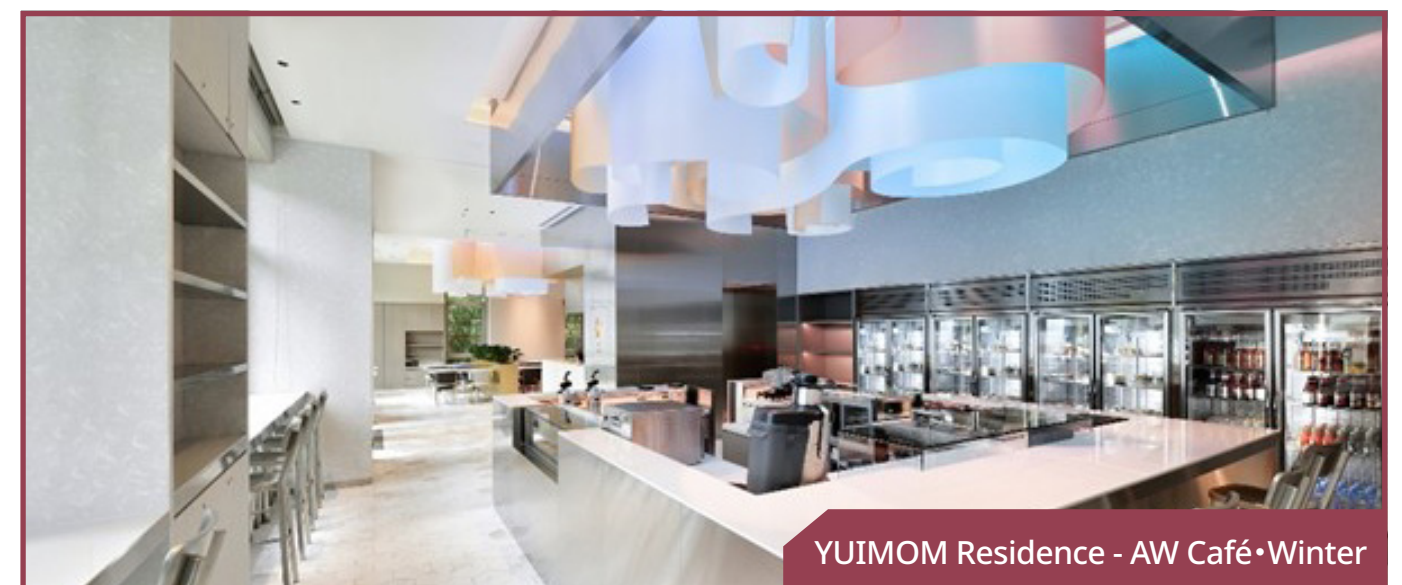


YUIMOM Residence - AW Restaurant•Autumn

**2023** Interior Design Silver Award of the Finland Arch Design Award



**2023** World Luxury Restaurant Awards



YUIMOM Residence - AW Café•Winter

**2023** Interior Design Golden Award of the Finland Arch Design Award



**2023** World Luxury Restaurant 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. We have improved our management performance by establishing management systems in order to satisfy the needs of internal and external stakeholders. Through the introduction of risk awareness and the management philosophy of PDCA, the Company hopes to make continuous improvements in order to seek sustainable operations. 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 Taiwan Co., Ltd.	AXE REGISTER	AXE REGISTER
Certificate Expiration Date	July 26, 2026	December 08, 2026	December 11, 2025
Business Location	Zhongli Rich Honour Fabricating	RHQ Furniture	RHQ Furniture

Management System	ISO 9001:2015	SA8000:2014	ISO 37001:2016
Certification Institution	AXE REGISTER	TUV NORD Taiwan Co., Ltd.	AXE REGISTER
Certificate Expiration Date	April 14, 2027	October 14, 2025 December 19, 2026	December 14, 2024
Business Location	RHQ Furniture	Zhongli Rich Honour Fabricating RHQ Furniture	RHQ Furniture

Note: Please refer to Appendix for certificates

In addition to improving our management quality, we also attach great importance to international social responsibility certifications. The Company is a member of EcoVadis, a global supply chain sustainability assessment platform, and Sedex, a supplier ethical data exchange platform. We hope that our fulfillment of international social responsibility certification requirements can be the foundation of the Company's path towards sustainable development.

## 2.4 Participation in External Organizations

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 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.

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

### Support for TCFD

As the world pays more and more attention to climate issues, enterprises are driven to actively take actions for climate change mitigation. The Company officially signed to support the "Task Force on Climate-related Financial Disclosures" (TCFD) in 2023. We have disclosed the strategies and measures taken in response to climate change in accordance with the TCFD recommendations. With low-carbon economic transformation as the vision, we will shoulder our due social responsibility. RH will adhere to the concept of circular economy, seek environmental common goods, strive for energy conservation and emissions reduction, cherish water resources, and promote a green industrial chain with upstream and downstream partners to achieve the goal of corporate sustainable operations.



A low-angle, upward-looking photograph of a ceiling. The ceiling is composed of numerous wooden planks of varying shades of brown, arranged in a radial pattern that converges towards the center. A central light fixture with a black metal frame and four glass-enclosed light bulbs is visible. The light bulbs are illuminated, casting a warm glow. The background between the wooden planks is a solid teal or blue color.

3

**Responsible Governance**

# Responsible Governance

Annual Sustainability Performance
81 hours of training on sustainability for directors
The Board of Directors resolved to approve the "Risk Management Best Practice Principles"
There were zero major violation records related to corporate governance, securities trading, environmental protection, labor rights, occupational safety, disclosure of customer privacy, anti-competition actions, marketing and labeling or product safety and liability, etc. in the past three years.
Earnings per share: NTD 4.25
Annual customer satisfaction survey: 86.5 points
Zero major information security incidents; 47 vulnerability scans

## 3.1 Governance Practice

Governance Body	Function
Shareholders' Meeting	Composed by all shareholders, listening to the report of the management team, and making decisions on major issues of the Company
Board of Directors	<ul style="list-style-type: none"><li>The highest governance body. All members of the Board of Directors act as prudent administrators with due care in planning the Company's business policies, reviewing financial performance, and ensuring that the Company's operations comply with various laws and regulations</li><li>Establishing the Audit Committee and the Remuneration Committee to ensure the sound operation of the Board of Directors</li><li>The independent Audit Office has also been established. Internal auditors formulate an annual audit plan and conduct audits according to the regulations of the competent authority and risk considerations, or perform audits from time to time, to check the effectiveness of the design and implementation of the internal control system. The office will issue an audit report to disclose the identified internal control deficiencies, follow up on the deficiencies after the report is reviewed, at least on a quarterly basis, until they are rectified, and report the audit results to the Audit Committee and the Board of Directors</li></ul>

RH values corporate governance, seeks sustainable growth and ethical management, continues to strengthen the corporate governance structure, and 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.

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.

### 2023 Corporate Governance Execution Outcome

- The continuing education courses of Board members totaled 81 hours, which is 100% compliant with the requirements for the continuing education hours of directors and supervisors specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies;" the number of hours of continuing education courses on sustainability reached 81 hours
- 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 2023 Corporate Governance Evaluation Indicators.
- The Company's shareholders' meetings have adopted the electronic voting method, and the candidate nomination system has been adopted fully for the election of directors.
- A Corporate Governance Officer has been appointed to be in charge of corporate governance-related matters
- We have assisted directors in assuming their positions and hired external instructors to provide courses on the latest or relevant competencies 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.
- The Company has taken out liability insurance with a coverage limit of USD 3,000,000 for all directors and supervisors

In addition, the Company's financial statements are audited periodically by retaining 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 to the future, our goals include strengthening the operation of the Board, improving information transparency, and progressively incorporating sustainable governance strategies into the corporate governance structure.



### 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 authority 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 a 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 in 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 2023, a total of five 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	4	COO / S&G	✗
Independent Director	Wen-Hung Li	100	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 and 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 external performance evaluation for the Board. The next evaluation will be carried out in 2025. The performance evaluation results of the Board of Directors may serve as a reference for electing or nominating directors; the performance evaluation results of individual directors may also be used as a reference for determining their respective remuneration.

Board Performance Evaluation Mechanism	2023 Performance Evaluation Result	Future Enhancement Plan
<ul style="list-style-type: none"><li>Self-evaluation questionnaire annually</li><li>External performance evaluation every three years</li></ul>	<ul style="list-style-type: none"><li>Reported during the Board meeting on 2024.3.13</li></ul> <div>Board member performance self-evaluation score: 98.86 points Board performance self-evaluation score: 98.32 points Audit Committee performance self-evaluation score: 98.61 points Remuneration Committee performance self-evaluation score: 98.62 points</div>	<ul style="list-style-type: none"><li>Strengthen the Board's function in risk management, implement the risk management mechanism, and perform periodic review, in order to allow the Board to fully control the overall risk and cope with the changing and complicated business environment</li><li>Establish an ESG performance evaluation system to enhance the sustainable governance performance of Board members</li><li>Enhance direct links among independent directors, and further enhance the whistleblower mechanism</li></ul>

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 2023, the total education and training hours of all directors was 81 hours. The Company approved the proposal to appoint a Corporate Governance Officer in the Board meeting held in December 2022. Further education and training courses related to corporate sustainable operations will be planned for directors. We hope that under the leadership of the Board equipped with ethical management and extensive industry experience, the Company's business will continue to grow, striding toward sustainable operations.

### Communication on Critical and Material Events

The Company's Board has approved the “Procedures for Handling Material Inside Information” on December 14, 2022, in order to regulate the critical and material event communication process. In 2023, a total of 26 pieces of material information were released. Please enter 6754 or RH on the MOPS at <https://mops.twse.com.tw/mops/web/t05st01> for relevant information.



## 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.

Functional Committees	Function	Achievements
Audit Committee	Assisting the Board in the supervision of the quality of the Company in terms of the execution of accounting, auditing, financial reporting processes and financial controls, and submitting the evaluation result to the Board for discussion	The Board approved the "Audit Committee Charter" and the "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 2023, a total of five Audit Committee meetings were held, and the overall attendance rate reached 100%
Remuneration Committee	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 Committee also regularly assesses and determines the remuneration of directors and managerial officers, and submits recommendations to the Board for discussion.	<p>The Board approved the "Remuneration Committee Charter" and the "Regulations Governing Remuneration Committee Operation", and has established the Remuneration Committee. The members of the Committee shall include at least one independent director. Presently, all three members are independent directors. In 2023, a total of three committee meetings were convened, and the overall attendance rate reached 100%.</p> <p>For the remuneration policy for the Company's Board members and the President, please refer to Chapter Three Corporate Governance - (III) Remuneration Paid to Directors, the President and Vice Presidents in the Most Recent Year in the 2023 Annual Report of Shareholders' Meeting</p>

## 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 2023, the Audit Office's audit did not discover any material deficiencies.

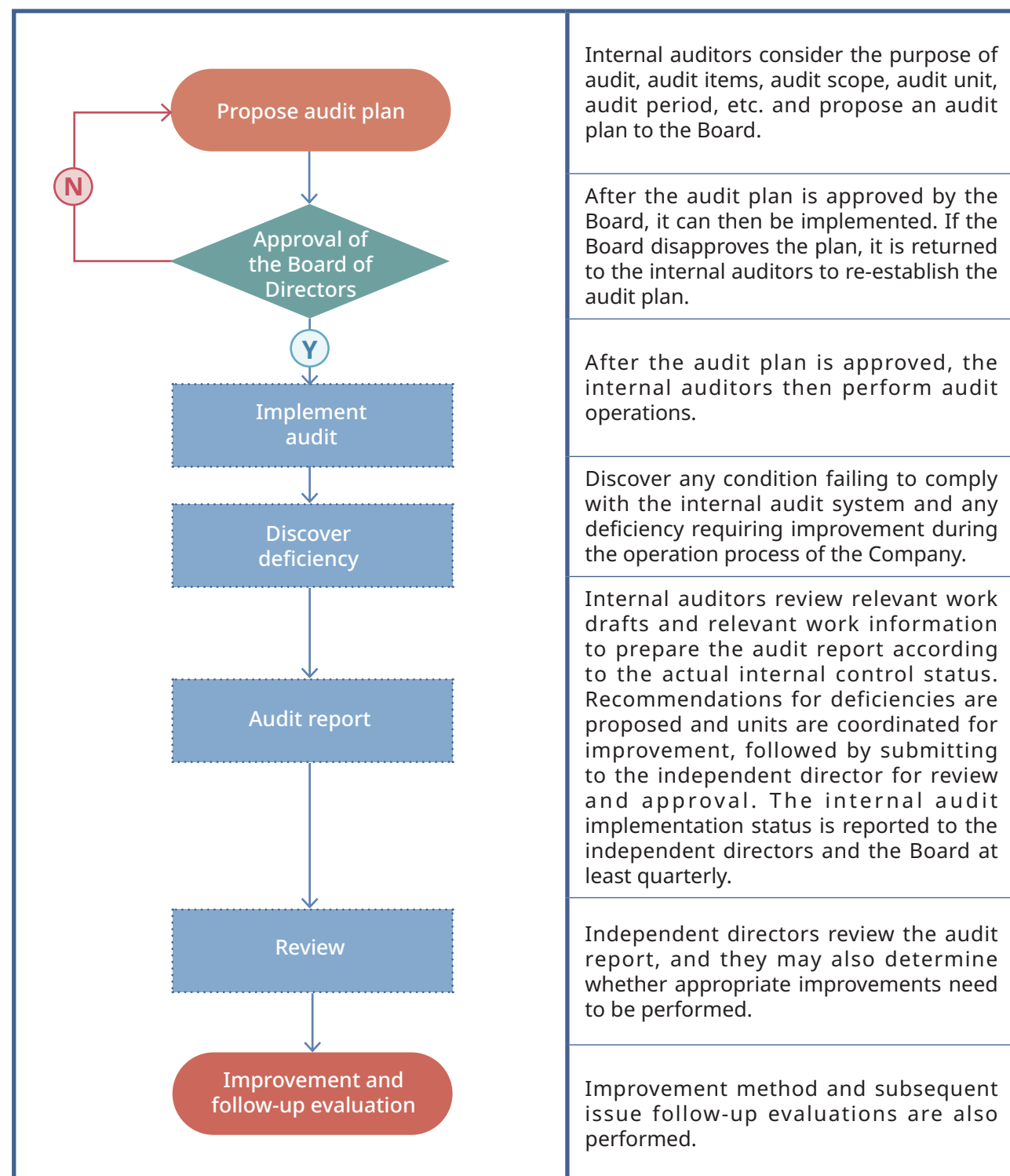
### Reporting of Internal Audit

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 Ethics 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 employee 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 Whistleblowing Channels

To protect the rights and interests of all stakeholders, the Company has established a relevant code of conduct and a whistleblowing 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 a report can be made to the following unit:

Contact Person	Scope
Independent Director	Reports and complaints from shareholders and directors Email: RHIDD6754@gmail.com
Spokesperson	Reports and complaints from stakeholders of shareholders and investors Email: IR@richhonour.com
Audit Officer	Reports and complaints from customers, suppliers and contractors
Chief Financial Officer	Reports and complaints from internal employees of the Company

With regard to business interactions, 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 incorporate the concept of ethics and integrity in employees' performance of job duties, the Company's supervisors communicate and practice the Company's integrity culture in daily operations, and the Ethical Management Promotion Team will continue to conduct online integrity training for existing employees in the future. With regard to the management's review and assessment of the effective operation of the preventive measures established for implementing ethical management, as well as the implementation of ethical management and the measures taken, the Team also reports the implementation results to the Board of Directors annually. The implementation of ethical management was reported to the Board of Directors on March 13, 2024. 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

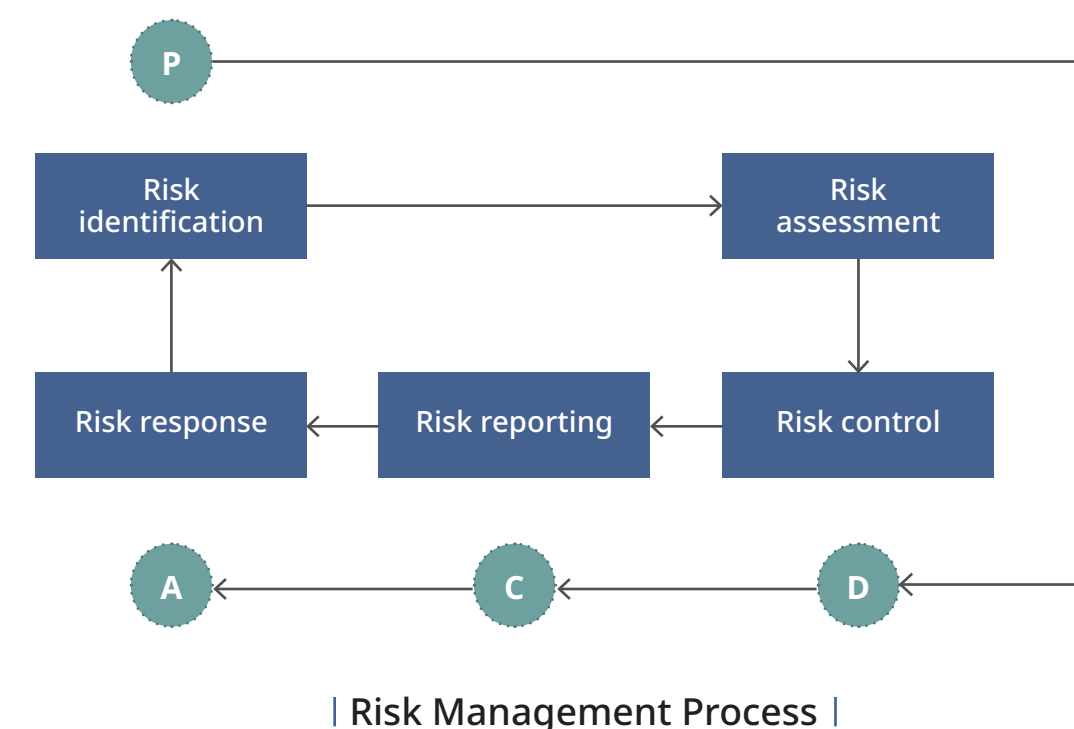
The Company's "Risk Management Best Practice Principles" was approved by the Board of Directors on August 9, 2023 as the highest guiding principle for risk management. The principles are used to strengthen corporate governance, improve risk management, and ensure steady business operations, marching toward the goal of corporate sustainable development.

Risk Management Organization	Composition and Function
Governance level	The Board of Directors and the Audit Committee are the highest supervisory bodies and are responsible for approving risk management policies and the risk management structure and culture.
Management level	<ul style="list-style-type: none"> <li>On the front line, each business unit and the personnel in each sales position are responsible for the risk identification and management of matters within their scope of work.</li> <li>The second line provides policies, frameworks, tools, technology and support to ensure risk management and compliance on the front line. This involves functional departments in charge of internal audits, legal affairs, compliance, finance, human resources, technology and information, safety, and environment. All departments shall assist the front-line business groups and are jointly responsible for supervising, inspecting and evaluating the effectiveness of risk management implementation</li> </ul>
Internal audit	An independent unit subordinate to the Board of Directors, it assists the Board of Directors in supervising the implementation of the risk management mechanism, checking the implementation of risk response and control of each operating unit, communicating risk information with each business unit, and collecting and organizing risk management reports from each business unit

### RH Risk Management Framework

Risk item	Responsible department	Risk affairs
Strategy risk	Operation Department	Establish the Company's future operation strategy.
Operation and market risks	Operation Department	Perform R&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.
Financial and liquidity risk	Financial Department	Interest rate, exchange rate risk, bank limit management and relationship maintenance, etc.
Customer credit risk	Financial Department	Customer credit limit establishment and review, and management and collection of accounts payable.
Legal risk	R&D Business Department Design Business Unit Engineering Business Unit Project Integration Business Unit Financial Department Contract Team	Review contracts, company authorization and reduction of corporate legal risk, protect company's tangible and intangible assets.
Worker safety risk	Engineering Business Unit Administrative Service Department	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.
Information security risk	Information Management Department	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.
Environmental risk	Engineering Business Unit Production Business Unit	Greenhouse gas emissions management, carbon rights management, energy management, risk of complying with international and local environmental protection regulations or environmental assessment requirements.
Human resources risk	Administrative Service Department	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.

The Company's risk management process includes risk identification, risk assessment, risk control, risk reporting, and risk response. Through the PDCA (Plan, Do, Check, Act) cycle, it is possible to continuously and effectively improve and control various risk factors in the hope to reduce the probability and extent of loss from risks.



