



海天地悅旅集團有限公司

S.A.I. LEISURE GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1832

Environmental, Social and Governance Report 2020





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ABOUT THIS REPORT

S.A.I. Leisure Group Company Limited (hereafter the “**Company**” or “**S.A.I.**”) and its subsidiaries (collectively the “**Group**”, “**we**” or “**our**”) are pleased to publish the environmental, social and governance (“**ESG**”) report (the “**Report**”) of the Group for the year from 1 January 2020 to 31 December 2020 (the “**Reporting Period**” or “**2020**”).

Reporting Scope

The scope of this Report covers the Group’s corporate office in Hong Kong and leisure tourism operations in Saipan, Guam and Hawaii, territories of the United States (“**US**”), under the three business segments of hotels and resorts, luxury travel retail and destination services as follows for the Reporting Period.

Business segment	Entity
Corporate Office	S.A.I. Leisure Group Company Limited
Hotels & Resorts	Asia Pacific Hotels, Inc. <ul style="list-style-type: none">— Fiesta Resort Saipan— Kanoa Resort— Century Hotel Asia Pacific Hotels, Inc. (Guam) <ul style="list-style-type: none">— Fiesta Resort Guam
Luxury Travel Retail	Gemkell (Saipan) Corporation Gemkell Corporation Gemkell U.S.A. LLC
Destination Services	Saipan Adventures, Inc. Century Tours, Inc. Let’s Go Tours Company J&K Marine Sports, Inc.

Reporting Standard

This Report has been prepared in accordance with the “Comply or Explain” provisions of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**HKEX**”). The board of directors has acknowledged its responsibility to oversee the Company’s sustainable development and ensure that appropriate and effective ESG risk management and internal control systems are in place.

The Report is available in English and Chinese. If there is any discrepancy between the English and Chinese versions, the English version shall prevail.

Contact & Feedback

The Group values your feedback and opinion on the Report. Please feel free to contact us by the contact information below:

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ABOUT THE GROUP

Corresponding to our corporate name “S.A.I.”, the Group strives to offer leisure travelers memorable and unique holiday experiences encompassing “Sea, Air and Island”. As one of the leading leisure tourism groups in the Western Pacific Region, the Group has been devoted to providing excellent service and delivering guest delight in all areas of our diversified leisure tourism business since its establishment in 1972.

The Group owns four hotels and resorts in Saipan and Guam under our hotels and resorts segment. Three of our resorts — Fiesta Resort Saipan, Kanoa Resort and Fiesta Resort Guam are full-service, family-style beachfront resorts that offer a wide range of services including food and beverage (“**F&B**”), recreation, meetings, banquets and other hospitality services to our guests. As for Century Hotel, it provides affordable accommodation and F&B targeted at budget travelers as well as business travelers.

The Group entered into hotel management agreements in respect of Fiesta Resort Guam and Fiesta Resort Saipan with IHC Hotel Limited (“**Hotel Manager**”), a wholly-owned subsidiary of InterContinental Hotels Group PLC (“**IHG**”), which commenced in October 2019 and August 2020 respectively. Pursuant to the agreed terms of the hotel management agreements, the Hotel Manager would, among other things, (1) provide hotel management services and manage and operate our resorts from the commencement dates; (2) provide our resorts with access to the worldwide reservation system and loyalty programs administered and operated by the Hotel Manager (or its affiliates) from the commencement dates, and (3) implement the pre-opening program and rebranding program necessary to operationally prepare Fiesta Resort Guam and Fiesta Resort Saipan to be rebranded and operated as “Crowne Plaza Resort Guam” and “Crowne Plaza Resort Saipan”, respectively from the rebranding dates.

Due to the COVID-19 pandemic, Kanoa Resort was selected by the Homeland Security and Emergency Management of the Commonwealth of the Northern Mariana Islands (“**CNMI**”) to support the local government by providing its hotel rooms, facilities and meal services to persons subject to the mandatory quarantine requirements upon their arrival in Saipan since March 2020. As announced on 29 December 2020, the Group has entered into a hotel management agreement in respect of Kanoa Resort with the Hotel Manager which will commence after the termination or expiry of the emergency contract with the local government and the completion of the first phase of the renovation works to be carried out to the hotel. Upon commencement of the hotel management agreement, Kanoa Resort will be rebranded as “voco Resort Saipan”.

With the collaboration with one of the leading international hospitality chains, the Group would be able to expand its customer base while refining our hotels and resorts’ service standards and facilities to achieve our mission of providing excellent service and delivering guest delight. During the course of the pandemic, we expedited the renovation and upgrade works of the hotels and resorts which includes room refurbishment, landscaping upgrade and hospitality enhancement with a view to optimizing guest experience.

Under our luxury travel retail segment, we carry a suite of 9 world-renowned brands, offering a diversified choice from luxurious clothing, leather goods to fashion accessories to our customers. We operate a total of 16 boutiques in Saipan, Guam and Hawaii as of the date of this Report. Our boutiques are each a stand-alone “concept store” housing a single brand.



We offer three affordably priced and popular excursion tours under our destination services segment in Saipan to provide memorable “Sea”, “Air” and “Island” experiences for our guests. The three unique experiences are namely, SeaTouch (a stingray interaction experience), Jetovator (a hydro-powered jetski that propels participants through the air) and Let’s Go (a 4-wheel drive jungle and mountain adventure). Apart from that, the Group also operates three souvenir and amenities stores, two local tour agency offices that offer booking services for third-party and self-operated activities and tours as well as destination-based concierge and travel management services to the travelers in Saipan. We endeavor to optimize the experience of our guests by offering comprehensive one-stop tourism services.

In order to stand out among the competitors in the market and remain resilient amid rapidly changing dynamics, we are committed to abide by eight corporate values as illustrated below to shoulder our environmental, social and governance responsibilities.



STAKEHOLDER ENGAGEMENT

Being open-minded to accept insights and opinions from our stakeholders is pivotal in developing sustainable strategies for the Group’s day-to-day operations. To facilitate the communication process with our valuable stakeholders, various communication channels are established for them to express their concerns and expectations regularly in relevance to our business operation and sustainable management.

Stakeholder groups	Communication channels	Areas of concern
Investors and shareholders	<ul style="list-style-type: none"> • Company website • Company's announcements 	<ul style="list-style-type: none"> • Business performance • Business integrity • Compliance status • ESG management
Customers	<ul style="list-style-type: none"> • Company website • Websites of each hotel and the excursion tours • Customer direct communication • Customer feedback and complaints 	<ul style="list-style-type: none"> • Quality of service & products
Employees	<ul style="list-style-type: none"> • Training and orientation • Email and opinion box • Regular meetings • Employee performance evaluation • Employee activities 	<ul style="list-style-type: none"> • Career development • Training • Remuneration & benefits • Labour rights • Health & safety
Suppliers and business partners	<ul style="list-style-type: none"> • Procurement process • Regular communication with business partners (e.g. email, meetings, on-site visit etc.) 	<ul style="list-style-type: none"> • Procurement standard • Supply chain management
Government authorities and regulators	<ul style="list-style-type: none"> • Documented information submission • Compliance inspections and checks • Regular meetings/luncheons with local government representatives • Forums, conferences and workshops 	<ul style="list-style-type: none"> • Compliance status • Report & document submission • License registration
Non-governmental organizations	<ul style="list-style-type: none"> • Email • Phone calls • Charity donations and voluntary services 	<ul style="list-style-type: none"> • Labour rights • Environmental protection
Communities	<ul style="list-style-type: none"> • Company website • Community activities 	<ul style="list-style-type: none"> • Community investment • Environmental protection
Media	<ul style="list-style-type: none"> • Company website • Company's announcements • Social networking platforms 	<ul style="list-style-type: none"> • Compliance status • Environmental protection • Labour rights • Business integrity

MATERIALITY ASSESSMENT

We entrusted an independent consultant to conduct a materiality assessment for identifying material ESG concerns related to our business development. Our internal and external stakeholders were invited to participate in the online questionnaire by scoring twenty-seven ESG topics covering areas on environmental protection, community investment, operational practices and employment.

