



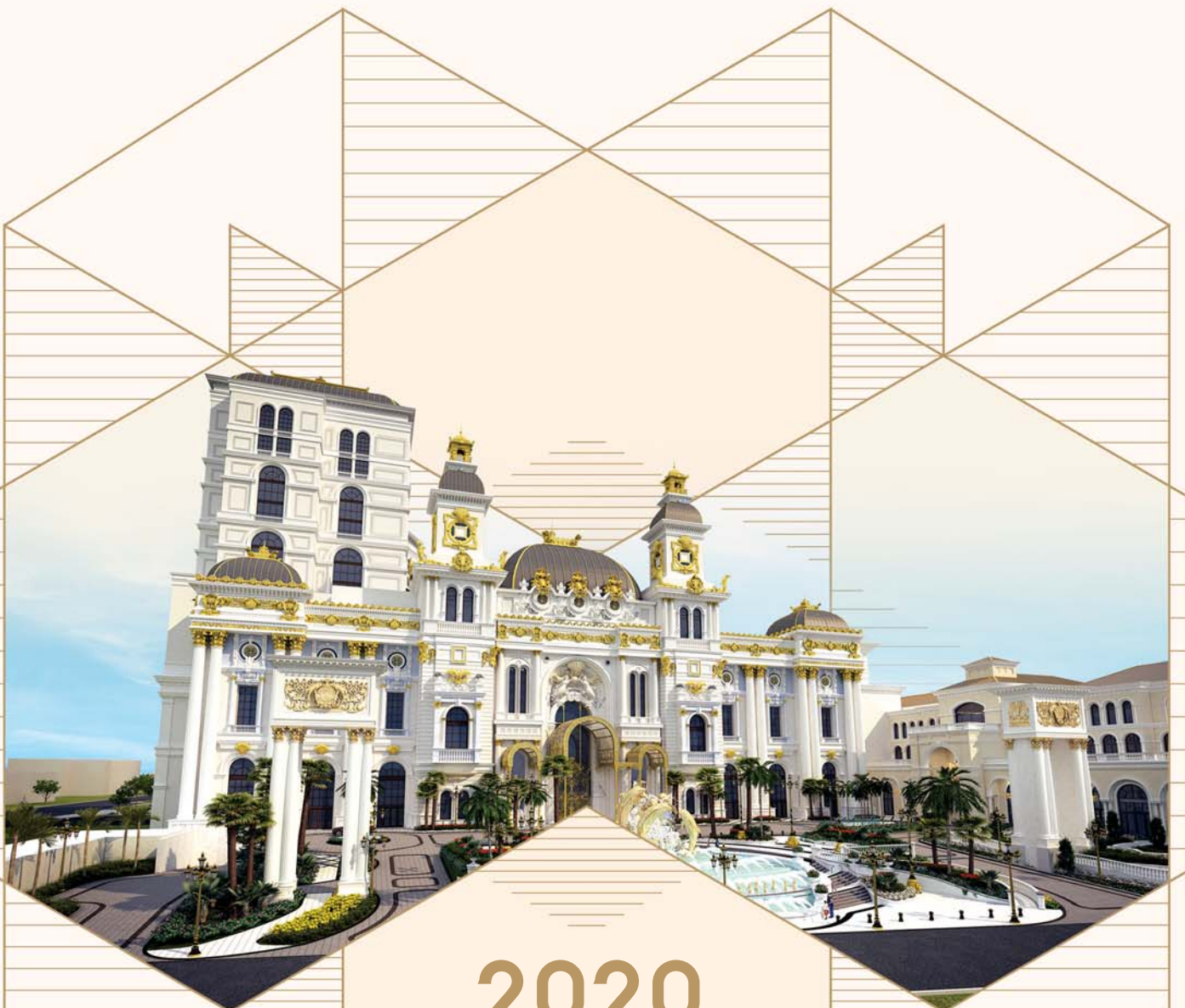
IMPERIAL PACIFIC

INTERNATIONAL HOLDINGS

博華太平洋國際控股有限公司

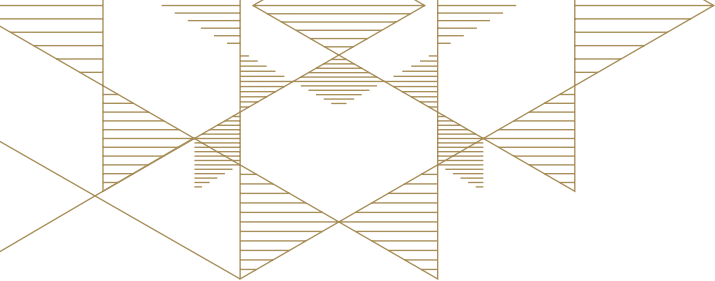
Incorporated in Bermuda with limited liability