2023 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	<p><b>Group</b></p> <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 degrees Celsius) to reduce carbon emissions.</li> <li>▶ Enhance promotion of daily reduction of plastics: protect the environment, and prevent harm to animals, reduce carbon emissions to mitigate severe climate change.</li> </ul> <p><b>Factory</b></p> <ul style="list-style-type: none"> <li>▶ Continue to strengthen electricity saving projects, and incorporate ISO 14001 performance indicators 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>
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 Company's domestic sewage discharge is much lower than the national standard.</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> <li>▶ Scrap treatment is further classified to enhance the waste reduction process, 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>▶ We ensure that the flow of waste complies with the law and commission legal vendors to remove waste according to laws</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.</li> <li>▶ 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 wood powder for recycling, the equipment is also beneficial to the direct improvement of the occupational health of employees in the workshop.</li> </ul>



Risk type	Risk description	Risk management strategy (response measures)
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 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 the 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 protection 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>
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 event of natural disasters.</li> <li>▶ Establish a 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 that have been announced by the government, including environmental protection and 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 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 ISO 14001 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	Climate change and management	<ul style="list-style-type: none"> <li>▶ Continue to monitor changes in energy and carbon reduction policies and regulations and actively participate in seminars related to climate change response (attending seminars on ESG issues, totaling 157hours; serving as a volunteer reviewer for the Taiwan Corporate Sustainability Awards)</li> <li>▶ Build a database of green building materials to achieve more eco-friendly and modular production and obtain competitive prices, and take sustainable development, energy conservation and carbon reduction into consideration in the full life cycle of projects</li> <li>▶ Improve understanding about circularity.</li> <li>▶ Recommend that customers use more green and reusable recycled materials in the interior structure.</li> <li>▶ Improve subcontractor implementation and understanding of global green trading trends.</li> </ul>
Social risks	Occurrence of occupational accidents	<ul style="list-style-type: none"> <li>▶ Implement an occupational safety management system and safety hazard risk management.</li> <li>▶ Provide occupational health and safety training for new and existing employees.</li> <li>▶ Establish operating specifications for on-site operations, "Ergonomic Hazard Prevention", "Overwork and Stress Management Plan", and "Occupational Safety and Health Work Rules", supplemented by machine-related training, engineering improvement or personal protective equipment to ensure the effective control of hazards.</li> </ul>
Social risks	Overwork due to long working hours	<p><b>Factory</b></p> <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 the 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 warnings and implements work shifts and transfers.</li> <li>▶ The Company progressively promotes machinery-automated operations, such as computer cutting machines with the installation of a digital control automatic feeding rack which leads to a reduction of 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	Talent recruitment and retention	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>▶ Improve employee benefits (e.g. structural salary adjustment, employee stock ownership trust, etc.), enhance the talent incentive system, reduce turnover (employee stock ownership trust participation rate: 57%).</li> <li>▶ Cultivate cross-sector professional talent in the long term through internal on-the-job training and external professional education and training (training hours: 1,483).</li> <li>▶ Strengthen industry-academia collaboration to realize the application of knowledge and cultivate young talent (providing academic feedback for China University of Technology, Chung Yuan Christian University, and National Taipei University of Technology, design competition prizes, sponsorships for achievement exhibitions; recruiting 11 students).</li> <li>▶ Implement comprehensive human resource quality and quantity inventory, and establish short/medium/long-term human resource plans accordingly.</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> <li>▶ Ensure adaptive development of employees and talent sustainability to jointly challenge the wide world stage (In a BU organization, the members have a high level of engagement and a high sense of identity).</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 resources 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	Rising labor and material prices, shortage of labor and materials	<ul style="list-style-type: none"> <li>▶ In response to rising labor and material prices, the Company assesses the possibility of value engineering, absorbs part of the increase, and takes the cost into account for the project quotation.</li> <li>▶ Strengthen process supervision, timely solve the problem of material and equipment price hikes during the contract performance process, and promote project progress management.</li> <li>▶ Enhance quality, labor, and material control to reduce rework costs.</li> <li>▶ Develop long-term partners and effectively control their manpower allocation; develop new technologies and new construction methods while seeking new suppliers (All completed projects were completed on time, so there was no default penalty).</li> </ul>
Corporate governance risks	Operation and market risks	<ul style="list-style-type: none"> <li>▶ Adopt market segmentation and focus on large-scale customers with complex procedures and strict requirements on design and construction capabilities and quality to exert the competitive advantages of project integration and EPC (Engineering-Procurement-Construction, commonly known as turnkey projects).</li> <li>▶ Continue to seek different types of business opportunities to build a broad variety of organizational capabilities and reduce the risk of business concentration.</li> <li>▶ Application of green engineering and green technology: Actively introduce green technology and industrial intelligence into the life cycle of projects to reduce environmental impact.</li> </ul>
Corporate governance risks	Supplier default risk	<ul style="list-style-type: none"> <li>▶ Have procedures such as the "Supplier Management Procedures", "Project Contracting Procedures", and "Outsourcing Instructions" in place to assess the quality, construction period, and price before entering into a transaction with a supplier, and check its implementation (All completed projects were completed on time, so there was no default penalty).</li> </ul>
Corporate governance risks	Information security	<ul style="list-style-type: none"> <li>▶ Appoint a dedicated information security supervisor and information security personnel to strengthen information security protection and management.</li> <li>▶ Implement information security information reporting and employee information security education and training to comprehensively raise employees' information security awareness (Education and training for new employees: 100%; information security awareness-raising training: 4 sessions; social engineering drills: 2).</li> <li>▶ Install firewalls and introduce Chunghwa Telecom's corporate information security services to prevent cyberattacks</li> <li>▶ Regularly scan computer systems and data storage media for viruses; review the system logs of network service items and track abnormal conditions; and review computer network security control measures.</li> <li>▶ Establish a system backup mechanism, implement off-site backup, and conduct a disaster recovery drill every year.</li> <li>▶ Implement third-party inspections to enhance information security operations; retain a professional accounting firm (Deloitte Taiwan) every year to perform an information security audit</li> </ul>
Corporate governance risks	Interest rate and exchange rate changes	<ul style="list-style-type: none"> <li>▶ Build and maintain good credit history with banks, and observe and understand trends for market interest rate changes, in order to obtain prime rates and preferential terms when the Company needs funds to expand business in the future. Use other financial instruments to mitigate the risk of interest rate changes through sound financial planning.</li> <li>▶ Use sales revenues to defray procurement expenses for naive hedging.</li> <li>▶ Pay attention to exchange rate trends for the primary currencies in the international currency market to track trends for timely response; take the risk from exchange rate changes into account during quoting and adjust the quoted price if necessary, thereby ensuring the desired profit.</li> <li>▶ 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>

# 3.3 Legal Compliance

Material Topic	Legal compliance
Impact on the Company	Legal compliance is the baseline of corporate responsibility. Thorough implementation of legal compliance is essential for the enterprise to achieve stable growth and sustainable operations.
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 2023, 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 the competent authority reaching NTD 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 a smooth whistleblowing channel as well as a protection mechanism for whistleblowers, 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 recusal of conflict of interest, gift offering or receipt and business etiquette, respect of employees and customers, whistleblowing, 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, and relevant codes of conduct have 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

In 2023, the Company's consolidated operating revenue amounted to NTD 4.653 billion, and the consolidated profit after tax and earnings per share were NTD 280,454 thousand and NTD 4.25, respectively, setting a new second highest record.

Future Operational Directives	
✓	Continuously strengthening the risk management functions and cultivating a risk-aware culture in the organization.
✓	Developing smart technology and digital applications, including BIM, cloud project management, and generative design.
✓	Collaborating with international teams in large-scale projects to build capabilities to compete on the world stage.
✓	Continuing to promote EPC (Engineering-Procurement-Construction, commonly known as turnkey projects) to provide proprietors with one-stop services to effectively control quality/budget/time.
✓	Building a "cross-generational collaborative" environment and culture and preparing students to enter the workforce immediately through industry-academia collaboration to diversify and revitalize organizational efforts for innovation.

Operational Performance In Recent Years Unit: NTD thousand			
Item	2021	2022	2023
Total operating revenue	4,136,015	5,096,245	4,653,172
Total operating cost	3,250,918	4,061,213	3,613,324
Gross profit (loss)	885,097	1,035,032	1,039,848
Total operating expense	539,168	596,722	651,533
Operating profit (loss)	345,929	438,310	388,315
Total non-operating revenue and expense	20,676	46,144	30,112
Net income (loss) of the current period	232,345	345,268	280,454
Basic earnings per share	3.52	5.23	4.25

Note: Revenue is defined to include net sales plus revenue from financial investments and sale of assets. Operating costs are defined to include cash expenses for the purchase of raw materials, product components, field facilities and services paid to entities except for the organization.

Employee salary and benefits (Unit: NTD thousand)	Item	2021	2022	2023
	Salary expense	493,881	583,236	588,153
	Labor and health insurance expenses	36,489	41,701	45,951
	Pension expense	26,706	9,566	36,211
	Other employee benefit expenses	37,445	21,804	25,155
	Total	594,521	656,307	695,470

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

Payment to investors (Unit: NTD thousand)	Item	2021	2022	2023
	Interest expense	1,453	1,045	1,642
	Dividends	231,000	244,200	231,000
	Total	232,453	245,245	232,642

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

Payment of government fees (Unit: NTD thousand)	Item	2021	2022	2023
	Tax (income tax)	134,260	139,186	137,973
	Tax (tax payment)	110,187	53,008	9,245
	Penalty fine	-	55	34
	Total	244,447	192,249	147,252

Note: 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: NTD thousand)	2021	2022	2023
	20	120	148

Note: Voluntary donation and capital investment (the beneficiary is an external entity that is not the Company)

Remaining economic value (Unit: NTD thousand)	2021	2022	2023
	-18,697	120,426	140,823

Note: 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 needs, value customer opinions and feedback, and ensure smooth communication channels with customers in order to maintain stable and good partnerships. After receiving feedback from customers, the sales team will make timely improvements, hoping to gain customer trust with quality services.

## 3.5.1 R&D Innovation

Major R&D Applications	
Year	Item
1990	<ul style="list-style-type: none"> <li>Developed CAD computer-aided design</li> <li>Developed 3D perspective plan design</li> </ul>
2000	<ul style="list-style-type: none"> <li>Developed 3D animation technology simulation</li> </ul>
2008	<ul style="list-style-type: none"> <li>Strengthened prefabricated (modular) production</li> </ul>
2017	<ul style="list-style-type: none"> <li>Established integration project control mechanism in conjunction with BIM application development, and virtual reality (VR) application</li> <li>Utilized 3D printing to assist the detailed design</li> </ul>
2022	<ul style="list-style-type: none"> <li>Applied new techniques, new technologies and new materials to develop green energy and smart space decoration design to achieve sustainable green building</li> </ul>
2023	<ul style="list-style-type: none"> <li>Midjourney- Application of AI intelligence in virtual reality and 3D/AR/AV technology upgrades to present design effects more realistically</li> <li>Revit Navisworks Advanced use of BIM technology to understand the layout of the structure and equipment in advance to avoid conflicts in actual construction, leading to more accurate and faster construction</li> </ul>

## Application of Governance Technology

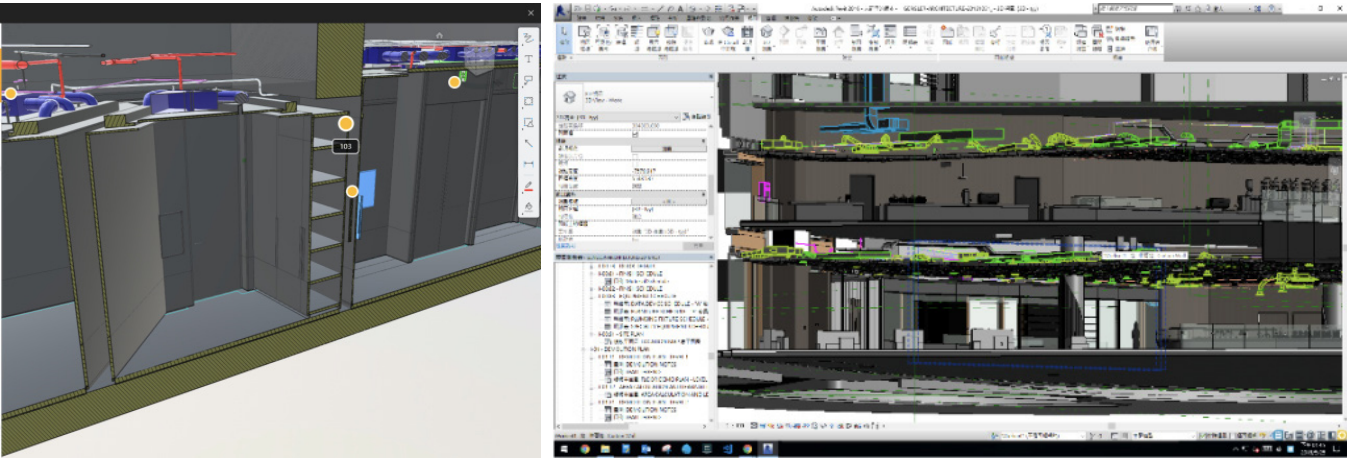
### Midjourney

- Application of AI intelligence in virtual reality
- 3D/AR/AV technology upgrades to present design effects more realistically.



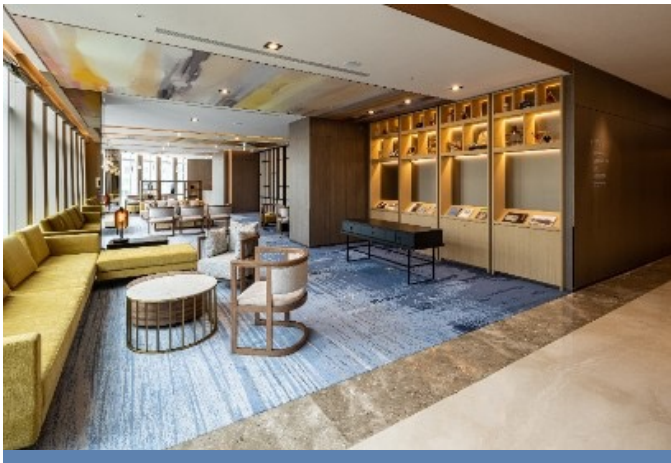
### Revit Navisworks

- Advanced use of BIM technology
- Understand the layout of the structure and equipment in advance to avoid conflicts in actual construction, leading to more accurate and faster construction

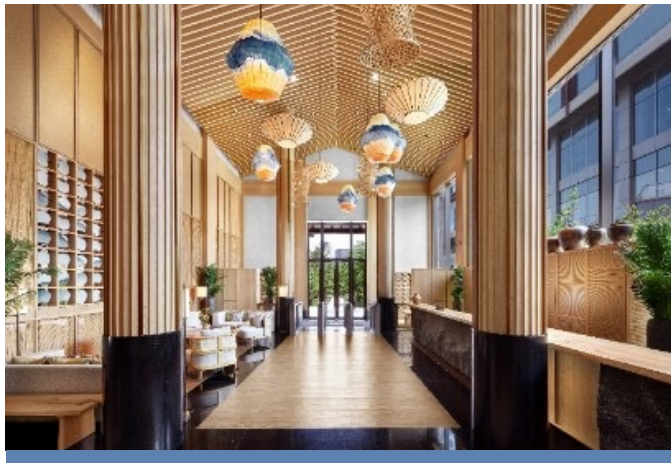




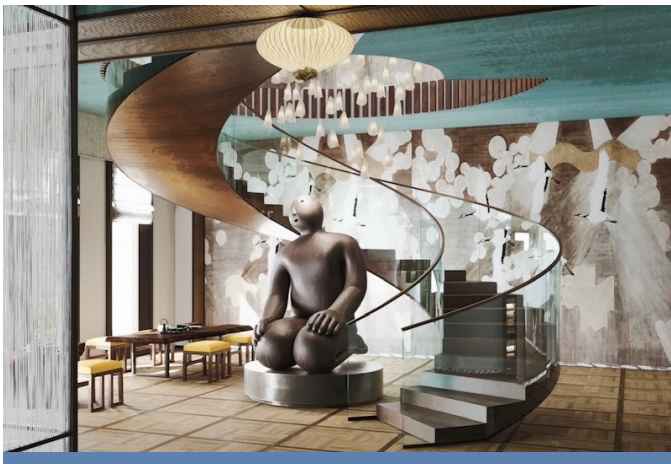
Hospitality Portfolio



Solaria Nishitetsu Hotel Taipei Ximen



Shangri-La Hotel Putian, Fujian



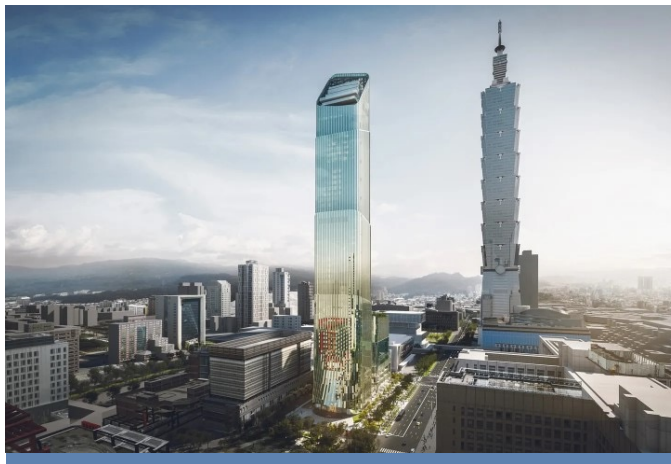
Pouyuenji in Taichung



Super five-star brand hotel in Taipei Xinyi (in progress)

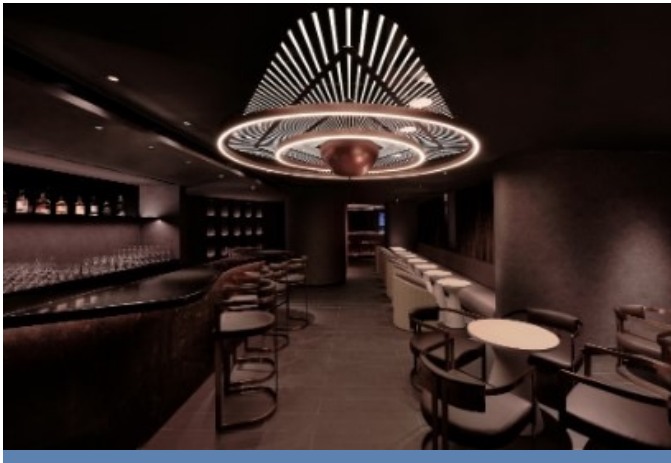


Super five-star brand hotel in Taichung's 7th Redevelopment Zone (in progress)



Five-star brand hotel in Taipei Xinyi (in progress)

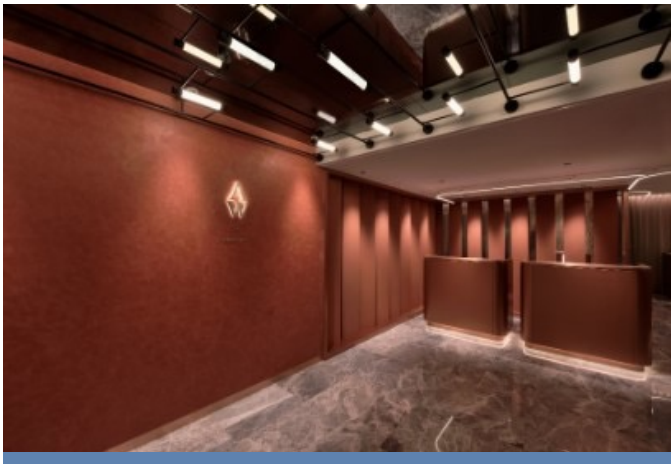
Restaurant



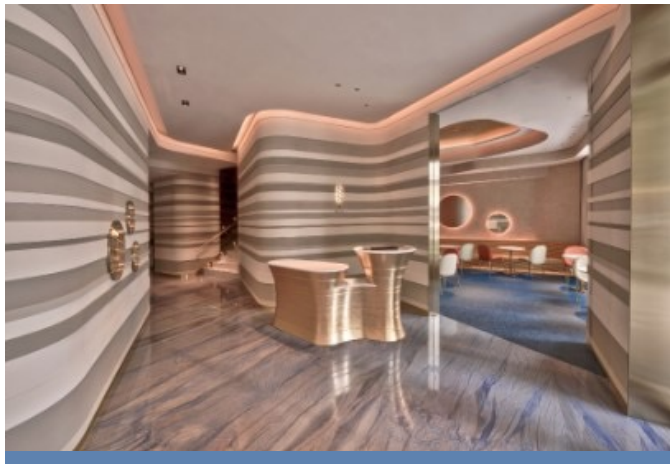
YUIMOM Residence - SS Bar • Spring



le beaujour



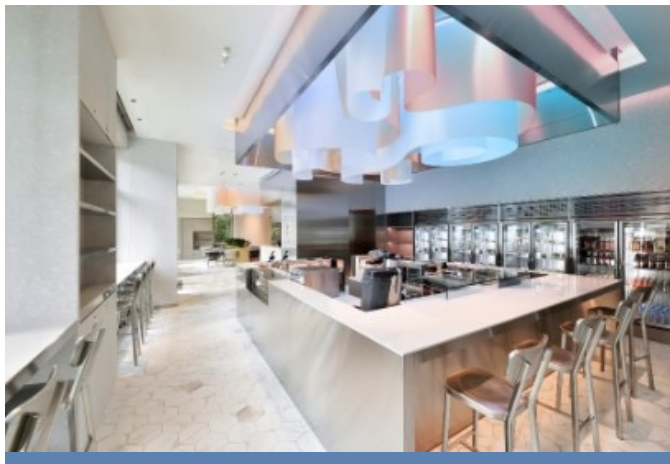
YUIMOM Residence - AW Restaurant • Autumn



YUIMOM Residence - SS Pâtisserie • Summer



DIM SUM 8 in ET Plaza in Zhonghe



YUIMOM Residence - AW Café • Winter



Workspace



LIH PAO Group's Headquarters Building in Xinzhuang (in progress)



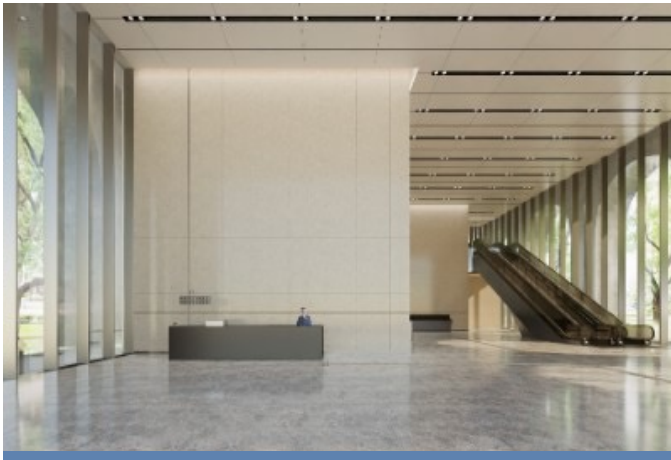
Zhunan Plant of TSMC



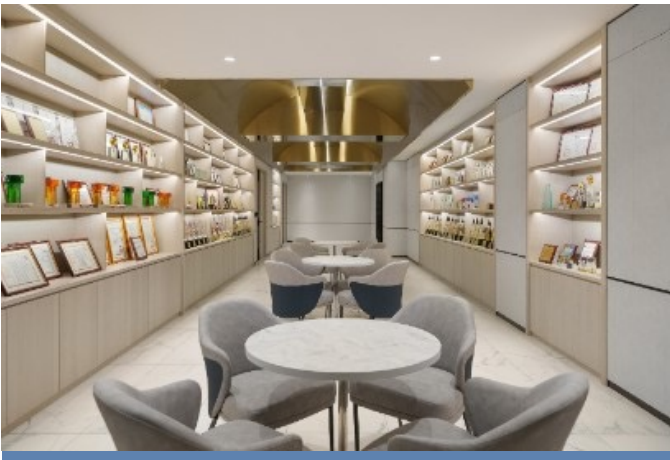
Grade A+ commercial office building in Taichung's 7th Redevelopment Zone (in progress)



Grade A+ commercial office building in Taipei Neihu (in progress)



Grade A+ commercial headquarters building in Taipei Renai (in progress)



Hwang Chang General Contractor's headquarters in Taipei Neihu

Public Space



Urban renewal project in Taipei Rongxing (in progress)



Benchmark project in Western Taipei (in progress)



Art Museum in Xinyi District, Taipei



Art Museum in Park Lane by CMP, Taichung (in progress)



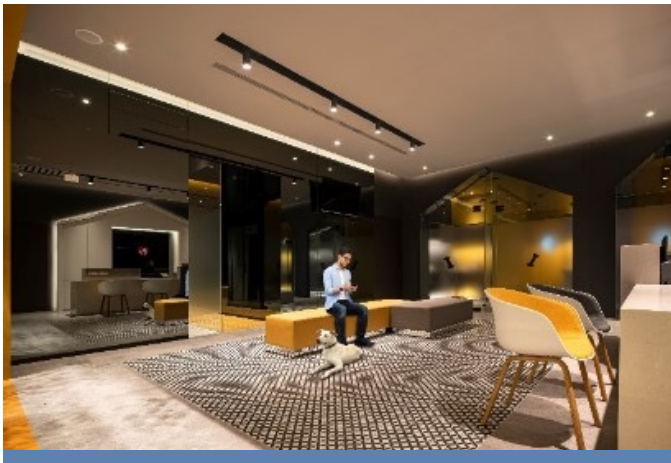
Asia Health City in Hsinchu Guanxi



Taichung Public Library (in progress)



