



# 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  
**2021**



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## ABOUT THIS REPORT

S.A.I. Leisure Group Company Limited (hereafter “**S.A.I.**” or the “**Company**”) 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 2021 to 31 December 2021 (the “**Reporting Period**” or “**2021**”).

### 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 for the Reporting Period. Unless otherwise specified, the data includes the following subsidiaries and the scope of the Report remains the same as last year. The subsidiaries covered are listed below:

Business segment	Entity
Corporate Office	S.A.I. Leisure Group Company Limited
Hotels & Resorts	Asia Pacific Hotels, Inc. — CP Saipan — Kanoa Resort — Century Hotel Asia Pacific Hotels, Inc. (Guam) — CP 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 latest requirements of the ESG 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 (“**the Board**”) 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 has been reviewed and approved by the Board.

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



## Reporting Principles

In developing the content of the Report, the Group adheres to the fundamental reporting principles, namely materiality, quantitative, balance and consistency, as outlined in the HKEx ESG Reporting Guide.

**Materiality:** A materiality assessment is conducted to determine the material ESG aspects to the Group. The materiality matrix and details of stakeholder engagement are illustrated in the later section of the Report.

**Quantitative:** The disclosed data, environmental and social key performance indicators (“**KPI(s)**”) in the Report are organized and calculated in accordance with a series of standardized methodologies, which are illustrated in the relevant sections.

**Balance:** The Board has acknowledged its responsibility to oversee the Company’s sustainable development and review the truthfulness, accuracy and completeness of the Report. The Report provides an unbiased picture of the Group’s performance.

**Consistency:** The Report is prepared in the same way in terms of the reporting scope and methodologies when compared to those in previous years. Consistent environmental and social data management approach is adopted to allow a fair comparison of our performance over time.

## Contact & Feedback

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

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5/F Nanyang Plaza  
57 Hung To Road, Kwun Tong  
Kowloon, Hong Kong

Email: [info@saileisuregroup.com](mailto:info@saileisuregroup.com)  
Company website: [www.saileisuregroup.com](http://www.saileisuregroup.com)



## ABOUT THE GROUP

The Group seeks to provide leisure travelers with unforgettable and distinctive holiday experiences embracing “Sea, Air and Island”, as our company name suggests. Since its inception in 1972, as one of the premier leisure tourism groups in the Western Pacific Region, the Group has been committed to providing great service and delivering visitor enjoyment in all aspects of our varied leisure tourism business.

Under our hotels and resorts division, the Group owns four hotels and resorts in Saipan and Guam. Fiesta Resort Saipan (to be rebranded as “Crowne Plaza Resort Saipan”) (“**CP Saipan**”), Kanoa Resort, and Fiesta Resort Guam (to be rebranded as “Crowne Plaza Resort Guam”) (“**CP Guam**”) are full-service, family-style beachfront resorts that provide a variety of services to our visitors, including food and beverage (“**F&B**”), recreation, meetings, banquets, and other hospitality services. Century Hotel, on the other hand, offers economical lodging and F&B to both budget and business travelers.

Through our collaboration with one of the leading international hospitality chains, the Group is seeking to expand its customer base while refining our hotels and resorts’ service standards and facilities to fulfill our aim of providing great service and delivering guest happiness.

## VALUES AND MISSIONS

<b>Value</b>	We respect humanity and do the right things
<b>Accountability</b>	We are responsible to each other and to all those we serve
<b>Learning</b>	We continually expand our minds to enhance our performance, cope with the change in the market trends and growth
<b>Unity</b>	We work together in harmony to achieve our common goals
<b>Empowerment</b>	We have the strength to follow through on our commitments
<b>Satisfaction</b>	We render our guests a feeling of wanting to return

We carry a suite of 9 world-renowned brands within the Group’s luxury travel retail segment, providing our consumers with a diverse selection of fine clothes, leather goods, and fashion accessories. As of the end of the Reporting Period, we have 17 boutiques in Saipan, Guam, and Hawaii. Each of our boutiques is a standalone “concept store” that houses a single brand.

In Saipan, we provide three reasonably priced and popular excursion tours within our destination services segment to present our guests with unique “Sea”, “Air” and “Island” experiences. 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) are the three unique experiences that we offer to our guests. Aside from that, the Group has three souvenir and amenities shops, two local tour agency offices that provide booking services for third-party and self-operated activities and tours, as well as destination-based concierge and travel management services to travelers in Saipan. We strive to optimize our customers’ experiences by providing comprehensive one-stop tourist services.

To differentiate ourselves from our market rivals and stay resilient in the face of quickly changing dynamics, we are dedicated to upholding eight corporate values, as depicted below, in order to fulfill our ESG commitments.





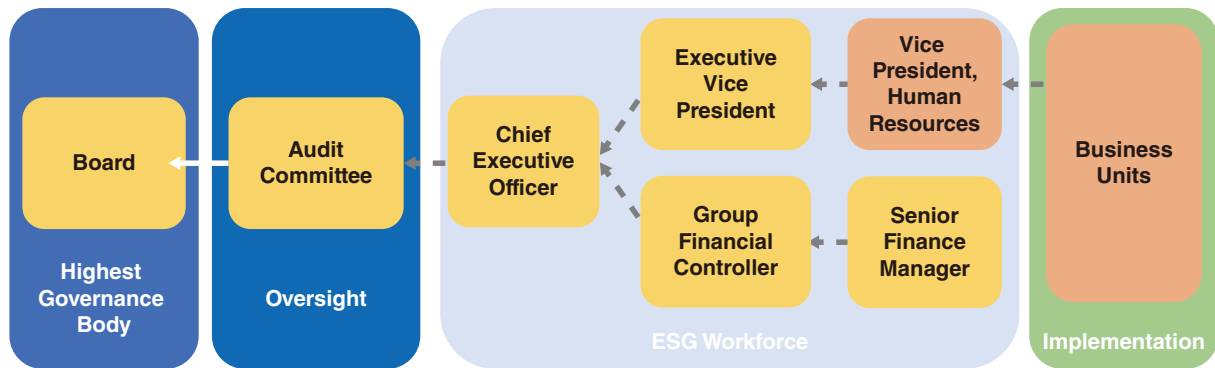


## ESG GOVERNANCE

The Group has developed an ESG governance structure that is applied to various management levels to improve our ESG fulfillment and better manage ESG risks. The objectives of the ESG Workforce (the “**Workforce**”) of the Group oversees management and advises the Board on the development and implementation of the corporate social responsibility and sustainability initiatives of the Group, including reviewing the related policies and practices, assessing and making recommendations on matters concerning the Group’s sustainability development. The Workforce also reports the outcomes of ESG risks management and internal control to the Audit Committee. The Audit Committee would oversee and supervise the Workforce to ensure appropriate and effective ESG risk management systems are in place.

The following is a summary of the structure of our ESG risk management framework, as well as their roles and responsibilities:

The Workforce reports directly to the Chief Executive Officer (“**CEO**”) and the Audit Committee on its findings, decisions and/or recommendations. For all ESG-related issues and risks, the Audit Committee reports directly to the Board on their findings and recommendations.



Guam, Saipan and Hawaii

Hong Kong

--- Reports to

### The Board

- Oversee the Group’s ESG issues
- Set the direction of the Group’s ESG management approaches, strategies, priorities and objectives
- Review the Group’s performance periodically against ESG-related goals and targets
- Evaluate and determines the Group’s ESG-related issues, risks and opportunities
- Ensure that appropriate and effective ESG risk management and internal control systems are in place
- Review and approve the Report

## **CEO**

- Review and approve the Group's ESG management approaches, strategies, priorities and objectives
- Lead the Workforce which is responsible for developing sustainability short-term, mid-term and long-term goals and a set of ESG KPIs
- Review the Group's performance periodically against ESG-related goals and targets
- Review and make recommendations to the Board in respect of the ESG strategies, priorities and targets

## **Executive Vice President**

- Facilitate and drive ESG strategies, goals and initiatives within the Group's business units
- Monitor and review the Group's policies and practices relating to ESG matters to ensure that they are relevant, effective, reflective of best practice and comply with legal and regulatory requirements and international standards
- Set appropriate strategic goals, as well as shorter term KPIs and associated targets related to ESG matters and oversee the ongoing measurement and reporting of performance against those KPIs and targets

## **Group Financial Controller**

- Lead the coordination and communication of ESG work streams across the Group to ensure consistency, integration and executable outcomes
- Develop and execute sustainability project goals, objectives, initiatives, or strategies in collaboration with other external sustainability professionals
- Identify or procure required resources to implement sustainability programs or projects
- Assist management to review sustainability targets and metrics as well as recommending improvement measures

## **Vice President, Human Resources**

- Research or review regulatory, technical, or market related sustainability publications in Guam, Saipan and Hawaii
- Provide technical or administrative support for ESG issues
- Organize workshops, seminars and trainings to enhance the ESG awareness of employee
- Support the development of corporate sustainability strategies that reflect important ESG issues to the Group