Stock Code : 1076



2020

Environmental, Social
& Governance Report



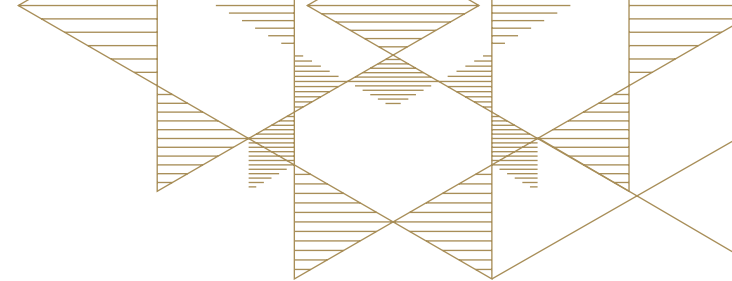
MESSAGE FROM THE BOARD OF DIRECTORS

To Imperial Pacific, 2020 was a challenging year. Despite the COVID-19 pandemic and the difficulties we faced, we have remained anchored to the development of the Group's Imperial Palace • Saipan (the "**Resort**"), with the focus of creating shared value for our business and the local community.

We have devoted efforts and stayed mindful of the needs and expectations of our various stakeholders, shouldering the responsibility for the sustainable development of the community.

We will stay true to our commitment to sustainable development, and work with our business and community partners to create a brighter future for all.

For and on behalf of the Board
Imperial Pacific International Holdings Limited
Xu Zhongxiang
Executive Director



THE REPORTING APPROACH

It is our honor to present this Environmental, Social and Governance Report (the “**Report**”) of Imperial Pacific International Holdings Limited (the “**Group**” or “**Imperial Pacific**”). The scope of the Report includes Imperial Pacific’s operations in Hong Kong, Macau and the Commonwealth of the Northern Mariana Islands (“**CNMI**”).

This Report is prepared with reference to the Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Unless otherwise specified, the reporting period of this Report is from 1 January to 31 December 2020.

CORPORATE GOVERNANCE

The Group implements stringent corporate governance standards and codes to facilitate long-term business development goals. Our Board of Directors (the “**Board**” or the “**Directors**”) upholds the ultimate superiority in monitoring over the corporate governance system, with the aim of maximizing our stakeholders’ interests while maintaining the prosperity of the Group.

We believe that a transparent operating manner surpassing the minimum legal standards is essential for continual business growth. Hence, we are dedicated to complying with all relevant laws and regulations during our operations, and go beyond wherever appropriate. For more information regarding our corporate governance, please refer to the “Corporate Governance Report” in our upcoming 2020 Annual Report.

ESG RISK MANAGEMENT AND GOVERNANCE

The Group reviews and manages ESG issues on a regular basis. The Board holds the highest authority in establishing sustainability strategies and evaluating respective impacts towards our business development. It is also responsible for overseeing the management at all levels on the implementation of ESG strategies and initiatives.

Acting upon delegation by the Board, our management executes and monitors the existing ESG initiatives, then provides annual feedback on the initiatives’ effectiveness for any necessary amendments and updates. We are pleased to have gained collective support from various departments in performing sustainability practices altogether.

STAKEHOLDER ENGAGEMENT

Our valuable stakeholders — ranging from employees, investors, business partners, government to the community — are our driving forces to move towards a more sustainable future. In response to our stakeholders' expectations, we motivate ourselves, as well as our collaboration partners, to advocate sustainable initiatives for the betterment of the society. Since 2016, stakeholder engagement processes engaging internal and external parties were carried out annually to gauge their opinions, and to identify and rate the importance of ESG issues to the Group. Results obtained from the stakeholder engagement formed the basis of this Report.

Based on the exercise, we found that stakeholders considered the following issues important to them:



OUR PEOPLE



Employees are our most important asset. The Group has been striving to hire, cultivate and retain our talents by respecting proper labor practices and human rights, as well as offering an embracing, healthy and safe working environment for employees to develop and grow. Our Employment Policies and Procedures are in place to stipulate our commitment, and guide us in putting our commitment into practice.

To repay our employees for their hard work, we offer competitive remuneration packages, which include housing, meals, transportation, various insurance options, and paid time-off, etc. Considering the special needs of expatriates and foreign workers, we also offer home leaves and a flexible working environment for them to achieve better work-life balance. Apart from our directly hired employees, we expect to work closely with our subcontractors to ensure their workers are being fairly compensated.

