



3811 Edward Road Princeville,
Kaua'i, Hawaii

Sustainability Report

2022

April 2023

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The Cliffs at Princeville

The Cliffs at Princeville (hereafter The Cliffs) is a self-managed, boutique resort situated on 22 acres on the north shore of Kaua'i in Princeville. There are 202 residential units that are used for timeshare (130 units) and individually owned condominiums (72 units).

Fitness and recreation facilities are on-site to encourage an active, healthy lifestyle: Facilities available include a fitness center, tennis courts, pickle ball court, basketball half court, shuffleboard, a children's playground, two swimming pools, a keiki pool, two hot tubs, a putting green, and a botanical walking path. Bicycles are available for riding around the Princeville area. There is also a walking path that extends from the Princeville entrance and shopping center to the [1 Hotel Hanalei Bay](#) (formerly the Princeville Resort). Several wellness programs are also offered at the resort. Guests often walk through the Resort's grounds and gardens or enjoy the view from the open spaces on the ocean bluff.



Rear pool area and Keiki play area and sports court beyond

Sustainability at The Cliffs

Overview

To coordinate sustainability activities at The Cliffs, a Joint Sustainability Committee was formed with participation from all three Associations with the following mission:

Mission Statement:

“The Joint Sustainability Committee is responsible for the development of the Sustainability Plan for The Cliffs at Princeville. The committee also periodically updates the Sustainability Plan and contributes to the preparation and issuance of the annual Sustainability Report, which is released by the annual meeting for the previous calendar year of activity.”

The committee develops and updates the Sustainability Plan for The Cliffs and reviews progress in achieving the sustainability goals. The committee reviews both ongoing progress on key metrics and provides insight and guidance on future objectives and new initiatives to reduce the environmental footprint of The Cliffs.

Renewable energy production, by both the Administration Building system (which is a Cliffs-owned system) as well as energy purchased under the Valta Power Purchase Agreement, is an important aspect that falls within the scope of this committee and includes usage trends, billing and overall cost and system performance. Liaison and interface with Valta remain the responsibility of The Cliffs general manager.

Other aspects in the Sustainability Plan which may have annual achievement goals include:

- Use of renewable energy
- Reducing the amount of water consumed
- Reducing the solid waste produced
- Increasing the quantity of waste recycled
- Development and updating emergency plans
- Consideration of land use features (tree canopy, reduction of invasive species, etc.).

The committee is also involved in the identification of opportunities to participate in sustainability initiatives on the north shore, for all of Kaua'i and the Hawaiian Islands. The committee also considers sustainability recognition opportunities to highlight the performance of The Cliffs Sustainability Plan.

The 2022 Sustainability Report

This is the final (5th) report of the current five-year plan, the objective of which is to communicate progress made over the year with respect to the 2018 baseline year (2019 in some cases) and the established goals that were identified in the Sustainability Plan.

Graphic representations of renewable energy consumption, renewable energy demand vs production and water use have been provided with respect to timeshare occupancy levels (where appropriate), as well as the percentage of solid waste and recyclable materials (cardboard, paper, plastics, glass & aluminum) with respect to the total volume of solid waste and recyclable material generated during the year.

Progress against these core metrics and qualitative goals are presented in the following pages.

2022 Sustainability Report Summary & Highlights

Sustainability at The Cliffs is a priority. This Sustainability Report 2022 is the fifth consecutive year that The Cliffs has published the Annual Sustainability Report. The first Sustainability Plan was developed in 2018 with the first report issued for calendar year 2018. The Report is issued each April for the previous year and focuses on six Sustainable categories that encompass 32 metrics. These six categories align with nine of the United Nations Sustainable Development Goals (3, 6, 7, 8, 9, 11, 13, 14 & 15 - see Appendix 1) and include the following:

- **Energy Conservation and Renewable Energy Production and Use**
- **Water Use and Conservation**
- **Waste Management and Recycling**
- **Climate Change and Resiliency/Emergency Preparedness**
- **Land Use and Maintenance Practices**
- **Operations and Community Engagement**