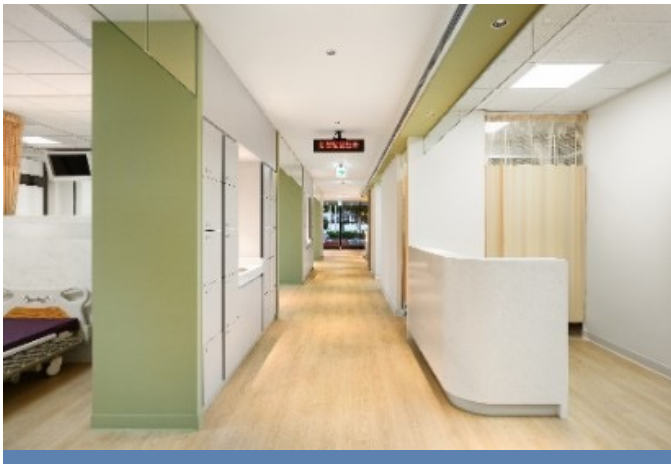
Clinic



Loving Kindness Animal Hospital in ET Plaza in Zhonghe



Story Aesthetic Clinic



Xinkang Clinic, Cathay Cymbal Medical Network



Kaohsiung Park One International Hospital Phase II (in progress)



Urology Center of Park One International Hospital



Kaohsiung Park One International Dental Clinic

Retail



Far Eastern SOGO CITY (in progress)



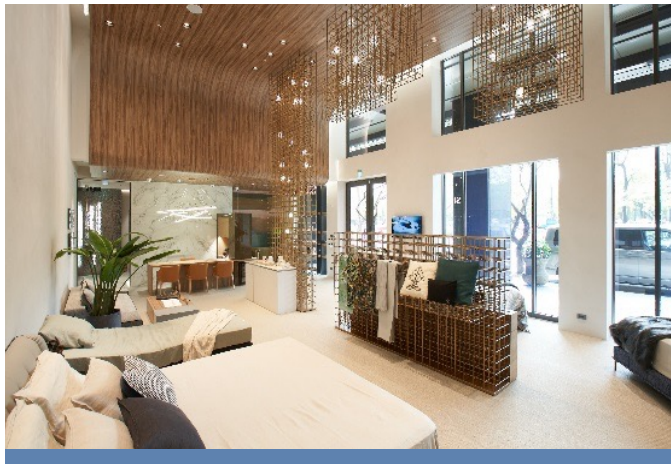
Taipei Nangang Star (in progress)



Dream Plaza (in progress)



ET Plaza in Zhonghe



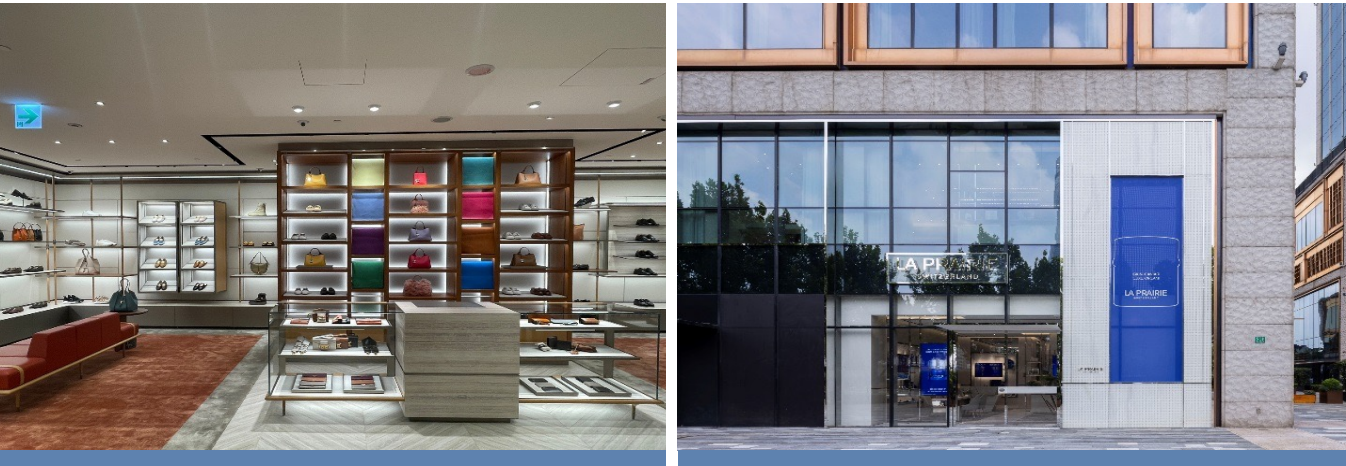
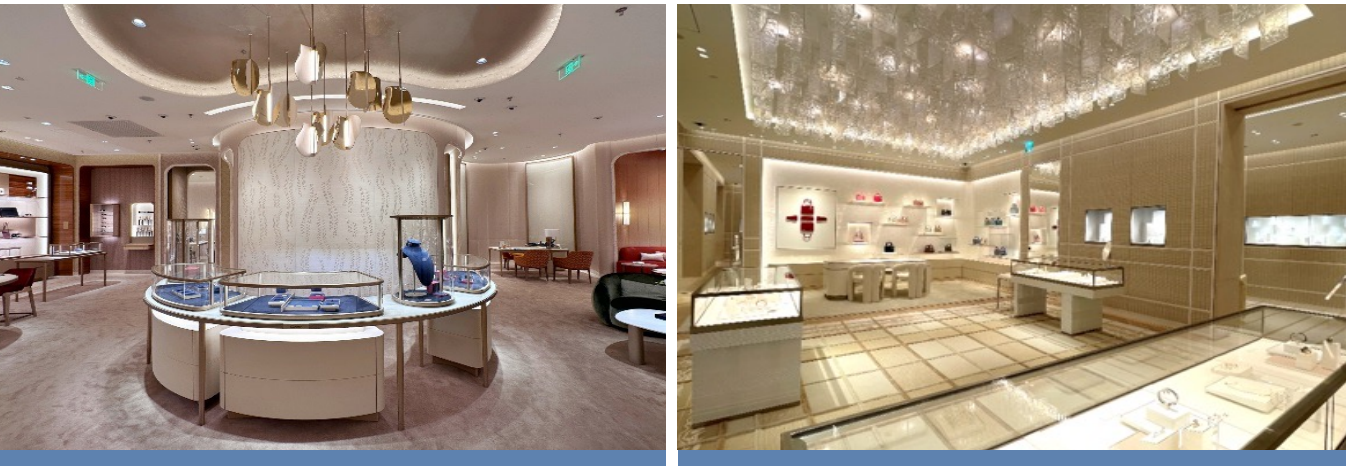
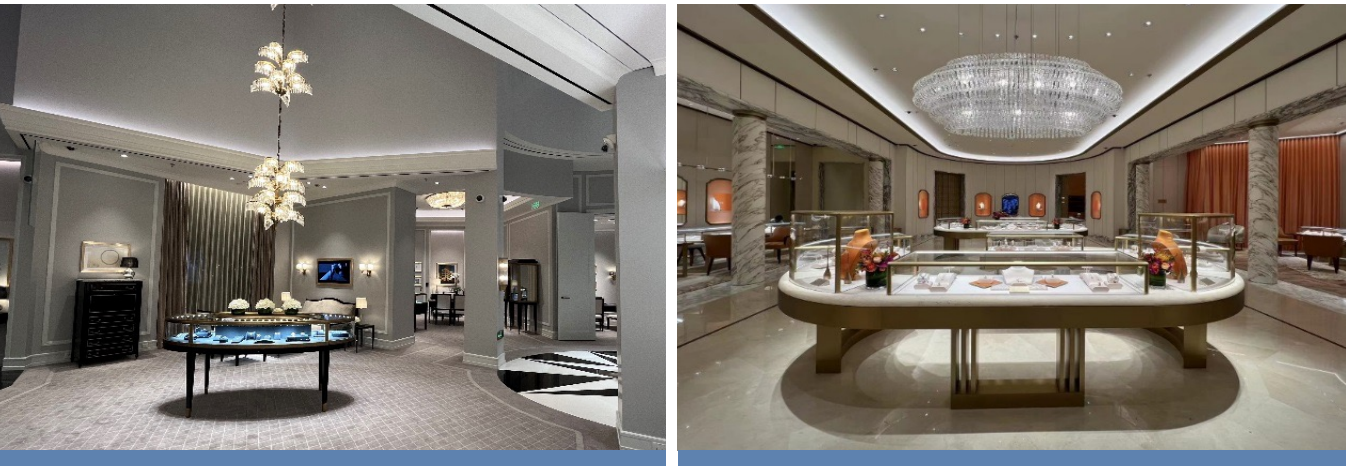
Flagship store of Simmons



E SKY LAND in Kaohsiung



Boutique (more than 300 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.
Policy/ Commitments	Fulfill non-disclosure obligation, and provide quality, fast, safe and reliable service, in order to increase customer satisfaction
Goal	1. Goal of customer satisfaction to achieve above 85 points 2. Zero incidents of disclosure of confidential information
Resource invested and actual outcome in the current year	1. Completed satisfaction questionnaire survey 2. New employees signed non-disclosure agreements
Responsible department/ Complaint filing mechanism	Contact unit: Administrative Service Department Tel: 02-25456011 Email: <a href="mailto:info@richhonour.com">info@richhonour.com</a>
Assessment mechanism/Result	1. Annual management review meeting reviews customer service performance 2. Annual satisfaction survey score of 86.5, satisfying the goal of 85 3. No disclosure of confidential information or suspected disclosure event for the year

Customer Satisfaction Survey

For completed projects, RH performs a customer satisfaction survey every two weeks, and statistics on annual satisfaction surveys are gathered annually. In 2023, the satisfaction survey score was 86.5, satisfying the annual goal of 85.

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 2023, 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 or 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 whistleblowing channel and subsequent investigation procedure. In addition, irregular audits and inspections are also performed on the job performance of employees. In 2023, 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 the supplier’s construction capability, supply quality and delivery stability; 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 has been excellent. Thus, we can ensure the stability of the suppliers. In addition, through the Materials Department’s periodic supplier evaluation, suppliers’ service and quality stability can be ensured, and suppliers’ capabilities 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	2021	2022	2023
Number of local suppliers/percentage	91%	86%	87%
Amount of local procurement/percentage	96%	91%	91%
Zhongli Rich Honour Fabricating Local Procurement	2021	2022	2023
Number of local suppliers/percentage	92%	69%	82%
Amount of local procurement/percentage	97%	65%	39%
RH International Designs Local Procurement	2021	2022	2023
Number of local suppliers/percentage	66%	61%	71%
Amount of local procurement/percentage	86%	87%	88%
RHQ Furniture Local Procurement	2021	2022	2023
Number of local suppliers/percentage	88%	79%	81%
Amount of local procurement/percentage	95%	92%	92%

Note: As some of the projects of Zhongli Rich Honour Fabricating in 2022 continued into 2023, and the amount of overseas outsourcing was large, the percentage of local procurement amount decreased.

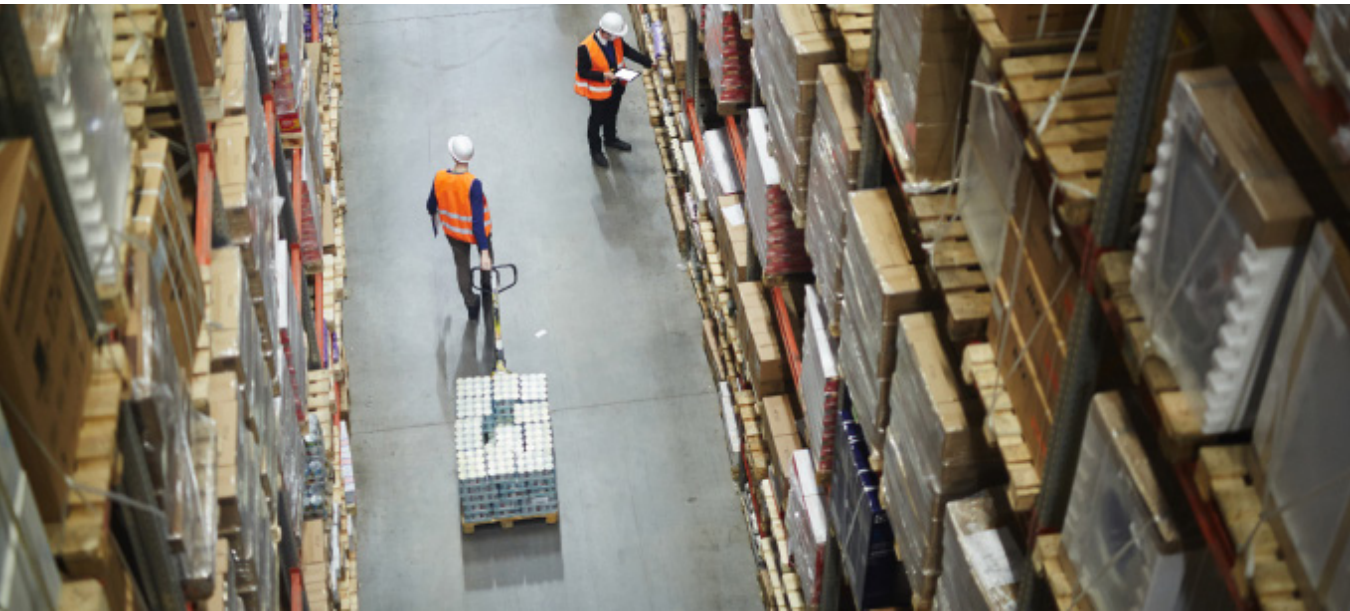
Supplier Communication

The Company aims to ensure 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 has invited suppliers to jointly focus on and promote sustainable development since 2023. In addition to the establishment of a fair and proper transaction environment and the promotion of partnerships between both parties, the Company and suppliers jointly fulfill their corporate social responsibilities.

In 2023, the business locations of RH, Zhongli Rich Honour Fabricating, RH International Designs (Shanghai) and RHQ Furniture (Zhejiang) included 328 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 2024, the Company will introduce the environmental and social aspect assessment on new and existing suppliers. In 2023, 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.



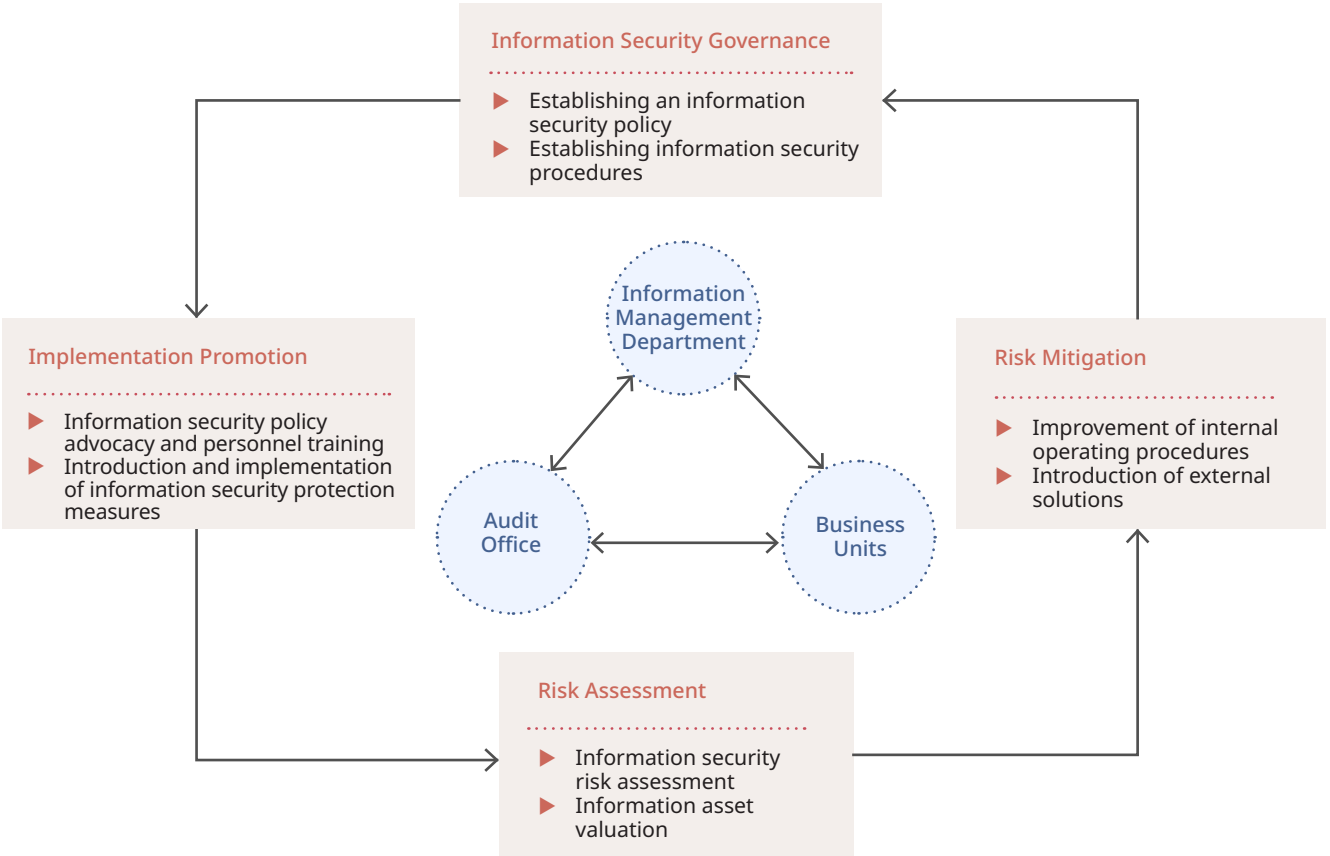
### 3.6 Information Security Protection

Material Topic	Legal compliance
Impact on the Company	Severe information security incidents can cause network paralysis while operation interruption may cause losses to stakeholders
Policy	Ensure the confidentiality, integrity, availability and legality of data, systems, equipment, network security, and the Company's information assets; and comply with relevant laws, regulations and contractual requirements to protect them from internal and external deliberate or accidental threats
Goal	<ul style="list-style-type: none"> <li>Zero major information security incidents every year</li> <li>Complete two social engineering drills per year</li> </ul>
Resource invested and actual outcome in the current year	<ul style="list-style-type: none"> <li>Information security training, promotion and inspections</li> <li>E-mail social engineering drills</li> <li>Cybersecurity control</li> <li>Data access control</li> <li>Regular backup and disaster recovery drills</li> </ul>
Responsible department and complaint filing mechanism	<ul style="list-style-type: none"> <li>Contact Person: Information Management Department</li> <li>Email: IR@richhonour.com</li> </ul>
Assessment mechanism	<ul style="list-style-type: none"> <li>In 2023, there were no major information security incidents</li> <li>Completed two social engineering drills</li> <li>Completed 47 vulnerability scans</li> <li>Zero major information security incidents</li> </ul>

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 Company has established relevant internal information security control mechanisms, application technology and data security standards, and data backup mechanisms are 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.

### Information Security Management Framework

1. The Information Management Department is the responsible unit for the cybersecurity of the Company. The department has an information security supervisor and a professional information security personnel responsible for formulating the internal cybersecurity policies of the Company and planning and implementing cybersecurity protection and information security policy promotion. The department holds bi-weekly information security meetings and makes announcements about the Company's overall information security governance.
2. The Company's Audit Office is the unit responsible for instructing the supervision of information security. The office has an audit supervisor and dedicated auditors to instruct the implementation of internal information security. If any deficiency is found in an audit, the office will immediately ask the audited unit to propose relevant improvement plans and specific actions to be taken, and regularly track the improvement results, in order to reduce internal information security risks.
3. We adopt regular audits and PDCA (Plan-Do-Check-Act) cycle management in our organizational operating model to ensure the achievement of reliability targets and continuous improvement.



### Information Security Policy

Cybersecurity management covers the following aspects:

1. Systems and regulations: Formulate a cybersecurity management system for the Company to regulate personnel behavior.
2. System protection: Establish a cybersecurity management system and implement information security protection management measures.
3. Personnel training: Conduct cybersecurity education and training to enhance the information security awareness of all employees.
4. External audits: Carry out risk assessments on information security and network risks, and propose control points as appropriate to control and manage information security risks.

Information Security Management Plan

Category	Control Measures
Enhance employees' information security awareness.	<ul style="list-style-type: none"><li>• Provide information security education and training for new employees.</li><li>• Communicate the importance of information security to all employees from time to time.</li><li>• Conduct social engineering drills for all employees every year from time to time.</li></ul>
Internet information security control	<ul style="list-style-type: none"><li>• Install firewalls.</li><li>• Introduce Chunghwa Telecom's corporate information security services, including DDoS protection, vulnerability detection, advanced network defense system, and intrusion prevention to prevent cyberattacks.</li><li>• Scan computer systems and data storage media for viruses periodically.</li><li>• Review the system logs of network service items periodically, and track abnormal conditions.</li><li>• Withdraw the highest management privileges for personal computers, and assign appropriate privileges for control in accordance with the principle of least privilege.</li></ul>
Data access control	<ul style="list-style-type: none"><li>• Computer equipment is under custody of dedicated personnel, and accounts and passwords are set up.</li><li>• Users are required to change their passwords periodically.</li><li>• Computer server room access control measures.</li><li>• Appropriate approval is required for the transfer of files.</li><li>• The remote login management information system requires appropriate approval.</li><li>• Establish a secure file exchange mechanism to encrypt data transmission and data storage to reduce the risk of accidental data access. Fully retain file access and audit trails and regularly review system logs.</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>

Resources Invested in Cybersecurity Management

1. Implementation of preventive drills: Local and off-site backup and recovery drills are conducted regularly every year. An automatic backup and redundancy mechanism is established for the important server system environment and data to ensure that personnel can successfully restore system operations in the event of a disaster.
2. Management based on the principle of least privilege: We adjust the maximum management privileges for personal computers, and assign appropriate privileges for control in accordance with the principle of least privilege.
3. Social engineering drills: Social engineering drills are conducted from time to time every year to simulate phishing emails from hackers in order to test employees' awareness of information security risks, supplemented by information security advocacy and education and training, avoiding information security risks caused by inappropriate email behavior.
4. Network security protection: Chunghwa Telecom's corporate information security services have been introduced, including DDoS protection, vulnerability detection, advanced network defense system, and intrusion protection. We also regularly review protection reports and adjust security strategies in a timely manner to reduce the risk of external cyberattacks to the Company.
5. Establishment of a secure file exchange mechanism: An enterprise-grade cloud-based file exchange platform has been introduced to encrypt data transmission and data storage to reduce the risk of accidental data access. We fully retain file access and audit trails and regularly review system logs.