Due to COVID-19 pandemic, there has been certain layoff in 2020 and recruitment of general staff has been significantly scaled back. We are gradually in the process of identifying and hiring U.S. eligible workers, in order to meet the labor demand for our construction project.

The total workforce by geographic location as at 31 December 2020:

Hong Kong and Macau	38
Saipan	806
Total Workforce	844

OUR PEOPLE

Diversity and Inclusion

Adhering to our principles in promoting diversity and inclusion, the Group has been engaging employees under a work environment provided with equal opportunities. We proactively sustain a discrimination-free workplace where no employees of the Group shall be placed at disadvantage due to their gender, race, color, nationality, age, religion, sexual orientation, marital status or other conditions stated in law. Our internal policies ensure our job applicants and employees to experience fair employment practices regarding hiring process, training, remuneration, wellbeing and promotion.

All new employees are required to attend an orientation training highlighting the significance of equal opportunities and non-discrimination. Our Human Resources Department welcome any feedback from employees who suspect themselves to be encountering unfair treatment at work. All reported cases will be placed under confidentiality and thorough investigation in a timely manner. Depending on the confirmed misbehaviors, we will take any necessary actions towards the relevant parties.

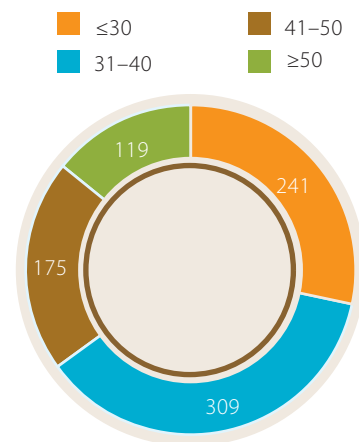
The Group also adopts a zero-tolerance approach towards the use of child and forced labor within our business operations and ensure to comply with all applicable laws and regulations in the jurisdictions where we operate.

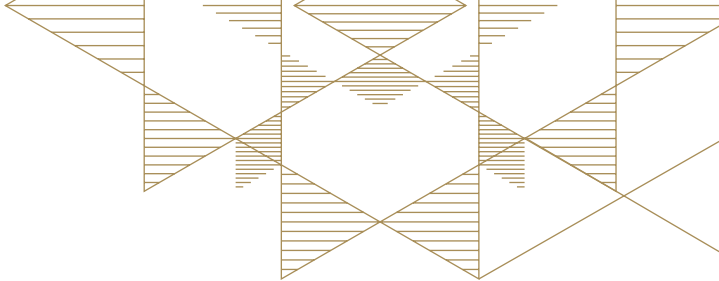
Talent Cultivation

For the ultimate goal of business success, the Group is committed to unleashing the potentials of employees through tailored training programs and mentoring opportunities. Ranging from gaming and hospitality industry best practices to personal development, we ensure our employees are well-equipped with skills and experiences to fulfil customer needs.

As food safety is crucial to our customers, our food handling staff are required to learn about the proper way of handling food and beverages, and its respective hygiene requirements and standards. We also expect our staff to be familiar with the know-how in helping customers in urgent situations, hence we provide every employee with hands-on training and knowledge-based lectures from the American Red Cross First Aid, to make sure they are capable of delivering basic emergency medical assistance whenever needed.

Age Diversity





OUR PEOPLE

Our ambition is to become one of the leaders in the gaming and entertainment industry. To develop our people professionally, casino dealer training courses are delivered to strengthen their competence in operating gaming tables. They are also informed about the Group's Code of Conduct and anti-bribery policies to judge and act righteously at all times. Considering the large proportion of Mandarin-speaking customers visiting our casino and related facilities, the Group has also been offering Mandarin language courses to facilitate face-to-face communications with our customers.

To make training opportunities more convenient and accessible to employees, we have been incorporating technological elements in our internal training courses. The training content is constantly reviewed as well, based on any updates of the regulations and policies. As such, we hope to develop our employees in every possible way and jointly reach a higher level of achievements within the industry.

Occupational Health and Safety

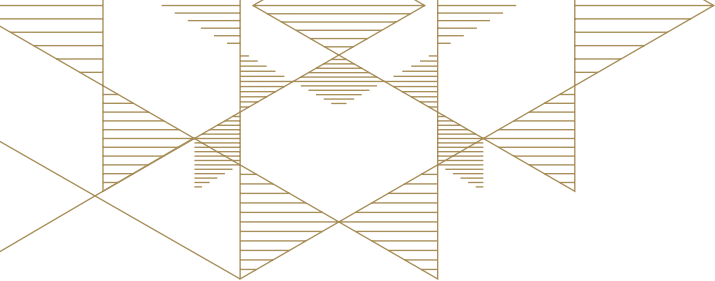
It is of our highest priority to ensure the wellbeing of our operating staff, hence we spare no effort to create a healthy and safe working environment for them to carry out their duties. By adopting stringent management approaches, robust site inspection practices, and effective communication channels, we target to achieve beyond-compliance performance in protecting our employees.