## **Senior Finance Manager**

- Facilitate the implementation of the defined sustainability projects and to ensure the defined sustainability projects are in line with the Group's pre-set ESG strategies and targets
- Coordinate with internal departments and contracted partners to manage ESG disclosures and communications such as annual ESG report and questionnaires
- Coordinate the implementation of sustainability activities across Hong Kong, Saipan, Guam and Hawaii, handle related enquiries from both internal and external stakeholders
- Support preparation of ESG report and sustainability related disclosures, including data collection, measurement and analysis, stakeholder engagement and content development
- Perform regular benchmarking of the Group's sustainability performance against peers and leaders as well as monitor emerging stakeholder trends and global sustainability-related policies and developments





## STAKEHOLDER ENGAGEMENT

To develop up-to-date and sustainable strategies for the Group's day-to-day operations for our stakeholders' demands, concerns and expectations, being open-minded to accept insights and opinions is pivotal. Various communication channels are established to facilitate the communication process with our valuable stakeholders for regular expressions regarding concerns and expectations relevant to our business operation and sustainability management. Details are illustrated in the table below:

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

## MATERIALITY ASSESSMENT

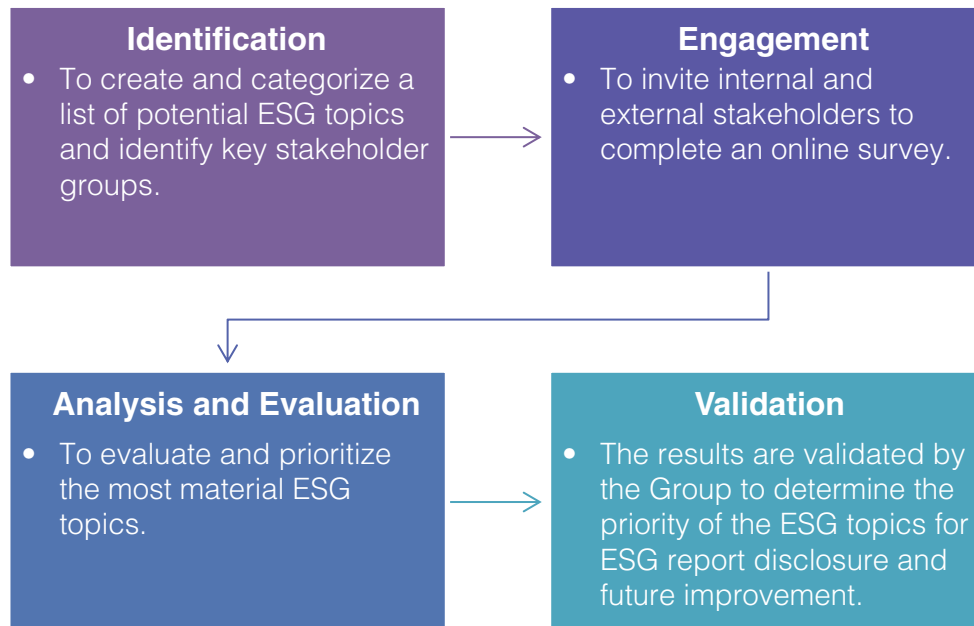
Conducting materiality assessment provides directions to our future ESG strategies. We appointed an independent consultant to conduct a materiality assessment in order to identify material ESG concerns that are relevant to the Group's development. Our internal and external stakeholders were invited to participate in the online questionnaire by scoring 27 ESG topics covering areas on environmental protection, community investment, operational practices and employment. The topics are prioritized into categories of high, medium, and low. They are presented in the materiality matrix below based on the materiality of each of the ESG concerns highlighted by our stakeholders:



Environment		Employment		Operation	
1	Air emission	9	Labor rights	18	Customer satisfaction
2	Greenhouse gas emission	10	Labor 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 labor	26	Socio-economic compliance
				<b>Community</b>	
				27	Community support



The topics in the upper right corner of the matrix were defined as those that have the most significant impacts on the Group's business operations and that our stakeholders are most concerned about. We will continue to strengthen our ESG performance, governance, and policies in the future.



## 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 45 to 61 of our 2021 Annual Report.

## CARE FOR OUR EMPLOYEES

The Group, as a responsible employer, never shies away from the obligation of fostering a healthy and harmonious working environment for our employees. As a result, we strictly adhere to all applicable labor laws and regulations in the regions where our operations are located, including but not limited to:

- Federal Fair Labor Standards Act;
- Guam Minimum Wage and Hour Act;
- Family and Medical Leave Act;
- 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;
- Age Discrimination in Employment Act of 1967;
- Americans with Disabilities Act;
- Equal Pay Act of 1963; and
- Pregnancy Discrimination Act of 1978.

### Equal and Diversified Workplace

We endeavor to provide an inclusive and diverse working environment which embraces different values and beliefs. The Group bears zero tolerance for any form of harassment or discrimination. All staff and job candidates are treated equally, regardless of race, sex, marital status, pregnancy, disability status, or other differences unrelated to employment requirements. All hiring, promotion, performance review, and salary are based solely on the qualifications, experiences, and capabilities of the employee.

The Employee Handbook works as a guidance tool to provide guidelines for our employees. Employees are expected to treat one another with respect. Each employee is required to adhere to the code of conduct requirements, and a separate company memorandum was published to notify staff that workplace gossip is considered misconduct and will result in disciplinary actions.

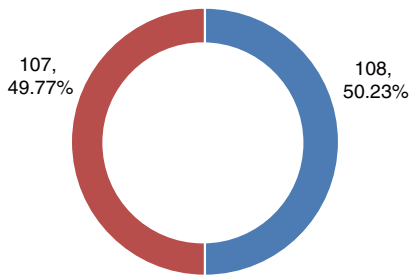
Employees are encouraged to promptly report any unfair treatment to them. The Group is dedicated to conducting thorough investigations and taking appropriate corrective action. Those who violate the Group's anti-discrimination and anti-harassment policy will face immediate and appropriate disciplinary action. 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 or Hawaii during the Reporting Period.

As one of the leading tourism groups in the Western Pacific Region, the Group supports cultural diversity as well as gender and age equality to fulfil our long-term corporate responsibility. As at 31 December 2021, the total number of employees of the Group was 215<sup>1</sup>. Out of which, 50.23% of our workforce was male and 49.77% of our workforce was female. Employees aged between 30 and 50 accounted for 44.18% of our total workforce whilst employees aged below 30 and above 50 represented 9.77% and 46.05% respectively. Our employees were located in different locations, including Saipan (65.11%), Guam (26.98%), Hawaii (5.58%) and Hong Kong (2.33%). 91.16%, 5.58% and 3.26% of our employees worked as full-time, temporary and part-time staff respectively.

<sup>1</sup> The total number of employees includes full-time, part-time and temporary employees working in Hong Kong, Saipan, Guam, and Hawaii as at 31 December 2021.

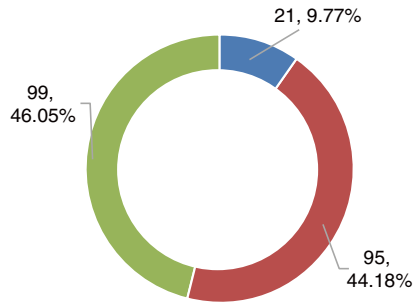


**Total workforce by gender**



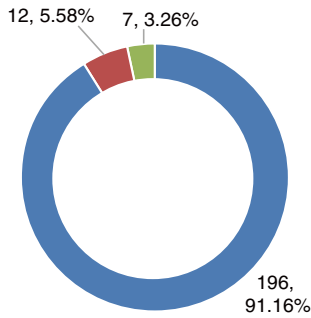
■ Male ■ Female

**Total workforce by age group**



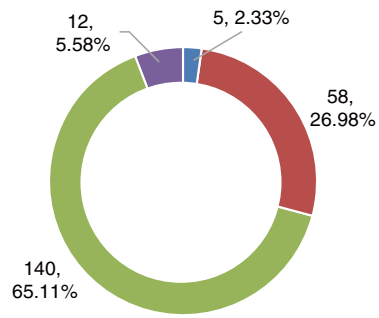
■ Below 30 ■ 30 to 50 ■ Over 50

**Total workforce by employment type**



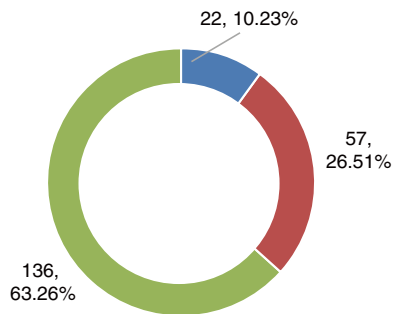
■ Full-time ■ Temporary ■ Part-time

**Total workforce by geographical region**



■ Hong Kong ■ Guam ■ Saipan ■ Hawaii

**Total workforce by position**



■ Senior management ■ Management/supervisor ■ General staff

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

Employee turnover rate <sup>2</sup>		% in 2021	% in 2020
<b>Total</b>		<b>34.88</b>	<b>285.22</b>
By gender	Male	35.19	311.21
	Female	34.58	262.60
By age group	Below 30	128.57	314.04
	30 to 50	23.16	297.53
	Over 50	26.26	256.52
By geographical region	Hong Kong	40.00	25.00
	Saipan	20.69	455.32
	Guam	34.29	252.38
	Hawaii	108.33	154.55

### Employment Practices

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, and so on, because it recognizes that employees play a critical role in the Group's business development. The policies are tightly enforced to protect employees' rights while also defining their responsibilities. The Group promotes work-life balance, so we have established a specific working hours and do not encourage overtime labor. Overtime labor requires approval from an immediate superior or department manager, and overtime compensation will be paid in accordance with applicable regulations.