Based on the materiality of each of the ESG issues expressed by our stakeholders, the ESG issues are prioritized and presented in the materiality matrix below:



Environment		Employment		Operation	
1	Air emission	9	Labour rights	18	Customer satisfaction
2	Greenhouse gas emission	10	Labour management relations	19	Customer service quality and complaints handling
3	Climate change	11	Employee retention	20	Customer health and safety
4	Energy efficiency	12	Diversity and equal opportunity	21	Marketing and product and service labelling compliance
5	Water and effluents	13	Non-discrimination	22	Intellectual property
6	Use of materials	14	Occupational health and safety	23	Customer privacy and data protection
7	Waste management	15	Employee training	24	Responsible supply chain management
8	Environmental compliance	16	Employee development	25	Business ethics
		17	Prevention of child and forced labour	26	Socio-economic compliance
				Community	
				27	Community support

For better strategic planning and resource allocation, we prioritized the ESG topics into three categories: high, medium and low. The issues which fell in the upper right corner of the matrix were defined as the topics that matter most on the Group's business operation and are most concerned by our stakeholders. Going forward, we will continue to improve our ESG performance, governance and policies.

CORPORATE GOVERNANCE

The Company was incorporated in the Cayman Islands with limited liability and was listed on the Main Board of the HKEX on 16 May 2019. We are governed by the Corporate Governance Code set out in Appendix 14 of the Listing Rules. For more information on our directors and governance structures, please refer to our Corporate Governance Report on pages 42 to 56 of our 2020 Annual Report.

CARE FOR OUR EMPLOYEES

As a responsible employer, the Group never hesitates to take up the responsibility to foster a healthy and harmonious working environment for our people. We firmly abide by the statutory employment laws and regulations of the regions where our operations locate, including but not limited to the Federal Fair Labor Standards Act, the Guam Minimum Wage and Hour Act, the Family and Medical Leave Act, the Guam Child School-Related Leave Act, Worker's Compensation Law of Guam, the Commonwealth Workers' Compensation Law, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Equal Pay Act of 1963 and the Pregnancy Discrimination Act of 1978.

Equal and Diversified Workplace

An inclusive and conducive working environment plays a pivotal role in maintaining the relationship with employees. As such, the Group has adopted a zero-tolerance approach against any forms of discrimination and harassment. All employees and job applicants are treated equally, regardless of race, sex, marital status, pregnancy, disability status or other forms of difference that are unrelated to the job requirements. All decisions on recruitment, promotion, performance evaluation and salary adjustment are made solely based on employees' qualifications, experiences and capabilities.

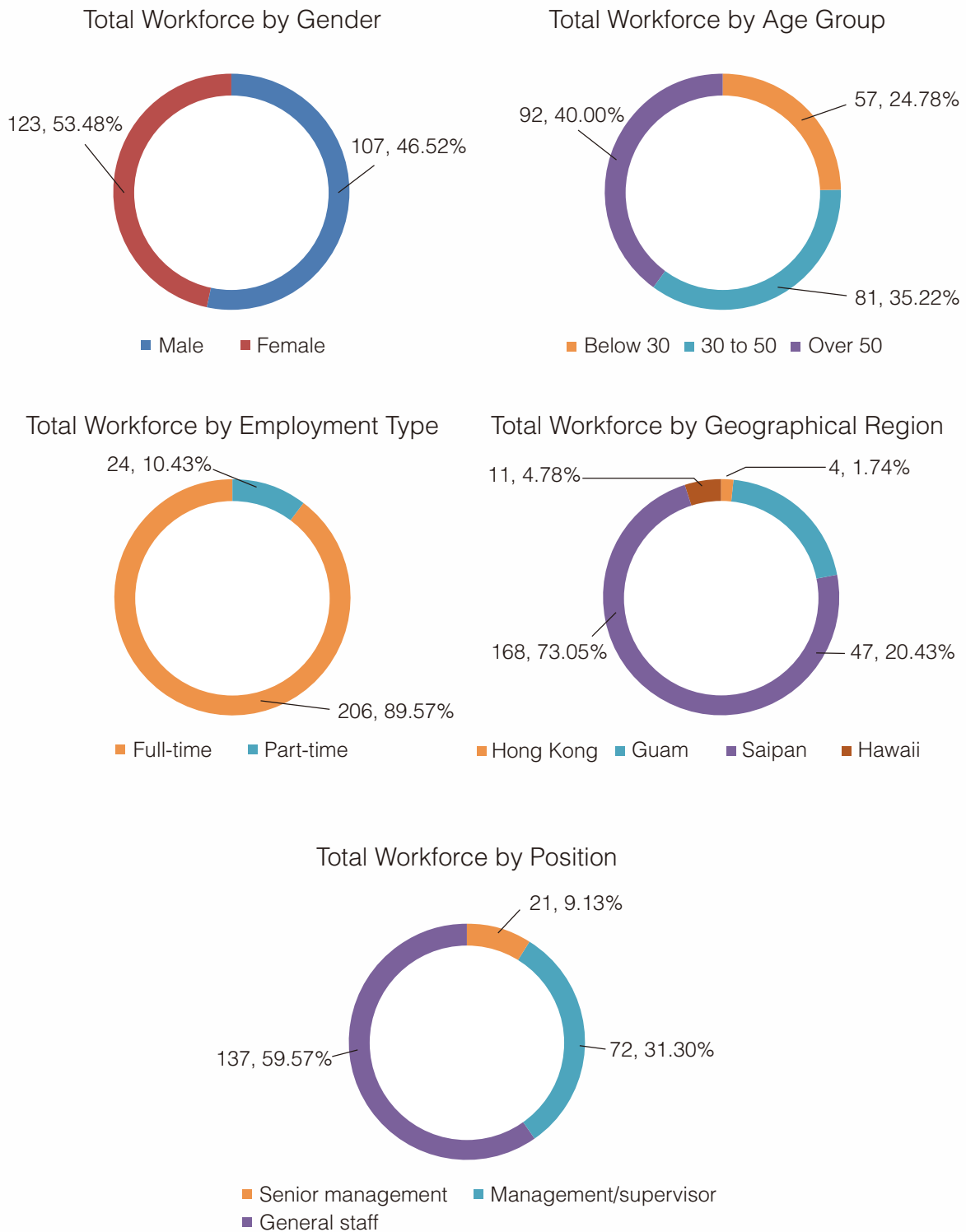
As stipulated in the Employee Handbook, all employees are expected to respect each other. The code of conduct requirements endorsed by each employee and separate company memorandum was issued to inform the employees that workplace gossip is considered as a misconduct action and would result in discipline actions. In the event of encountering unfair treatment, employees are encouraged to promptly report the incident to us. The Group is committed to investigating the cases and taking remedial actions in a fair manner. Violators disobeying the Group's anti-discrimination and anti-harassment policy are subject to immediate and appropriate disciplinary actions. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to equal opportunity, diversity and anti-discrimination in Hong Kong, Saipan, Guam and Hawaii.