We raise the awareness on health and safety through regular training, health checks and informative newsletters with health tips. Shuttle bus drivers who operate a vehicle carrying more than 15 passengers are required to go for annual health checks to make sure they are in good physical conditions.

We offered Occupational Safety and Health Administration (OSHA) Training Program and a voluntary safety education session to make sure site workers and subcontractors are aware of the potential hazards on-site and adopt injury preventive measures accordingly. Workers are always reminded of the importance of using Personal Protective Equipment (PPE) at the site. Fire drills were also taken place to familiarize them with the designated escape routes and assembly points.

To ensure site conditions are up to the Group's standards, our staff conduct health and safety site inspections on a daily basis. If immediate rectification action is needed, instructions will be communicated to site workers through the internal instant messaging group set-up for this purpose. In case of any job-related or on-duty injury, the relevant officers must complete an incident report afterwards for further investigation and performance review, so as to avoid future happenings of similar incidents.

We are thankful that our increasing effort in safety initiatives paid off. During the reporting period, there was no work-related fatalities, and only minor injuries were reported at a low rate. We will continuously review and enhance our health and safety performance to move towards creating an injury-free working environment.



OUR COMMUNITY

Community Benefit Fund

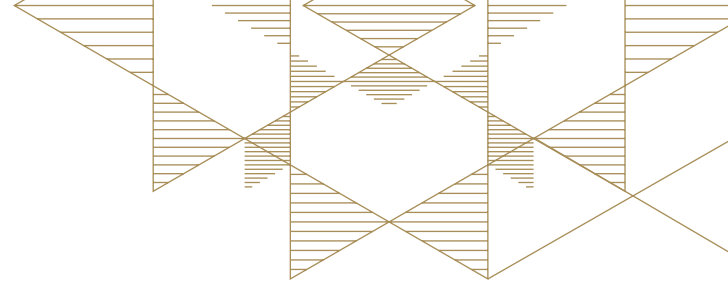
The growth of the economy is an important factor to our Group. Through the Community Benefit Fund, past annual contributions to ensure the growth of the economy continued in education, healthcare, retirement and other community based programs. Due to the outbreak of the COVID-19 pandemic, the Group did not contribute in the Community Benefit Fund in 2020.

As one of the largest enterprises in Saipan, we reckon our influence on the local community and take the responsibility to create sustainable values for the CNMI community as our own. Guided by our commitment to facilitate help “for the locals, by the locals”, we have stayed conscious of the needs and expectations of the local people, and formed various partnerships with the local government and other parties to carry out community programs in the areas of cultural and environmental conservation, health and well-being, and youth education, etc.

The Group’s Corporate Social Responsibility (“**CSR**”) work is led by the CSR Team comprising local employee representatives, while all employees and their family members are strongly encouraged to take part in the CSR work as active volunteers. However, CSR voluntary work was temporarily halted due to the outbreak of the COVID-19 pandemic and accordingly there was negligible hour of voluntary effort in 2020. Throughout the recovery from the pandemic, our Group remains committed to the mission of enhancing the tourism of Saipan and creating local opportunities. With increasing vaccination rates and gradual lifting of travel restrictions in Saipan, the Group anticipates to restart community work, including past community projects such as the “Village Pride Project” and the “School Pride Project” after COVID-19 Pandemic health and safety protocols and restrictions are lifted.

Local Cultural and Environmental Conservation

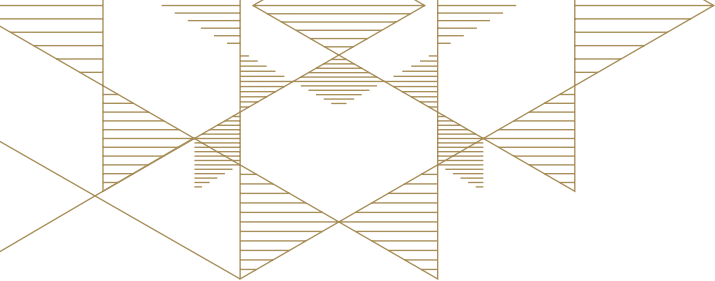
Villages in Saipan have a long history and rich culture which worth to be cherished and preserved. The Group’s signature Village Pride Project, which was established in 2016, targets to breathe new life to these historic villages’ public facilities and thereby revitalize the communities. Under the project, the CSR Team was sent to the villages to help with public facilities upkeep. Since 2016, the CSR Team has improved many villages on the island of Saipan and have extended their services to the neighboring islands of Rota and Tinian.