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

For all full-time employees in our Group, paid leaves (including statutory holidays, vacation leave, sick 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) are offered. In addition, one free duty meal is provided to our hotels and resorts staff each day during regular meal breaks in an associate restaurant.

### Safe and Healthy Workplace

As our employees are the Group's most valuable assets, we are committed to providing a safe and healthy working environment. In order to protect employees' health from the negative effects of cigarettes, drugs, and alcohol, the Group has developed a strict anti-smoking, drug-free, and alcohol-free policy. A gum and betel nut chewing policy has been developed to limit the risk of spreading contagious diseases and other job hazards such as choking, trip, and slide.

<sup>2</sup> 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.





The Group has complied with all applicable 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 lost days due to work injury. There were no work-related fatalities in each of the past three years including the Reporting Period. In addition, the Group was unaware of any major non-compliance with laws and regulations in Hong Kong, Saipan, Guam and Hawaii relevant to ensuring a safe working environment and protecting employees from occupational dangers during the Reporting Period.

### ***Renovation and Improvement Project for the Staff Housing Facility***

The Group is dedicated to fostering a comfortable living and working environment for our employees. A renovation and improvement project for the staff housing facility began in late 2020 and consisted of two phases, with the goal of improving fire life safety throughout the facility and upgrading the rooms and common areas.

In order to avoid and safeguard against destruction caused by fire, the Fire Alarm System was replaced with an addressable system at the beginning of the renovations. The new system complies with all applicable government regulations. There is an addressable smoke detector in each unit. Pull stations, heat sensors, strobes, and a speaker system are strategically placed throughout the property. Sprinkler heads that had corroded were also replaced.

Besides, to ensure that all areas of Century Hotel were consistent with OSHA standards, the electrical supply was addressed in all locations. The lighting was addressed throughout the facility including interior hallways, stairwells, and rooms, as well as perimeter and courtyard lights. The perimeter fencing was repaired, and debris were removed from the entry. All non-essential detritus was removed from the generator room, which was restored and cleaned.

The safety and living quality of our staff housing facilities are critical to our ability to attract and retain talents. Floor by floor, 72 rooms were improved through reconstruction and repair. CP Saipan, which was in the process of asset rejuvenation, contributed used furniture, fixtures, equipment as well as soft goods to the staff housing facilities and we reused the contributed items in the rooms. Leaks in the windows and roofing were fixed. Water-damaged walls, ceiling, and electrical line reconfigurations were all replaced. Extensive debris were removed. The relocation of light fixtures, as well as the resealing of the air conditioner opening, are among the changes. All new surfaces, including entrance doors, were refinished and repainted. High-tech equipment such as biometric exterior lock was installed for greater security. Solar powered lighting was also installed to reduce the consumption of electricity generated by fossil-fuel energy.

The Group has made administrative improvements for the regular upkeep and maintenance of the building. Staff housing polices were established to ensure proper usage of the facility as well as promote good communication with the management team.

When the Group’s business returns to normal, the Group will continue focusing on the development of our Group’s sustainable direction. We continue to adopt sustainability features for the facility. For example, installing solar units for the hot water supply in the facility and the canopy/awning at the courtyard to replace the original tent style design, which has to be taken down during inclement weather.

## Hotels and Resorts

We strive to keep our employees and guests healthy. As a result, our hotels and resorts division has adopted a Safety and Health Program to control a variety of occupational safety and health (“**OSH**”) issues, including safety training, on-site inspection, hazard identification, and communication. The Safety and Health Committee, chaired by the hotel General Manager, is in charge of designing, implementing, and managing OSH policies, as well as examining and analyzing statistical data, records, and reports on safety issues. The committee meets monthly to examine OSH issues affecting our hotels and resorts, and a safety coordinator has been assigned to conduct routine inspections.

An OSHA inspection policy is in place, and it serves as a guide for the Safety Coordinator in facilitating and identifying appropriate corrective action in order to ensure the implementation of safety policies and procedures, as well as strict adherence to all OSHA regulations. Employees who handle food must receive or renew their health and food handler certificates on an annual basis to ensure they have obtained all necessary information to handle food in a hygienic manner. Other than that, the Safety Coordinator conducts quarterly inspections using the complete Safety Inspection Checklist (a checklist specifically designed for the hospitality industry) for hazard identification. The inspection includes, but is not limited to, the allocation and condition of safety equipment, the sufficiency of work site safety procedures, the workplace hygiene, the availability and condition of personal protective equipment, and the storage arrangement of hazardous items.

A safety education and training program has been established to provide safety trainings on OSH subject 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. In addition, we provide instruction on how to properly use safety equipment so that our employees are prepared in the case of emergency.



Safety training



### **Luxury Travel Retail**

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

### **Destination Services**

The new employee orientation program includes training on several emergency contingency plans to ensure that the new employee can follow the policies and procedures in an emergency. To provide instructions to our employees, our business units in the destination services segment have approved their own emergency contingency plan based on possible emergency situations such as natural disasters, car accidents, food poisoning, robberies, and hazardous material spills.

### **A Harmonious Workplace**

The Group embraces an open-door policy in which all workers are welcome to speak with their corresponding supervisors and department managers about any problems or issues they are having at work. They can also anonymously voice their thoughts or grievances through the employee suggestion box.

During the Reporting Period, recreational and team building activities such as team building challenges and year-end appreciation luncheon were organized to enable our employees to relax from work and spend quality time together. Through the organization of the abovementioned activities, mutual trust and team spirit among the employees were boosted.



Team Building challenges



Year-end Appreciation Luncheon



## Safe + Sound Week 2021

The Group has participated in Safe + Sound Week (led by OSHA) and honored achievements of workplace health and safety initiatives. In the event, we offered insights and ideas on how to keep employees safe. Management leadership, worker participation, and a methodical strategy to identifying and correcting hazards are all part of the program. Staff who participated received certificates afterwards.



Safe + Sound Week

## Labor Standards

The Group, as a socially responsible corporation, adheres to all applicable laws and regulations relating to the prevention of child and forced labor, including the Fair Labor Standards Act and the Guam Minimum Wage and Hour Act. A formal employment contract is mandated to all employees to sign to make sure they are working on a voluntary basis and being protected by a legally binding contract.

New joiners are also offered new employee orientation, which includes information on labor rights. We also conduct regular reviews of our hiring policies to ensure that there is no child or forced labor in the workplace. 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, or Hawaii during the Reporting Period.



## Training and Development

The competence of our employees is linked to the Group's success. We strive to uncover our employees' abilities through various career development programs and training in order to stay competitive in the industry. During the Reporting Period, we have organized a total of 2,834.00 hours of training for our employees and the average training hour per employee was 13.18 hours.

	2021	2020
Total number of hours of training received by employees	2,834.00	1,004.75
Average hours of training per employee and percentage (%) of employees who received training	13.18 (106.05%) <sup>3</sup>	4.37 (75.65%)
<b>By gender</b>		
Female	12.42 (100.00%)	4.39 (71.54%)
Male	13.94 (112.94%)	4.34 (80.37%)
<b>By employment category</b>		
Senior management	13.14 (104.55%)	8.29 (61.90%)
Management/supervisor	9.75 (117.54%)	6.55 (75.00%)
General staff	14.63 (101.47%)	2.62 (78.10%)

## Hotels and Resorts

The Group has established a training and development policy in the hotels and resorts segment to govern the employees' skill sets and continuous development.

Our employees have access to a variety of universally focused training programs on issues such as equal employment opportunity, customer service, time management, and workplace hygiene. Nonetheless, depending on the job responsibilities and capacities of employees, training in various areas such as housekeeping, front desk, and kitchen skills is provided. We evaluate and review the effectiveness of our training programs on a regular basis based on the employees' performance. The Group aims at increasing the training content quality and, as a result, the service standard of our hotels and resorts.

For all new joiners, the Human Resources Department offers an orientation program to provide them with basic knowledge on the Company's history, core values, business philosophy, in-house policies and processes, and employee perks. On top of that, all new joiners (including those who have been rehired, promoted, or transferred) are required to complete a ninety-day training program at the beginning of their employment to prepare them for their job responsibilities.