As one of the leading tourism groups in the Western Pacific Region, the Group supports cultural diversity and gender and age equality to fulfil our long-term corporate responsibility. As at 31 December 2020, the total number of employees of the Group was 230¹. Out of which, 53.48% of our workforce was male and 46.52% of our workforce was female. Employees aged between 30 and 50 accounted for 35.22% of our total workforce whilst employees aged below 30 and above 50 represented 24.78% and 40.00% respectively. Our employees were located in different locations, including Saipan (73.05%), Guam (20.43%), Hawaii (4.78%) and Hong Kong (1.74%). During the

¹ The total number of employees includes full-time and part-time employees working in Hong Kong, Saipan, Guam, and Hawaii as at 31 December 2020.

Reporting Period, the Group has undergone a mass layoff of staff as part of our cost-saving measures to mitigate the negative impact of the COVID-19 pandemic and thus, the turnover rate of the Group was higher when compared to that of 2019.

The information of our total workforce and turnover rate by different categories is illustrated below:



Employee turnover rate ²		% in 2020	% in 2019
Total		285.22	38.27
By gender	Male	311.21	31.86
	Female	262.60	33.01
By age group	Below 30	314.04	54.17
	30 to 50	297.53	33.01
	Over 50	256.52	15.77
By geographical region	Hong Kong	25.00	0.00
	Saipan	455.32	32.78
	Guam	252.38	32.94
	Hawaii	154.55	25.93

Employment Practices

Deeply aware of the fact that employees play a pivotal role in the Group's business development, the Group has well defined human resources policies on recruitment and selection, employment remuneration and benefits, employee codes of conducts, performance appraisal, promotion and termination etc.. The policies are strictly implemented to safeguard the employees' rights as well as specified their obligations. The Group advocates work-life balance; thus, we have set a fixed working hour and working overtime is not encouraged. Approval from immediate superior or department manager is required for overtime work and overtime compensation pursuant to applicable laws will be granted.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, or other benefits and welfare in Hong Kong, Saipan, Guam and Hawaii.

Hotels and Resorts

All the full-time employees in our hotels and resorts segment are entitled to paid leaves (including statutory holidays, vacation leave, sick leave, bereavement leave, jury or witness duty leave, voting leave, family and medical leave, military leave and major disaster volunteer leave) and insurances (including workers' compensation insurance, life insurance plan, health insurance and retirement plan). In addition, one free duty meal per day in the staff canteen during scheduled meal breaks is offered.

Luxury Travel Retail & Destination Services

In our luxury travel retail segment and destination services segment, the Group offers paid leaves (including statutory holidays, vacation leave, sick leave, and maternity/paternity leave), and insurances (including medical insurance, workers' compensation insurance, retirement plan, life insurance pursuant to applicable laws) to our full-time employees.

² The turnover rate is calculated by dividing the employees in the specified category leaving employment by the total number of employees in such specified category.



Safe and Healthy Workplace

We are devoted to providing a safe and healthy working environment for our employees as they are the Group's most precious assets. With regard to the harmful effects of cigarettes, drug and alcohol, the Group has implemented a stringent anti-smoking and drug and alcohol-free policy to forbid employees to consume those products within the office premises so as to protect their health. Apart from the above, workplace hygiene is also one of the key factors for maintaining workplace safety; a gum and betel nut chewing policy has been formulated to reduce the potential risks of spreading contagious diseases and other occupational hazards, such as choking, trip and slip.

The Group has complied with all relevant laws and regulations, including but not limited to the Occupational Safety and Health Administration ("**OSHA**") Health Act of 1970 and the OSHA Hazard Communication Standard in the US. During the Reporting Period, there were no work-related fatalities but there were 6 lost days due to employees' work injuries. In addition, the Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards in Hong Kong, Saipan, Guam and Hawaii.

Hotels and Resorts

We strive to protect the health of both our employees and our guests. As such, our hotels and resorts segment has endorsed a Safety and Health Program to govern a wide range of occupational safety and health ("**OSH**") matters, such as safety training, on-site inspection, hazard identification and communication. Under the program, the Safety and Health Committee led by the hotel General Manager is responsible for the drafting, implementation and management of the OSH policies as well as reviewing and analyzing statistical data, records and reports of safety matters. The committee conducts monthly meetings to discuss the OSH matters in respect of our hotels and resorts premises and has assigned a safety coordinator (the "**Safety Coordinator**") to perform routine inspections.

For hazard identification, the Safety Coordinator uses the comprehensive Safety Inspection Checklist (a checklist tailor-made for the hospitality industry) to conduct quarterly inspections. The inspection covers a wide range of aspects including but not limited to the allocation and conditions of safety equipment, the adequacy of safety measures of the work site, the hygiene condition of the workplace, the availability and condition of personal protective equipment and the storage arrangement of hazardous materials. Furthermore, an OSHA inspection policy is in place and act as a reference for the Safety Coordinator to facilitate and identify appropriate corrective action with the aim to ensure proper implementation of the safety policies and procedures as well as strict compliance with all OSHA standards. Specifically, for food-handling employees, they are required to obtain/renew their health and food handler certificates on an annual basis to ensure they have acquired all necessary knowledge to handle food in a hygienic way.

To raise the OSH awareness of employees, a Safety Education and Training Program is in place to offer safety trainings on OSH matters, such as general safety guidelines, chemical storage and handling, incident reporting, hazard communication, hazardous material spill response, bloodborne pathogens, personal protective equipment requirements, emergency procedures and job-specific hazards. Besides, we organize training on the proper way of using safety equipment to equip the staff with the skills for emergency occasions. In 2020, our hotels and resorts organized a portable fire extinguisher training to teach our employees the proper way of using such equipment.



Portable Fire Extinguisher Training

Workplace Safety Under COVID-19 Pandemic

During the COVID-19 pandemic in 2020, the hotels and resorts segment of the Group conducted safety briefings in respect of the protocols and personal protective measures for COVID-19. Staff were reminded to put on their face masks at all times to avoid viral transmission and prevent any asymptomatic spread. In addition, information such as COVID-19 vaccination and preventative measures at workplace was delivered to employees through training sessions and videos to raise their awareness of the disease as well as personal health protection. The Company encouraged and facilitated our staff to get vaccinated when the vaccines became available in Saipan and Guam. We strive to take all measures necessary to protect our staff from the spread of COVID-19..



Safety Briefing



COVID-19 Prevention Video

Luxury Travel Retail

The Group adopts the security and safety policies and procedures as well as emergency policies and procedures stipulated in the Tenants' Handbooks provided by our landlords in the luxury travel retail segment. All employees are required to read the handbooks to prepare themselves for any unpredictable situations such as fire and robbery.

Destination Services

Our business units under the destination services segment have endorsed their own Emergency Contingency Plan based on the possible emergency situations such as natural disaster, car accident, food poisoning, robberies and hazardous material spills to provide guidance to our staff. Training on different emergency contingency plans is part of the new employee orientation program to ensure the new employee is able to follow the policies and procedures under emergency situations.

A Harmonious Workplace

Two-way communication between employees and management is pivotal to maintaining a harmonious workplace. The Group has endorsed an open-door policy that all employees are welcome to discuss their concerns or issues encountered in the workplace with their corresponding supervisors and department managers. They can also express their opinions or complaints through the employee suggestion box anonymously.

We have organized various activities to build mutual trust and boost the team spirit among the employees. During the Reporting Period, recreational and team building activities such as sports tournament, monthly employee birthday party, year-end appreciation party and Christmas party were organized to enable our employees to relax from work and spend quality time together.



Men's Basketball Team



Employee Birthday Party



2020 Year-end Appreciation Party



Women's Volleyball Team



Christmas Party

Labor Standards

As a socially responsible corporation, the Group firmly upholds the applicable laws and regulations regarding child and forced labor prevention including but not limited to the Fair Labor Standards Act and the Guam Minimum Wage and Hour Act. All of our employees have to sign a formal employment contract to make sure they are working on a voluntary basis and being protected by a legally-binding contract. In addition, new employee orientation with details on labor rights is offered to newcomers. We also review our employment practices in a timely manner to ensure the workplace is free from any form of child and forced labor. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to child and forced labor in Hong Kong, Saipan, Guam and Hawaii.