Information Security Performance in 2023

Item	Performance
Information security advocacy	Organized four information security advocacy sessions for all employees to convey important regulations and precautions for information protection and information security.
Social engineering drills	Conducted two social engineering drills to simulate phishing emails from hackers to test employees' awareness of information security risks. More than 250 employees participated in the drills.
New employee orientation	100% of new employees completed information security training courses
Disaster recovery drill	Conducted a disaster recovery drill with a recovery rate of 100%
External network vulnerability scanning	Performed 47 routine vulnerability scans for external service networks
Information security incident	There were no major information security incidents, leakage of confidential customer information, or resulting fines in 2023.





4

**Green Sustainability**

# Green Sustainability

Annual Sustainability Performance
The annual energy-saving project saved 6,201 KWH of electricity, reducing electricity consumption by 22.33GJ.
General industrial waste: 250.28 tons, with a recycling rate of 90.71%; hazardous waste: 10.35 tons, with a recycling rate of 27.25%.
The total (Scope 1 + Scope 2) emissions of the Group and subsidiaries in 2023 were 1,200.06 tons CO <sub>2</sub> e., reducing by 34.65 tons CO <sub>2</sub> e compared to 2022, with a 2.8% emissions reduction.

## 4.1 Environmental Management Policy

As countries around the world focus on ESG sustainable operations, to achieve the Paris Agreement’s goal of not exceeding 1.5° C, governments and enterprises worldwide have set a goal of carbon neutrality by 2050 or net-zero carbon emissions by 2050. For the interior design and decoration industry, international customers emphasize ecological environments and seek sustainable development. Domestic business operators have focused on projects that can mitigate environmental sustainability impacts. They start with green design to launch residential houses that are healthier, more energy saving, environmentally friendly and low pollution for the implementation of green building design, real property technology, smart city planning, and so on. RH actively cooperates with domestic and foreign policies and project needs in order to implement ESG in all aspects of each operation from design to construction and factory manufacturing.

### Our Method:

- Enhance the inspection and maintenance of pollution prevention operation equipment in order to reduce equipment malfunctioning.
- Adopt sustainability/innovative and revolutionary designs.
- Use high performance/low energy consumption/healthy eco-friendly green building materials and equipment.
- Ask employees to set the indoor air conditioning temperature at the most comfortable temperature of 26°C, and install curtain and insulation paper based on the consideration of different sunlight exposure and thermal load.
- Clean and maintain the air conditioning equipment periodically in order to maintain efficient operation.
- Turn off computers and monitors during non-working hours
- Use air conditioners, refrigerators and other appliances, including multi-function machines, that are equipped with energy-saving marks.
- Turn off the lights; air conditioners and projectors in meeting rooms are turned off after the end of meetings.
- Use LED energy-saving and carbon reduction light tubes and bulbs in the new office area.
- Implement waste classification, reduction and resource recycling properly.
- Use toner cartridges equipped an with eco-friendly mark and reduce printer temperature for fewer paper jams.
- Encourage employees 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.
- Lower the faucet water output volume to reduce water consumption.

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

### Green Service Implementation - Circular Economy and Environmental Sustainability

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, we have also implemented the concept of environmental sustainability in our interior design services. Through green building materials, green building design, and LEED certification, we hope to achieve a circular economy and contribute to carbon and waste reduction.

Environmental Sustainability Achievements	
 ESG Corporate Sustainability	<ul style="list-style-type: none"><li>Implement strategic planning for sustainability topics early, and introduce international certifications in sequence</li><li>Establish a Sustainable Development Committee, and make progress toward corporate operation and environmental sustainability goals</li></ul>
 Design Stage	<ul style="list-style-type: none"><li>Adopt sustainability/innovative and revolutionary designs</li><li>Use high performance/low energy consumption/healthy eco-friendly green building materials and equipment</li></ul>
 Construction Stage	<ul style="list-style-type: none"><li>Adopt material plans which maximize utilization value as the goal for managing the proper and precise use of materials</li><li>Adopt techniques of high efficiency/focusing on environmental quality for management</li><li>Implement waste management, and prevent interior decoration waste pollution</li></ul>
 Factory Site Construction	<ul style="list-style-type: none"><li>Establish a waste treatment system to reduce environmental impact</li><li>Use an environmental purification system to provide a healthy working environment</li></ul>

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 Approach

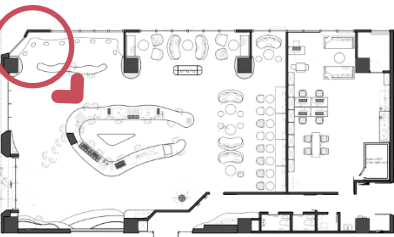
<b>Emotional and Mental Health</b> <ul style="list-style-type: none"><li>Working environment: smart divergence</li><li>Dynamic and static divergence without interference with each other</li><li>Prevent noisy activities from affecting quiet activities</li></ul>	Share Socialization Independence Recreation	× × × ×	Focus Individual Cooperation Profession	<b>Healthy Interpersonal Social Activities</b> <ul style="list-style-type: none"><li>Emotional health requires exits and space design support in order to reduce stress, to satisfy personal needs, and to establish and maintain meaningful relationships</li><li>Capable of choosing work location, work method, and flexible time</li><li>Receive benefits from emotional health</li></ul>
<b>Body Health</b> <ul style="list-style-type: none"><li>Body health relies on the factors of controllable acoustics, lighting and thermal comfort of users</li><li>It includes the factors of proper hydration, nutrient, sunlight and fresh air as well as multiple places for relaxation</li></ul>	Scene Sharing Interactive Experience Flexible Functions Comfort and Environmental Friendliness			<b>Health Environment</b> <ul style="list-style-type: none"><li>Environmental health benefits from the design and the sustainability plan of the users</li><li>By providing continuous, flexible and ready-for-change spaces, the environment can be maintained and used in a healthy manner</li></ul>



Green Building Materials and Applications - Curista Coffee

1. Brewing Counter

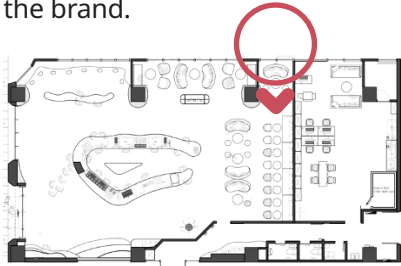
The brewing area is right at the entrance. It is designed to blend with the shape of the counter's marble and the easy-to clean glass washer, creating a magnificent atmosphere for the whole area.



2. Practicality and Efficiency

The counter is designed based on the professional needs of the baristas. After a year of pre-design discussions with the staff, the coffee fragrance-inspired counter was birthed, a design of great momentum that echoes the ceiling, which was designed with the same idea. The carefully chosen color temperature of the LED lighting and the exquisitely controlled sound reverberation combine to allow users to relax in this space. The spaciousness and comfort of seats are different depending on the nature of space utilization. The overall circulation planning is smooth, improving the visual openness.

From the ordering arrangement at the entrance, the waiting area for takeaway, the seating circulation, the pick-up spot, single seating, double seating, multiple seating, the stand-up eating area, counter seating (where you can watch the baristas brewing coffee) to the garbage and recycling area, the circulation arrangement and the characteristics of each area are not only incorporated with the design theme, but also ensure maximum seating capacity. Thanks to careful pre-design discussions for counter efficiency, the operation is smooth, and the space is properly scaled and organized in line with the spirit of the brand.

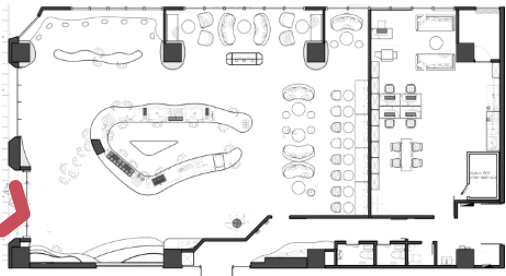




# Green Building Materials and Applications - Curista Coffee

## Inspiration of Coffee Tree

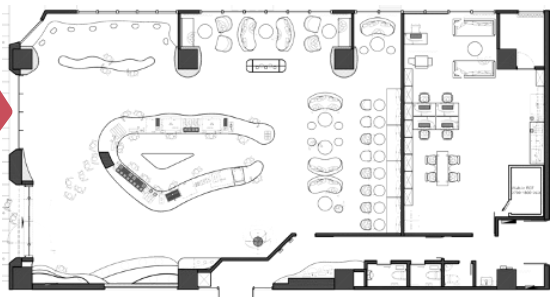
In the spirit of "sustainability and recycling", the image of coffee beans is replaced by low-key handmade recycled glass. Environmental protection awareness and the concept of reducing carbon to save the earth spread like the rings on the work, interlocking and circulating infinitely.



The aroma of coffee gives people a relaxing atmosphere, and the aroma can only be obtained by brewing the coffee. Coffee beans come from coffee trees, which inspires the creation of the soul of the whole coffee shop, the Coffee Tree. The aroma of coffee surrounds the Coffee Tree, and then floats up and spreads around the entire space, making every corner a delight and every moment a story.

## Brand Sustainability

The innovative design aims to go ahead of fashion while striving to make this unprecedented flagship store a historical model for star-rated coffee shops in ten or even a hundred years. The building materials used (calcium silicate boards, mineral paints, LED lighting, energy-efficient air conditioning) meet the criteria of green building materials. Affordable prices and on-point coffee quality and services have not only made this space a photo-worthy spot for online influencers, but also showcased the brand's fashionable senses for its stores.

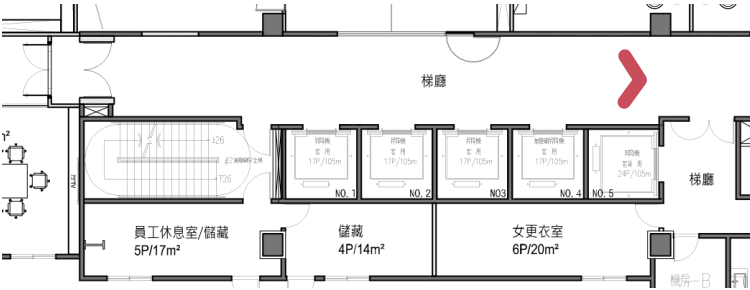


In terms of space design, this shop is a space where people can purely enjoy coffee when they are in a good mood or, surprisingly, relax their mind and body when feeling upset. This space instills aesthetics in people, thereby achieving social harmony.



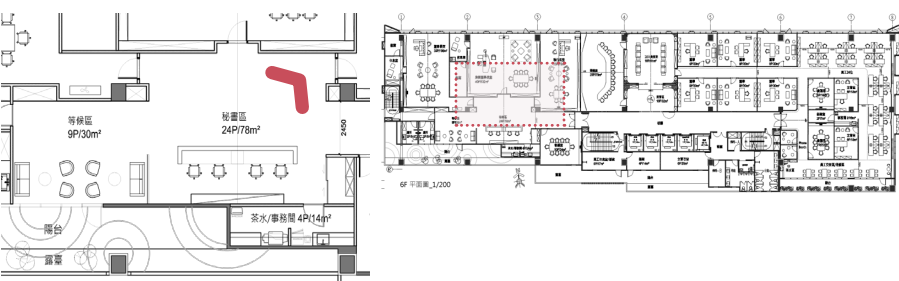
# WELL and LEED Design Practices for Commercial Offices

Elevator Hall and Corridor | Rendering



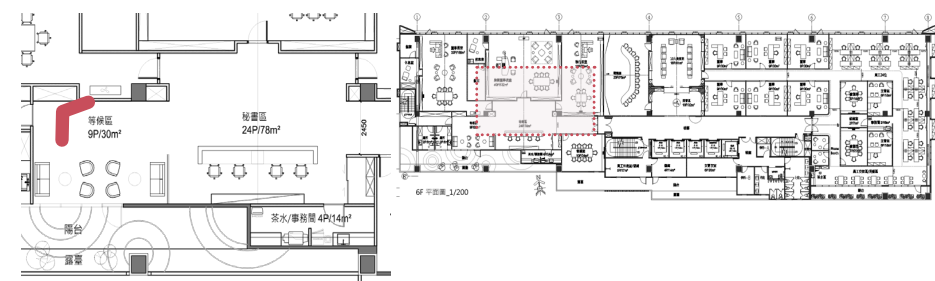
- WELL**
1. Install sensors to monitor and display air quality, temperature and humidity.
- LEED**
1. Adopt highly efficient LED lighting fixtures.
  2. Use healthy green building materials, including ceilings and floors.

Secretary Area | Rendering



- WELL**
1. Install an independent air cleaning device and use carbon filters for air treatment.
- LEED**
1. Use permanent installation materials and healthy green building materials.

Secretary Area | Rendering



- WELL**
1. Retain the existing windows in the building to enhance the possibility for employees to get close to nature.
- LEED**
1. Install an energy-efficient lighting control system with daylight control.



Green Building - Design Practices

Bade Flagship Store of Taiwan Realty Estate

Daily energy conservation

Green energy charging pile

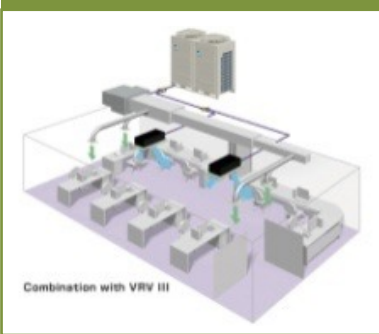


Greening

Diverse, multi-layered dense planting of native plants to create an ecological green corridor

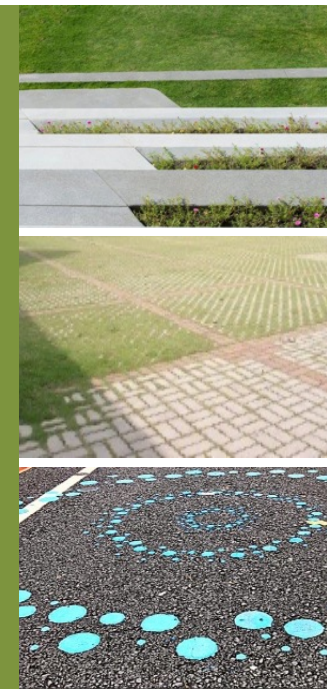


Air conditioning energy conservation  
VRV inverter air conditioning



Base Water Retention

Pavements with high permeability to increase the rainwater storage and infiltration capacity of soil



Water Resources

Adopt water-saving appliances with the Water Efficiency Label and install a rainwater harvesting device and a water-saving plant watering system

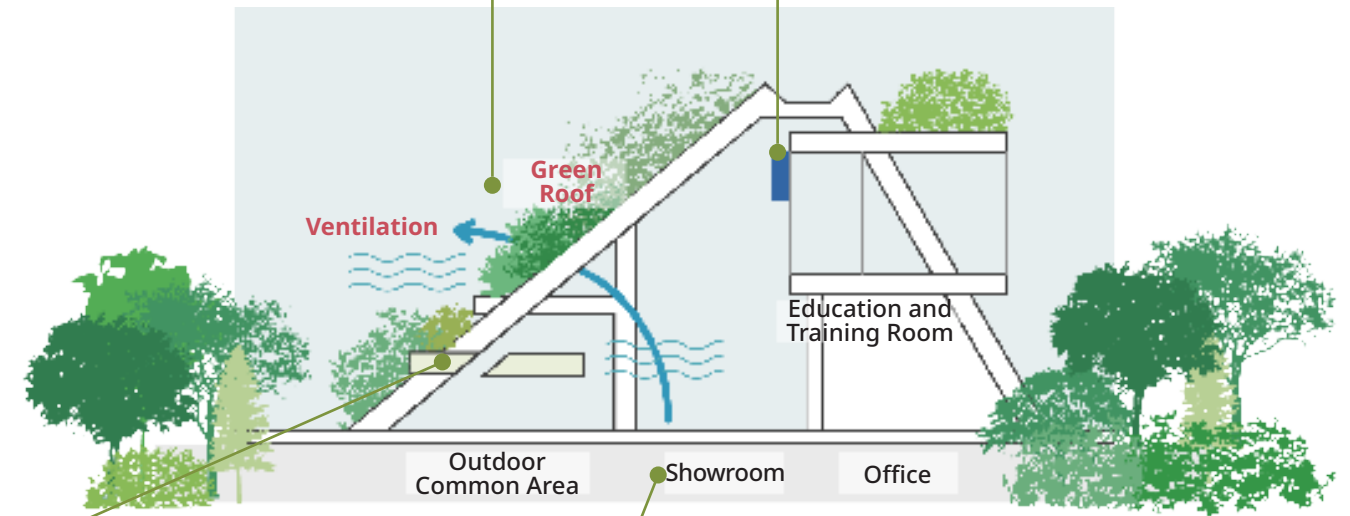


Daily energy conservation

Green roof | Green roof, sunshades, zoned control for air conditioning and lighting, use of highly efficient energy-saving lighting fixtures



Small wind turbines and solar panels



Shading

Canopies and west-facing sunshades at the entrance



Indoor Health and Environment

Adopt healthy green building materials and non-toxic paints  
Energy-efficient LED lighting fixtures





# Green Procurement Category



MATERIAL MANAGEMENT CHECKLIST



MATERIAL QUALITY CERTIFICATES

- ✓ 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
- ✓ INTERFACE carpet, equipped with LEDD certification

Green building materials - cement paint



Green building materials - concealed ceiling



Green building materials - wood veneer wallpaper



F1 low-formaldehyde boards



Green building materials- calcium silicate boards



F1 particle boards



Building structure provides rigid housing for safe protection. The purpose of interior decoration is not only to construct or reconstruct a space into a beautiful one, but also to establish a quality control mechanism for the indoor environment. Decoration related to each breath and skin contact of users must be safe, secure and environmentally friendly.

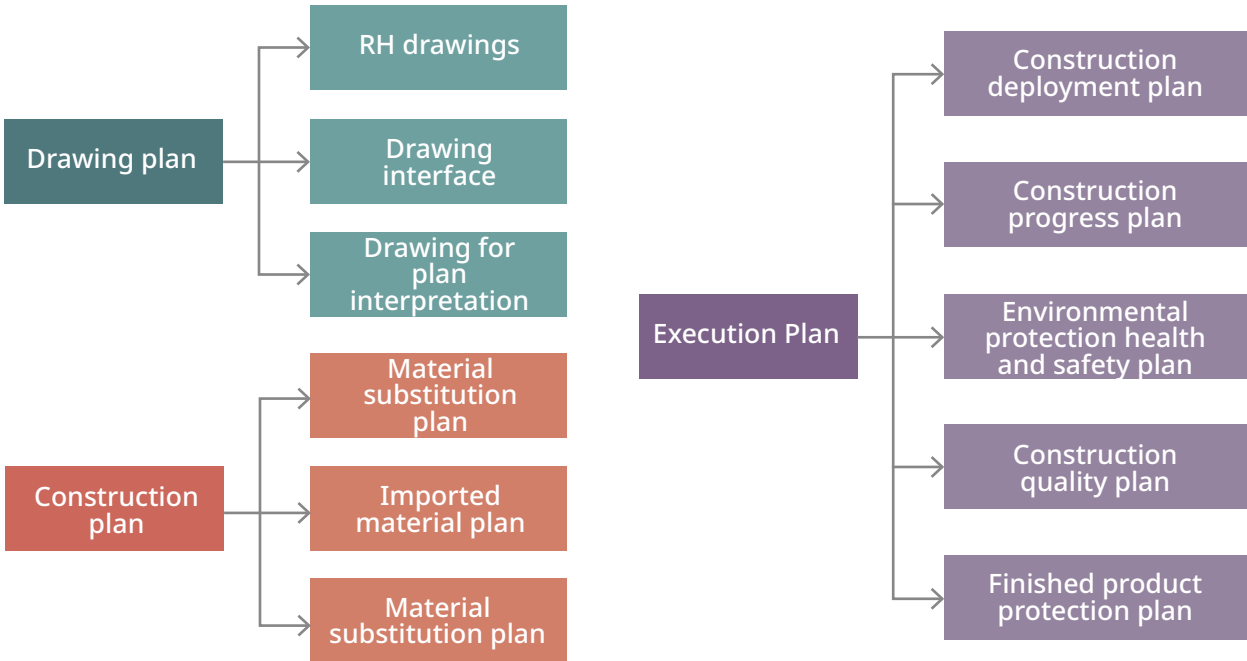


## Green Engineering

- ✓ 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

## Early Stage of Project

Drawings must satisfy construction requirements. Based on the preliminary design or detailed design, various engineering components of the building, structure, electrical and mechanical equipment are properly verified. The criteria of material supply, construction technology and equipment are also understood in depth, in order to integrate various specific requirements for construction.



## Project Control

To reduce costs, to save labor time and to accelerate project process efficiency, the Company utilizes BIM software to improve design for projects, in order to reduce the occurrence of error and rework. In addition, information about the consumption quantity, sub-item unit price, sub-item price reasonableness between the plan and the actual construction can be compared, in order to understand project operations and to achieve effective control of project cost risks.

## 4.2 Energy Resource Management

Material Topic	Energy management
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>Reduce energy consumption and carbon emissions by 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 off lights during lunch break for one 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: <a href="mailto:info@richhonour.com">info@richhonour.com</a></li> </ul>
Assessment mechanism	Administrative Service Department inspects and reviews energy consumption status every month

As global warming becomes more severe, energy and climate change have become key issues faced by the world. COP28 resolved to end the use of fossil fuels. The world is on the same page when it comes to increasing the use of renewable energy. RH also plans to acquire renewable energy and, through the internal cross-departmental energy-saving team, establishes energy-saving performance indicators and proposes enforceable energy-saving plans. By verifying the performance of the energy-saving plans, we can 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	2021	2022	2023
Taipei Headquarters	Electricity consumption (kWh)	564,570.00	560,692.00	616,393.00
	Electricity consumption (GJ)	2,032.45	2,018.49	2,219.01
	Gasoline (L)	48,093.37	50,510.41	47,620.11
	Gasoline (GJ)	1,570.29	1,649.21	1,554.83
Zhongli Rich Honour Fabricating	Electricity consumption (kWh)	231,680.00	259,360.00	217,520.00
	Electricity consumption (GJ)	834.05	933.70	783.07
	Gasoline (L)	6,912.40	6,476.00	5,234.00
	Gasoline (GJ)	225.70	211.45	170.89
	Diesel (L)	697.69	536.55	473.41
	Diesel (GJ)	24.53	18.87	16.65
RH International Designs	Electricity consumption (kWh)	33,429.00	25,536.00	27,650.00
	Electricity consumption (GJ)	120.34	91.93	99.54
	Gasoline (L)	3,908.00	3,119.00	6,000.00
	Gasoline (GJ)	127.60	101.84	195.90
RHQ Furniture	Electricity consumption (kWh)	1,214,700.00	1,288,620.00	1,265,560.00
	Electricity consumption (GJ)	4,372.92	4,639.03	4,556.02
	Gasoline (L)	2,974.00	2,281.00	5,562.49
	Gasoline (GJ)	97.10	74.48	181.62
	Diesel (L)	4,005.00	1,273.00	861.30
	Diesel (GJ)	140.83	44.76	30.29
	Liquefied petroleum gas (kg)	4,390.00	1,425.00	-
	Liquefied petroleum gas (GJ)	121.93	39.58	-
Total energy consumption (GJ)		9,667.74	9,823.34	9,807.82

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, and the heating value of gasoline is 7,800kcal per liter.