We assess the potential and develop the talent of our employees throughout the performance appraisal process. The appraisal is in place to review the performance of the workforce on a regular basis. Employees can also discuss with their superiors about obstacles and areas for growth related to their job responsibilities during the appraisal. They could also get constructive and practical advice from their superiors and department manager on how to advance in their careers and unleash their full potential.

<sup>3</sup> Including the trained employees who subsequently left employment by the end of Reporting Period.



### **Luxury Travel Retail**

All new hires will go through an introductory period (i.e. the first 90 days of employment) with orientation training to get them prepared for their daily duties. Their performance and capabilities are evaluated by the management during the period.

Aside from learning about the Company's history, core values, internal policies and procedures, as well as employee rights and obligations, each international brand boutique has its own customized orientation program that teaches the newcomers to know about corresponding international brand, product information, and sales tactics. Role-playing workshops are also held to replicate scenarios that employees may face in the course of their everyday work in order to improve their resilience.

Employees are reviewed on an annual basis after the introductory period, allowing management to monitor and analyze the employee's personality and talent, design an appropriate career path, and provide assistance on their personal growth.

### **Destination Services**

We aspire to maintain the excellent service standard of our destination services in order to stand out from other market competitors. We use a career-focused training method that requires our tour guides and excursion staff to attend appropriate training courses to refresh their knowledge, strengthen their skill sets, and keep up with the current industry trends.

For example, in order to renew their employment contracts, all tour guides must hold a valid trained tour guide certification. Furthermore, in order to be employed, all jetovator operators must have good swimming skills in their previous work experience. Employees will be subsidized for external job-related courses such as first-aid courses or lifeguard qualification courses as part of the Group's commitment to ongoing development.

## **SERVICE AND PRODUCT RESPONSIBILITY**

Tour distinctiveness, sales services, and customer satisfaction are significant variables in determining business success in the leisure tourist industry. As a result, the Group makes all effort to establish client loyalty or to retain our competitive position in the markets of Saipan, Guam, and Hawaii.

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, and method of redress relating to products and services provided in Hong Kong, Saipan, Guam and Hawaii. No sold or shipped products were subject to recalls for safety and health reasons, and no product- and service-related complaints had been received during the Reporting Period.

### **Service Excellence**

#### **Hotels and Resorts**

The Group's ultimate goal is to provide a memorable and pleasant experience for our valued customers; as a result, a customer-focused approach is encouraged in order to provide attentive services to our visitors. We expect our employees to be professional and patient when attending to the requirements of our customers, as stated in the Employee Handbook. Customer service guidelines for greetings, phone etiquette, and customer care have been formulated to ensure that our service is of the highest quality, with warm and honest hospitality to increase customer satisfaction.







F&B service is one of the most crucial components of our hotels and resorts, and we place a significant emphasis on food safety. The Group adheres to all applicable laws and regulations in our operating zones, such as the Guam Food Code and the Food Handlers Rules and Regulations in Guam and Saipan. Apart from obeying the regulations, internal rules are also important. A series of strict work clothing policies have been implemented to regulate our F&B personnel's personal cleanliness. During working hours, kitchen workers must wear hairnets and are prohibited from wearing cosmetics, nail polish, or accessories. Under local statutory requirements, F&B employees must also attend related training courses and obtain a valid food handler's certificate.

Besides food safety, we strive to provide a welcoming and relaxing environment for all visitors. Our hotels are non-smoking hotels, and we endeavor to maintain a smoke-free environment for our hotel guests. Having said that, we provide designated outdoor smoking locations that allow flexibility to our smoking guests. We have implemented a variety of measures to enforce the policy, including posting "No Smoking" signs, removing ashtrays, and asking guests to refrain from smoking outside designated locations.

The Group takes all constructive suggestions and comments from our guests seriously, and we strive to improve hotel services while also demonstrating our attention to guest feedback through our systematic customer complaint management procedure. On-the-job training and refresher training are also held on a regular basis to ensure that personnel are able to deliver quick and professional service to all guests while also doing their job duties properly.

### **Luxury Travel Retail**

In our boutiques, the Group is committed to providing a high-end pleasurable shopping experience for our customers. We therefore have a regular orientation and on-the-job training program in place to aid our newly hired sales associates in providing professional, timely, and sincere service to our customers.

To improve sales associates' knowledge of the appropriate brand, the curriculum also covers unique branding tactics and product expertise on each multinational brand. Furthermore, all of our retail employees must adhere to personal appearance guidelines and dress in accordance with the criteria set forth in the Group's franchise and distribution agreements with the relevant brands.

After the sales transactions are finished and the merchandises have left our shops, no refunds, returns, or exchanges are permitted under normal circumstances. Customers can, however, request a refund if they find any flaws with the acquired product that are classified as "defective" under the specified brand's refund and return policy. However, as our customers are mostly leisure travelers visiting Saipan, Guam, and Hawaii for a short vacation, returns and exchanges are uncommon in the luxury travel retail segment. When it comes to managing consumer complaints in our luxury travel retail area, we follow the rules set forth by corresponding international brands.

### **Destination Services**

The Group makes every effort to ensure the safety of our customers and staff when they are participating in the excursion tours operated under our destination services segment. The Marine Operator Handbook (issued jointly by the Division of Coastal Resources Management ("**CRM**"), the Department of Fish and Wildlife, and the US Coast Guard) has been incorporated into the Group's employee training program for marine activities to ensure that the guidelines are well-understood, complied with, and implemented by our marine activities operators.





A daily pre-operation meeting is held for management and captains to analyze weather data and tidal charts in order to assess the suitability of daily activities. Before the daily activities begin, an equipment check is conducted to ensure that all machines, including but not limited to boats, 4-wheel vehicles, and jetovators, are in working order. Furthermore, safety equipment checks are performed to ensure that the safety equipment assigned to each boat (such as spare kill cords, flare guns, whistles, and life vests) is available in the event of an emergency.

Instructors or tour guides deliver a safety briefing prior to the beginning of each excursion tour to ensure that all participants understand and obey the safety guidelines. To recognize the potential dangers, legal obligations, and insurance indemnity stemming from the recreational activities, all participants must sign a waiver. Furthermore, each guest is provided with personal protection equipment, such as helmets and lifejackets, and the instructor must inspect the equipment before the activity begins to ensure that it is property worn.

To ensure the quality of our excursion tours, all of our tour guides must be familiar with all historical information about the scenic spots and have outstanding communication skills and professional know-how by obtaining the Marianas Visitors Authority's tour guide accreditation. They are also expected to greet visitors with warmth and sincerity and to adhere to all safety policies and procedures at all times. It is also the tour guides' obligation to ensure that participants can meet the minimal enrolment requirements (e.g. age, height, and weight) for each activity while participating in the activities.

In the customer-oriented destination services market, it is critical to aim for continual service quality excellence. Therefore, following the visit, our customers will be given a customer satisfaction evaluation form to help us better understand the customers' feedback and expectations for the products and services that we provided. All staff are obligated to adhere to the specified customer complaint management policy when receiving complaints. Before taking prompt action to settle the complaint, an investigation will be done to determine the causes. We will contact the complainant in a timely manner to provide an update and to fix the issue up to the satisfaction of the consumer.

### **Customer Privacy Protection**

We shall collect confidential and personal information from our clients in the normal course of business. The Group must protect consumer information and data privacy as internet transactions become more widespread. To prevent any potential customer information leakage, various steps have been implemented across the Group.

### **Hotels and Resorts**

In our hotels and resorts segment, our guests' personal information is necessary for online accommodation booking, check-in, and in-house eating, including but not limited to their identity documents, home address, and debit or credit card information.

The Group has established a set of clear and well-explained Customer Privacy Policies that comply with the Commonwealth of the Northern Mariana Islands ("**CNMI**") and Guam's local data privacy laws and regulations. The policy is available to all hotel guests and internet users on the official websites of our hotels and resorts. In addition, all hotel employees are given a thorough explanation of the methods and principles for handling customer data. This is to ensure that every employee understands their role in keeping customer data secure and that they can only access and process it for the purposes of our business.





Our Customer Privacy Policy outlines the categories of information that must be acquired lawfully and fairly to thoroughly comprehend our customers' choices and expectations. Such data and information are necessary for hotel management to evaluate the efficacy of current business strategies, the viability of new business opportunities, and fine-tune existing offerings to our target customers. For example, customers might leave their contact information for future correspondence.

It is also critical to have a powerful information technology security system in place to protect client information from leakage and misuse; as a result, the Group has been working to improve cyber security, with the primary goal of reducing credit card theft and fraud as well as meeting the Payment Card Industry Data Security Standards.

When using the complimentary Wi-fi connection our hotels and resorts provided, all hotel guests are reminded to take sound protections such as activating a firewall and installing security software to build a comprehensive cyber security system. The guests are not encouraged to use the Wi-fi network to send or access sensitive personal information. They must promptly report any loss, theft, or unauthorized disclosure or use of their personal information to the hotel General Manager for investigation and, if necessary, remedial action.