OUR COMMUNITY

Youth Education

Apart from preserving the beauty of the islands, maintaining a healthy and clean environment for schooling is also key to the sustainable development of Saipan. The School Pride Project was initiated by the CSR Team in 2015 for this purpose and has been much appreciated by the beneficiary schools and students. Until today, the School Pride Project has partnered with over 15 public schools, and will continue to partner with schools in need of help in Saipan.



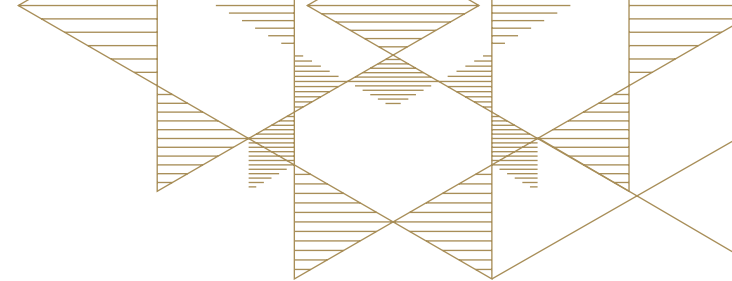
OUR OPERATING PRACTICE

We promote a positive business environment that aligns with our values and business ethics. We are dedicated to offering impeccable services to our guests, while responsibly managing our operations and the supply chain. To achieve this, we motivate our business partners to join hands with us and manifest their significant roles in upholding commercial credibility and data privacy.

Responsible Gaming Advocacy

We put our customers' experience on high priority. We recognize the importance of notifying our customers about the underlying risks of gambling, as well as creating a safe and reliable gaming environment for them. As such, we made best efforts to comply with the Commonwealth Casino Commission's requirements, and take the initiation to provide customers with immediate assistance whenever required.

To ensure readiness to assist any customers in need, we require every employee to attend training related to responsible gaming on their first day onboard, and periodic refresher training based on further needs. As such, we equip our employees with relevant knowledge and skills in handling problem gaming issues. Moreover, we provide awareness-raising reminders on screens of table games and slot machines, and prepare pamphlets for collection at the casino with details of responsible gaming, including our Self-Exclusion Program in coping with problem gaming behaviors, as well as counselling service via national hotline to offer professional help.



OUR OPERATING PRACTICE

Anti-Corruption and Anti-Money Laundering Initiatives

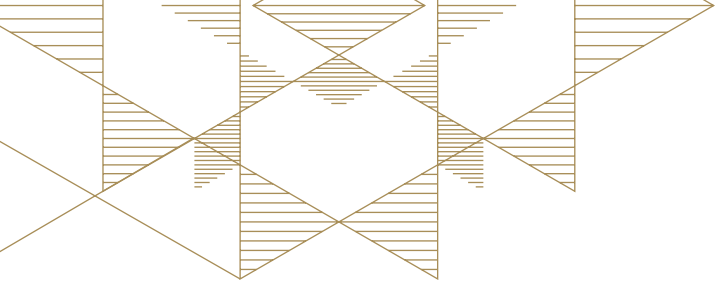
To maintain the highest ethical standard in our business operations, not only do we maintain a high degree of transparency towards the local regulatory agencies, but also oversee corporate governance practices of the Group regularly to ensure full compliance with the latest regulatory requirements.

We show zero tolerance towards bribery and corruption in any form within the Group. To this end, we have been executing stringent policies to forbid any corruption-related activities engaged by our employees, and uphold our principles of business integrity. Our employment policies govern the employees to act ethically in accordance to the stipulated business practices, and training and refresher sessions have been provided to ensure all employees are well-aware of the level of business ethics they should uphold. Employees are not allowed to solicit or accept gratuities, gifts, favors or anything of monetary value for their own use or that of a family member. Monetary gifts or favors exceeding retail value of USD100 must be immediately brought to the attention of the Division Director or Department Head. In case of failure to comply with the Group's requirement, one may be subjected to corporate and legal proceedings. Within the reporting period, there was no concluded legal cases due to corrupt activities brought against the Group or employees.

To ensure compliance with the USA Bank Secrecy Act ("**BSA**") and its relevant regulations, the Group has implemented comprehensive anti-money laundering ("**AML**") policies and respective controls to combat terrorist financing. It is compulsory for our employees to participate in the annual AML training. Since 2017, we have been incorporating AML training modules into our e-learning platform, with the aim of letting our employees in different job duties learn about the inherent risk of AML and preventive measures in our business. This year, two new language options, Chinese and Tagalog, have been added to the online learning modules to facilitate staff with different language backgrounds learn about anti-money laundering in an effective and flexible learning environment.