Note 2: 1kcal is equivalent to 4,186J; 1 kWh of electricity is equivalent to 3,600KJ; and 1GJ =1\*10<sup>9</sup>J. Diesel is mainly used for power generation operations, and the number of liters is an estimation value. In 2023, liquefied petroleum gas was replaced by electricity.



Energy intensity			
Item	2021	2022	2023
Operating revenue (NTD million)	4,136	5,096	4,653
Electricity consumption Intensity (GJ/NTD million)	1.779	1.508	1.646
Diesel Intensity (GJ/NTD million)	0.040	0.012	0.010
Gasoline Intensity (GJ/NTD million)	0.489	0.400	0.452
Liquefied petroleum gas Intensity(GJ/NTD million)	0.029	0.008	-
Total energy Intensity (GJ/NTD million)	2.337	1.928	2.108

Energy Saving Measures		
2023	Zhongli Rich Honour Fabricating Replacement of LED lighting fixtures	Replaced a total of 140 14W*4 T5 LED light tubes with 10W*4 T8 LED light tubes in the office, saving 5,609 KWH of electricity or 20.2GJ and reducing CO2 emissions by 2.77 tons.
	Zhongli Rich Honour Fabricating Used inverter air conditioning	With the government's energy-saving project subsidy, the existing two indoor air conditioner units powered by one outdoor unit in the security room were replaced with two inverter air conditioners. The existing air conditioner consumed 1,428 kWh of electricity per year, while the two inverter air conditioners consumes 418 kWh of electricity per year, saving 592 kWh of electricity or 2.13GJ every year and reducing CO2 emissions by 0.29 tons.
2023	RH International Designs Paperless promotion	Compared to 2022, the decrease in A3 and A4 paper consumption in 2023 was equivalent to 17 and 19 packs of paper, respectively. If each pack of A3 paper generates 7 kgCO <sub>2</sub> e and each pack of A4 paper generates 3.4 kgCO <sub>2</sub> e, a total of 0.18 tons Co2e <sub>2</sub> were reduced.

Note: The electricity carbon emissions factor in 2022 was 0.495 kgCO<sub>2</sub>e/kWh, and the electricity carbon emissions factor in 2023 was 0.494 kgCO<sub>2</sub>e/kWh.

### 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; 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	2021	2022	2023
Taipei Headquarters	Water withdrawal (ML)	2.876	2.982	3.905
	Water discharge (ML)	0.975	0.606	0.658
Zhongli Rich Honour Fabricating	Water withdrawal (ML)	1.218	0.758	0.823
	Water consumption (ML)	0.243	0.152	0.165
RH International Designs	Water withdrawal (ML)	--	2.133	2.003
RHQ Furniture	Water withdrawal (ML)	14.519	15.595	14.595

Note: Since the water withdrawal of RH International Designs has not been statistically calculated in 2021, no relevant disclosure is made.



# 4.3 Pollution Control

RH is in the interior design industry, and the service provision processes do not generate hazards of wastewater or waste gas, etc. Waste generated by the Company is classified into general industrial waste and hazardous waste. Industrial waste mainly refers to waste woods and packaging materials. Hazardous waste includes paint residues, waste packaging tanks, waste filter cottons, and waste activated carbon. 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 strategies 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 environmental protection laws and regulations, 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. In recent years, with the promotion of the circular economy, the Company has also given priority to waste disposal companies with recycling and reuse capabilities at the waste disposal stage.

RHQ Furniture - Waste type and output volume		2021	2022	2023	Treatment
General industrial waste	Styrofoam (tons)	-	0.10	-	Incineration
	Board leftover materials (tons)	17.15	30.34	111.03	Recycled into biofuel
	Wood powder (tons)	-	-	26.03	
	Waste marble/ gypsum boards/ acrylic (tons)	-	-	23.24	Incineration
Total		17.15	30.44	160.30	-
Hazardous industrial waste	Paint residue (tons)	8.27	6.75	5.88	Incineration
	Waste packaging tanks (tons)	2.33	2.83	2.82	Recycled by steel mills
	Waste filter cotton (tons)	0.56	0.25	0.03	Incineration
	Waste and expired paint (tons)	-	-	1.23	
	Waste activated carbon (tons)	1.45	-	0.39	
Total		12.61	9.83	10.35	-

Zhongli Rich Honour Fabricating - Waste type and output volume		2021	2022	2023	Treatment
General industrial waste	Waste woods (tons)	280	296	89.98	Recycling

Note 1: 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.

Note 2: For Zhongli Rich Honour Fabricating, waste disposal was priced by the number of cars of waste in 2021 and 2022, and thus, no weight data was available, and estimations were made. As the government has implemented total volume controls to the manage the volume of waste disposed of by waste disposal companies since 2023, and the workload last year was relatively small, the volume of waste generated this year decreased.





## 4.4 Climate Change Management

In recent years, extreme climate events have become more frequent, 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 and regions have established laws and regulations to further 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”, and “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). 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>The climate risk and opportunity governance status along with the annual sustainable development status is reported to the Board of Directors, and the Board of Directors supervises implementation outcomes</li> </ul>	Refer to 2023 Short-/Medium-/Long-term Climate Risk and Opportunity Table	<p>The risk identification, assessment and management process is as follows:</p> <div> <div>Step1</div> <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> </ul> </div> <div> <div>Step2</div> <ul style="list-style-type: none"> <li>Establish climate risk and opportunity item list</li> <li>Establish internal operational impact survey questionnaires</li> </ul> </div> <div> <div>Step3</div> <ul style="list-style-type: none"> <li>ESG Committee members implement climate risk, opportunity and operational impact analysis</li> <li>Determine material risk items</li> </ul> </div> <div> <div>Step4</div> <ul style="list-style-type: none"> <li>Establish implementation strategies and set up goals</li> </ul> </div> <div> <div>Step5</div> <ul style="list-style-type: none"> <li>Review implementation strategies and outcome of goals through ESG Committee meeting's continuous review annually</li> </ul> </div>	<ul style="list-style-type: none"> <li>Complete greenhouse gas inventory and make additional website and public information disclosures in 2023</li> <li>Reduce carbon emissions by 1% compared to the previous year</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 2023, the Headquarters' Scope 1 emissions were 107.77 tons CO <sub>2</sub> e, and Scope 2 emissions were 304.5 tons CO <sub>2</sub> e;
	The Company conducts discussions 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/RCP8.5 scenario is used as the Company's climate change physical risk scenario. In this scenario, climate change risks and opportunities are described with respect to the physical risk and legal transformation risk, etc.	The Company's Risk Management Best Practice Principles has incorporated climate risks and opportunities into the operation of each unit	Net-zero emissions by 2050

2023 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 1: 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; Taiwan will also collect carbon fees in 2025 to prevent the excessive emission of greenhouse gas, which will cause an increase in the operating costs of the Company. If the total amount of Scope 1 + Scope 2 greenhouse gas emissions of the Group in 2023 was 1,200 tons, with NTD 500 per ton, the operating cost will increase by NTD 3 million in five years (short-term).	Presently, the Company is not in a high carbon emissions industry; therefore, it causes a small impact on overall operations. The Company currently implements a comprehensive greenhouse gas inventory and will begin to assess the purchase of green electricity and bioenergy. We will establish carbon reduction goals, hoping to achieve net-zero emissions 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. If one business location has been affected by heavy rainfall or drought in the past three years, it is estimated that the operating cost will increase by about NTD 2 million.	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. Our factory site has completed waterproof construction, taken out natural disaster insurance, introduced the third party ISO 14001: 2015 environmental management system certification, and performed pump drainage facility maintenance monthly. Thus, this risk has no significant impact on overall operations.
Raw material cost increase	The EU has implemented a carbon border tax declaration on a trial basis since 2023, which has caused an increase in the cost of bulk products and raw materials (building materials), raising the current procurement cost by approximately 20%.	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 the cost of raw materials and transportation. Please refer to Section 3.5.3 of this Report for the local procurement ratio.

Emissions Reduction Targets	Strategic Actions	Schedule
Compared to the base year of 2023		
15% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2030	1. Through green procurement, purchase infrastructure equipment equipped with eco-friendly labels	1. 2024-2030
30% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2040	2. Replace all refrigeration and air conditioning systems with those with Level 1 energy efficiency	2. 2024-2030
Net-zero emissions by 2050	3. Generate electricity with solar power and purchase renewable energy certificates	3. 2031-2050

### Greenhouse gas emissions

Greenhouse gas emissions are 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. Scope 2 mainly refers to indirect emissions (electricity). Scope 3 of other emissions is not included in the inventory inspection.

Region	Category	2021	2022	2023
Taipei Headquarters	Scope 1 (tons CO <sub>2</sub> e)	108.84	114.31	107.77
	Scope 2 (tons CO <sub>2</sub> e)	287.37	285.39	304.50
	Scope 1 + Scope 2 (tons CO <sub>2</sub> e)	396.21	399.70	412.27
	Scope 1 + Scope 2 emissions intensity ratio (tons CO <sub>2</sub> e/NTD million revenue)	0.096	0.078	0.089
Zhongli Rich Honour Fabricating	Scope 1 (tons CO <sub>2</sub> e)	17.46	16.05	13.08
	Scope 2 (tons CO <sub>2</sub> e)	117.93	132.01	107.45
	Scope 1 + Scope 2 (tons CO <sub>2</sub> e)	135.39	148.06	120.53
	Scope 1 + Scope 2 emissions intensity ratio (tons CO <sub>2</sub> e/NTD million revenue)	0.033	0.029	0.026
RH International Designs	Scope 1 (tons CO <sub>2</sub> e)	8.84	7.06	13.58
	Scope 2 (tons CO <sub>2</sub> e)	17.02	13.00	13.66
	Scope 1 + Scope 2 (tons CO <sub>2</sub> e)	25.86	20.06	27.24
	Scope 1 + Scope 2 emissions intensity ratio (tons CO <sub>2</sub> e/NTD million revenue)	0.006	0.004	0.006
RHQ Furniture	Scope 1 (tons CO <sub>2</sub> e)	24.86	10.98	14.83
	Scope 2 (tons CO <sub>2</sub> e)	618.28	655.91	625.19
	Scope 1 + Scope 2 (tons CO <sub>2</sub> e)	643.14	666.89	640.02
	Scope 1 + Scope 2 emissions intensity ratio (tons CO <sub>2</sub> e/NTD million revenue)	0.155	0.131	0.138

Note: According to the Greenhouse Gas Emissions Factor Management Table Version 6.0.4 of the Environmental Protection Administration, R.O.C., the diesel emissions factor is 2.6060 kgCO<sub>2</sub>/L; the gasoline emissions factor is 2.2631 kgCO<sub>2</sub>/L; the gas emissions factor is 1.7529 kgCO<sub>2</sub>/L; the electricity carbon emissions factor in 2021 was 0.509 kgCO<sub>2</sub>/kWh; the electricity carbon emissions factor in 2022 was 0.495 kgCO<sub>2</sub>/kWh; and the electricity carbon emissions factor in 2023 was 0.494 kgCO<sub>2</sub>/kWh.



5

**Social Care**



# Social Care

Annual Sustainability Performance
The number of male and female employees was 319 and 301, respectively with a male to female ratio of 1.06:1
Female directors made up 25% of the Board
The salary of entry-level male employees was 1.65 times higher than the local minimum wage, and the salary of entry-level female employees was 1.70 times higher than the local minimum wage
The male to female compensation ratio for direct personnel was 1.13:1; and the male to female compensation ratio for indirect personnel was 1.22:1
100% of the Company's senior officers were hired locally
96.39% of employees underwent performance evaluation
No complaints related to human rights violations or suspected human rights abuses
No major occupational injuries

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 talent
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>The salary of entry-level employees is 1.5 times (or more) higher than the local minimum wage</li><li>No labor-management disputes in the year</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	<ul style="list-style-type: none"><li>The Labor-Management Committee convenes a labor-management meeting every three months in order to communicate matters related to labor status, company operation information, labor activities, benefits, etc.</li><li>In 2023, there were no labor-management dispute cases</li></ul>

A corporation 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 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, establish diverse and open labor-management communication channels in conjunction with fair remuneration and job promotion, implement a complete training development system, and maintain sound benefit measures 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 harmonious working atmosphere are the cornerstone to achieving sustainable operations.

Talent Sustainability	
Talent Selection	Recruit appropriate professional talent according to the business strategy of the Company and prioritize local talent; promote and enhance the image of RH in the manpower market; further engage in 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, offer a diverse salary package along with a comprehensive benefit system, and construct a complete salary and bonus structure and a performance evaluation system
Talent Cultivation	Plan education and training according to job rank and competency, implement a 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 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 harmonious development and to achieve consensus and develop team cohesion.
Talent Protection	People are the most important assets of the Company; the Company values employee health and workplace safety and sanitation. The Company identifies workplace risks and, by implementing the four major plans for labor health protection, cares for the physical and mental health of employees in order to establish a working environment with “work-life balance”.



# 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 in 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 employees 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 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
<div>✓ Comply with relevant laws and regulations, provide a safe and healthy working environment with zero harassment.</div> <div>✓ Eliminate illegal discrimination and ensure equal job opportunities.</div> <div>✓ Prohibition on child labor.</div> <div>✓ Prohibition on forced labor.</div> <div>✓ Assist employees to maintain physical and mental health as well as work balance.</div> <div>Periodic inspection and evaluation of relevant system and actions.</div>	<div>✓ 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.</div> <div>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.</div> <div>✓ Occupational safety training series: Training content includes health information promotion, occupational nurse health service consultation, labor safety and health training, first-aid personnel training.</div> <div>Human rights advocacy, education and training: Human rights concepts and human rights development are communicated through courses.</div>

In order to strengthen the implementation of the human rights policy, the Company plans to implement human rights due diligence by 2025. In addition, RH provides a whistleblowing channel for use by employees, and dedicated personnel are assigned to accept reports, followed by diligent investigation. In addition, the personal information of the whistleblower is kept confidential. In cases where a report is verified to be true, the Company also guarantees not to impose any treatment unfavorable to the whistleblower. In 2023, 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 the labor structure for both male and female employees is nearly the same. All employees of RH are mainly non-fixed term contract types (i.e. official employees) and full-time employees; 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 stability of employees.

Employee Overview							
Statistics/Year		2021		2022		2023	
Total Number of Employees (Note 1)		596		618		623	
Employment Contract (Note 2)		Non-fixed term	Fixed-term	Non-fixed term	Fixed-term	Non-fixed term	Fixed-term
Gender	Male	299	5	313	8	314	6
	Female	291	1	294	3	296	7
Region	Taipei Headquarters	263	2	266	9	272	13
	Zhongli Rich Honour Fabricating	36	0	36	0	37	0
	RH International Designs	131	0	137	0	135	0
	RHQ Furniture	160	4	168	2	166	0
Employment Type (Note 3)		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	300	4	319	2	319	1
	Female	292	0	297	0	301	2
Region	Taipei Headquarters	265	0	275	0	282	3
	Zhongli Rich Honour Fabricating	36	0	36	0	37	0
	RH International Designs	131	0	137	0	135	0
	RHQ Furniture	160	4	168	2	166	0

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		2021		2022		2023	
Total Number of Other Workers (Note 1)		22		21		17	
Contract Type		Dispatch	Other Types	Dispatch	Other Types	Dispatch	Other Types
Gender	Male	4	17	2	18	0	15
	Female	0	1	0	1	0	2
Region	Taipei Headquarters	0	1	0	1	0	2
	Zhongli Rich Honour Fabricating	0	17	0	18	0	15
	RH International Designs	0	0	0	0	0	0
	RHQ Furniture	4	0	2	0	0	0
	Job Type	Technicians/ Operators	Technical Consultants	Technicians/ Operators	Technical Consultants	Technicians/ Operators	Technical Consultants
Gender	Male	21	0	20	0	15	0
	Female	1	0	1	0	2	0
Region	Taipei Headquarters	1	0	1	0	2	0
	Zhongli Rich Honour Fabricating	17	0	18	0	15	0
	RH International Designs	0	0	0	0	0	0
	RHQ Furniture	4	0	2	0	0	0

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

Governance Unit Diversity Statistics/Year			2021		2022		2023	
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Director	Gender	Male	5	71.43%	6	75.00%	6	75.00%
		Female	2	28.57%	2	25.00%	2	25.00%
	Age	Under 50 years old	3	42.86%	3	37.50%	3	37.50%
		50~60 years old	2	28.57%	2	25.00%	2	25.00%
		Above 60 years old (inclusive)	2	28.57%	3	37.50%	3	37.50%
	Educational Background	Doctoral degree	1	14.29%	2	25.00%	2	25.00%
		Graduate School	5	71.42%	5	62.50%	5	62.50%
		College and University	1	14.29%	1	12.50%	1	12.50%
		Others	0	0.00%	0	0.00%	0	0.00%

Employee Diversity Statistics/Year				2021		2022		2023	
				Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Employees	Direct	Gender	Male	102	17.23%	114	18.51%	128	20.98%
			Female	58	9.80%	60	9.74%	96	15.74%
		Age	Under 30 years old	26	4.39%	28	4.55%	49	8.03%
			Above 30 years old (inclusive) but less than 50 years old	119	20.10%	127	20.62%	140	22.95%
			Above 50 years old (inclusive)	15	2.53%	19	3.08%	35	5.74%
		Educational Background	Graduate School	17	2.87%	13	2.11%	13	2.13%
			College and University	45	7.60%	53	8.60%	104	17.05%
			Others	98	16.55%	108	17.53%	107	17.54%
	Indirect	Gender	Male	198	33.45%	205	33.28%	186	30.49%
			Female	234	39.53%	237	38.47%	200	32.79%
		Age	Under 30 years old	99	16.72%	119	19.32%	84	13.77%
			Above 30 years old (inclusive) but less than 50 years old	278	46.96%	265	43.02%	246	40.33%
			Above 50 years old (inclusive)	55	9.29%	58	9.42%	56	9.18%
		Educational Background	Graduate School	30	5.07%	27	4.38%	27	4.43%
			College and University	320	54.05%	344	55.84%	288	47.21%
			Others	82	13.85%	71	11.53%	71	11.64%

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.

Item/Year		2021		2022		2023	
Total Number of Employees in the Year		596		618		623	
New and Resigned Employees Statistics		Number of People	Percentage (Note)	Number of People	Percentage (Note)	Number of People	Percentage (Note)
New Employees							
Age	Under 30 years old	90	15.10%	87	14.08%	81	13.00%
	Above 30 years old (inclusive) but less than 50 years old	76	12.75%	59	9.55%	48	7.70%
	Above 50 years old (inclusive)	11	1.85%	4	0.65%	9	1.44%
Gender	Male	83	13.93%	91	14.72%	80	12.84%
	Female	94	15.77%	59	9.55%	58	9.31%
Educational Background	Graduate School	17	2.85%	9	1.46%	12	1.93%
	College and University	113	18.96%	100	16.18%	77	12.36%
	Others	47	7.89%	41	6.63%	49	7.87%
Region	Taipei	77	12.92%	67	10.84%	70	11.24%
	Taoyuan	6	1.01%	10	1.62%	7	1.12%
	Shanghai	47	7.89%	31	5.02%	9	1.44%
	Jiaying	47	7.89%	42	6.80%	52	8.35%
Resigned Employees							
Age	Under 30 years old	50	8.39%	32	5.18%	60	9.63%
	Above 30 years old (inclusive) but less than 50 years old	75	12.58%	75	12.14%	66	10.59%
	Above 50 years old (inclusive)	27	4.53%	26	4.21%	8	1.28%
Gender	Male	79	13.26%	77	12.46%	80	12.84%
	Female	73	12.25%	56	9.06%	54	8.67%
Educational Background	Graduate School	14	2.35%	17	2.75%	10	1.61%
	College and University	99	16.61%	74	11.97%	79	12.68%
	Others	39	6.54%	42	6.80%	45	7.22%
Region	Taipei	56	9.40%	64	10.36%	63	10.11%
	Taoyuan	10	1.68%	10	1.62%	6	0.96%
	Shanghai	43	7.21%	25	4.05%	11	1.77%
	Jiaying	43	7.21%	34	5.50%	54	8.67%

Note: Total number of employees in the year: Total number of employees at the end of the year (12/31)  
 New hire rate = (Total number of new employees of the specific category in the year/Total number of employees in the year)\*100%.  
 For example, female new hire rate = (Total number of new female employees in the year/Total number of employees in the year)\*100%.  
 Turnover rate = (Total number of resigned employees of the specific category in the year/Total number of employees in the year)\*100%.  
 For example, the turnover rate of employees under the age of 30 = (Total number of resigned employees under the age of 30 in the year/Total number of employees in the year)\*100%.

### 5.1.3 Employee Turnover Statistics

#### 2023 Employee Turnover Statistics

Company	Taipei Headquarters	Zhongli Rich Honour Fabricating	RH International Designs	RHQ Furniture
Total Number of Employees	272	37	135	166
Total Number of Resigned Employees	63	6	11	54
Number of Employees who Resigned Voluntarily	61	6	11	53
Number of Employees who Resigned Involuntarily	2	0	0	1
Voluntary Turnover Rate	22.43%	16.22%	8.15%	31.93%
Involuntary Turnover Rate	0.74%	0.00%	0.00%	0.60%

Note: The statistics cover only regular employees; contract/part-time personnel are not included in the total number of employees.





## 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 with outstanding performance and long-term contributions. 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, as well as 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. 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. 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 harmonious interactions with trust between labor and management.