### ***Luxury Travel Retail & Destination Services***

During the ordinary course of events, employees in the luxury travel retail and destination services segments are exposed to client personal information, including but not limited to personally identifiable data and debit or credit card information. Relevant internal procedures are defined in the Employee Handbook to better manage information gathering, usage, and storage. All customer information is simply used to deliver service and marketing communication. Guests may choose to indicate their preferences, similar to the policies and processes stated for the hotels and resorts segment. Employees must follow the Company's confidentiality policy and their responsibilities as laid out in the Employee Handbook. It is highly forbidden to transfer or utilize customer information illegally.

### **Marketing Advertisement and Labelling**

#### ***Hotels and Resorts & Destination Services***

We have made good use of advertising 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 in order to provide different options to our hotel guests and enrich their stay in our hotels. The Group, on the other hand, has placed advertisements on billboards, light boxes, television programs, and magazines within our hotels and resorts to promote our luxury travel retail boutiques. We have also been promoting the Group's travel products and services through online travel agents and search engines.

The Group's corporate responsibility is to ensure that through our marketing, our customers receive truthful information about our products and services. The Group and our hotel manager strictly follows all applicable federal, state, and municipal laws, regulations, and business practices. It ensures that all information (e.g. hotel information, including but not limited to room types, amenities, restaurants, and other featured services) published in advertisements, brochures, or materials is accurate and unbiased.



### **Luxury Travel Retail**

The marketing communication and advertising practices of all international brands are clearly stated in the franchise and distribution agreements between the Group and the international brands. On several aspects, such as boutique design and promotion campaign organization, the Group must rigorously adhere to the regulations agreed-upon with the brand owners. Before beginning any promotion events, local advertising strategies must be prepared according to established requirements, and prior written approval from the international brands must be secured. In addition, all materials concerning advertising and promotion operations must meet the multinational brands' fashion style requirements.

### **Business Ethics**

A company's reputation is always important to its success. Therefore, the Group is committed to maintaining the highest level of business integrity in order to be trusted by our staff and stakeholders. A zero-tolerance stance is taken against any fraudulent and dishonest practices, including bribery, extortion, fraud, and money laundering, as part of our commitment to infuse the ideals of openness, honesty, and accountability into our core values.

To establish management procedures for misbehavior, a fraud policy is formulated. The policy is outlined in the Employee Handbook and distributed to all existing and new employees during employee orientation to ensure they are fully aware of it. To protect our staff's independence when doing their daily job activities, it is completely banned for all employees to receive gifts or other perks from our existing or potential business partners. Not only are our directors and staff required to follow the policy, but so do our contractors.

A whistleblowing system is in place for our employees at all levels and divisions to raise their concerns about probable malpractice in the event of any suspected policy infractions. Employees can report suspected cases directly to the Company Secretary, the Board, or the Audit Committee chairman via a whistleblower report. To avoid jeopardizing the investigation and retaliation against the whistleblower, the name of the whistleblower and the information reported are kept confidential. The investigation outcome is expected to be supplied within three months of the report, depending on the nature and complexity of the cases. Violators will face disciplinary action once the case has been confirmed. The following diagram depicts the detailed investigation procedures for suspected cases:



### **Protection of Intellectual Property Rights**

Branding is one of the most important intangible assets for modern enterprises. We firmly stick to the concept of intellectual property protection and emphasize the utmost importance of intellectual property right management. We strictly comply with the intellectual property protection laws and regulations of the US. In the course of the collaboration with our partners, we maintain our own intellectual property rights in accordance with applicable laws and regulations. We also respect the intellectual property rights owned by our partners, including but not limited to our hotel brands for our hotels and resorts segment and the international brands for our luxury travel retail segment. We will only use the rights granted to us, within the authorized scope as stipulated in the relevant hotel management agreements and franchise and distribution agreements.

In respect of marketing and promotion, we strictly comply with the local laws and guidelines and use authorized promotion materials and information to ensure that others' intellectual property rights are not infringed. Furthermore, we comply with intellectual property guidelines prescribed by the brand owners when we use their brand names in connection with sales, promotion, marketing, advertising and distribution of our merchandises.

### **Anti-corruption**

The Group takes corruption issues seriously with a zero-tolerance approach. The management of the Group is committed to maintaining the highest standards of professional and ethical conduct. An anti-corruption policy is established and applied to all employees without exception.

All forms of corruption, bribery, and kickbacks are expressly prohibited. Guidelines to avoid the issues and identify the red flags are provided to all employees. A whistle-blowing system is set for employees who believe that reporting a bribe, kickback, or facilitation payment paid by a colleague, superior, or other party requires anonymity.



Besides, the Group must abide by the world's strictest anti-corruption regulations. The Group's operational entities in Saipan, Guam, and Hawaii are subject to the Foreign Corrupt Practices Act of the US and the United Kingdom Bribery Act, among other anti-corruption statutes. Furthermore, the Group's Hong Kong corporate office is subject to the Prevention of Bribery Ordinance, which is enforced by Hong Kong's Independent Commission Against Corruption.

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. Moreover, there was no legal case regarding corrupt practices brought against the Group or our employees during the Reporting Period. The top management received 36 hours of anti-corruption training in total. The employees other than top management received 147 hours of training in total. The training sessions were held as seminars.



Anti-corruption Training



## Supply Chain Management


The Group's operational risks can be reduced if supply chain management is done correctly. To preserve a long-term and stable relationship with our suppliers, the Group works to improve applicable policies and procedures. The Group worked with 819 suppliers in Europe, the US, Australia, and Asia during the Reporting Period. Suppliers for our hotels and resorts account for approximately 81% of the Group's suppliers.

Geographical region	Number of suppliers
Hong Kong	2
Mainland China	1
Guam	182
Saipan	549
Hawaii	31
US	42
Japan	1
Singapore	4
United Kingdom	1
Australia	5
Italy	1
<b>Total</b>	<b>819</b>

The adoption of a standardized Procurement Manual to provide guidance and controls over the procurement and payment management processes across the Group is recognized. Furthermore, various company segments can customize their purchase management system by adding appropriate elements to the manual.

New suppliers must go through a rigorous selection procedure to examine their competency and certification before being permitted to be placed in our supplier database, according to the manual. As a result, each supplier should provide background information, financial stability proof, and previous product and service compliance records. The valid statutory documents from the suppliers, such as their company license, Taxpayer Identification Number, and Certification, are also required to be assessed and evaluated by the Company's procurement team. Suppliers who meet all legal requirements and align with the Group's values and prerequisites will be approved as formal suppliers.

The procurement team has been analyzing and appraising the suppliers included in our suppliers' database on an annual basis based on particular measurable KPIs, such as: 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 aforementioned indicators are used to assess suppliers' ongoing performance in terms of product and service quality, operational compliance, and efficiency. Suppliers that have frequently failed to meet statutory criteria as well as the Group's values and needs will have their business contracts terminated by the Group. The Group's procurement cycle, in addition to supplier management, is well-managed according to the Procurement Manual. The procedures for the necessary procurement professionals are explained, from preparing official purchase requisitions and formal purchase orders to closing purchase agreements.

The Group's business ethical values, on the other hand, extend to our suppliers in order to encourage virtuous competition among them. Therefore, providers are prohibited from offering and/or receiving any personal incentives, including but not limited to money, gifts, and entertainment.

The Group conducts direct orders to international brands and/or authorized suppliers licensed by franchisors for our luxury travel retail segment. The franchise and distribution agreements, as well as our internal procurement policy, limit all procurement procedures and boutique operations. To ensure our compliance with the terms of the existing franchise and distribution agreements, we conduct regular evaluations of the merchandise offers, background, and competitive landscape. We will engage a legal consultant to analyze the franchise and distribution agreements and identify any potential legal difficulties before partnering with a new franchisor. If authorization from our existing franchisor(s) is required in certain circumstances, including but not limited to, the collaboration with another international brand or the relocation to a new retail space, we will obtain all requisite consent(s) from our existing franchisor(s) prior to entering into any contractual agreements.

### **Addressing the Environmental and Social Risks along the Supply Chain**

We impose standards in relation to the environment and society of our suppliers as part of our commitment to operate ethically, and to ensure that we engage with suppliers who share the same commitment with us. These standards are outlined in our Supplier Code of Conduct ("**SCC**").

We expect our suppliers to be environmentally conscious and complied with environmental protection standards. According to our SCC, suppliers must preserve and protect the environment by implementing business strategies and operation processes which minimize negative impact to the environment. As a result, suppliers should implement measures that encourage greater environmental responsibility in the design, development, and operation of their businesses. They are also encouraged to consider developing and integrating sustainable technologies to reduce the use of fossil-fuel generated energy and water and reuse/recycle the resources consumed by their businesses. Most importantly, they are required by our SCC to regularly monitor, record, and benchmark their environmental performance with a comparable methodology.