Training and Development

The success of the Group is associated with the competency of our employees. In order to stay competitive in the industry, we endeavor to unleash our employees' talents through various career development programs and training. During the Reporting Period, we have organized a total of 1,004.75 hours of training for our employees and the average training hour per employee was 4.37 hours.

2020

Total number of hours of training received by employees	1,004.75
Average hours of training per employee and percentage (%) of employees who received training	4.37 (75.65%)

By gender

Female	4.39 (71.54%)
Male	4.34 (80.37%)

By employment category

Senior management	8.29 (61.90%)
Management/supervisor	6.55 (75.00%)
General staff	2.62 (78.10%)



Training on Public Speaking



Safety Training



Training on Product Knowledge



Training on Computer Competency

Hotels and Resorts

The Group continues to value our employees and encourages our employees to seek for continuous development. Training and development policy has been established in our hotels and resorts segment to provide guidelines on employees' career and personal development. An orientation program was designed and coordinated by the Human Resources Department to acquaint all newcomers with basic information in respect of the Company history, the Company's core values, business philosophy, in-house policies and procedures and employee benefits. In addition, a compulsory ninety-day training program is organized for all new employees (including those that have been rehired, promoted or transferred) at the beginning of their employment to prepare them for their job duties.

A wide range of universal focused training programs covering topics such as equal employment opportunity, customer service, time management and workplace hygiene are also provided for our employees. Nevertheless, trainings on various skills such as housekeeping, front desk and kitchen skills are offered based on the job duties and capabilities of employees. The effectiveness of the training programs is assessed and reviewed periodically based on the performance of our employees. The Group strives to optimize the quality of the training contents and thus improve the service standard of our hotels and resorts.

To assess the potential and develop the talent of our employees, performance appraisal is in place to evaluate the performance of the staff regularly. Throughout the performance appraisal, employees are to communicate with their superiors on challenges and areas of improvement in relation to their job responsibilities. They could also receive constructive and practical advice from their superior and department manager for further development in their career path as well as unleashing their potentials.

Luxury Travel Retail

Similarly, our luxury travel retail segment offers orientation training for new hires to get them ready for their daily duties. Apart from the Company history, the Company's core values, in-house policies and procedures, employee rights and obligations, each international brand boutique has their very own tailor-made orientation program, which introduces the international brand, the product information and sales techniques. Role play sessions are also arranged to simulate possible situations that the staff might encounter during their daily work to enhance their resilience.

During the introductory period (i.e. the first ninety days of employment), the performance and capabilities of the new employees are evaluated by the management. After the introductory period, employees are evaluated on an annual basis, management could observe and analyze the personality and talent of the employee, construct an appropriate career path and provide guidance on their personal development.





Destination Services

In order to differentiate ourselves among other market competitors, we aim to maintain the high service standard of our destination services. We adopt a career-focused training approach which requires our tour guides and the staff of our excursion tours to refresh their knowledge, improve their skill sets and keep up with the latest market trend by attending relevant training courses. For instance, it is compulsory that all tour guides hold a valid qualified tour guide certification in order to renew their employment contracts. Furthermore, for all jetovator operators, they must demonstrate excellent swimming skills in their past working experiences so as to be hired or to renew their employment contracts. The Group encourages the continuous development of employees and will subsidize the employees for external job-related courses such as first aid course and lifeguard qualification course.

SERVICE AND PRODUCT RESPONSIBILITY

In the leisure tourism industry, tour uniqueness, sales services and customer satisfaction are the key factors in determining business success. Hence, the Group spares no effort in gaining customer loyalty as well as maintaining our competitive position in the Saipan, Guam and Hawaii markets.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to safety and health, advertising, labelling and privacy matters relating to products and services provided in Hong Kong, Saipan, Guam and Hawaii.

Service Excellence

Hotels and Resorts

The Group's ultimate mission is to create a remarkable and pleasant experience for our valuable customers; thus, a customer-oriented approach is endorsed to deliver memorable and attentive services to our guests. As stipulated in the Employee Handbook, we expect our staff to be professional and patient when attending to the needs of our guests. Customer service guidelines regarding greetings, telephone etiquettes and customer care have been established to standardize our service at an excellent level, offering warm and sincere hospitality to enhance customer satisfaction.

F&B service is one of the main components of our hotels and resorts and we strongly emphasize food safety. The Group firmly upholds the applicable laws and regulations in our operating regions such as the Guam Food Code in Guam and the Food Handlers Rules and Regulations in Saipan. Nevertheless, a series of stringent work attire policy has been put in place to manage the personal hygiene of our F&B employees. Kitchen staff must wear hairnets and are forbidden to wear makeup, nail polish and accessories during working hours. It is also compulsory for F&B staff to attend related training courses and obtain valid food handler's certificate under the local statutory requirements.

Apart from food safety, we are dedicated to providing a comfortable environment for all guests. Despite having certain designated outdoor smoking areas that offer flexibility to our smoking hotel guests, our hotels are non-smoking hotels and we strive to provide a smoke-free environment for our hotel guests. Under the policy, we have implemented different measures including but not limited to displaying "No Smoking" signs, removing ashtrays and requesting guests to refrain from smoking within the prohibited areas.

Continuous improvement over time enhances customer satisfaction and loyalty. The Group therefore takes all constructive suggestions and comments from our guests seriously and we seek to refine the hotel services in a timely manner as well as to demonstrate our attentiveness to guest feedbacks through our structured customer complaint handling procedure. In addition, on-the-job training and refresher training are organized regularly to allow employees to provide prompt and professional service to all guests and to perform job duties efficiently.

Luxury Travel Retail

The Group is devoted to delivering our customers a high-end and pleasant shopping experience in our boutiques. As such, we have a consistent orientation and on-the-job training program covering customer service standards and etiquettes to guide our newly hired sales associates to provide professional, responsive and sincere assistance to our customers. Unique branding strategies and product knowledge on each international brand are also covered in the program to enhance the knowledge of the sales associates regarding the corresponding brand. In addition, all our retail staff must follow the personal appearance codes and dress in accordance with the standards as stipulated in the franchise and distribution agreements between the Group and the relevant brands.

Under normal circumstances, no refund, returns and exchanges are allowed after the sales transactions are completed and the merchandises have left our boutiques. However, should the customers identify any issues with the purchased merchandise that is qualified as “defective” under the refund and return policy formulated by designated brand, they can request for a refund. Nevertheless, returns and exchanges are not common under the luxury travel retail segment as our customers are mostly leisure travelers to Saipan, Guam and Hawaii on a short vacation. We follow the guidelines formulated by the international brands when handling customer complaints in our luxury travel retail segment.

Destination Services

The Group strives to ensure the safety of our customers and staff when they are participating in the excursion tours operated under our destination services segment. For marine activities, the Group has incorporated the Marine Operator Handbook (issued under the joint effort of the Division of Coastal Resources Management (“**CRM**”), Department of Fish and Wildlife and the US Coast Guard) into our employee training program to ensure the guidelines are well-understood, complied with and implemented by our marine activities operators. The Water Sports Safe Operation Procedures outlining the safety procedures and emergency plans of the Group’s excursion tours is also implemented to mitigate potential risks to the safety of our employees and customers.

A pre-operation meeting is in place on daily basis for the management and captains to review weather reports and tide charts to evaluate the suitability of daily activities operation. Before the start of the daily activities, equipment check is in place to ensure the machines including but not limited to the boats, the 4-wheel trucks and jetovators are functioned properly. Besides, safety equipment checks are also in place to ensure that the safety equipment allocated to each boat (including but not limited to spare kill cord, flair gun, whistles, life vests) are available in case of emergency.