2022 Sustainability Report Highlights:

- ❖ Renewable Energy produced at The Cliffs in 2022 totaled 1,087,504 kWh of electricity which was equivalent to 79% of the total electric demand (1,375,193 kWh) at The Cliffs for the year, and offset the need for 640 barrels of imported oil.
- ❖ Reduced water use by 624,300 gallons in 2022; a 5.8% decrease from 2018 baseline usage.
- ❖ Continued to encourage Owners and Guests to use one of the two FloWater stations (installed September 2019) for filling re-usable containers rather than buying single-use plastic water bottles; these stations offset 67,677 plastic 12 oz bottles in 2022 (almost 5,640 bottles per month) that otherwise would have been purchased and used at the resort by our Owners & Guests, and ultimately been recycled or land-filled. The FloWater stations have offset more than 251,302 plastic 12 oz bottles (10,470 cases) since being installed in 2019.
- ❖ Solid waste volume increased by 3.8% over 2018:
 - Extra yardage volumes (overfilling of collection bins) was 137.5 cu yds; a 17% decrease from 2018
 - There is an opportunity for more solid waste reduction, consolidation actions, collection volume or more frequent servicing
- ❖ Cardboard recycling volume decreased by 13.6 cubic yards in 2022; an 8% decrease from 2018:
 - Extra yardage volumes (overfilling of collection bins) was 12.5 cu yds; a 64% decrease from 2018
 - There is an opportunity and need for increased collection capacity, improved segregation of cardboard collected, or more frequent servicing of the cardboard bin
- ❖ The total material recycled in 2022 was 953.4 cubic yards which represents 36% of the solid waste generated during the year and an increase of 127% over the 2018 volume (421.1 cubic yards). The Cliffs saw increases in the percent of aluminum (258%), glass (648%), paper (69%), and plastic (168%) recycled in 2022 due to the expanded recycling station at Building 4 (in 2019), ongoing recycling efforts and 2022 occupancy levels.
- ❖ Issued annual update to the Cliffs' Emergency/Resiliency Plan.

- ❖ The Cliffs maintained the highest ratings available from RCI and Interval International (II) organizations as well as earned the following notable honors:
 - 2nd place for “Commitment to Green Award” - Pacific Edge Magazine
 - RCI Green Award - Top 5 finalist out of 3,035 resorts worldwide – winner TBD
 - Hawaii Green Business Program Recognition
 - “The Best Vacation Timeshare” on Kaua’i - Hawaii Magazine Reader’s Choice
 - 2nd place – USA Today’s Reader’s Choice Top 10 “Best Eco-friendly Resort “ Poll
- ❖ The online Guest Survey, **Momentive** provides Guests with an opportunity to rate various aspects of The Cliffs. The scores (1=poor, 5=excellent) for the 12 month reporting period from 9/01/2021 to 8/31/2022 were as follows :
 - Number of Responses: **1,233**
 - Overall Score: **4.62**
 - How Likely to Recommend The Cliffs: **4.66**
- ❖ The Employee “Sunshine Fund” (established in 2018) continued to assist employees during times of difficulty; The Sunshine Fund is a voluntary contribution program supported by donations from Cliffs management and Association Board members.
- ❖ The Cliffs continued to participate in the following Community activities: Hawaii Visitors and Convention Bureau, Hawaii Lodging and Tourism Association of Kaua’i, Kauai Visitors Bureau, Kaua’i Tourism Strategic Plan, Society of Human Resource Management of Kaua’i, Boys and Girls Club of Kaua’i, Kaua’i Community College Hospitality School, Anaina Hou Community Park, Kaua’i Chamber of Commerce, and a supporter of the Kaua’i Rotary activities.
- ❖ The Cliffs partnership with Surfrider Kaua’i Ocean Friendly Visitor Program was initiated in 2021 and continued into 2022. The program informs visitors on ways they can help protect and preserve local beaches, reefs and sea life.
- ❖ The **Hawaii Lodging Association’s Charity Walk** is The Cliffs’ charity of choice (*all monies raised stay on Kauai and support the non-profit organizations listed below*). Several employees participated in various charitable activities in 2022: **Over 260 volunteer hours, raising over \$3,225 for Kaua’i non-profits.**



Kaua’i non-profit organizations that benefit from funds raised by the Hawaii Lodging Association’s Charity Walk



Energy Conservation and Renewable Energy Production and Use

Hawaii has a statewide goal to produce 100% of its energy from renewable sources by 2045. The island of Kaua'i established a goal to produce 70% of its energy demand from renewable sources by 2030. In 2022 almost 70% of the electricity provided by Kaua'i Island Utility Cooperative (KIUC) was from renewable sources.

The Cliffs has two independent solar energy systems. The Administrative Building system (installed in 2009) operates on a net metering basis with KIUC; with excess electricity exported during the day when production exceeds demand. The Administrative Building, with air conditioning, computers and laundry operations has the highest use of electricity on the property. The Valta Solar system (operational in 2017) provides electricity to the facility under a 20-year power purchase agreement with Valta Solar (hereafter Valta). Valta invested the capital and knowledge to install a large-scale solar energy system on the nine residential buildings (3,000 solar panels, 198 Inverters and 142 storage batteries). Following a detailed evaluation of the system and components in 2020, many system components were upgraded in 2021 to improve solar energy production, battery storage, and the reporting of energy consumption and billing accuracy.