We spare no effort to address social issues in the supply chain. We strive to ensure the labor's right by actively encouraging the suppliers to comply with related standards and our management will monitor our suppliers' compliance with our SCC. All suppliers are required to comply with applicable laws and regulations including those concerning hours, compensation, opportunity and working conditions regarding labor practices. We have a zero-tolerance approach to forced labor and human trafficking. Suppliers must ensure that every worker has the freedom to move around and organize and join associations, and that no worker is forced to work or forced to pay for a job. In Saipan and Guam, no employee should be younger than the legal minimum age of 16. In addition, all suppliers are required by our SCC to provide a diverse, inclusive, and safe working environment for their staff.

## 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 devotes ourselves 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.

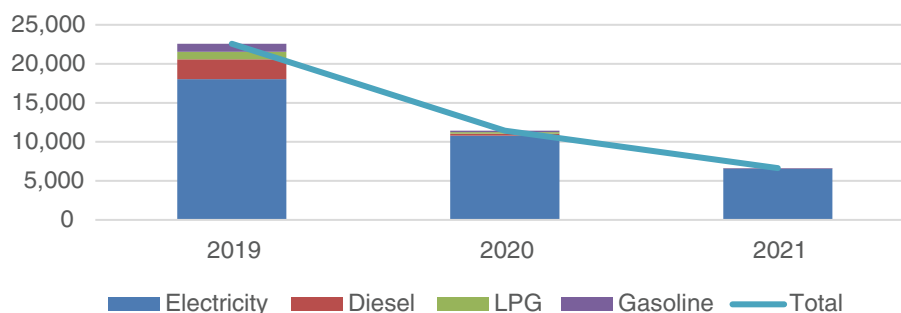
During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, generation of hazardous and non-hazardous waste and use of resources in Hong Kong, Saipan, Guam and Hawaii.

### Energy Efficiency and GHG Emissions

To meet with local government emissions guidelines, the Group closely monitors GHG emissions. Our GHG emissions reduction measures are also evaluated on a regular basis in order to improve them. In 2021, 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 6,643.38 MWh of energy was consumed, with an intensity of 0.34 MWh per USD'000 sales.

Types of energy	Units	2021	2020	2019
Total energy consumption	MWh	6,643.38 <sup>4</sup>	11,442.54	22,582.47
Total energy intensity	MWh per USD'000 sales	0.34	0.28	0.23
Direct energy consumption	MWh	68.52	634.89	4,535.39
— Diesel	MWh	0.46	246.87	2,537.35
— Liquefied petroleum gas ("LPG")	MWh	—	202.00	960.29
— Gasoline	MWh	68.06	186.02	1,037.75
Indirect energy consumption	MWh	6,574.86	10,807.65	18,047.08
— Purchased electricity	MWh	6,574.86	10,807.65	18,047.08

Energy consumption pattern over the past three years



<sup>4</sup> The main reason for a significant decrease in energy consumption and absolute GHG emissions level was reduction in using diesel, LPG and gasoline as stationary and mobile fuel, as well as electricity, due to the impact of novel coronavirus 2019 ("COVID-19") pandemic on our operations.

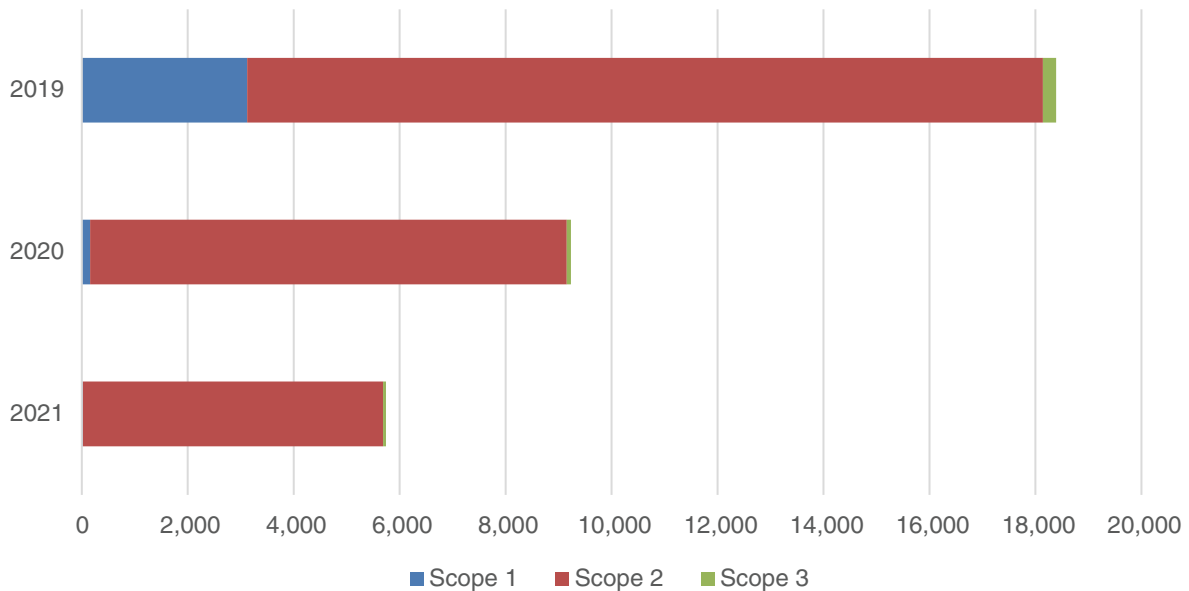


Energy management helps the Group minimize its GHG emissions and carbon impact. We encourage our staff to take on their roles in implementing the energy-saving techniques in their everyday tasks, as summarized in “Minimizing Use of Energy and Resources”. With the energy-saving initiatives being adopted, we aim to reduce the intensity of electricity consumption (per USD’000 sales) by 15% from the 2019 baseline by 2030.

During the Reporting Period, the Group emitted a total of 5,740.96 tCO<sub>2</sub>e of GHG, with an intensity of 0.29 tCO<sub>2</sub>e per USD’000 sales. Looking forward, we aim to reduce the intensity of carbon emission per revenue by 2030.

GHG emissions	Units	2021	2020	2019
Scope 1 <sup>5</sup>	tCO <sub>2</sub> e	17.79	157.44	3,121.91
Scope 2 <sup>6</sup>	tCO <sub>2</sub> e	5,669.49	8,996.09	15,018.31
Scope 3 <sup>7</sup>	tCO <sub>2</sub> e	53.68	79.43	250.66
<b>Total GHG emission</b>	tCO <sub>2</sub> e	5,740.96	9,232.96	18,390.88
Intensity	tCO <sub>2</sub> e per USD’000 sales	0.29	0.23	0.19

GHG emission level over the past three years



<sup>5</sup> Scope 1 represents direct GHG emissions generated by fuels for stationary and mobile sources.

<sup>6</sup> Scope 2 represents indirect GHG emissions generated by the use of purchased electricity from local power companies.

<sup>7</sup> Scope 3 represents other indirect emissions generated by business air travel of employees.



## Waste Management

To accomplish proper waste management, the Group has established several procedures based on the business basis of our three business sectors. Food waste, waste cooking oil, construction waste, and wastepaper were the most common types of waste in our hotels and resorts segment during the Reporting Period. We generally adopt a reuse approach for the food waste from our F&B section. Our hotels and resorts segment teamed up with local piggery companies to provide food waste for pig feeding, maximizing resource efficiency and reducing waste to landfills. To protect the marine ecosystem, we organized volunteer activities to clean up the beaches and prevent toxic debris such as plastic bags and bottles from discharging to the ocean and contaminating the water quality.

Furthermore, the “First In, First Out” principle is strictly followed by the F&B team. All food items and products purchased first will be consumed first to prevent food waste. All other wastes are then collected and handed over to the licensed waste collectors for further processing using approved operation permits such as the Used Oil Transporter/Collection Aggregation Operation Permit provided by the local authorities.

As regards construction waste, the hazardous and non-hazardous waste generated during the Reporting Period were the result of the renovation and upgrade works carried out to CP Saipan and CP Guam. The Group sought to minimize waste by re-purposing furniture, fixtures, equipment as well as soft goods as much as possible by re-using them for the Group’s staff housing facilities. The Group and its contractors ensured that all hazardous and non-hazardous construction waste were disposed of by licensed waste collectors in accordance with the relevant laws and regulations.

During the Reporting Period, the Group generated a total of 353.01 tonnes of hazardous waste and 418.43 tonnes of non-hazardous waste, which mainly consisted of demolished fixtures and renovation materials from the renovation and upgrade works of CP Saipan and CP Guam. With all efforts we made in waste diversion and reduction, we aim to reduce commercial waste intensity (per USD’000 sales) by 20% from 2019 baseline by 2030 (exclusive of construction waste).