Before the commencement of each excursion tour, a safety briefing is conducted by instructors or tour guides to ensure the participants fully understand and strictly follow the safety rules. All participants must sign a waiver to accept the potential risks, legal liabilities and insurance indemnity arising from the recreational activities. Besides, each guest is provided with personal protective equipment including helmets and lifejackets and the instructor must check that the equipment is properly worn before the activity starts.

To assure the service quality of our tours, all of our tour guides are required to be knowledgeable on the attractions and demonstrate excellent communication skills by acquiring the tour guide certification issued by the Marianas Visitors Authority (“**MVA**”). They are also expected to welcome guests in a warm and sincere manner and strictly comply with the safety policies and procedures at all times. In the course of participating in activities, it is also the tour guides’ responsibility to ensure the participants can fulfil the minimum requirements (e.g. age, height and weight) for each activity.

It is of utmost importance to strive for consistent service excellence in the customer-oriented destination services industry. A customer satisfaction evaluation form will be distributed to our customers after the tours in order to better understand the customers’ needs and expectations on the products and services provided. In the event of receiving complaints, all employees are required to strictly follow the established customer complaint management procedure. Investigation will be conducted to identify the cause(s) of the case(s) before taking prompt actions to resolve the complaint(s). We will proactively contact the complainant to update and resolve the complaint to the customers’ satisfaction.

Customer Privacy Protection

In our normal course of business, we will collect confidential and personal information from our customers. With the increasing popularity of internet transactions, it is crucial for the Group to safeguard customer information and data privacy. Various measures have been taken in different segments of the Group to mitigate any potential leakage of customer information.

Hotels and Resorts

In our hotels and resorts segment, certain personal information of our guests including but not limited to their personal identity documents, home address and debit or credit card information are required for online accommodation booking, check-in as well as in-house dining. The Group has established a series of clear and well-explained Customer Privacy Policy which aligns with the local data privacy laws and regulations in the CNMI and Guam. The policy is published on the official websites of our hotels and resorts and can be accessed by all hotel guests and internet users. Furthermore, the procedures and guidelines in respect of the handling of customer data are clearly explained to all hotel staff. This is to ensure every staff takes up the responsibilities to keep the customer data secure and understand they can only access and process those data solely for the purpose of our operations.

Our Customer Privacy Policy provides the categories of information being collected by lawful and fair means, which are necessary for us to understand customer preferences and expectations. Such information and data are essential for the hotel management to assess the effectiveness of our existing business strategies, the feasibility of new business opportunities and to fine tune our existing services to our target customers. Customers have the option to leave their contact information for follow up purpose.

Having a solid Information Technology security system is also essential for protecting customer information from leakage and misuse; thus, the Group has been paying effort to enhance cyber security especially aiming to reduce credit card theft and fraud. Fiesta Resort Guam, one of our resorts, is accredited for its compliance with the Payment Card Industry Data Security Standards. The accreditation demonstrates our capability in protecting confidential customer information.

In order to implement a comprehensive cyber security system, all hotel guests are reminded to take sound security measures such as activation of firewall and adoption of security software when using the complimentary Wi-Fi access provided by our hotels and resorts. The hotel guests are not encouraged to transmit or access sensitive personal information over the Wi-Fi network. In the event of any loss, theft or unauthorized disclosure or use of the customer personal information, the hotel guests are required to immediately report to the hotel General Manager for investigation and remedial actions, if any.

Luxury Travel Retail & Destination Services

Employees in the luxury travel retail segment and destination services segment are exposed to customer personal information including but not limited to personal identity information as well as debit or credit card information during the normal course of business. For better management of the information collection, usage and storage, relevant internal procedures are stipulated in the Employee Handbook. Same as the policies and procedures stipulated for the hotels & resorts segment, all customer information is solely used for the provision of service and marketing communication, and customers have the option to state their own preference. All employees must abide by the corporate confidentiality policy as well as their obligations as governed by the Employee Handbook. Any unauthorized transfer or use of customer information is strictly prohibited.

Marketing Advertisement and Labelling

Hotels and Resorts & Destination Services

In order to provide different options to our hotel guests and enrich their stay in our hotels, we have made good use of advertisement to promote various restaurants and travel agency offices (offering a wide range of excursion tours and other travel products and services) located within our hotel premises. On the other hand, in order to promote our luxury travel retail boutiques, the Group has placed advertisement on billboards, light boxes, television programs and magazines within the premises of our hotels and resorts. Furthermore, we have been working with the online travel agents and search engines to promote the Group's travel products and services.

It is the Group's corporate responsibility to ensure our customers are getting accurate information of our products and services through our advertisements. The Group firmly complies with the applicable federal and local laws, regulations and trade practices and makes sure all of the information (e.g. the hotel information including but not limited to room types, amenities, restaurants and other featured services) published in the advertisements and promotion brochures or materials are correct and unbiased.

Luxury Travel Retail

All marketing communication and advertising practices of the international brands are clearly specified in the franchise and distribution agreements between the Group and the international brands. The Group must strictly follow the agreed practices on various aspects such as the boutique design and the organization of promotion campaigns. Local advertising plans must be made in

accordance with the standardized specifications and prior written approval must be obtained from the international brands before launching of any promotion events. Also, all materials in relation to advertising and promotion activities must fulfill the fashion style requirements of the international brands.

Business Ethics

Reputation is always crucial to the success of a company. The Group is devoted to upholding the highest level of business integrity to be trustworthy to our employees and stakeholders. With the commitment in embedding the principles of openness, probity and accountability into our core value, a zero-tolerance approach is adopted against all fraudulent and dishonest activities including bribery, extortion, fraud and money laundering.

A Fraud Policy is formulated to define management procedures for misconduct. To ensure all employees have full knowledge of the policy, it is not only stipulated in the Employee Handbook, but also circulated to all existing and new employees through employee orientation. As governed by the policy, it is strictly forbidden for all staff to accept gifts or other forms of benefits from our existing and potential business partners to ensure the independence of our employees when carrying out their routine job duties. The policy does not only apply to our directors and employees, but also extends to our contractors.

In case of any suspected violations of the policy, a whistleblowing system is in place for our employees at all levels and divisions to raise their concerns towards the possible malpractice. Employees can report suspected case(s) by submitting the whistleblowing report to the Company Secretary, the board of directors or the chairman of the audit committee directly. The identity of the whistleblower and information reported is kept confidential to prevent jeopardy of the investigation and retaliation to the whistleblower. Subject to the nature and complexity of the case(s), investigation outcome is expected to be provided after 3 months of the report. Once the case(s) is confirmed, violator(s) will be subjected to disciplinary actions. The detailed investigation procedures of suspected case(s) are illustrated in the figure below:



During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering in Hong Kong, Saipan, Guam and Hawaii. In addition, there was no legal case regarding corrupt practices brought against the Group or our employees during the Reporting Period.

Supply Chain Management

Proper supply chain management can mitigate the Group's operational risks. As such, the Group aims at enhancing our relevant policy and procedures to maintain a long-term and stable relationship with our suppliers. During the Reporting Period, the Group has collaborated with a total of 1,062 suppliers from Europe, the US and Asia. Approximately 70% of the Group's suppliers are utilities and F&B suppliers for our hotels and resorts.

Geographical region	Number of suppliers
Saipan	665
Guam	222
US	126
Hong Kong	11
France	9
Mainland China	6
Japan	5
South Korea	4
Australia	3
Philippines	2
Singapore	2
Switzerland	2
Belgium	1
Germany	1
Italy	1
Malaysia	1
UK	1
Total	1,062

A standardized Procurement Manual is endorsed to provide guidance and controls over the procurement and the payment management process across the Group. Different business segments can tailor-made their own procurement management system by adding relevant details to the manual.