The electricity that is produced by the Valta system and consumed at The Cliffs during daylight hours is billed at \$0.20/kWh. Electricity from battery sources consumed during evening hours is billed at \$0.04/kWh below KIUC rates (the average rate for electricity from KIUC in 2022 was \$0.3716/kWh). Surplus electricity generated during daylight hours (once batteries are fully charged) is sold to KIUC at wholesale rate of \$0.16125/kWh. The weighted renewable energy rate for electricity generated by the Valta system and consumed on the property in 2022 was \$0.26/kWh. Performance in 2022 vs 2019 are summarized below:



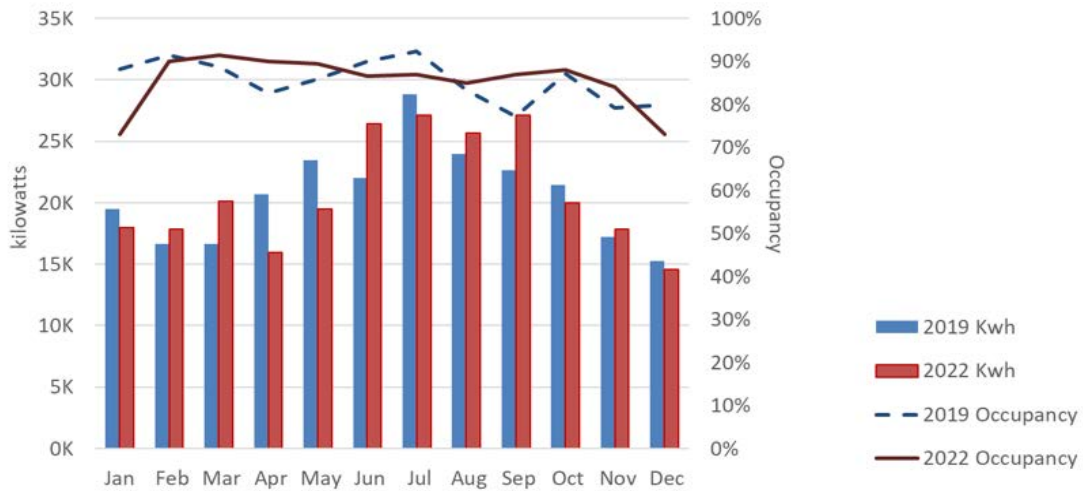
Roof-mounted photovoltaic panels provided 79% of the total electric demand on the property in 2022

Results:

- ❖ The common areas (Rec Center, Fitness Center, Pool, exterior lights) required 248,126 kWh of electricity; 32% of the required electricity (79,400 kWh) was generated and used by the Common area (Valta) system during daylight hours.
 - 2019 Common area solar energy system production: 100,678 kWh
 - 2022 Common area solar energy system production: 80,604 kWh (decrease of 20%)
- ❖ The Administration offices and the laundry room required 130,782 kWh of electricity; 36% of the required electricity was generated and used by the Admin Building solar system during daylight hours.
 - 2019 Admin solar energy system production: 41,874 kWh
 - 2022 Admin solar energy system production: 60,362 kWh (increase of 9.8%)
- ❖ The combined renewable energy (Valta system plus Admin Building system) were as follows:

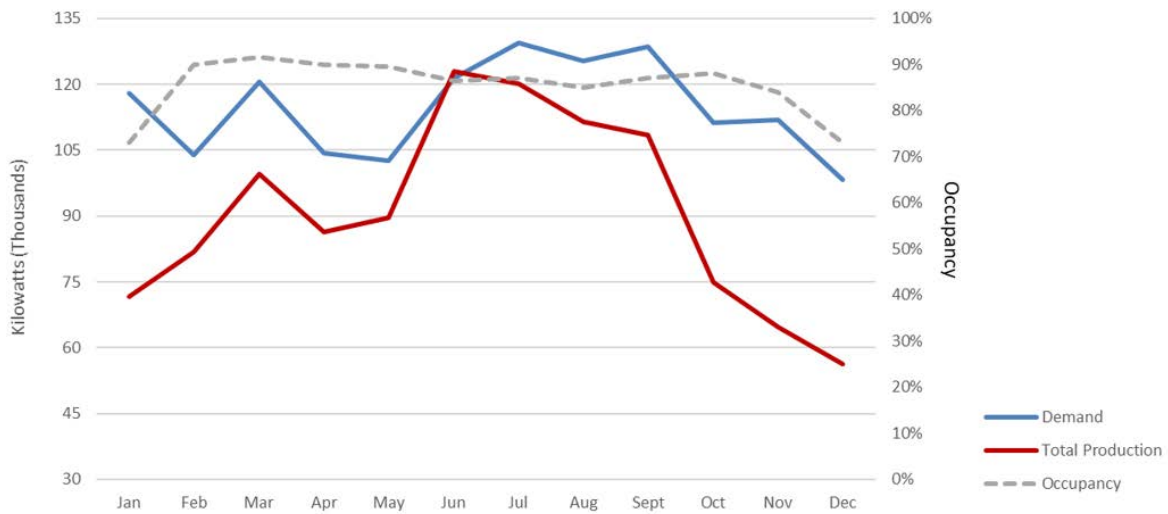
<u>Year</u>	<u>Total Electricity Demand (kWh)</u>	<u>Renewable Energy Produced (kWh)</u>	
2019:	1,400,941	1,224,927	87% of total electricity demand
2022:	1,375,193	1,087,504	79% of total electricity demand

 - The 2022 renewable energy production is equal to 640 barrels of oil
 - Electricity production during daylight hours exceeded demand: excess energy was exported to KIUC
- ❖ Electricity generated during daylight hours exceeded demand during the day. Even after fully charging the batteries, 547,243 kWh were exported to the KIUC grid, further reducing Kaua'i's dependency on imported fuel by an additional 322 barrels of oil. The amount of exported energy decreased by 7% over the amount of energy exported in 2019 (589,764 kWh), due in part to increased occupancy levels (and higher demand) in 2022.



Renewable Energy Consumption (with occupancy) 2022 vs 2019

- ❖ Whole Unit Owners received 46% of their electricity from the renewable energy system indicating a concerted effort to better align supply of renewable energy with demand activities.
- ❖ Timeshare and common areas received 37% of their electricity from the renewable energy system, with 63% of their needed electricity purchased from KIUC.



2022 Electrical Demand vs Renewable Energy Production

- ❖ Encourage Owners and Guests to use high energy consuming appliances responsibly and during daylight hours to the extent possible.
- ❖ Encourage Owners and Guests to turn off lights and ceiling fans when leaving their units.
- ❖ LED bulbs installed in all parking lot lights and timeshare apartments; common area lighting fixtures are systematically being replaced with new energy efficient fixtures with LED bulbs.



Water Use and Conservation

Due to its unique climate and the amount of rainfall it receives each year Kaua'i is regarded as the Garden Island. Its highest point, Mt. Waialeale, has been considered to be one of the 'wettest places on earth', however 2022 saw drought conditions across most of the Hawaiian Islands. Rainfall in Princeville was 51" or about 74% of the annual average.

The pumping and distribution of water for drinking and irrigation requires a significant amount of energy. The cost for this delivery system is reflected in the Water bills, which are based upon the amount of water consumed. These costs, combined with the potential for prolonged or re-occurring drought conditions make the optimization of the use of water on the property a priority.

The Cliffs strives to reduce water usage through its ongoing efforts. Owners and guests are encouraged to conserve water during their stay. Older plumbing fixtures and water-use appliances are replaced with more efficient low-flow plumbing fixtures and appliances in timeshare apartments. Whole unit owners are encouraged to replace older plumbing fixtures and appliances in their units with more efficient plumbing fixtures and appliances. The irrigation systems for landscaping are continuously monitored and maintained by staff to ensure that they are functioning at their optimal levels. Sprinklers systems are controlled by automatic timers that are adjusted to align with seasonal weather condition demands, and are manually turned off during periods of rain.