Types of waste	Units	2021	2020	2019
Hazardous waste <sup>8</sup>	tonne	353.01	0.01	0.04
Intensity	tonne per USD’000 sales	0.018	0.000001	0.000001
Non-hazardous waste <sup>9</sup>	tonne	418.43	910.65	173.03
Intensity	tonne per USD’000 sales	0.027	0.030	0.003

## Air Emission

Vehicle fuel combustion and gaseous fuel consumption by cooking facilities are the most significant drivers of air pollution across all of our business segments. For our vehicles and equipment, we choose gasoline with lower emissions as fuel to reduce the impact on our environmental. In order to remove oil granules and odor from kitchen emissions, control devices such as grease filters and hydrovents are placed in the kitchens of our hotels and resorts.

<sup>8</sup> Hazardous waste figures in 2021 cover the demolished fixtures and renovation materials arose from the renovation and upgrade works of our two hotels under Asia Pacific Hotels, Inc. and Asia Pacific Hotels, Inc. (Guam). In 2019 and 2020, the hazardous waste figures only cover Gemkell Corporation and Gemkell U.S.A. LLC.

<sup>9</sup> In 2021, the non-hazardous waste figures cover Asia Pacific Hotels, Inc., while that in 2019 and 2020 cover Asia Pacific Hotels, Inc. (Guam) and Let’s Go Tour Company.

## Minimizing Use of Energy and Resources

Minimizing energy and natural resource consumption can help to reduce GHG emissions and waste. The Group has outlined a wide variety of tactics on such areas to launch a corporate-wide energy and resource conservation approach to urge our guests and staff to join our sustainable campaign:

### 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 the 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
- Provide water bottle for hotel guests and replace the bottled water in the guestroom
- Place paper recycling boxes next to printing facilities to encourage recycling

By dint of the restrictions on branding promotion policy stipulated in the franchise and distribution agreements signed between the Group and international brands, the Group is required to follow the practice and use the required packing materials in all sales activities of corresponding international brands. The Group is bound to use the brand's customized shopping bags that are made from recyclable materials so as to cope with the Group and the international brands' business sustainability strategies.



The Group consumed 247,743.37 m<sup>3</sup> of freshwater and 55,392 pieces of packaging materials in 2021. Details of the consumptions are illustrated in the table below:

	Units	2021	2020	2019
<b>Water<sup>10</sup></b>				
<b>Freshwater consumption<sup>11</sup></b>	m <sup>3</sup>	247,743.37	579,308.00	1,037,163.01
Intensity	m <sup>3</sup> per USD'000 sales	12.51	14.20	10.51
<b>Wastewater discharge<sup>12</sup></b>	m <sup>3</sup>	247,743.37	346,821.13	591,315.48
Intensity	m <sup>3</sup> per USD'000 sales	12.51	8.50	5.99
<b>Packaging materials</b>				
<b>Total consumption</b>	pieces ("pcs")	55,392 <sup>13</sup>	119,942	377,969
Paper bag	pcs	53,988	115,388	288,175
Canvas bag	pcs	—	127	5,100
Plastic bag	pcs	1,404	4,427	84,694
Intensity	pcs per USD'000 sales	12.13	11.20	11.12

## Protecting the Environment and Natural Resources

The Group aspires to be a leader in terms of reducing our environmental footprint and preserving the environment and natural resources in the places where we operate. Therefore, in addition to complying with applicable local environmental rules and regulations, we go a step further by putting in place the following safeguards.

### Marine Protection

Regardless of the potential repercussions on the marine ecosystem due to our tourism operations, the Group is committed to putting out every effort to safeguard valuable marine resources. For example, before the temporary closure of CP Guam for renovation and upgrade works, an information kiosk was situated in a prominent area of the lobby to share knowledge on marine protection with our visitors, as we recognize how education can positively influence our guests' behavior. In addition, to improve guests' understanding of marine conservation, information on the sea and reefs is translated into several languages and incorporated into the briefing film of our excursion tours.


<sup>10</sup> There was no issue for sourcing water that was fit for purpose of the Group in 2021.

<sup>11</sup> Let's Go Tour Company had temporarily closed in 2021 and did not contribute to water consumption.

<sup>12</sup> The reduction in wastewater discharge was attributed to the impact of COVID-19 pandemic on our business operations.

<sup>13</sup> The reduction in the use of packaging materials can be attributed to the impact of COVID-19 pandemic on our business operations.





Our use of water activities equipment has been approved by the CRM. We strictly observe the Group's CRM permit restrictions, which require us to stick to the coral reef monitoring plan we filed. The following are some examples of practical measures:

- 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.

In terms of our employees, all of our marine activities operators must complete a specific training program, as outlined in the Marine Operator Handbook, which includes professional knowledge of beach, near-shore, and coral reef ecology, as well as guidelines for limiting the impact of our business on marine resources. Our tour guides are also encouraged to educate our customers on environmental protection and to remind them not to take anything from the ocean or the beaches.

We are also conscious of the concern of overfishing. CP Guam's F&B service only delivers sustainable seafood to our hotel guests. To demonstrate our dedication to marine biodiversity protection, we acquire and serve only seafood from well-managed fisheries where it is fished or farmed in an environmentally friendly manner, with no reef fish.

### **Water Source Protection**

Water scarcity is a significant problem in the twenty-first century. Water use has been increasing across the globe, which is driven by a combination of population growth, socio-economic development, and changing consumption patterns. The Group takes the lead to reduce the water consumption in the daily business operations with the aid of installing water saving shower heads as well as removing the bathtub (part of the asset rejuvenation plan) in the bathrooms of our guestrooms. Signages are also placed inside the guestrooms to encourage the hotel guests to reuse the towels and bed linens whenever possible.

Having said that, the Group is dedicated to playing our position in implementing a comprehensive wastewater discharge management system. We have grease traps in our wastewater discharge system to filter surplus fats and oils and prevent them from being dumped into municipal drainage to effectively manage the consequences of the day-to-day operations of kitchens in our hotels and resorts. The equipment is inspected and maintained on a monthly basis to ensure its performance. In addition, grease waste from grease traps is collected and handled by licensed trash collectors.

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. To promote sustainability of water resources, we are committed to reducing water consumption intensity (per USD'000 sales) by 10% from 2019 baseline by 2030. For the water-saving initiatives we adopted to achieve the target, please refer to "Minimizing Use of Energy and Resources".



## COMMUNITY PARTICIPATION

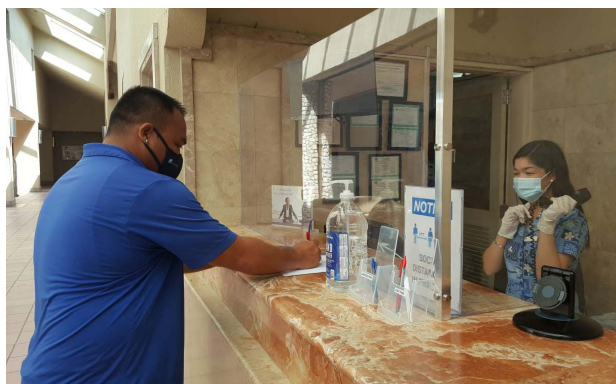
Our Group has never shied away from its responsibility to give back to the communities in which it operates. By proactively bonding with the locals, we adhere to the principle of “taking from the community, contributing to the society” throughout our business development. To improve the quality of life for residents, we continue to play a beneficial role in the community through favorably impacting local markets and business networks.

During the Reporting Period, the Group has a great and significant increment on the community investment comparing with 2020. The Group served 286 hours in 34 community activities with the focus on environmental protection and community wellness. In addition, a total of US\$3,009,057 was donated as public benefit fund, which is to be used in CNMI to, among other things, (i) improve the sport facilities and training opportunities; (ii) create one-way traffic patterns throughout the vehicular roadways within the downtown Core; and (iii) open additional parking stalls along the east traffic corridor with sidewalks and storm drains.

The activities in which we participated in 2021 are further illustrated below:

### Community Health — Combatting COVID-19

Back in early 2020, when COVID-19 cases were surging around the globe, the CNMI was the first US territory to take proactive action and preventive measures against the coronavirus locally. 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. During the Reporting Period, Kanoa Resort was operating as one of the designated quarantine hotels and the term of the Emergency Contract has been extended until end of June 2022, subject to further adjustment by the CNMI Homeland Security and Emergency Management.



To protect the health of guests and our employees, all COVID-19 protocols, including health declaration and social distancing, are strictly enforced in our premises.



## Community Wellness

Since individual wellness is inextricably linked to community health, the Group consistently encourages our employees to participate in relevant local activities such as walking marathon to engage better in the community and demonstrate our concern for the welfare of local residents. With plans to restart tourism flights in the works, it's more crucial than ever to gather enthusiastic local support for island activities.

### ***Walk to gather local support***

During the Reporting Period, our staff participated in a costumed walkathon organized by Marianas Visitors Authority in the celebration of May Tourism Month. On a 5-kilometer circuit, they dressed as tourists and walked up and down the Beach Road jogging trail. The walk was an ideal chance to recognize all that tourism contributes to the Marianas community and to share encouragement and enthusiasm for the industry's gradual return.