The Group recognizes the importance of resource investment in better internal controls and processes regarding AML initiatives. Since 2017, we have launched an intelligent computer software solution for identifying suspicious money laundering activities. Being one of the earliest casinos in the United States to adopt this system, we have fully utilized it to facilitate our management in keeping track of money laundering risks and activities. Besides, our "Know Your Customer" process is useful in enhancing due diligence of patrons by substantiating the customers' identities and recording information effectively for compliance purposes.

Our AML procedures and policies are applicable to all offices in operations, including Hong Kong, Macau and CNMI. In particular, we have established an Employee Whistleblower Standard Operating Procedure to guide employees when they encounter any illegal or unethical issues within the Group. They are strongly advised to report such issues to their direct supervisors, managers or the Human Resource department via internal whistleblower hotline or email. Our Investigation Team and Whistleblower Committee shall carry out immediate actions towards the matters. Whistleblowers can be reassured that their identities will remain strictly confidential.



OUR OPERATING PRACTICE

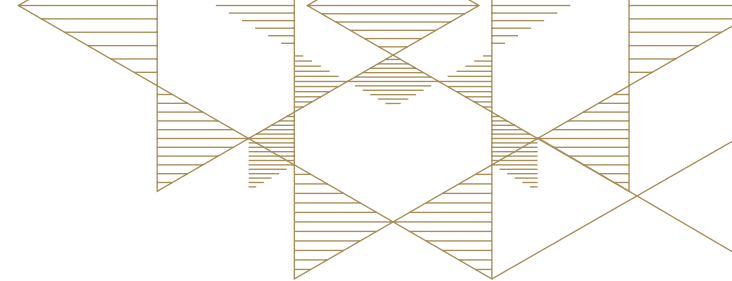
Exceptional Customer Services

To strengthen long-term relationship with our customers, we ensure continuous improvement in our service quality and safeguard our customers' privacy with the utmost care. We strictly abide by the relevant laws when handling personal data. Only necessary and non-excessive personal information will be collected, and whenever it is collected from the customers, we include personal information collection statements in the documents, so that they can fully understand the purpose and use of such information. Our IT department is responsible for proper and secure storage of the data under a rigorous management system. Access to data on the system is controlled based on authority. We also have strict control on the access and retention period of CCTV footage. Within the reporting period, there was no material substantiated complaints for breaching customer privacy and losing customer data.

Imperial Club, the loyalty program of the Group, was launched with an aim of enhancing communication and build up trust with customers. The Group is committed to improving our customer services standards by considering feedback from them and formulating future improvements accordingly. Moreover, we review our procedures and policies on a regular basis to ensure alignment with our customers' interests. If we receive any complaints by phone, email or in writing, the Imperial Club will follow-up attentively and ensure timely response within five working days. During the reporting period, we did not receive any complaints from Imperial Club members.

Sustainable Supply Chain

The Group is aware of the importance in building up long-term partnerships with our business partners. Working with our vendors, contractors and suppliers, we are determined not only to provide exclusive products and services, but also contribute to a sustainable supply chain. As such, we have actively incorporated social and environmental considerations into our suppliers' pre-qualification and procurement practices. Despite difficulties arose from geographical and regulatory constraints, we try to source locally for supporting Saipan's economic and social development, and minimizing the ecological footprint resulting from goods transportation. Within the reporting period, we had business with 261 suppliers, of which all were from Saipan.



OUR ENVIRONMENT

The environment is an indispensable part of our business, hence we have been adopting a proactive approach towards environmental protection and natural resources conservation. Our property management and property development teams take up the responsibility in leading the Group towards more sustainable practices. We pursue every opportunity, at every stage of our projects and in every area of our casinos, to create a fulfilling experience to our customers while leaving a positive legacy for our mother nature.

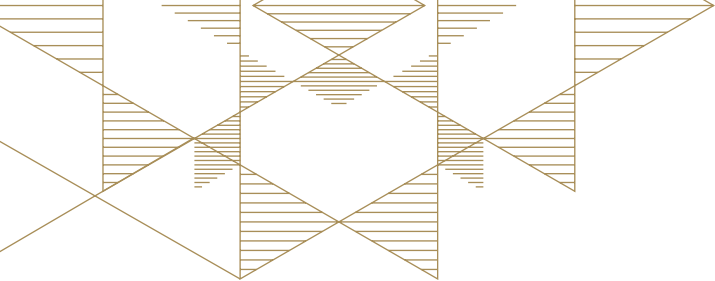
Environmental Commitments

Upholding strong environmental responsibility, we are dedicated to operating thoughtfully and ethically in our business. We have established an environmental policy to strive for ongoing sustainability and reduction in environmental impacts. The policy covers greenhouse gas emissions, waste generation and disposal, energy and resources conservation, etc.