Results:

- ❖ Water usage is monitored monthly and reported annually. Performance metrics (gallons of water consumed) is listed below using 2018 as a baseline year:

2018 Water usage: 10,703,000 gal
2022 Water usage: 10,078,700 gal - a reduction of 5.8% over 2018



Total Water Usage (with occupancy) – 2022 vs 2018

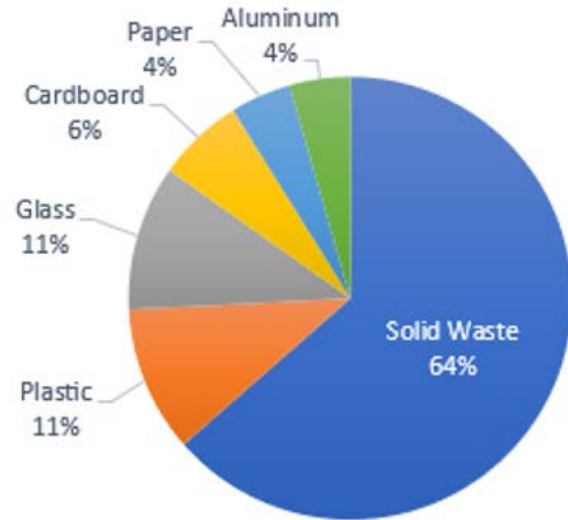
- ❖ Annual water consumption has been reduced by 624,300 gallons; a decrease of 5.8% over 2018.
- ❖ Encourage Owners and Guests to use the two FloWater dispensing stations to fill re-usable containers rather than buy single-use plastic water bottles; these stations offset 67,677 12 oz single-use plastic bottles in 2022 (approximately 5,640 bottles per month). Since being installed in September of 2019 the two FloWater stations have offset 251,302 12 oz single-use plastic bottles (almost 10,470 cases) that otherwise would have been purchased and used at the resort by Owners and Guests and recycled or deposited in a landfill.
- ❖ Label storm drains indicating ocean destination of discharge.
- ❖ Use only low-flow toilets in the common areas of the property.



Waste Management and Recycling

The Cliffs has an ongoing waste management program that encourages owners, guests and staff to reduce the amount of solid waste (garbage) going to the landfill through the increased recycling of cardboard, plastic, paper, glass and aluminum. Owners and guests are encouraged to use several recycling facilities conveniently located throughout the property. Efforts to reduce solid waste volumes and improve recycling continued in 2022 included the following:

- More frequent servicing of the solid waste disposal by Building 4 (across from the Recreation Center) and the Maintenance Building.
- More frequent servicing of the cardboard recycling bin located at the Maintenance Building.
- More frequent servicing of the recycling stations by Building 4, Building 7 parking area and the Maintenance Building.
- All timeshare units have separate collection bins for solid waste and recyclables.
- Development of an educational tri-fold flyer for placement in rooms that highlights Sustainability efforts at The Cliffs and how Guests can help (Appendix 3).
- Public events are designed to be ‘zero waste’ with use of recyclable or reusable materials.
- FloWater Stations available for filling re-usable water bottles. Re-fillable insulated water bottles are offered for sale at the Cliffs store.
- Household battery recycling – disposal bin located in the recycling facility by Building 4.



2022 Solid Waste & Recycled Material Volumes by % of Total Volume

Results:

- ❖ **Significant reduction in the volume of solid waste produced:**
 - 2018 solid waste disposal at landfill: 1,601 cubic yards
 - 2022 solid waste disposal at landfill: 1,662 cubic yards, a 3.8% increase over 2018
- ❖ **Overage charges on solid waste indicate more disposal space is needed:**
 - Extra yardage volume for 2022 was 138 cu yds, a 17% decrease over 2018 (161 cu yds).
 - Area for further improvement in 2023.
- ❖ **Substantial improvements were noted in the volumes of materials recycled:**

Material (cubic yards)	2018	2022	Increase / Decrease
Aluminum:	32.4	115.9	258% increase
Plastic:	104.0	278.3	168% increase
Glass containers:	37.2	278.3	648% increase
Paper:	68.6	115.9	69% increase
Cardboard:	178.5	164.9	8% decrease
Total material recycled (cubic yards):	421.0	953.4	127% increase