As governed by the manual, new suppliers must go through a stringent selection process to evaluate their capability and qualification before they are approved to be listed in our suppliers database. Each supplier should provide its background information, financial stability proof, past compliance records on product and service provision as well as latest statutory documents such as business license, Taxpayer Identification Number and Certification for the Company's procurement team to review and evaluate. Suppliers who can fulfill all statutory standards and are in line with the Group's values and prerequisite requirements will be approved as our formal suppliers.

Annually, the procurement team will evaluate and assess the suppliers listed in our suppliers database with reference to certain measurable key performance indicators, including but not limited to 1) the number of flawed products returned, 2) the number of wrong products received, 3) the frequency of late delivery; and 4) competitive product price. The aforesaid indicators are adopted for measuring the suppliers' on-going performance on products and service quality, operational compliance as well as efficiency. The Group would terminate the business contract with the suppliers who have repeatedly failed to keep up with the statutory standards and the Group's values and requirements. Apart from supplier management, the Group's procurement cycle is also well-managed according to the procurement manual. Procedures from preparing formal purchase requisition and formal purchase order to finalizing purchase agreement are outlined for the relevant procurement personnel to follow.

On the other hand, the Group's values on business ethics extends to our suppliers in order to promote virtuous competition among suppliers. Suppliers are forbidden to offer and/or receive any benefits including but not limited to money, gift and entertainment for personal advantages.

For our luxury travel retail segment, the Group directly places orders to the international brands and/or the authorized suppliers licensed by the franchisors. All procurement procedures and boutique operations are restricted by the franchise and distribution agreements as well as our internal procurement policy. Regular evaluation on the merchandise offering, background and competitive landscape is in place to secure our compliance with the terms under the existing franchise and distribution agreements. Before collaboration with a new franchisor, we will entrust a legal adviser to review the franchise and distribution agreement and identify any potential legal issues. In case consent from our existing franchisor(s) are required to be obtained, we will ensure that such consent is obtained before entering into a new franchise and distribution agreement.

ENVIRONMENTAL SUSTAINABILITY

Preserving the healthy and rich biodiversity in Saipan and Guam is essential for the Group's long-term business development and growth; thus, the Group spares no efforts in protecting the natural environment at the regions where we operate. We endeavor to minimize our environmental footprint via reducing emissions as well as optimizing our use of energy and resources throughout our day-to-day operations.

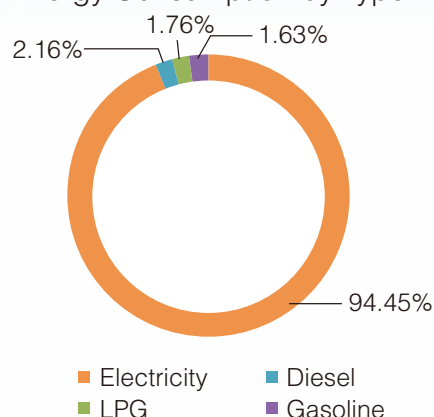
During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas ("**GHG**") emissions, discharges into water and land, generation of waste and use of resources in Hong Kong, Saipan, Guam and Hawaii.

Energy Efficiency and GHG Emissions

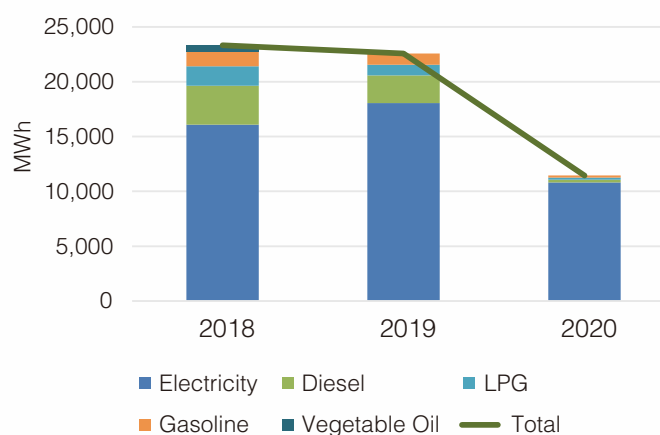
The Group closely monitors the GHG emissions to ensure compliance with local government emissions standards. Regular evaluation is also in place for enhancing our GHG emissions control measures. In 2020, our energy consumption mainly came from the fuel combustion of gensets, stoves and vehicles together with the electricity purchased for our three business segments. During the Reporting Period, a total of 11,442.54 MWh of energy was consumed, with an intensity of 0.28 MWh per USD'000 sales. Compared to 2019, there is a reduction of 49.33% in energy consumption, which was mainly attributed to the decreased travel demand as well as temporary closure of some of our business operations during the COVID-19 pandemic.

Types of energy	Units	2020	2019	2018
Total energy consumption	MWh	11,442.54	22,582.47	23,329.36
Total energy intensity	MWh per USD'000 sales	0.28	0.23	0.23
Direct energy consumption	MWh	634.89	4,535.39	7,252.43
— Diesel	MWh	246.87	2,537.35	3,565.21
— Liquefied petroleum gas (" LPG ")	MWh	202.00	960.29	1,768.49
— Gasoline	MWh	186.02	1,037.75	1,343.82
— Vegetable oil	MWh	—	—	574.91
Indirect energy consumption	MWh	10,807.65	18,047.08	16,076.93
— Purchased electricity	MWh	10,807.65	18,047.08	16,076.93

Energy Consumption by Type



Energy Consumption in the Past 3 Years

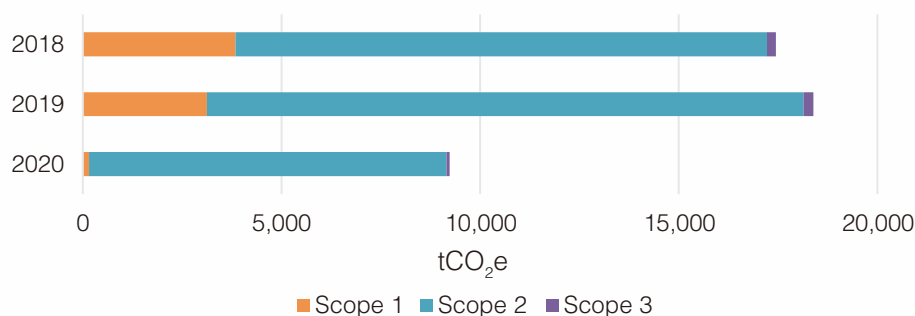


Proper energy management helps reduce the Group's GHG emissions as well as carbon footprint. Hence, we encourage our employees to take up their responsibilities in implementing the energy-saving practices illustrated in the Minimizing Use of Energy and Resources section below in their daily duties.

During the Reporting Period, the Group emitted a total of 9,232.96 tCO₂e of GHG, with an intensity of 0.23 tCO₂e per USD'000 sales. Compared to 2019, 49.80% reduction of the total GHG emissions in 2020 was observed due to the lower energy consumption resulted from the temporary closure of some of our business operations during the COVID-19 pandemic.

GHG emissions	Units	2020	2019	2018
Scope 1 ³	tCO ₂ e	157.44	3,121.91	3,839.62
Scope 2 ⁴	tCO ₂ e	8,996.09	15,018.31	13,379.15
Scope 3 ⁵	tCO ₂ e	79.43	250.66	230.30
Total GHG emission	tCO ₂ e	9,232.96	18,390.88	17,449.07
Intensity	tCO ₂ e per USD'000 sales	0.23	0.19	0.17

GHG Emissions in the Past 3 Years



- ³ Scope 1 represents direct GHG emissions generated by the use of refrigerant and fuels for stationary and mobile sources.
- ⁴ Scope 2 represents energy indirect GHG emissions generated by the use of purchased electricity from local power companies.
- ⁵ Scope 3 represents other indirect emissions generated by business air travel of employees.