Commitments in Our Environmental Policy

- Promoting environmental sustainability in all our operations to comply with applicable and relevant federal, state and local laws and regulations
- Reviewing our business practices regularly to adapt current approaches to suit the environmental context
- Creating a workplace where our employees are engaged in environmental measures that contribute to energy conservation and waste reduction
- Disposing of waste thoughtfully, and developing an attitude of “reducing and recycling”

We are aware that climate change could bring unforeseeable interruptions to our business. We have established prevention and emergency plans for our casino operations and construction sites respectively to guide us in responding to the rising climate risks.



OUR ENVIRONMENT

Energy Conservation

Energy conservation is the major focal point in our environmental management agenda. We have been striving to improve our energy efficiency and reduce our carbon footprint, and advocating joint effort with our employees by promoting behavioral energy-saving initiatives. The following practices have been put in place at our offices:

- Set air-conditioning temperature between 25–27°C in summer;
- Affix reminder labels near air-conditioning controls to encourage reduced usage;
- Dress appropriately to minimize the usage of cooling and heating equipment;
- Use daylight whenever possible to eliminate excessive lighting;
- Install lighting sensors at data centers; and
- Turn off all electrical appliances before leaving offices.

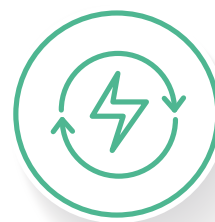
At casinos and hotels, we have been developing a building automation system that can facilitate the use of energy, water and other resources in our operations without compromising the customers' experience. LED lighting has been adopted across our casinos and hotels, and lighting sensors were installed at back-of-house areas. During the reporting period, the Group was not subject to any significant fines related to environmental conviction.



Electricity
consumption
8,602 MWh



Jet fuel
consumption
169,548 litre



Total energy
consumption
10,264 MWh



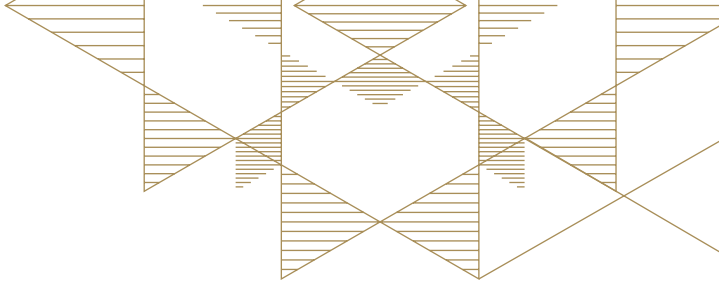
Greenhouse gas emissions
(Scope 1 & 2)
10,719 tonnes CO₂-e



Greenhouse gas
emissions intensity
13 tonnes CO₂-e
per employee



Energy intensity
12 MWh
per employee



OUR ENVIRONMENT

Waste and Sewage

We pay close attention to the efficiency of waste and sewage management. A well-established management system offers not only a better environment for our valuable customers, but also builds a healthier working environment for our employees.

The Group meets local environmental requirements and strives for continual improvements by introducing relevant policies and practices. Effective waste management has been carried out across our business operations, which includes garbage segregation and recycling, materials reusing, as well as waste regeneration.

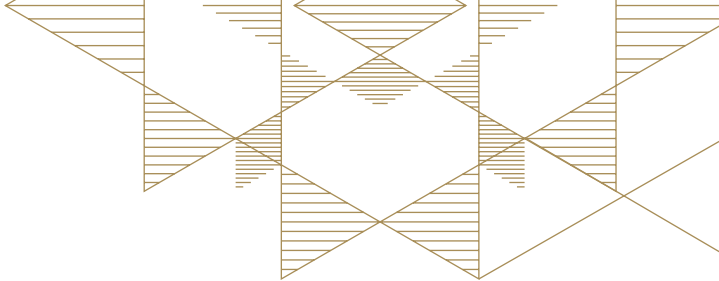
Dedicated to creating minimal environmental impact in our construction project, we have been working closely with our contractors to follow the established strict protocols when handling non-hazardous waste, hazardous waste and chemicals. With the aid of detailed systems, we have enhanced the traceability of environmental performance on-site. Monitored data covers energy consumption, water usage, waste generation and recycling.