### 5.2.1 Remuneration and Welfare

For remuneration, RH adopts a policy of transparency. 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 to make salary adjustments, thereby maintaining salary competitiveness. In 2023, the entry level male employee salary was 1.65 times higher than the local minimum wage, and the entry level female employee salary was 1.70 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	2021		2022		2023	
	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	1.12:1	1.15:1	1.19:1	1.19:1	1.15:1	1.13:1
Indirect Personnel	1.11:1	1.1:1	1.11:1	1:1	1.23:1	1.22:1

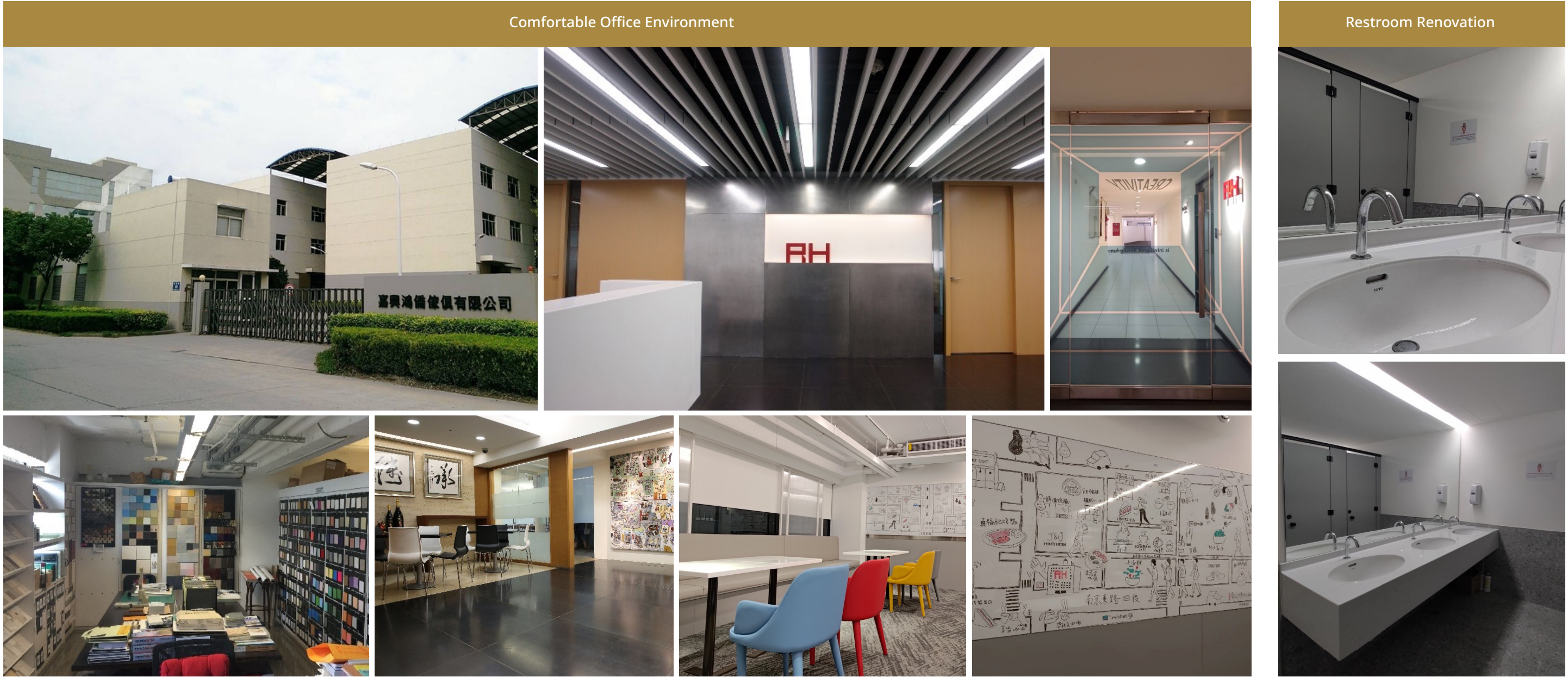
Note: Direct personnel often require trips to job sites; therefore, they are mostly male employees, and they also need to cooperate with the project's extended working hours, so their salaries are relatively higher.

Key Business Locations	Total number of senior officers in 2023 (above the rank of Assistant Vice President)	Number of Taiwanese residents employed as senior officers in 2023	Employment Ratio
Taipei Headquarters	15	15	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 2023, a total of 16 employees at the Headquarters were eligible for unpaid parental leave, and six of them applied for the leave. Among them, one was reinstated and resigned within one year after reinstatement. Zhongli Rich Honour Fabricating had seven eligible employees, among whom six applied for the leave. All of the six employees were reinstated: two of them resigned within one year after reinstatement. 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	✓		✓	✓







Retirement Benefit Plan:

Defined appropriation plan (new pension system): RH Headquarters and Zhongli 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 a 6% fixed pension contribution, 11% of employees of RH have made an additional voluntary contribution to their labor pension fund; the amount of accumulated contributions for the year reached NTD 2.2 million. 8% of employees of Zhongli Rich Honour Fabricating have made an additional voluntary contribution to their labor pension fund; the amount of accumulated contributions for the year was about NTD 160 thousand.

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 facilitate financial planning for employee retirement, RH Headquarters activated an employee stock ownership trust program in 2022 to assist employees in accumulating 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 stages, 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, of which 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.

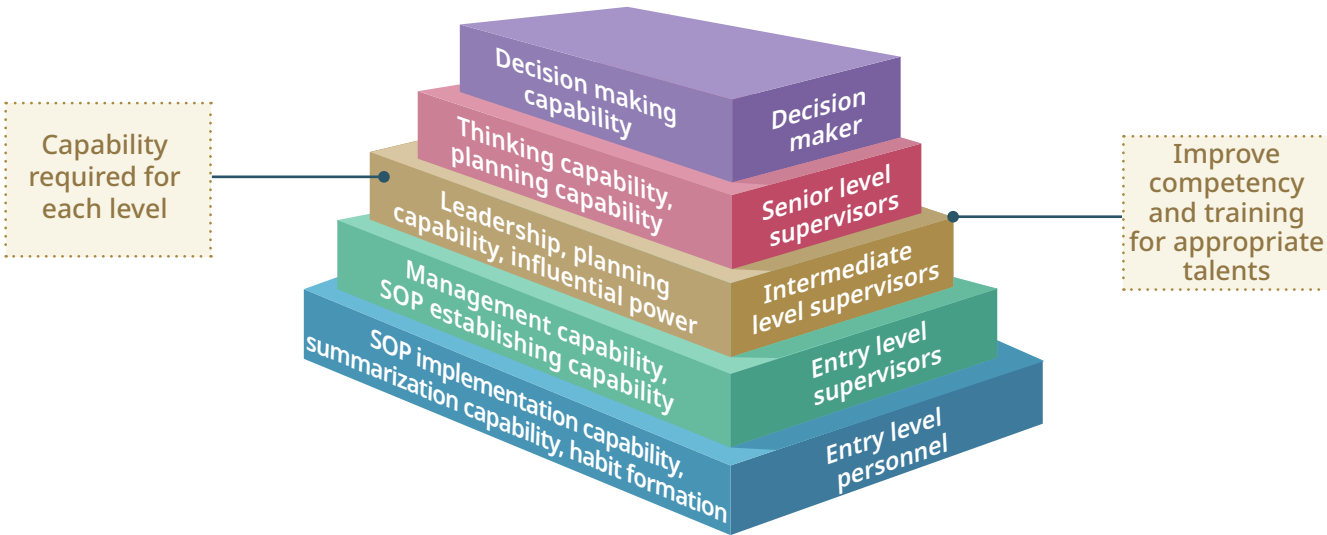
New employee orientation:

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, a 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 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 transfers, technology exchange with overseas subsidiaries and the opportunities of assignment to important overseas jobs, and so on.



## Education and Training Photos



Regional Training Statistics					
Region	Statistics/Year	2021	2022	2023	Remarks
Taipei Headquarters	Average training hours per employee	10.99	10.75	6.98	
	Average training hours of employees by gender	Female	7.37	11.29	6.86
		Male	15.78	11.05	7.07
	Average training hours of employees by employee type	Direct	8.11	7.11	5.98
		Indirect	11.67	11.61	7.43
Zhongli Rich Honour Fabricating	Statistics/Year	2021	2022	2023	Description of differences: 1. Three hours of general labor safety and health training certification re-training were provided for the employees of the Production Department and Project Department in 2023. 2. General education on emergency response, SA8000 and hazards was added, organized once every six months, two hours per lesson.
	Average training hours per employee	4.1	4.1	18.49	
	Average training hours of employees by gender	Female	4	4.3	18.50
		Male	4.1	4	19.20
	Average training hours of employees by employee type	Direct	4	4	20.00
		Indirect	4.2	4.3	18.67

Regional Training Statistics					
Region	Statistics/Year	2021	2022	2023	Remarks
RH International Designs	Average training hours per employee	1.79	0.88	2.20	In 2021-2022, employees were unable to gather for training due to the pandemic. In 2023, after the pandemic control policy was lifted, training was gradually resumed.
	Average training hours of employees by gender	Female	2.06	0.91	2.20
		Male	1.43	0.83	2.10
	Average training hours of employees by employee type	Direct	--	--	1.80
		Indirect	2.35	1.29	2.20
RHQ Furniture	Statistics/Year	2021	2022	2023	
	Average training hours per employee	10.55	13.79	24.50	
	Average training hours of employees by gender	Female	6.14	8.52	23.50
		Male	12.92	16.57	31.00
	Average training hours of employees by employee type	Direct	18.44	19.99	33.00
		Indirect	3.23	6.29	23.00



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 2023		Number of employees evaluated	Total number of employees	Percentage
Gender	Male	112	119	94.12%
	Female	140	153	91.50%
Employee type	Direct	83	88	94.32%
	Indirect	169	184	91.85%

Zhongli Rich Honour Fabricating Employees evaluated in 2023		Number of employees evaluated	Total number of employees	Percentage
Gender	Male	25	26	96.15%
	Female	10	11	90.91%
Employee type	Direct	20	22	90.91%
	Indirect	15	15	100.00%

RH International Designs Employees evaluated in 2023		Number of employees evaluated	Total number of employees	Percentage
Gender	Male	60	60	100.00%
	Female	75	75	100.00%
Employee type	Direct	20	20	100.00%
	Indirect	115	115	100.00%

RHQ Furniture Employees evaluated in 2023		Number of employees evaluated	Total number of employees	Percentage
Gender	Male	109	109	100.00%
	Female	57	57	100.00%
Employee type	Direct	94	94	100.00%
	Indirect	72	72	100.00%

Note: Contract/part-time personnel are not included in performance evaluations

5.2.3 Labor-management Communication

RH values harmonious 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.

If employees are laid-off or have a change of work location due to a factory closure or a new plant, the Company shall report the matter to the department of labor of the local government 60 days in advance and follow the notice period in accordance with the Act for Worker Protection of Mass Redundancy.

✔ 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 harmonious 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:** 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 messages.

✔ Labor-management meeting organization:

We respect employee rights of freedom of assembly and association as granted by the law, 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 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 harmonious. In 2023, 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”, and the “Prevention Plan for Illegal Infringement in the Performance of Job Duties” in order to prevent the occurrence of workplace sexual harassment and bullying incidents. In the case of occurrence of an 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 complaints about sexual harassment or bullying from employees as of 2023.

✔ 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 a 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
Importance to the Company	To establish a healthy workplace culture, safety and health management is important. Through the operation and promotion of the management system, 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 SA 8000 and 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 occupational safety and health training</li><li>Taipei Headquarters implemented the four major plans for labor health protection</li></ul>
Responsible department and complaint filing mechanism	<ul style="list-style-type: none"><li>Contact unit: Administrative Service Department</li><li>Tel: 02-2545-6011</li><li>Email: hr@richhonour.com</li></ul>
Assessment mechanism	<ul style="list-style-type: none"><li>RHQ Furniture's Occupational Safety and Health Management Committee inspects and reviews environmental safety and health related laws and implementation performance every three months</li><li>RHQ Furniture and Zhongli Rich Honour Fabricating conduct internal audits and hold management review meetings to review performance with regards to occupational safety and health</li></ul>

## 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. The number of workers covered by the ISO 45001 occupational safety and health management system accounts for 26.7% of the total number of workers across all business locations; no statistics have been gathered for non-employee workers. 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 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 the 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 risks.
- 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.

## | Photos of Healthy Workplace Activities |





### 5.3.2 Worker Participation, Consultation and Communication

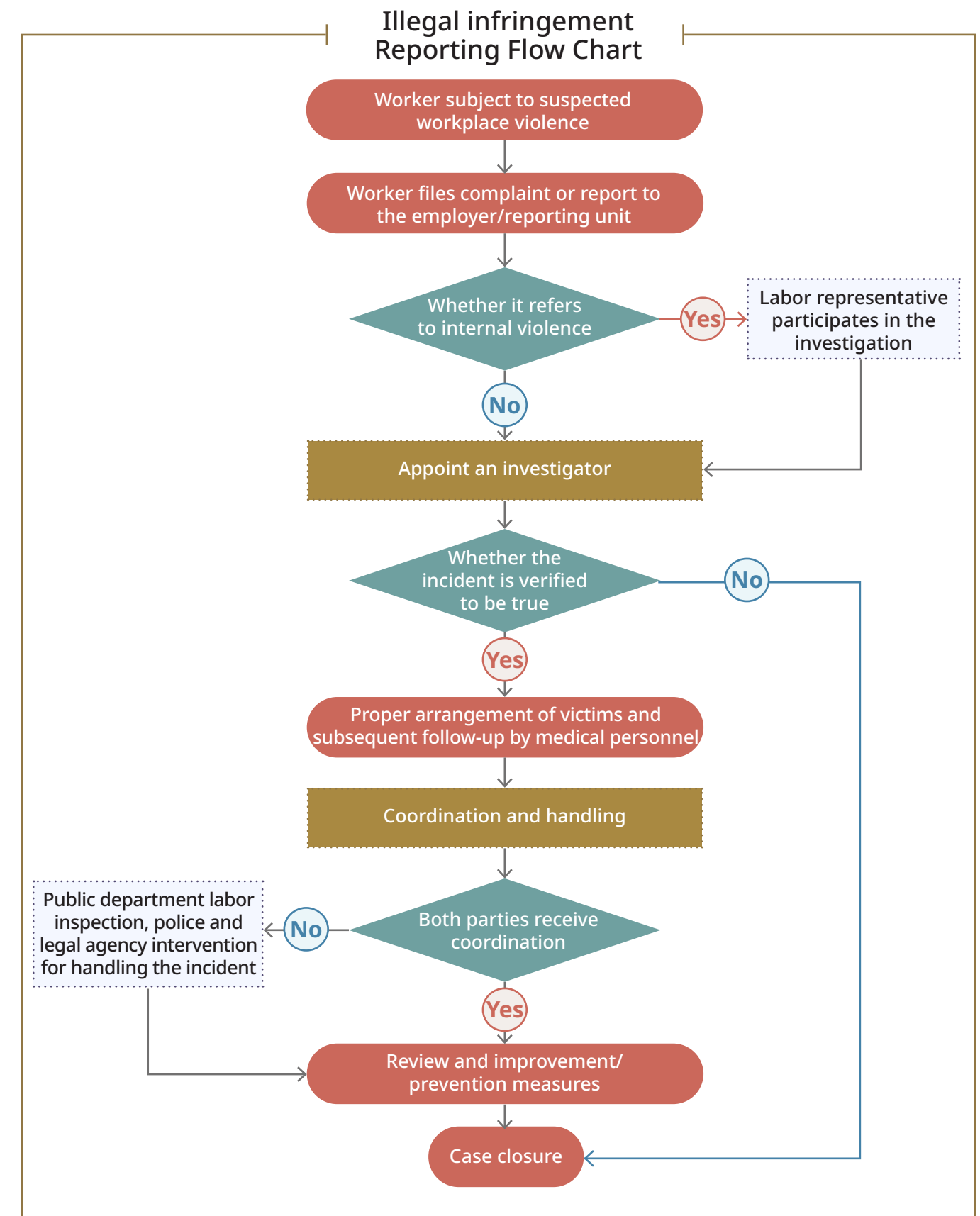
Although the Company has not established an Occupational Safety and Health Committee, our occupational safety organization includes occupational safety personnel, professional physicians and nurses for the organization of occupational safety meetings or assistance meetings irregularly. The Company also provides a public complaint mailbox and hotline for employees to send messages or make telephone contact with occupational safety nurses or human resources personnel directly. The privacy of persons concerned is protected as the first priority during the complaint process. In 2023, 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 are able to use a fire extinguisher and guide employees to evacuate appropriately, thereby preventing injuries resulting from major accidents.

The Company has established Labor Safety and Health Work Rules. Seventy-five 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., in a 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, benefits or health.



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 a recurrence prevention strategy is established, the unit in which the accident occurred and relevant unit supervisors then sign the investigation report once the investigation is complete.

5.3.4 Occupational Health Service

RH has always valued employees as the most important assets of the Company, and employee safety and health protection has been 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 addition, health services 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 2023, health examination results indicated no occupational diseases or suspected occupational disease cases.

2023 Health Examination Statistics

Region		Number of employees receiving health examinations	Participation rate	Description
Taipei Headquarters		204	75%	
Zhongli Rich Honour Fabricating		36	97%	A health examination every two years since 2023, exceeding the regulatory requirements.
RH International Designs		100	74%	
RHQ Furniture	Indirect personnel	60	92%	
	Direct personnel	97	99%	In compliance with local regulations, an occupational disease examination is conducted every year for employees with at least one year of service.

5.3.5 Occupational Safety and Health Training

With regards to occupational safety and health training, RH regularly organizes statutory safety and health re-training courses (for technicians, sales supervisors, fire control administrators, first-aid personnel) and new employee orientation according to the education and training plan. Zhongli Rich Honour Fabricating implements a fire drill during the first and second half of each year. Internal training and awareness-raising courses are provided free of charge. To ensure training effectiveness, tests and exams are implemented immediately after some of the training, such as the new employee orientation. 2023 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 supervisors, fire control administrators, first-aid personnel, and organic solvent operation supervisors	438	11	Taipei Headquarters
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, and first-aid personnel are arranged to participate in re-training courses	138	22	
General safety and health education and training (construction industry)	Labor safety and health education and training	114	19	
New employee orientation	Support new employees in understanding the basic regulations of the Company, including an introduction to the Company, personnel regulations, occupational safety promotion, sexual harassment prevention, welfare policy, information security promotion, environment introduction, etc.	399	57	
License training	The training includes the safe production responsible person, safe production administrator and occupational health administrator	40	5	RHQ Furniture
General safety and health education and training	Safety awareness, emergency response drills, operation safety, management series of training, etc.	432	168	
New employee orientation	Support new employees in understanding the basic regulations of the Company, including an introduction to the Company, personnel regulations, occupational safety promotion, sexual harassment prevention, welfare policy, information security promotion, environment introduction, etc.	40	40	
License training	For initial/re-training for safety officers, employees taking certification exams are subsidized to encourage employees to obtain a safety officer certificate and maintain its validity.	-	20	RH International Designs

Note: RH International Designs encourages its employees to self-study for certification exams. The number of hours of self-study cannot be counted, so it is not disclosed.



### 5.3.6 Worker Health Promotion and the Prevention and Mitigation of Business-related Occupational Health and Safety Impacts

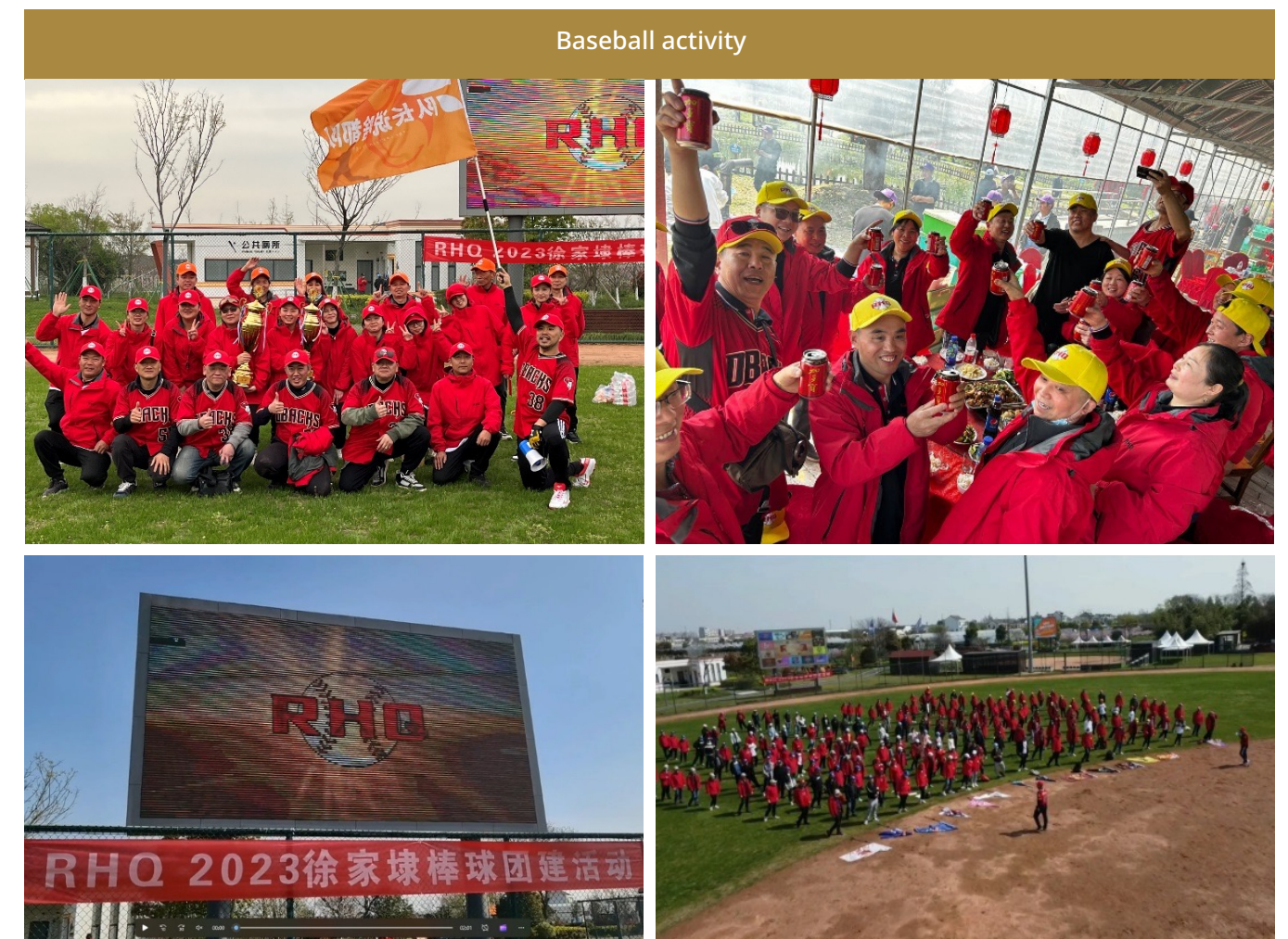
RH values employees as its most important assets and is committed to establishing a friendly workplace. The Company's occupational safety and health objective in 2023 was to maintain a record of zero accidents in the workplace. We have continued labor safety supervisor training for on-site work safety, and enhanced personnel's safety awareness through on-site operation safety training. We have also implemented a series of measures such as providing long-term care for employee health and promoting work-life balance.

Throughout the year of 2023, a total of 93 employees were arranged for health education and consultation under the four major plans.

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 2023, a total of 13 employees received the preventive interviews and appropriate health education to make adjustments to working posture was provided. Nine employees have participated in the overload care interview and mental assessment. The nurse or physician also refers to the relevant medical department and physicians in order to provide a psychological consultation channel to employees who need it. Three employees received maternal interviews. Through workplace and operation assessment for maternal health protection, we ensure that all our pregnant and breastfeeding employees can enjoy a comfortable and safe nursing environment.

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 can access the 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, purchase books, and provide books for borrowing and reading; in addition to professional design books, books about health and medical care, and mental and emotional states, are provided, in order to improve the physical and mental health of employees.
- ✓ Host the "Free Good Books" event where used books, such as *The Next Pandemic*, *Lose Weight with Yi Hugh 2*, and *Working Hard, But Not Too Hard*, were available for free to pass on the knowledge of health care to employees who need it.