Waste Management

The Group has implemented different measures in accordance with the business nature of our three business segments to achieve proper waste management. For our hotels and resorts segment, the major types of waste during the Reporting Period are food waste, waste cooking oil, construction waste and waste paper. We generally adopt a reuse approach for the food waste from our F&B section. Our hotels and resorts segment collaborated with the local piggery companies to provide food waste for pig feeding, which optimizes the use of resources as well as reducing the waste to be sent to landfills. In addition, the concept of “First In, First Out” is duly implemented among the F&B teams. In other words, all food ingredients and products purchased first will be used first to eliminate unnecessary food loss. All of the other wastes are properly collected and handed to licensed waste collectors for further handling with approved operation permit such as Used Oil Transporter/ Collection Aggregation Operation Permit issued by the local authority.

For our luxury travel retail and destination services segments, the dominant categories of waste generated in 2020 were domestic waste while a small amount of hazardous waste (i.e. toner cartridges) was produced. All of the domestic waste is properly contained before being collected by appointed waste company or directly disposed to designated waste collection points or transfer stations. To minimize our environmental footprint, we entrust a qualified third party to collect our empty toner cartridges for recycling.

During the Reporting Period, the Group generated a total of 0.01 tonnes of hazardous waste and 910.65 tonnes of non-hazardous waste. The increment of non-hazardous waste was attributed to the increased construction waste generated from the renovation and upgrade works of our two hotels.

Types of waste	Units	2020	2019	2018
Hazardous waste ⁶	tonne	0.01	0.04	0.37
Intensity	tonne per USD'000 sales	0.000001	0.000001	0.000001
Non-hazardous waste ⁷	tonne	910.65	173.03	168.89
Intensity	tonne per USD'000 sales	0.030	0.003	0.003

Air Emission

Among all of our business segments, the dominant sources of air emission are vehicle fuel combustion and gaseous fuel consumption by cooking facilities. With a view to further cut down our environmental impact, we opt for fuel with less emissions for our fuel-driven stationary plants, vehicles and equipment. For cooking fume emission, control equipment such as grease filter and hydrovent is installed in the kitchens of our hotels and resorts to remove oil grains and odor from the kitchen emissions.

⁶ In 2020, the hazardous waste figures only cover Gemkell Corporation and Gemkell U.S.A. LLC. while that of 2018 only cover Asia Pacific Hotels, Inc. (Guam) and that of 2019 only cover Gemkell Corporation and Gemkell U.S.A. LLC.

⁷ In 2020, the non-hazardous waste figures only cover Asia Pacific Hotels, Inc. (Guam) and Let's Go Tours Company while that of 2018 only cover Asia Pacific Hotels, Inc. (Guam) and that of 2019 only cover Asia Pacific Hotels, Inc. (Guam) and Let's Go Tours Company.

Minimizing Use of Energy and Resources

Minimizing the use of energy and natural resources can contribute to the reduction in GHG emissions and waste. To encourage our guests and employees to join our sustainable campaign, the Group has outlined a wide range of strategies on such aspect to initiate a corporate-wide energy and resources conservation approach:

Energy conservation

- Turn off the lights when not in use and use natural light when possible
- Turn off electronic appliances at the end of every workday
- Replace traditional light bulbs with LED light bulbs to enhance energy efficiency
- Set temperature cap for air-conditioners (i.e. 25°C)
- Activate the power down features (e.g. low-power mode) on computers and monitors
- Provide regular maintenance to company vehicles and water activities equipment to optimize engine performance and efficient fuel use
- Switch off engine whenever the vehicle or water activities equipment is stationed

Water-saving

- Install low-flow showerheads and faucet aerators in all guestrooms
- Display tent cards in all guestrooms to encourage reuse of towels and linens
- Provide regular check and maintenance on water facilities to prevent leakage
- Make use of pressure washer for daily cleaning of vehicles and water activities equipment at the end of excursion tours

Other materials

- Display signage in guestrooms to encourage reuse of amenities (e.g. toothbrush)
- Replace single use utensils with reusable cutlery and containers when serving F&B to guests
- Place paper recycling boxes next to printing facilities to encourage recycling

For the Group's packaging materials consumption in 2020, more than 90% of the consumption was attributed to the luxury travel retail segment, and paper bags, canvas bags and plastic bags were the major types of materials consumed. Due to the restriction of branding promotion policy stipulated in the franchise and distribution agreements signed between the Group and the international brands, the Group must follow the practice and use the requisite materials in all sales activities of the international brands; therefore, no policy is formulated to manage the use of packaging materials.

The Group consumed 579,308.00 m³ of freshwater and 119,942.00 pieces of packaging materials in 2020. During the Reporting Period, the sales revenue of the Group was substantially impacted by the COVID-19 pandemic which influenced the intensities of the resources used. Details of the consumptions are illustrated in the table below:

	Units	2020	2019	2018
Water⁸				
Freshwater consumption⁹	m ³	579,308.00	1,037,163.01	1,256,725.47
Intensity	m ³ per USD'000 sales	14.20	10.51	12.54
Wastewater discharge¹⁰	m ³	346,821.13	591,315.48	340,005.55
Intensity	m ³ per USD'000 sales	8.50	5.99	3.39
Packaging materials				
Total consumption	pieces ("pcs")	119,942.00	377,969.00	196,270.00
Paper bag	pcs	115,388.00	288,175.00	152,510.00
Canvas bag	pcs	127.00	5,100.00	11,000.00
Plastic bag	pcs	4,427.00	84,694.00	—
Itinerary envelope	pcs	—	—	18,720.00
Ribbon	pcs	—	—	2,500.00
Sticker	pcs	—	—	6,540.00
Tissue paper	pcs	—	—	5,000.00
Intensity	pcs per USD'000 sales	11.20	11.12	5.84

Protecting the Environment and Natural Resources

The Group strives to take lead in minimizing our environmental footprint as well as maintaining the quality of the environment and natural resources within the regions where we operate. Apart from complying with the applicable local environmental laws and regulations, we take a step further by implementing the following measures.


Marine Protection

Despite the impacts on the marine ecosystem which may be caused during the operation of our tourism business, the Group is committed to sparing no efforts in protecting the precious marine resources. Understanding how education can influence the behaviors of our guests virtuously, an information kiosk can be found in a prominent area of the lobby of Fiesta Resort Guam to share knowledge on marine protection to our guests. In addition, information regarding the sea and reefs are translated into multiple languages and added into the briefing video of our excursion tours to raise the guests' awareness on the marine conservation.

⁸ There was no issue for sourcing water that was fit for purpose of the Group in 2020.

⁹ Freshwater consumption figures only cover Asia Pacific Hotels, Inc., Asia Pacific Hotels, Inc. (Guam), Gemkell (Saipan) Corporation, Century Tours, Inc. and Let's Go Tours Company.

¹⁰ Wastewater discharge figures only cover Asia Pacific Hotels, Inc., Asia Pacific Hotels, Inc. (Guam), Gemkell (Saipan) Corporation and Century Tours, Inc.



Our use of water activities equipment are approved by the CRM and we strictly abide by the conditions under the Group's CRM permit which required us to strictly follow the submitted coral reef monitoring plan. Practical measures include the followings: 1) to launch and operate boats and jet skis only at the authorized areas; 2) to set a fixed distance between our marine activities and the coral reefs; and 3) no dropping of anchor in the waters to protect the coral communities from being disrupted, choked and damaged. As for our employees, all of our marine activities operators have to go through a specific training as mentioned in the Marine Operator Handbook which covers professional knowledge on beach, near shore and coral reef ecology and guidelines to limit the impacts of our business operation on the marine resources. Tour guides are also encouraged to share environmental protection knowledge with our guests and remind them not to take anything from the ocean or the beaches.