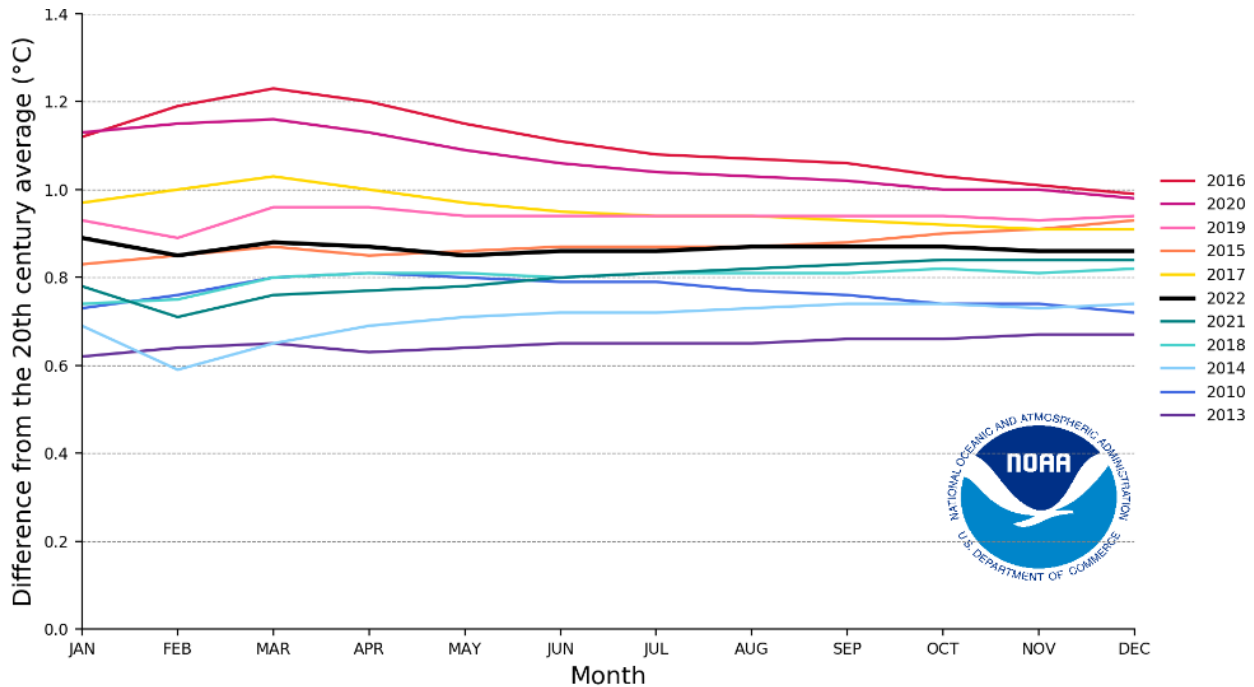
- ❖ **Overage charges on cardboard indicate more disposal space is needed:**
 - Extra yardage volume for 2022 was 12.5 cu yds, a 63.8% decrease over 2018 (34.5 cu yds).
 - Area for continued improvement in 2023.

Recycled materials represented 36% of total waste generated at the Cliffs in 2022 (recycled material in 2018 represented 21% of total waste generated at The Cliffs)



Climate Change and Resiliency

According to the National Oceanic and Atmospheric Administration (NOAA), global temperatures in 2022 (shown in **Black** on the graph below) ranked 6th among the ten-warmest years on record. A review of climate data has shown a direct correlation between the increases in global temperatures, sea level rise and changes in global weather patterns, the effects of which pose several challenges for the Hawaiian Islands and its residents.



Global Temperature Anomalies for Ten-warmest Years on Record

The reported annual rainfall accumulation at Princeville Ranch in 2022 was 51.08 inches, which represents approximately 74% of the average normal annual rainfall amount of 68.87 inches for the Princeville area. Even with reduced rainfall amounts, periods of heavy rain often cause localized flooding, bridge closures and landslides which can impact access to parts of the North shore. Heavy rainfall in March 2021 resulted in a major landslide on Hanalei Hill that covered Kuhio Highway, cutting off access to Hanalei and the Northshore communities of Kaua’i. Debris removal (an estimated 80,000 tons of rock and debris) and extensive re-stabilization work on the hillside was completed in early 2022.

The frequency and intensity of tropical storms has increased over the last 30 years and the likelihood of an extreme weather event is high. Five hurricanes and tropical storms have made landfall on the Hawaiian Islands since 1950 causing significant damage. In 2022 only one tropical cyclone formed in the Central Pacific basin, Hurricane Darby, and passed south of the state as a tropical depression in July. That same month, a large south swell generated by a winter storm in the southern hemisphere resulted in property damage in the Poipu area due to localized beach erosion and flooding.

The need to continuously assess infrastructure and public safety threats, review and evaluate resiliency actions to reduce these threats, and update the Emergency Response Plan for The Cliffs is essential.

Results:

- ❖ Source rainfall data and extreme temperature data for the Princeville community.
- ❖ Support Princeville community in preparing for and managing flooding events.
- ❖ Conduct annual assessment of infrastructure and public safety threats and define actions to reduce these threats.
- ❖ Issue annual update to the Emergency/Resiliency Plan at the Annual meeting each year.