Baseball activity

Recommended Stress Relief Books



## Occupational Injury and Disease Statistics

Taipei Headquarters Occupational Injury and Disease Statistics Performance				
Statistics/Year		2021	2022	2023
Total number of working hours lapsed		481,360	525,536	543,392
Death 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	41	2
	Ratio	1.25	15.60	0.74
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

RH International Designs Occupational Injury and Disease Statistics				
Statistics/Year		2021	2022	2023
Total number of working hours lapsed		258,744	266,512	268,328
Death 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	1
	Ratio	0	0	0.75
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 200 thousand 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 consciousness, or major injury or disease diagnosed by physician or other licensed medical professional; the statistical data shall include the number of deaths; however, excluding minor injuries that can be self-treated onsite;

Zhongli Rich Honour Fabricating Occupational Injury and Disease Statistics Performance				
Statistics/Year		2021	2022	2023
Total number of working hours lapsed		97,336	98,024	88,752
Death 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	1	1	2
	Ratio	2.05	2.04	4.51
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

RHQ Furniture Occupational Injury and Disease Statistics Performance				
Statistics/Year		2021	2022	2023
Total number of working hours lapsed		336,645	346,701	452,473
Death 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	2	2
	Ratio	0	1.15	0.88
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 4: Recordable occupational injury ratio refers to: (Number of people with a recordable occupational injury x 200,000) / Total number of working hours lapsed.

Note 5: For non-employee workers, there were no incidents of death, severe occupational injuries or recordable occupational injuries or disease in 2023.

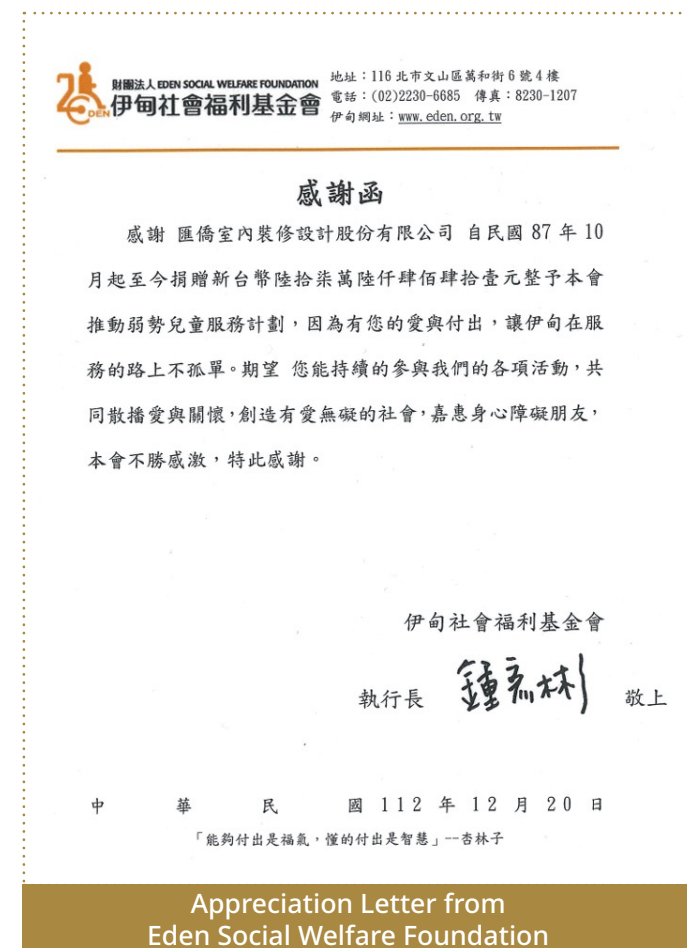
Note 6: In 2022, Taipei Headquarters had 41 recordable occupational accidents mainly related to the COVID-19 pandemic: 40 employees were suspected of being affected in the office area; one employee had a traffic accident during their commute to/from work.



## 5.4 Public Welfare Participation

As a member of society, RH mutually exists with investors, employees, local community groups, and other stakeholders. The Company aims to utilize its 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



### Industry-Academia Collaboration | 2023 RH Award - Commercial Space Design

This design competition is jointly organized by the Department of Interior Design, Chung Yuan Christian University and RH. The purpose is to promote the innovation and development of the interior design industry and facilitate collaboration and exchange between industry and academia. A total of 70 students from the department participated in this design competition. RH offered a scholarship of NTD 90,000 to stimulate the creativity and imagination of the contestants, while providing these young design talents with opportunities to practice and grow. The theme of this competition was restaurant space design. Every entry was an amazing combination of creativity and beauty. RH had a strong five-member jury team to select nine winners from the numerous entries.

The Company has been sponsoring the Department of Interior Design, Chung Yuan Christian University since 2019. We firmly believe that every young designer has unlimited potential. This event provided a platform for them to showcase their talents. Congratulations to all the winning students. In the days to come, we will be waiting for you to fulfill your potential.





## Environmental Protection | 2023 Beach Cleanup - Start with Garbage "Reduction"

In September 2023, RH participated in a beach cleanup hosted by another company, with about 100 participants. For our colleagues, this first beach cleanup experience was an unforgettable one. Before the event, 50 colleagues received relevant instructions to understand the purpose and requirements of this beach cleanup.

This event also made us more aware of the marine pollution problem. In just two hours, a lot of plastic garbage was found on the beach, including straws, bottle caps, and a large number of plastic particles that are difficult to pick up. This deeply shocked us and made us realize the importance of environmental protection even more.

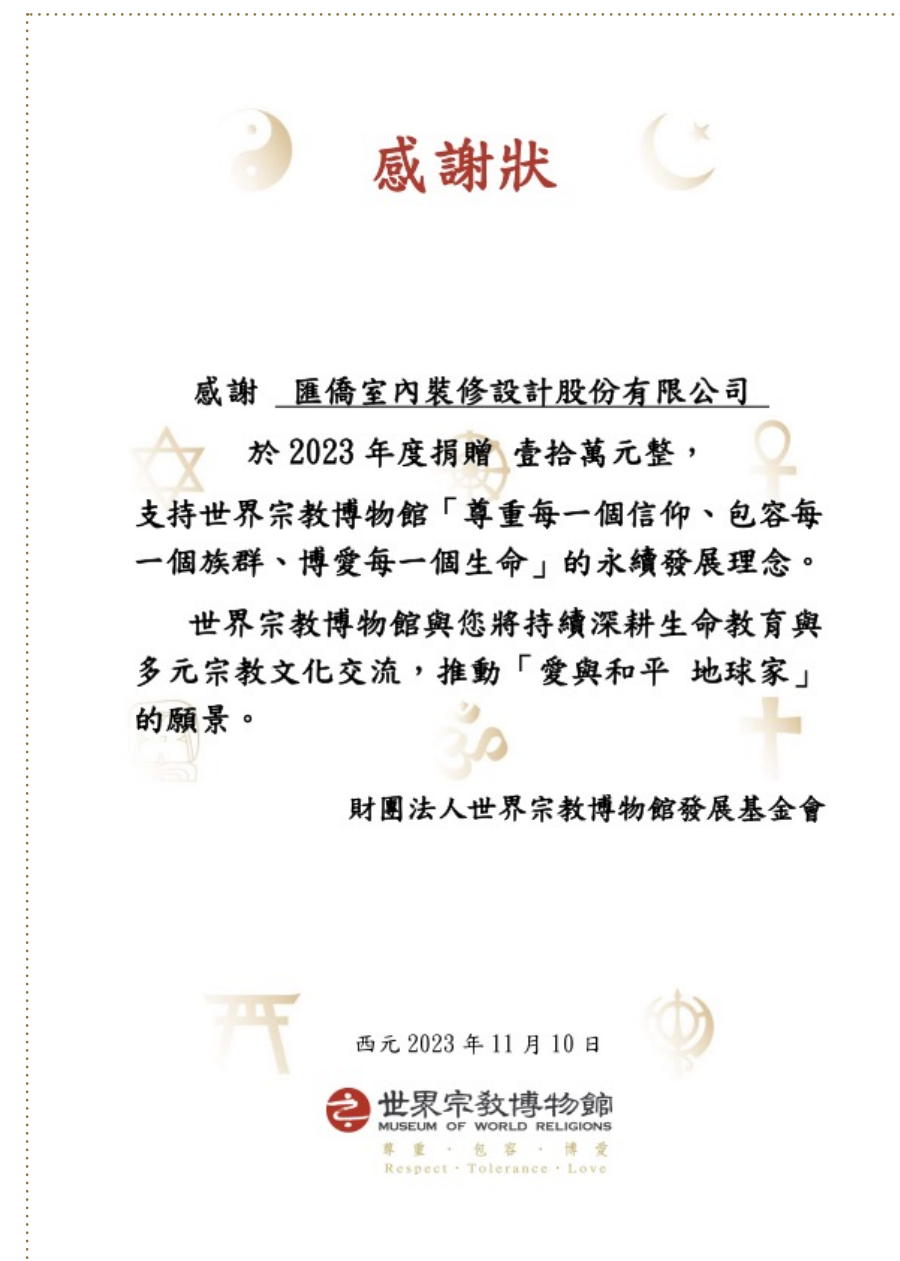
The results were considerable. We collected more than ten bags of garbage to give the beach a temporary respite. This event also awakened us to the fact that our marine ecosystem is facing a huge threat due to human behavior. We must broaden our environmental horizons and establish closer collaborative relationships with other businesses so that everyone knows that most garbage comes from our daily lives. We should start with "reducing" garbage from the source to establish correct concepts, contributing to the ocean and all living things.



## Donation to the Museum of World Religions in 2023

The Museum of World Religions provides people with an opportunity to learn about different religions and choose a spiritual belief for their own life. It is a modern museum that disseminates knowledge in an educational and recreational manner. The museum introduces religions and emphasizes internationalism, embracing religions from all over the world. The philosophy and mission of the Museum of World Religions are to strive for interfaith dialogue to ensure no more disputes and conflicts between religions.

RH donated NTD 100,000 in 2023 to support the concept of sustainable development of the Museum of World Religions to respect every faith and accommodate every ethnic group, as well as its continuous promotion of life and religious pluralism.





## Care for the Disadvantaged | Donation to Mennonite Good Shepherd Center Taiwan in 2023

Mennonite Good Shepherd Center Taiwan is committed to sheltering underage teenage girls, abused women, and unmarried pregnant teenage girls, accompanying them through the difficulties and hardships in life.

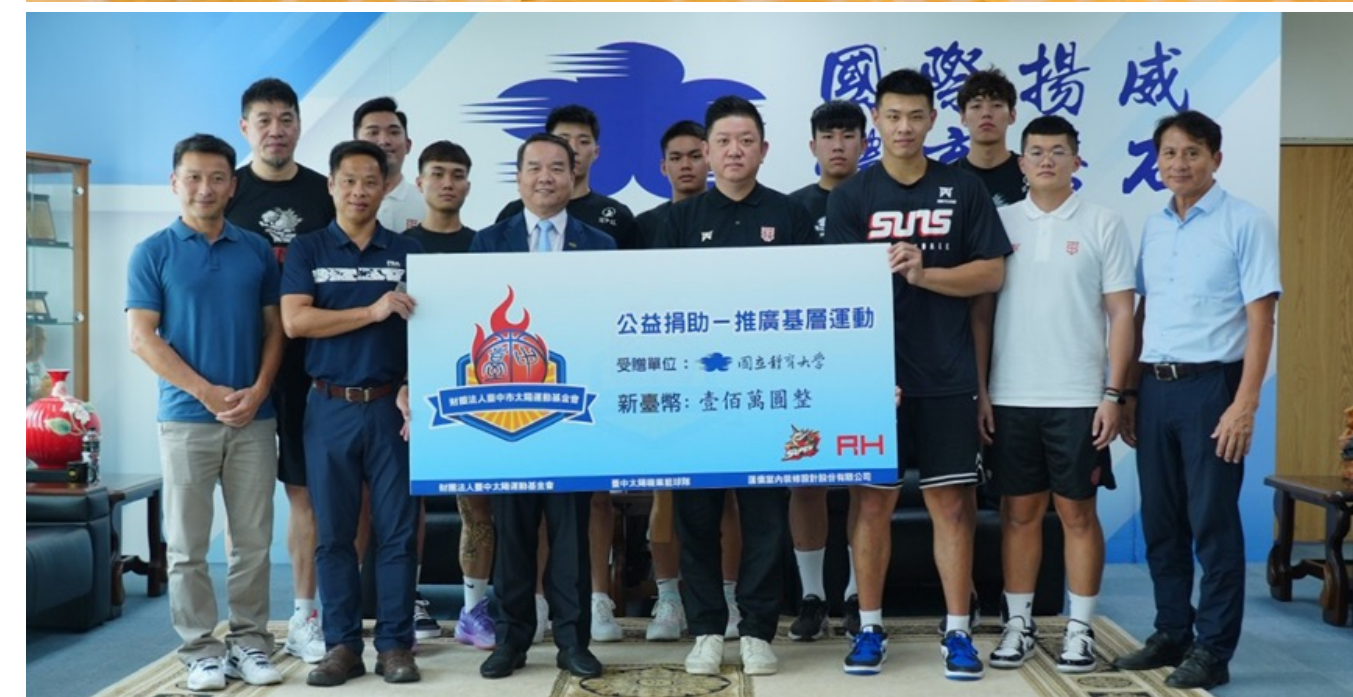
RH also actively responded to the call of Mennonite Good Shepherd Center Taiwan and donated NTD 50,000 in 2023, hoping that more enterprises and individuals will join them and support this important social work. We believe that through all our efforts, we can achieve a more prosperous and happier society.



## Sports Sponsorship | Taichung Suns Sports Foundation and RH Donated NTD 1 million to NTSU for the Development of School Sports

Taichung Suns Sports Foundation was established in 2021 to promote basketball and cultivate young talent. The foundation has worked with the Taichung Suns, RH, and other partners to give back to society.

The main donor of the foundation, RH, indicated that it will continue to provide funds for team training disadvantaged students, expand the subsidies for schools to develop sports, and sponsor the team to upgrade their equipment, hoping that the students will develop the spirit of self-discipline and teamwork and improve themselves in competitions. Creating diverse, positive learning environments can help disadvantaged children grow up with confidence, allowing them to develop diversely and learn happily with love and support.





# 6

## 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, 2023 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	14	
	2-2	Entities included in the organization's sustainability reporting	Editorial Policy	3	
	2-3	Reporting period, frequency and contact point	Editorial Policy	3	
	2-4	Restatement of information	Editorial Policy	3	
	2-5	External assurance	Editorial Policy	3	
Activities and workers	2-6	Activities, value chain and other business relationships	2.1 Company Profile	14	
	2-7	Employees	5.1 Employee Overview	54	
	2-8	Workers who are not employees	5.1 Employee Overview	54	
Governance	2-9	Governance structure and composition	3.1 Governance Practice	22	
	2-10	Nomination and selection of the highest governance body	3.1 Governance Practice	22	
	2-11	Chair of the highest governance body	3.1 Governance Practice	22	
	2-12	Role of the highest governance body in overseeing the management of impacts	1-1 Sustainable Development Committee	5	
	2-13	Delegation of responsibility for managing impacts	1-1 Sustainable Development Committee	5	
	2-14	Role of the highest governance body in sustainability reporting	1-1 Sustainable Development Committee	5	
	2-15	Conflicts of interest	3.1 Governance Practice	22	
	2-16	Communication on Critical and Material Events	3.1 Governance Practice	22	
	2-17	Collective knowledge of the highest governance body	3.1 Governance Practice	22	
	2-18	Evaluation of the performance of the highest governance body	3.1 Governance Practice	22	
	2-19	Remuneration policies	3.1 Governance Practice	22	
	2-20	Process to determine remuneration	3.1 Governance Practice	22	
	2-21	Annual total compensation ratio	Disclosure omitted	--	Highest annual total salary is the Company's confidential information and is not disclosed
Strategy, policy and practices	2-22	Statement on sustainable development strategies	Message from the Management	2	
	2-23	Policy commitments	3.1 Governance Practice 5.1.1 Human Rights Protection	22 54	
	2-24	Embedding policy commitments	3.1 Governance Practice 5.1.1 Human Rights Protection	22 54	
	2-25	Processes to remediate negative impacts	3.2 Risk Management / 3.3 Legal Compliance / 3.5.2 Customer Relationship 3.6 Information Security Protection / 4.2 Energy Resource Management / 5.2.2 Talent Cultivation 5.3 Occupational Safety and Health	26/30/36 38/47/59 62	
	2-26	Mechanisms for seeking advice and raising concerns	3.1 Governance Practice	22	

Topic	Disclosure Item	Item description	Chapter	Page No.	Omission/Remarks
Strategy, policy and practices	2-27	Legal compliance	3.3 Legal Compliance	30	
	2-28	Membership associations	2.4 Participation in External Organizations	20	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.3 Stakeholder Communication Channel and Topics of Concern	7	
	2-30	Collective bargaining agreements	5.2 Talent Selection and Appropriate Employment	--	The Company has not signed any collective bargaining agreements
GRI 3: Material Topics 2021					
Material Topic	3-1	Process to determine material topics	1.4 Material Topics Identification	9	
	3-2	List of material topics	1.4 Material Topics Identification	9	
*Trade secret protection and transaction security					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.5.2 Customer Relationship	36	
* Legal Compliance					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3 Legal Compliance	30	
*Information security					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.6 Information Security Protection	38	
* Customer Relationship					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.5.2 Customer Relationship	36	
Economic Aspect					
Economic performance					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.4 Operational Performance	31	
	201-3	Defined benefit plan obligations and other retirement plans	5.2 Talent Selection and Appropriate Employment	57	
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	57	
	202-2	Proportion of senior management hired from the local community	5.2 Talent Selection and Appropriate Employment	57	
Procurement practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.5.3 Sustainable Supply Chain	37	
Environmental Aspect					
*Energy management					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.2 Energy Resource Management	47	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 Energy Resource Management	47	
	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	47	
	302-4	Reduction of energy consumption	4.2 Energy Resource Management	47	
	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.
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	47	
	303-3	Water withdrawal	4.2 Energy Resource Management	47	



Topic	Disclosure Item	Item description	Chapter	Page No.	Omission/Remarks
GRI 3: Material Topics 2021					
Environmental Aspect					
Greenhouse gas emissions					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.4 Climate Change Management	50	
	305-2	Energy indirect (Scope 2) GHG emissions	4.4 Climate Change Management	50	
	305-4	GHG emissions intensity	4.4 Climate Change Management	50	
	305-5	Reduction of GHG emissions	4.2 Energy Resource Management	47	
Waste management					
GRI 306: Waste 2020 Management Approach	306-1	Waste generation and significant waste-related impacts	4.3 Pollution Control	49	
GRI 306: Waste 2020	306-3	Waste generated	4.3 Pollution Control	49	
Social Aspect					
*Employment					
GRI 3: Material Topics 2021	3-3	Management of material topics	5 Social Care	53	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1 Employee Overview	54	
	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	57	
	401-3	Parental leave	5.2 Talent Selection and Appropriate Employment	57	
Labor/management relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.2 Talent Selection and Appropriate Employment	57	
*Occupational health and safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.3 Occupational Safety and Health	62	
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational health and safety management system	5.3 Occupational Safety and Health	62	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3 Occupational Safety and Health	62	
	403-3	Occupational health services	5.3 Occupational Safety and Health	62	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3 Occupational Safety and Health	62	
	403-5	Worker training on occupational health and safety	5.3 Occupational Safety and Health	62	
	403-6	Promotion of worker health	5.3 Occupational Safety and Health	62	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Occupational Safety and Health	62	
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	62	
	403-9	Work-related injuries	5.3 Occupational Safety and Health	62	
	403-10	Work-related ill health	5.3 Occupational Safety and Health	62	
Training and education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.2.2 Talent Cultivation	59	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2.2 Talent Cultivation	59	
Diversity and equal opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1 Employee Overview	54	
	405-2	Ratio of basic salary and remuneration of women to men	5.2 Talent Selection and Appropriate Employment	57	

## 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>1. Number of data breaches</li> <li>2. Percentage involving customers' confidential business information (CBI) or personally identifiable information (PII)</li> <li>3. Number of customers affected</li> </ol>	Qualification	In 2023, there were no incidents of information disclosure, stealing or loss of customer data verified	
Workplace Diversity & Engagement	SV-PS-330a.1	<b>Percentage of gender and racial/ethnic group representation for</b> <ol style="list-style-type: none"> <li>1. executive management</li> <li>2. all other employees</li> </ol>	Qualification	5.1 Employee Overview	
	SV-PS-330a.2	<b>Turnover rate for employees</b> <ol style="list-style-type: none"> <li>1. Voluntary</li> <li>2. Involuntary</li> </ol>	Qualification	5.1 Employee Overview	
	SV-PS-330a.3	Employee engagement as a percentage	Qualification	5.2 Talent Selection and Appropriate Employment Performance evaluation qualification ratio of 95.4%	
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Discussion and Analysis	3.1.4 Ethics and Integrity	
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Qualification	In 2023, the amount of monetary losses due to legal proceedings associated with professional integrity was 0	
Activity Metrics	SV-PS-000.A	<b>Number of employees by:</b> <ol style="list-style-type: none"> <li>1. full-time and part-time</li> <li>2. temporary</li> <li>3. contract</li> </ol>	Qualification	5.1 Employee Overview	