We are also aware of the issue of overfishing. In this regard, the F&B service in Fiesta Resort Guam only serves sustainable seafood to our hotel guests. In order to strengthen our commitment in marine biodiversity conservation, only seafood from well-managed fisheries where it is caught or farmed in an ecologically-friendly way is purchased and served and no reef fish is used.

Water Source Protection

Water scarcity is a real issue for the 21st century. The situation is partly attributed to polluted water source. In view of this, the Group is committed to taking up our role in implementing a comprehensive wastewater discharge management process. To properly manage the impacts of the day-to-day operations of kitchens in our hotels and resorts, we have installed grease traps into our wastewater discharge system to filter excessive fats and oils and prevent them from being flushed into the municipal drainage. Monthly inspection and maintenance are in place to ensure the functionality of the equipment. Licensed waste collectors are entrusted for collection and handling of grease waste from the grease traps.

On the other hand, a stringent policy regarding the use, storage and disposal of hazardous materials is in place and explained to all employees during the employee orientation and regular safety training. Employees are strictly prohibited from pouring any chemicals or hazardous substances into the drainage. Plus, all of the chemicals are contained in sealed and labelled containers before storing at designated areas to prevent leakage and pollution of water source.

COMMUNITY PARTICIPATION

Our Group never hesitates to shoulder our responsibility to give back to the communities where we operate. We adhere to the principle of "taking from the society, contributing to the society" throughout our business development by proactively bonding with the locals. With the aim to foster a better living environment for the locals, we continuously take up our role to be constructive to the community so as to bring positive impacts to the local markets and business networks.

During the Reporting Period, the Group served 231.5 hours in 19 community activities with the focus on environmental protection and community wellness. In addition, a total of US\$504,750 was donated to charity funds and organizations such as the Fiesta Community Benefit Fund and the Edward M. Calvo Cancer Foundation in 2020. The activities in which we participated in 2020 are illustrated below:

Community Health — Combat COVID-19

Back in early 2020, when COVID-19 cases were surging around the world, the CNMI was the first US territory to locally take proactive action and preventive measures against the coronavirus. In March 2020, Kanoa Resort was selected by the CNMI Homeland Security and Emergency Management to provide its hotel rooms, facilities and meal services to persons subject to mandatory quarantine requirements upon their arrival in Saipan. The Group is honored to be able to support the local government in the fight against COVID-19.

Prevention Measures in Kanoa Resort

Kanoa Resort implements a thorough cleansing process for all hotel rooms and public facilities regularly to maintain high standard of hygiene. Employees are provided with personal protective equipment when carrying out the routine duties to safeguard their health.



The resort provides meal service to guests directly to their rooms during their quarantine period. Food is contained in boxes to avoid contamination throughout the delivery process. Vegetarian meals are also available upon special requests.

All persons are closely monitored during their mandatory quarantine period. The front desk of the resort is responsible to keep the records of the relevant guests in accordance with the requirements of the local authority.



Community Wellness

As community health is inextricably tied to individual wellness, the Group consistently encourages our employees to participate in relevant local activities such as charity running events to promote the concept of healthy lifestyle in the community as well as to demonstrate our care towards local welfare.

Run for Fundraising

During the Reporting Period, our employees from the hotels and resorts segment participated in five running campaigns including JP Hero Run, Rotary McFun Run, Triple J Bubble Run and Saipan Marathon in Saipan as well as Run for Our Heroes in Guam. Through the campaigns, we supported numerous charitable organizations such as the Rotary Club of Saipan, the Commonwealth Cancer Association and the United Service Organizations, which seek to provide humanitarian service to general public, support those fighting against cancer and support the mental health of local military members.



Saipan Marathon 2020



Rotary McFun Run 2020



JP Hero Run



Care for Our Environment

Marine pollution has gained increasing attention globally in recent years. The Group is concerned with the issue and is committed to taking coastal protection seriously as marine ecosystem is of utmost importance to mankind. As one of the leaders in the industry, we motivate our employees to participate in coastal conservation activities to preserve the beautiful and diverse coastal environments in the community at where we operate.

Beach and Highway Clean-up Campaigns

In 2020, we organized five clean-up campaigns in the Susupe Beach Park and designated highway area with the help from a total of 105 employees from Kanoa Resort to raise the environmental awareness of our employees as well as protecting the local ecosystems. One of the clean-ups was organized on 19 September 2020 to support the International Coastal Clean-up Day hosted by the Bureau of Environmental & Coastal Quality.



Beach & Highway Clean-ups



Public and Private Partnership with Saipan Authority

Through the Governor's Council of Economic Advisers of Saipan, Kanoa Resort signed a 5-year contract to partner with the Government in the maintenance and revival of the Susupe Beach Park which is located beside Kanoa Resort.



HKEX ESG REPORTING GUIDE INDEX

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
Aspect A Environmental		
A1 Emission	Information on: — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	Environmental Sustainability — Energy Efficiency and GHG Emissions, Waste Management, Air Emission, Minimizing Use of Energy and Resources
KPI A1.1	The types of emissions and respective emissions data.	Environmental Sustainability — Air Emission Air emission figures from gaseous fuel consumption and vehicles were not available. The amount of air emissions is not significant and material to the Group.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability — Energy Efficiency and GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability — Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability — Waste Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Sustainability — Air Emission
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Sustainability — Waste Management
A2 Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	Environmental Sustainability — Energy Efficiency and GHG Emissions, Minimizing Use of Energy and Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability — Energy Efficiency and GHG Emissions



HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability — Minimizing Use of Energy and Resources
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Sustainability — Energy Efficiency and GHG Emissions, Minimizing Use of Energy and Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Sustainability — Minimizing Use of Energy and Resources
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Environmental Sustainability — Minimizing Use of Energy and Resources
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Sustainability — Protecting the Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Sustainability — Protecting the Environment and Natural Resources
Aspect B Social B1 Employment	Information on: — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Care for Our Employees — Equal and Diversified Workplace, Employment Practices, Labor Standards
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Care for Our Employees — Equal and Diversified Workplace
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Care for Our Employees — Equal and Diversified Workplace

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B2 Health and Safety	Information on: <ul style="list-style-type: none"> — the policies; and — compliance with relevant laws and regulations that have a significant impacts on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 	Care for Our Employees — Safe and Healthy Workplace
KPI B2.1	Number and rate of work-related fatalities.	Care for Our Employees — Safe and Healthy Workplace
KPI B2.2	Lost days due to work injury.	Care for Our Employees — Safe and Healthy Workplace
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Care for Our Employees — Safe and Healthy Workplace
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Care for Our Employees — Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Care for Our Employees — Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category	Care for Our Employees — Training and Development
B4 Labour Standard	Information on: <ul style="list-style-type: none"> — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 	Care for Our Employees — Labor Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Care for Our Employees — Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Not applicable



HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	Service and Product Responsibility — Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Service and Product Responsibility — Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Service and Product Responsibility — Supply Chain Management
B6 Product Responsibility	Information on: <ul style="list-style-type: none"> — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service and Product Responsibility — Service Excellence, Customer Privacy Protection, Marketing Advertisement and Labelling
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Not applicable
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Service and Product Responsibility –Customer Privacy Protection

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B7 Anti-corruption	Information on: — the policies; and — compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Service and Product Responsibility — Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Service and Product Responsibility — Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Service and Product Responsibility — Business Ethics
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Participation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Participation