Owing to its geographical location, Saipan experiences tropical marine climate with severe rainfall in summer, which may have the possibility of causing ocean pollution due to coastal run-off. Therefore, we have improved our drainage systems for better effluent discharge and flood prevention. Water discharge quality is being monitored continuously and reports are prepared for submission to the BECQ on a bi-monthly basis, to ensure the quality of the nearby water bodies will not be compromised.

APPENDIX —

HKEX ESG GUIDE CONTENT INDEX

Indicators		Reference	Page
A. Environmental			
Aspect A1: Emissions			
General Disclosure		Our Environment	13–15
KPI A1.1	Types of emissions and respective emissions data	Air emissions is not material to our operation.	—
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Our Environment	14
KPI A1.3	Total hazardous waste produced	There is no significant hazardous waste generated by the Group during the reporting period.	—
KPI A1.4	Total non-hazardous waste produced	Due to COVID-19 pandemic, the exact amount of non-hazardous waste produced was not recorded.	—
KPI A1.5	Measures to mitigate emissions and results achieved	Our Environment	13–15
KPI A1.6	Description of how hazardous and non-hazardous waste is handled, reduction initiatives, and results achieved	Our Environment	13–15
Aspect A2: Use of Resources			
General Disclosure		Our Environment	13–15
KPI A2.1	Direct and indirect energy consumption by type in total and intensity	Our Environment	13–15
KPI A2.2	Water consumption in total and intensity	Water is not considered as material issue to the Group. We will keep track on our water consumption as our Saipan operation continues to expand.	—
KPI A2.3	Energy use efficiency initiatives and results achieved	Our Environment	13–15
KPI A2.4	Water efficiency initiatives and results achieved	See reference for KPI A2.2	—
KPI A2.5	Total packaging material used for finished products	Our operation does not involve in the use of packaging materials.	—



APPENDIX — HKEX ESG GUIDE CONTENT INDEX

Indicators		Reference	Page
Aspect A3: The Environment and Natural Resources			
General Disclosure		Our Environment	13–15
KPI A3.1	The significant impacts of activities on the environment and natural resources and the actions taken to manage them	Our Environment	13–15
B. Social			
Aspect B1: Employment and Labor Practices			
General Disclosure		Our People	5–7
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Our People	5–7
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Breakdown of employee turnover rate is currently not available.	—
Aspect B2: Health and Safety			
General Disclosure		Our People	5–7
KPI B2.1	Number and rate of work-related fatalities	Our People	5–7
KPI B2.2	Days lost due to work injury	Days lost due to work injury is currently not available.	5–7
KPI B2.3	Occupational health and safety measures adopted and how they are implemented and monitored	Our People	5–7
Aspect B3: Development and Training			
General Disclosure		Our People	5–7
KPI B3.1	The percentage of employees trained by gender and employee category	Breakdown of percentage of employees trained is currently not available.	—
KPI B3.2	The average training hours completed per employee by gender and employee category	Breakdown of average training hours completed per employee is currently not available.	—
Aspect B4: Labor Standards			
General Disclosure		Our People	5–7
KPI B4.1	Measures to review employment practices to avoid child and forced labor	Our operation has minimal risk of employing child and forced labor, therefore the issues are considered non-material.	—
KPI B4.2	Steps taken to eliminate such practices when discovered	See reference for KPI B4.1	—

APPENDIX — HKEX ESG GUIDE CONTENT INDEX

Indicators		Reference	Page
Aspect B5: Supply Chain Management			
General Disclosure		Our Operating Practice	10–12
KPI B5.1	Number of suppliers by geographical region	Our Operating Practice	10–12
KPI B5.2	Practices relating to engaging suppliers and number of suppliers	Our Operating Practice	10–12
Aspect B6: Product Responsibility			
General Disclosure		Our Operating Practice	—
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group does not deliver any tangible goods. We considered these issues non-material.	—
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Our Operating Practice	10–12
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual property rights are not material to our operations.	—
KPI B6.4	Description of quality assurance process and recall procedures	Our operation does not involve the sale of any products.	—
KPI B6.5	Consumer data protection and privacy policies, how they are implemented and monitored	Our Operating Practice	10–12
Aspect B7: Anti-corruption			
General Disclosure		Our Operating Practice	10–12
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Our Operating Practice	10–12
KPI B7.2	Preventive measures and whistle-blowing procedures, how they are implemented and monitored	Our Operating Practice	10–12
Aspect B8: Community Investment			
General Disclosure		Our Community	8–9
KPI B8.1	Focus areas of contribution	Our Community	8–9
KPI B8.2	Resources contributed to the focus area	Our Community	8–9