# 6.3 Climate-Related Information of Publicly Listed Companies

## 1. Climate-related implementation

Item	Implementation												
1. Describe the oversight and governance of the Board and the management on climate-related risks and opportunities	For RH's climate change-related discussions and management, the Sustainable Development Committee is responsible for the discussion and management of climate change, and resolutions on climate change and the status of sustainable development are subject to the Board of Directors' approval. There are task forces under the Committee. The members of the Sustainable Development Committee coordinate the task forces. The climate risk governance in 2023 has been reported to the Board of Directors for decision-making reference.												
2. Describe how the climate risks and opportunities identified affect the business, strategy and finance (short-term, medium-term, long-term) of the Company	<table><tr><th colspan="3">Climate-related Impact and Strategy</th></tr><tr><th>Risk and Opportunity Item</th><th>Financial Impact</th><th>Response Mechanism</th></tr><tr><td>Increase greenhouse gas emission pricing</td><td>With regards to the overall temperature rise caused by climate change, the European Union (EU) implements a carbon tax; Taiwan will also collect carbon fees in 2025 to prevent the excessive emission of greenhouse gas, which will cause an increase in the operating costs of the Company. If the total amount of Scope 1 + Scope 2 greenhouse gas emissions of the Group in 2023 was 1200 tons, with NTD 500 per ton, the operating cost will increase by NTD 3 million in five years (short-term).</td><td>Presently, the Company is not in a high carbon emissions industry; therefore, it causes a small impact on overall operations. The Company currently implements a comprehensive greenhouse gas inventory and will begin to assess the purchase of green electricity and bioenergy. We will establish carbon reduction goals, hoping to achieve net-zero emissions by 2050.</td></tr><tr><td>Extreme change in rainfall (precipitation) pattern change and climate pattern</td><td>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. If one business location of the Company is affected by heavy rainfall or drought every three years, it is estimated that the operating cost will increase by about NTD 2 million.</td><td>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. Our factory site has completed waterproof construction, taken out natural disaster insurance, introduced the third party ISO 14001: 2015 environmental management system certification, and performed pump drainage facility maintenance monthly. Thus, this risk has no significant impact on overall operations.</td></tr></table>	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; Taiwan will also collect carbon fees in 2025 to prevent the excessive emission of greenhouse gas, which will cause an increase in the operating costs of the Company. If the total amount of Scope 1 + Scope 2 greenhouse gas emissions of the Group in 2023 was 1200 tons, with NTD 500 per ton, the operating cost will increase by NTD 3 million in five years (short-term).	Presently, the Company is not in a high carbon emissions industry; therefore, it causes a small impact on overall operations. The Company currently implements a comprehensive greenhouse gas inventory and will begin to assess the purchase of green electricity and bioenergy. We will establish carbon reduction goals, hoping to achieve net-zero emissions 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. If one business location of the Company is affected by heavy rainfall or drought every three years, it is estimated that the operating cost will increase by about NTD 2 million.	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. Our factory site has completed waterproof construction, taken out natural disaster insurance, introduced the third party ISO 14001: 2015 environmental management system certification, and performed pump drainage facility maintenance monthly. Thus, this risk has no significant impact on overall operations.
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; Taiwan will also collect carbon fees in 2025 to prevent the excessive emission of greenhouse gas, which will cause an increase in the operating costs of the Company. If the total amount of Scope 1 + Scope 2 greenhouse gas emissions of the Group in 2023 was 1200 tons, with NTD 500 per ton, the operating cost will increase by NTD 3 million in five years (short-term).	Presently, the Company is not in a high carbon emissions industry; therefore, it causes a small impact on overall operations. The Company currently implements a comprehensive greenhouse gas inventory and will begin to assess the purchase of green electricity and bioenergy. We will establish carbon reduction goals, hoping to achieve net-zero emissions 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. If one business location of the Company is affected by heavy rainfall or drought every three years, it is estimated that the operating cost will increase by about NTD 2 million.	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. Our factory site has completed waterproof construction, taken out natural disaster insurance, introduced the third party ISO 14001: 2015 environmental management system certification, and performed pump drainage facility maintenance monthly. Thus, this risk has no significant impact on overall operations.											
3. Describe the impact of extreme climate events and transformation actions on finances													
4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system	<p>The Company has established the Risk Management Best Practice Principles (including climate risk management procedures), which are effectively implemented. The results of risk management implementation and the sustainable development status in 2023 will be reported to the Board of Directors.</p> <div><div><div>Step1</div><div><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></ul></div></div><div><div>Step2</div><div><ul style="list-style-type: none"><li>Establish climate risk and opportunity item list</li><li>Establish internal operational impact survey questionnaires</li></ul></div></div><div><div>Step3</div><div><ul style="list-style-type: none"><li>ESG Committee members implement climate risk, opportunity and operational impact analysis</li><li>Determine material risk items</li></ul></div></div><div><div>Step4</div><div><ul style="list-style-type: none"><li>Establish implementation strategies and set up goals</li></ul></div></div><div><div>Step5</div><div><ul style="list-style-type: none"><li>Review implementation strategies and outcome of goals through ESG Committee meeting's continuous review annually</li></ul></div></div></div>												

Item	Implementation
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.	<ol style="list-style-type: none"> <li>Set a baseline scenario and a 2°C scenario to identify and analyze the short-, medium-, and long-term climate risks and opportunities within the Company's business scope and throughout the life cycle of assets. For transition risks, use the RCP 8.5 and RCP 2.6 climate scenarios of the United Nations Intergovernmental Panel on Climate Change (IPCC) as the baseline scenario and the 2°C scenario, respectively, and assess immediate and long-term physical risks.</li> <li>The average temperature continues to rise, resulting in higher energy consumption and higher operating costs. A 1 degree Celsius rise in the average temperature of Taiwan leads to a 6% increase in electricity consumption. If the unit electricity price remains stable and unchanged, it is estimated that a 1.5 degree Celsius rise in temperature will increase electricity consumption and electricity bills by 27% in three years (short-term).</li> <li>In terms of regulations, in response to the government's introduction of carbon fees in 2025, if the fee per ton of emissions is NTD 500, the Company's cost will increase by about NTD 600 thousand every year, with 2023 as the base year, leading to additional expenses of NTD 3 million in five years (short-term).</li> </ol>
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 risks shall be described.	<p>Procurement of green electricity and biomass energy to increase the renewable energy use ratio</p> <ol style="list-style-type: none"> <li>Continue to upgrade the automation of equipment in all production factories, adopt energy-efficient processes, and develop low-carbon products to meet corporate needs for energy-saving products.</li> </ol> <p>Relevant metrics and targets:</p> <ol style="list-style-type: none"> <li>Introduce ISO 14064 in 2026 and pass third-party certification.</li> <li>Continue to optimize processes and improve efficiency, reduce production energy consumption, increase the gross profit of products, and propose at least one project every year.</li> </ol>
7. If the internal carbon pricing is used as a planning tool, it is necessary to explain the price establishment basis.	No internal carbon pricing
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).	<p><b>Emissions reduction targets</b></p> <p>Headquarters, compared to the base year of 2023</p> <p>15% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2030</p> <p>30% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2040</p> <p>Net-zero emissions by 2050</p> <p>The Company plans to purchase renewable energy certificates from 2030 onwards in an amount equal to the consumption of Scope 2 purchased electricity.</p>
9. Greenhouse gas inventory and assurance status, and reduction targets, strategies, and concrete action plans (described in 1-1 and 1-2 separately)	As shown in the following table:

1-1. Greenhouse gas inventory and assurance status in the most recent two years

1-1-1. Greenhouse gas inventory information

(Describe the amount of greenhouse gas emissions (tons CO<sub>2</sub>e), intensity (tons CO<sub>2</sub>e/NTD million)), and data coverage in the most recent two years.

Item Year	Scope 1 (tons CO <sub>2</sub> e)	Scope 2 (tons CO <sub>2</sub> e)	Data coverage: Taipei Headquarters / Zhongli Rich Honour Fabricating / RH International Designs / RHQ Furniture
2022	148.40	1,086.31	
2023	149.26	1,050.80	

Item Year	Company Revenue (NTD million)	Total Emissions (tons CO <sub>2</sub> e)	Intensity (tons CO <sub>2</sub> e/NTD million revenue)	Data coverage: Taipei Headquarters / Zhongli Rich Honour Fabricating / RH International Designs / RHQ Furniture
2022	5,096	1,234.71	0.242	
2023	4,653	1,200.06	0.258	

1-1-2. Greenhouse gas assurance information

(Describe the assurance status in the most recent two years, including the scope of assurance, assurance body, criteria of assurance, and assurance opinions)

For the Company's current greenhouse gas emissions inventory, the Company conducts self-management and voluntary disclosure in order to understand the current trend and respond in advance, and has not received assurance by an external third-party verification body.

1-2. Greenhouse gas reduction targets, strategies and concrete action plans

Emissions Reduction Targets	Strategic Actions	Schedule
Compared to the base year of 2023 15% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2030 30% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2040 Net-zero emissions by 2050	<ol style="list-style-type: none"> <li>Through green procurement, purchase infrastructure equipment equipped with eco-friendly labels</li> <li>Replace all refrigeration and air conditioning systems with those with Level 1 energy efficiency</li> <li>Generate electricity with solar power and purchase renewable energy certificates</li> </ol>	<ol style="list-style-type: none"> <li>2024-2030</li> <li>2024-2030</li> <li>2031-2050</li> </ol>



## 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	50
	Describe management's role in assessing and managing climate-related risks and opportunities	4.4 Climate Change Management	50
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	4.4 Climate Change Management	50
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	4.4 Climate Change Management	50
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios	4.4 Climate Change Management	50
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	4.4 Climate Change Management	50
	Describe the organization's processes for managing climate-related risks	4.4 Climate Change Management	50
	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	50
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	50
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	4.4 Climate Change Management	50
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	4.4 Climate Change Management	50

6.5 Management System Certificates

# 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)

**SA 8000**

# 證書

管理體系依據  
**ISO 14001: 2015**

認證機構 TÜV NORD CERT GmbH 公司特此證明，  
依據 ISO/IEC 17021-1:2015 標準進行的審計、評估和認證決定的結果，該組織

**鴻僑傢俱有限公司**  
桃園市中壢區安東路 1 號

將採用符合 ISO 14001 : 2015 標準要求的管理系統並且在本認證的 3 年有效期內將對符合性進行監督。

範圍  
**客製化商用展示道具之生產與銷售**

證書編號 44 104 20 82 0152  
審核報告編號 2.5-TWN9863/2023

證書有效期限 2023-07-27  
證書有效期至 2026-07-26  
初次認證日期 2020-07-27

Lie-Teng Chang  
之驗證機構  
at TÜV NORD CERT GmbH

台灣德國北德技術監護顧問股份有限公司  
台北市敦化南路二段 333 號 9 樓 A1 室  
2023-06-30

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

Deutsche  
Akkreditierungsstelle  
D-2M-12007-01-00

**ISO 14001**

2023 Rich Honour Design Group Sustainability Report

78

Appendix





## 认证证书

N. CN21 - 06402A

兹证明

嘉兴鸿侨傢俱有限公司

统一社会信用代码: 91330421661716364M

注册地址

嘉善县姚庄镇桃源路 89 号

办公及生产地址

浙江省嘉兴市嘉善县姚庄镇桃源路 89 号

完成质量管理体系审核并符合以下标准要求

**ISO 9001:2015**

认证范围:

展示道具的生产和销售

IAF 23

有关此认证证书状态的更多信息, 请通过电话+355696037861 / +39 0296368458 联系或发送邮件至 info@axe-register.com 或使用组织名称或证书编号在 www.axe-register.com 网站验证。

该证书须接受定期的年度监督审核和三年一次的完整体系评审确保其有效性。

初次注册日期: 2021 年 04 月 15 日  
发证日期: 2024 年 04 月 11 日  
证书有效期至: 2027 年 04 月 14 日



CS 007 26.02.18

EA/MLA 签署, 多边互认协议



授权人签字  
AXE REGISTER Ltd  
Antonio L. Ayuda

在证书有效期内每 12 个月内须接受一次监督审核并将监督审核合格标签粘贴于右侧指定位置。此证书方为有效。本证书可在国家认证认可监督管理委员会网站 (www.cnca.gov.cn) 查询。



AXE REGISTER

中国总部: 艾西姆认证(上海)有限公司, 中国上海市闵行区外环路 352 号 B201 室, 邮政编码: 201199  
电话: +86 21 64305860 传真: +86 21 64881095 网址: www.axcmeit.com.cn 邮箱: info@axcmeit.com.cn

ISO 9001



## 认证证书

N. CN20 - 32402B

兹证明

嘉兴鸿侨傢俱有限公司

统一社会信用代码: 91330421661716364M

注册地址

嘉善县姚庄镇桃源路 89 号

办公及生产地址

浙江省嘉兴市嘉善县姚庄镇桃源路 89 号

完成环境管理体系审核并符合以下标准要求

**ISO 14001:2015**

认证范围:

展示道具的生产和销售

IAF 23

有关此认证证书状态的更多信息, 请通过电话+355696037861 / +39 0296368458 联系或发送邮件至 info@axe-register.com 或使用组织名称或证书编号在 www.axe-register.com 网站验证。

该证书须接受定期的年度监督审核和三年一次的完整体系评审确保其有效性。

初次注册日期: 2020 年 12 月 09 日  
发证日期: 2023 年 11 月 30 日  
证书有效期至: 2026 年 12 月 08 日



CS 007 26.02.18

EA/MLA 签署, 多边互认协议



授权人签字  
AXE REGISTER Ltd  
Antonio L. Ayuda

在证书有效期内每 12 个月内须接受一次监督审核并将监督审核合格标签粘贴于右侧指定位置。此证书方为有效。本证书可在国家认证认可监督管理委员会网站 (www.cnca.gov.cn) 查询。



AXE REGISTER

中国总部: 艾西姆认证(上海)有限公司, 中国上海市闵行区外环路 352 号 B201 室, 邮政编码: 201199  
电话: +86 21 64305860 传真: +86 21 64881095 网址: www.axcmeit.com.cn 邮箱: info@axcmeit.com.cn

ISO 14001





# 认证证书

N. CN21 – 29503K

兹证明

**嘉兴鸿侨傢俱有限公司**

统一社会信用代码: 91330421661716364M

注册地址

嘉善县姚庄镇桃源路 89 号

办公及生产地址

浙江省嘉兴市嘉善县姚庄镇桃源路 89 号

完成反贿赂管理体系审核并符合以下标准要求

**ISO 37001:2016**

认证范围:

**展示道具的生产和销售**

IAF 23.29

有关此认证证书状态的更多信息, 请通过电话+355696037861 / +39 0296368458 联系或发送邮件至 info@axe-register.com 或使用组织名称或证书编号在 www.axe-register.com 网站验证。

该证书须接受定期的年度监督审核和三年一次的完整体系评审确保其有效性。

初次注册日期: 2021 年 12 月 15 日

发 证 日 期: 2021 年 12 月 15 日

证书有效期至: 2024 年 12 月 14 日



授权人签字  
AXE REGISTER Ltd  
Antonio Luvada



CS 007 26.02.18

EA/MLA 签署, 多边互认协议

在证书有效期内每 12 个月内须接受一次监督审核并将监督审核合格标签贴于右侧指定位置; 此证书方为有效。本证书可在国家认证认可监督管理委员会网站 (www.cnca.gov.cn) 查询。



AXE REGISTER

中国总部: 艾西姆认证 (上海) 有限公司, 中国上海市闵行区外环路 352 号 B201 室, 邮政编码: 201199  
电话: +86 21 64305860 传真: +86 21 64881096 网址: www.acmcert.com.cn 邮箱: info@acmcert.com.cn



# 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 +355696037861 / +39 0296368458 or via email to info@axe-register.com or verify directly on the website 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



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

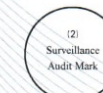
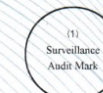


CS 007 26.02.18



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 CNCA website (www.cnca.gov.cn).



AXE REGISTER

Piazza Unità d'Italia, 5 - 21047 Saronno (VA) - Italia | +39 02 96368458 | info@axe-register.com  
ACM (CHINA) LIMITED, Rm B201, No 352, Waihuan Road, Minhang District, Shanghai 201199, China



**TÜVNORD**

## CERTIFICATE

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

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

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



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

**Manufacture and Marketing of Customized Fixture**  
**(with primary process of cutting, drilling, shaving, laminating, assembly, packing)**

**audited site: No. 89, Taoyuan Rd., Yaozhuang Town, Jiashan County,**  
**Zhejiang Province, China**

Certificate Registration No. 44 114 141568  
Audit Report No. 3534 6809

Valid from 2023-12-20  
Valid until 2026-12-19  
Initial certification 2014

Certification Body  
at TÜV NORD CERT GmbH

Essen, 2023-12-13

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)

6.6 Statement of Certification to AA1000



匯僑室內裝修設計股份有限公司  
2023 年永續報告書之獨立保證意見聲明書

聲明書編號:2405015

匯僑室內裝修設計股份有限公司(以下簡稱匯僑設計)與格瑞國際驗證有限公司(以下簡稱格瑞驗證)為相互獨立的公司及組織，格瑞驗證除了針對該公司 2023 年永續報告書進行評估和查證外，與匯僑設計並無任何財務上的關係。

本獨立保證意見聲明書(以下簡稱聲明書)的目的，僅作為對下列有關匯僑設計之永續報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人，格瑞驗證並不負有或承擔任何相關法律或其他之責任。

本獨立保證意見聲明書係基於匯僑設計提供予格瑞驗證之相關資訊所作查證之結論，因此審查範圍乃基於並局限在這些提供的資訊內容之內，格瑞驗證認為這些信息內容都是完整且準確的。對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，將全部由匯僑設計回覆。

保證範圍

- 匯僑設計與格瑞驗證協議的查證範圍包括：
- 1. 整份永續報告書內容及匯僑設計在 2023 年 1 月 1 日至 2023 年 12 月 31 日的所有營運績效。
  - 2. 依照 AA1000 保證標準 v3 的第 1 應用類型評估匯僑設計遵循 AA1000 當責性原則標準(2018)的本質和程度，不包括對於報告書揭露的資訊／數據之可信賴度的查證。
  - 3. 本聲明書以中文作成，並翻譯成英文以供參考。

意見聲明

我們總結匯僑設計之永續報告書內容，對於匯僑設計的相關運作與績效則提供一個公平的觀點。我們相信有關匯僑設計 2023 年的經濟、社會、環境及公司治理等特定績效指標是被正確無誤地展現。報告書所揭露的績效指標展現了匯僑設計對鑑別及滿足利害關係人的期望與努力。

我們的查證工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行，以及規劃和執行這部分的工作，以獲得必要的資訊數據及說明。我們認為匯僑設計所提供的證據足夠以表明其依循 AA1000 保證標準 v3 及其 2018 年附錄的報告方法與自我聲明符合 GRI 永續性報導準則。

查證方法

- 為了收集與作成結論有關的證據，我們執行了以下工作：
- 對來自外部團體相關於匯僑設計之公司政策的議題，進行高階管理的審查，以確認本報告中聲明書的合適性；
  - 與匯僑設計之主管討論有關利害關係人參與的方式，且並未直接接觸外部利害關係人；
  - 訪談與永續報告書編制及資訊提供有關的職員；
  - 在抽樣基礎上稽核匯僑設計之績效數據；
  - 審查報告中所作宣告的支持性證據；
  - 針對匯僑設計之報告及其相關 AA1000 當責性原則(2018)中描述有關包容性、重大性、回應性及衝擊性原則的流程管理進行審查。

結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性、衝擊性與 GRI 永續性報導準則的詳



細審查結果如下：

- 包容性**
- 匯僑設計已建立與主要利害關係人合作的過程，包含股東/投資人、客戶、員工、供應商/承攬商、主管機關及社區等，於 2023 年展開一系列利害關係人活動，涉及經濟、社會、環境和公司治理等一系列重大主題。以我們的專業意見而言，這份報告書涵蓋了匯僑設計的包容性議題。
- 重大性**
- 報告書已載明匯僑設計所關注環境、社會和公司治理等主題，並鑑別出 7 項重大主題包括能源管理、職業健康與安全、勞僱關係、營業秘密保護及交易安全、客戶關係、法規遵循及資訊安全等。以我們的專業意見而言，這份報告書適切地涵蓋了匯僑設計的重大性議題。

- 回應性**
- 匯僑設計執行來自利害關係人的要求與看法之回應。實行方法包括建立完備之資訊揭露制度(公司網站、公開資訊網路申報系統、發言人)、各項申訴/檢舉管道、客戶滿意度調查、供應商溝通與稽核、勞資會議等眾多的內部和外部利害關係人的溝通機制，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切議題及時回應。以我們的專業意見而言，這份報告書涵蓋了匯僑設計的回應性議題。
- 衝擊性**
- 匯僑設計已鑑別，並以平衡且有效之量測及揭露方式公正地展現其衝擊。匯僑設計已建立監督、量測、評估及管理衝擊之流程，有助於組織內實現更有效之決策與成果管理。就我們的專業意見而言，本報告涵蓋了匯僑設計的衝擊性議題。


- GRI 永續性報導準則**
- 匯僑設計提供有關依循 GRI 永續性報導準則之自我宣告與相關資料，基於審查的結果，我們確認報告書參照 GRI 永續性報導準則的社會責任與永續發展的相關揭露項目已被揭露、部分揭露或省略。以我們的專業意見而言，此自我宣告涵蓋了匯僑設計的社會責任與永續性主題。

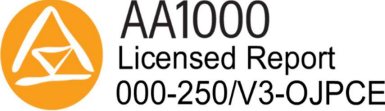
- 保證等級**
- 依據 AA1000 保證標準 v3 及其 2018 年附錄，我們的查證與本聲明書為中度保證等級，如同本聲明書中所描述的範圍與方法。

- 責任**
- 本獨立保證聲明書的意見聲明供匯僑設計使用。我們的責任僅基於所描述的範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

- 能力與獨立性**
- 格瑞驗證為由各管理系統領域的專家組成。本查證團隊係由具專業背景，且接受過 AA1000AS v3、ISO 9001、ISO 14001 與 ISO 45001 之一系列永續發展、環境及社會等管理標準的訓練，具有主導稽核員資格之成員組成。

基於保證團隊之查證行為，並由  
格瑞國際驗證有限公司(中華民國，台灣)於 2024 年 06 月 11 日簽署發行

  
簽證 陳文俊 總經理





**Independent Assurance Statement Based on  
2023 Sustainability Report of RICH HONOUR INTERNATIONAL DESIGNS CO., LTD.**

Statement No.: 2405015

RICH HONOUR INTERNATIONAL DESIGNS CO., LTD. (hereinafter referred to as RICH HONOUR DESIGNS) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2023 sustainability report, GREAT has no financial relationship with RICH HONOUR DESIGNS. The purpose of this independent assurance 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 assurance statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this independent assurance statement.

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

**The Scope of Assurance**

The verification scope of RICH HONOUR DESIGNS and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of RICH HONOUR DESIGNS from January 1, 2023 to December 31, 2023;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of RICH HONOUR DESIGNS's compliance with the AA1000 Accountability Principles (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 2023, 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 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 managers of RICH HONOUR DESIGNS about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview 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 management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

**Conclusion**

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

- **Inclusivity**  
RICH HONOUR DESIGNS has established a process of cooperation with major stakeholders, including shareholders/investors, customers, employees, suppliers/contractors, competent authority and community, etc., and will

launch a series of stakeholder activities in 2023, involving economy, society, environment, corporate governance and a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of RICH HONOUR DESIGNS.

**- Materiality**

The report has stated that RICH HONOUR DESIGNS focuses on environment, society and corporate governance topics, and identified 7 major topics including energy management, occupational health and safety, labor-employer relationship, business secret protection and transaction security, customer relations, regulations compliance and information security, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of RICH HONOUR DESIGNS.

**- Responsiveness**

RICH HONOUR DESIGNS responds to requests and opinions from stakeholders. Implementation methods include establish a complete information disclosure system (company website, public information online reporting system, spokesperson), various complaint/reporting channels, customer satisfaction survey, supplier communication/evaluation, and labor-management meeting, those numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness 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. In terms of our professional opinion, 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. 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 terms of our professional opinion, 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 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

**Responsibility**

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of RICH HONOUR DESIGNS. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide an independent assurance statement for the stakeholders.

**Ability and Independence**

GREAT 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 AA1000 AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

*On behalf of the assurance team JUN. 11<sup>th</sup>, 2024*

**GREAT International Certification Co., Ltd.**

**Taiwan, Republic of China**



Signed by General Manager W. J. Chen



**AA1000**  
Licensed Report  
000-250/V3-OJPCE

**2023**

**匯僑設計永續報告書**

**Rich Honour International Designs Co., Ltd.**

**SUSTAINABILITY REPORT**