Land Use and Maintenance Practices

The Cliffs is situated in a beautiful natural setting with an abundance of trees, shrubs and plants. The conservation of the natural topography, views, drainage patterns, and existing native and non-invasive vegetation is a priority. As such, all new development on the property is carefully planned and designed to limit the impact on the natural surroundings while providing necessary improvements to meet the needs of our Owners and Guests. Landscaping efforts at The Cliffs focus on the removal of invasive species of trees and shrubs with replacement of native vegetation. Ongoing activities include further enhancement of the grounds with an assortment of native trees and shrubs. Ongoing practices include the following:

- Open space areas have been maintained to restrict development and preserve and protect the natural environment and enhance the view;
- Given natural rainfall and the importance to prevent erosion, special attention has been taken to maintain natural drainage patterns to avoid flooding and erosion;
- Taking steps to control and eliminate invasive plant species in natural areas across the property;
- Vegetation that is cut down is recycled as compost on the property (green waste);
- Continued development of the Botanical Walking Trail;
- Floral arrangements in common areas are created by staff using plants and flowers grown on the property;
- Cultivate and maintain several varieties of fruit-producing trees on the property (apple banana, avocado, coconut, lime, guava, papaya, passion fruit) that provide Owners and Guests with freshly harvested fruit that they can pick and sample;
- An on-site greenhouse allows for the propagation and cultivation of plants to be used on the property;
- Biodegradable fertilizers are used on the property;
- Pesticide and herbicide use are strictly restricted and limited, Glyphosate-containing products are not used on the property (i.e., Roundup)



A variety of non-invasive plant species are being grown in the new on-site greenhouse for use on the property.

Results:

- ❖ Landscaping is designed and maintained to enhance and complement the overall appearance of the property. The estimated number of hours per month dedicated to landscape maintenance is 800 hours.
- ❖ On-site cultivation of various plant species for use on the property saves money and reduces the need for transporting plant species from around the island.
- ❖ Continued implementation of tree trimming recommendations from the 2019 tree canopy assessment by Kaleo's Tree Service.
- ❖ Maintain the open spaces accessible to Owners and Guests.
- ❖ Inform Guest and Owners of nearby trails to hike.
- ❖ Continue to encourage Owners and Guests to harvest local fruits grown on property.
- ❖ Replacement of old sidewalk light fixtures with down-facing light fixtures that reduce light pollution.



Operations and Community Engagement

Daily operations at The Cliffs emphasize sustainable considerations in the conduct of routine maintenance activities. Social cohesion and connectivity to the local community is important to the resort operations and Owner and Guest enjoyment. As a long-standing member in the Princeville Community Association, The Cliffs puts a premium on community engagement locally, on the island of Kaua'i, and across the Hawaiian Islands. The Cliffs' commitment to maintaining a level of excellence in all areas of operations was affirmed by various awards and recognitions for sustainability efforts, community involvement and the achievement of timeshare industry quality ratings in 2021.

Results:

- ❖ Received recognition for sustainability achievements:
 - 2022 Platinum RCI Green Award – top 5 finalist;
 - 2022 Pacific Edge Magazine's "Commitment to Green Award" - 2nd place
 - USA Today's Reader's Choice Top 10 "Best Eco-friendly Resort" - 2nd place
 - Hawaii Green Business Program recognition
 - Aloha + Challenge
- ❖ Resorts Condominiums International (RCI) and Interval International (II) conduct Guest Surveys to provide a rating of each resort (reporting cycle 9/2021 – 8/2022) with the following results:
 - For RCI: "**Gold Crown**" status - their highest rating (20th year in a row)
 - For II: "**Premier**" status - their highest rating
- ❖ A new online Guest satisfaction survey instrument, Momentive, was implemented June 2021. The scores for the reporting period 9/01/21 through 8/31/2022 (scale: 1=poor, 5=excellent) were as follows:
 - Responses: **1,233**
 - Overall Score: **4.62**
 - How likely to recommend The Cliffs: **4.66**
- ❖ Named "The Best Vacation Timeshare" on Kaua'i in 2022 by Hawaii Magazine Reader's Choice (4th year in a row).
- ❖ Participated in Princeville Community Association Sustainability activities.
- ❖ Partnered with Surfrider Kaua'i Ocean Friendly Visitor Program.
- ❖ Partnered with Envoy to offer Tesla rentals by the hour.
- ❖ Participate in several community engagement associations and activities:
 - **Hawaii Lodging and Tourism Association of Kaua'i**: Jim Braman (GM) Executive Committee member
 - **Kauai Visitors Bureau** Jim Braman (GM) chair of the BOD
 - **Hawaii Visitors and Convention Bureau** Jim Braman (GM) BOD Exec Committee
 - **Society of Human Resource Management of Kauai**: Hasina Mitchell (HR Manager) active member
 - **Boys and Girls Club of Kaua'i**: Jim Braman (GM) Board President
 - **Kaua'i Community College Hospitality School**: Jim Braman (GM) curriculum advisor, student mentor, and Host Sector Partnership participant (a state-wide panel of hospitality and education communities)
 - **Kaua'i Tourism Strategic Plan**: Jim Braman (GM) panel member
 - **Anaina Hou Community Park**: Jim Braman (GM) Board President
 - **Kaua'i Rotary Club**: The Cliffs hosts monthly Rotary meetings and supports Rotary Club activities
 - **Kaua'i Chamber of Commerce**: Association of Apartment Owners (AOAO) is a member
- ❖ Demonstrate community engagement through volunteer hours and funds raised: The **Hawaii Lodging Association's Charity Walk** is The Cliffs' charity of choice (all monies raised support non-profit organizations on Kaua'i). **Employee volunteer hours in 2022: over 260 hours, Funds raised: \$3,225.** *For more information on the "Charity Walk" go to <http://www.charitywalkhawaii.org/kauai.html>*
- ❖ Continued to fund and support employee "Sunshine Fund" to assist employees in time of need.
- ❖ Conducted quarterly sustainability training and reporting to The Cliffs' staff.
- ❖ Exclusive utilization of battery-operated utility service carts.
- ❖ Replace gas-powered equipment with battery-powered equipment as they reach the end of their service life.
- ❖ Promote Kauai Sunshine Market Activities (aka Farmers Market) where local farmers bring their locally- grown produce and garden products for sale to Cliffs' owners and guests.