Our Destination Services Sector, iShop donated sunscreen in support of the event. Through the campaigns, we showed our support and love for the industry and community.

## Care for Our Environment

Tourism is strongly reliant on natural and man-made environmental quality. Nature is revered by the Group, and it is grateful for its existence and advantages. Therefore, we organized various volunteer events to clean up and restore the environment. Looking forward, we aim to work on raising the sustainable awareness of the local community.







### Clean Up the Environment

The Group held monthly beach clean-ups to help the environment and also the economy. Several island-wide and coastal clean-up activities were organized.



We help to sustain a safe environment by regularly clean-ups. Through the clean-ups, we help improve the marine life, keep toxic chemicals out of the water and make seafood safer to eat.

Litter can be dangerous to the tourists. For example, metal with sharp edges and pieces of glass can create a public health hazard. By cleaning up the beach, we ensure that tourists from all over the world can enjoy the beaches fully.

Cleaning up the environment also makes great contribution to our staff's mental and physical health. As they get the chance to be outside and spend time with the nature, they can be joyful and peaceful. Walking on the beach and cleaning around are a kind of physical exercise. It requires more physical strength than walking on paved and flat surfaces, as the sand makes it more challenging to move. Through the event, our staff burned more calories and engaged the stabilizing muscles more.





## CLIMATE RISK PREPAREDNESS

The rise in the intensity and frequency of extreme weather events is one of the most significant impacts of global warming. Due to our corporate nature, we are particularly vulnerable to the effects of climate physical risks. The Group is firmly committed to environmental protection and sustainable development. To that purpose, the Group has developed a policy on climate-related concerns, establishing clear ESG principles and requirements that are in the best interests of the Group's long-term development. The following actions have been taken to reduce the impact.

### Climate-related Risks Identified

The Group's main operations are exposed to both physical risks and transition risks. Physical risks include:

#### **(a) Increase in temperatures**

The rise in the water temperature of the ocean causes sea levels to rise through thermal expansion. The distribution of many marine species is to shift due to their dependence on specific water temperatures and nutrient availability such as the corals under the sea for survival. Besides, the changes in the circulation patterns of deep ocean currents that transport warm and cold water around the globe was also affected, which may have adverse impact on the Group's business operations.

#### **(b) Stronger Tropical Storms and Typhoons**

Storms and typhoons are becoming more frequent and severe, potentially causing damage to properties and equipment, disturbing the business operations and raising the maintenance costs of the properties and public infrastructure.

#### **(c) Threats to Natural Areas and Infrastructure from Sea Level Rise**

The increasing sea level globally is projected to exacerbate high tide and wave flooding, storm surge, and coastal erosion, all of which are expected to become ruinous. Long-term sea level rise may force coastal operations to move inland.

#### **(d) Risks to Fresh Water**

Alongside climate change, irresponsible human activities threaten the continuing viability of many ecosystems. The increasing global exploitation of water resources across the world has led to the increasing risk in water scarcity. Ultimately, the Group may suffer from absolute water shortages and adversely affect the Group's operations.



### **(e) Coral Reef Bleaching and Loss**

Coral reefs and ocean ecosystems contribute hundreds of millions of dollars to the CNMI and Guam economies each year, as well as providing natural flood and storm protection. Tropical typhoons and flooding could result in damages to the community infrastructures of the islands, reducing the number of tourists visiting Saipan and Guam, and hence negatively impact the Group's revenue.

In addition to the above, transitional risks include policy and legal, technology, and market changes. The governments of Saipan, Guam, and Hawaii may enact more rigorous climate legislation (such as carbon-pricing mechanisms, pricing of GHG emissions, the shift of energy use towards renewable energy, and acceleration of energy transition requirements). Furthermore, if new technologies develop (such as using renewable energy and improve energy efficiency), the Group may be required to stay current in order to achieve greater efficiency criteria. Furthermore, changes in market preferences (such as consumer preferences, demand, and supply) may contribute to an increase in the need for environmentally friendly items. As a result of the aforementioned risks, operating costs may increase, and revenue and market share may be lost.

### **Mitigation of Risks Identified**

To mitigate the risks identified, the Group has developed risk mitigation procedures. Details are as below:

- (a) Improving typhoon, tsunami, rainstorm, flood, and other sudden natural disasters protection facilities;
- (b) Developing emergency response plans and continually improve natural disaster response mechanisms;
- (c) Increasing insurance coverage, as needed, to cover personal injuries and property damage caused by various disasters and accidents;
- (d) Providing staff with training and change-related information on how to deal with extreme weather events, as well as disaster preparedness and emergency drills on a regular basis;
- (e) Procuring energy-efficient equipments;
- (f) Closely monitoring and responding to changes in environmental laws, regulations, and policies;
- (g) Innovating and exploring ways to improve energy efficiency and reduce the emission of GHG from normal business operations, as well as minimizing the production of wastes;
- (h) Improving management transparency, paying close attention to and responding to stakeholder concerns; and
- (i) Researching, formulating and continuously improving plans of carbon emission objectives for the medium to long term.

The Group will review the climate risk policy from time to time to ensure its relevance and effectiveness.

## HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs	Explanation/Reference Section
<p><b>Aspect A Environmental</b></p> <p><b>A1 Emission</b></p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) 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.</p> <p>Note:</p> <p>Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	<p>Environmental Sustainability — Energy Efficiency and GHG Emissions, Waste Management, Air Emission, Minimizing Use of Energy and Resources</p>
<p><b>KPI A1.1</b></p> <p>The types of emissions and respective emissions data.</p>	<p>Environmental Sustainability — Air Emission</p> <p>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.</p>
<p><b>KPI A1.2</b></p> <p>Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<p>Environmental Sustainability — Energy Efficiency and GHG Emissions</p>
<p><b>KPI A1.3</b></p> <p>Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<p>Environmental Sustainability — Waste Management</p>
<p><b>KPI A1.4</b></p> <p>Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<p>Environmental Sustainability — Waste Management</p>
<p><b>KPI A1.5</b></p> <p>Description of emission target(s) set and steps taken to achieve them.</p>	<p>Environmental Sustainability — Energy Efficiency and GHG Emissions</p>
<p><b>KPI A1.6</b></p> <p>Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	<p>Environmental Sustainability — Waste Management</p>





HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>A2 Use of Resource</b>	<p>Policies on the efficient use of resources including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Environmental Sustainability — Energy Efficiency and GHG Emissions, Minimizing Use of Energy and Resources
<b>KPI A2.1</b>	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
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability — Minimizing Use of Energy and Resources
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Sustainability — Energy Efficiency and GHG Emissions, Minimizing Use of Energy and Resources
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Sustainability — Protecting the Environment and Natural Resources
<b>KPI A2.5</b>	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
<b>A3 The Environment and Natural Resources</b>	Policies on minimising the issuer’s significant impact on the environment and natural resources.	Environmental Sustainability — Protecting the Environment and Natural Resources
<b>KPI A3.1</b>	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
<b>A4 Climate Change</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Risk Preparedness
<b>KPI A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Risk Preparedness



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
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<b>Aspect B Social</b>		
<b>B1 Employment</b>	Information on: (a) the policies; and (b) 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
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Care for Our Employees — Equal and Diversified Workplace
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Care for Our Employees — Equal and Diversified Workplace
<b>B2 Health and Safety</b>	Information on: (a) the policies; and (b) 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
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Care for Our Employees — Safe and Healthy Workplace
<b>KPI B2.2</b>	Lost days due to work injury.	Care for Our Employees — Safe and Healthy Workplace
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Care for Our Employees — Safe and Healthy Workplace
<b>B3 Development and Training</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Care for Our Employees — Training and Development
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Care for Our Employees — Training and Development
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category	Care for Our Employees — Training and Development





HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>B4 Labour Standard</b>	Information on: (a) the policies; and (b) 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
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Care for Our Employees — Labor Standards
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Not applicable
<b>B5 Supply Chain Management</b>	Policies on managing environmental and social risks of supply chain.	Service and Product Responsibility — Supply Chain Management
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Service and Product Responsibility — Supply Chain Management
<b>KPI B5.2</b>	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
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Service and Product Responsibility — Supply Chain Management — Addressing the Environmental and Social Risks along the Supply Chain
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Service and Product Responsibility — Supply Chain Management — Addressing the Environmental and Social Risks along the Supply Chain
<b>B6 Product Responsibility</b>	Information on: (a) the policies; and (b) 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
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Service and Product Responsibility

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Service and Product Responsibility
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Service and Product Responsibility — Business Ethics — Protection of Intellectual Property Rights
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Service and Product Responsibility — Service Excellence
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Service and Product Responsibility — Customer Privacy Protection
<b>B7 Anti-corruption</b>	Information on: (c) the policies; and (d) 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
<b>KPI B7.1</b>	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
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Service and Product Responsibility — Business Ethics
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Service and Product Responsibility — Anti-corruption
<b>B8 Community Investment</b>	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
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Participation
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Community Participation