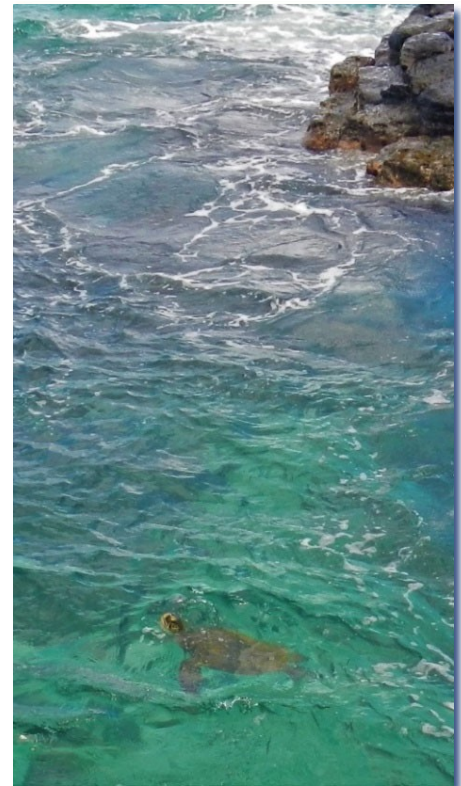


Surfrider Kaua'i Ocean Friendly Visitors Program

The Cliffs began providing information on Surfrider Kaua'i's Ocean Friendly Visitors Program to guests through online welcome information packets, the resort's website, and the concierge staff in 2021. This practice continues in 2022. The concierge team provides detailed information and beach clean-up kits to interested visitors on local beach-cleanup activities and educational opportunities during their stay.

The Surfrider Kaua'i Ocean Friendly Visitors Program (launched in November 2020) encourages visitors to take an active role in helping protect the health of the ocean and Kaua'i's unique and fragile reefs, beaches and native marine life. This ongoing program focuses on six core principles:

- **Help Keep Our Beaches Clean & Beautiful:**
 - Bring everything you take to the beach, back out with you. If public trash and/or recycling bins are full, please dispose of your trash and/or recyclables back at your lodging.
 - Do a solo beach cleanup with your family. If your resort/hotel isn't giving out cleanup kits as an Ocean Friendly Hotel member, just bring an old cloth grocery bag and some old gloves from home. Photos of your efforts are welcomed - send pictures to campaigns@kauai.surfrider.org and they may be featured on their social media webpage. Or you can post on your own social media – use hashtag [#OceanFriendlyVisitor](https://www.instagram.com/OceanFriendlyVisitor) and tag Surfrider Kaua'i.
 - Participate in a scheduled cleanup. Surfrider Kauai does a Net Patrol cleanup every Wednesday at 3:30pm HST and is often co-sponsoring other weekly cleanups. Call or text Barbara W. at 808-635-2593 to ask about joining a scheduled cleanup during your Kaua'i vacation.
- **Minimize Plastics:**
 - When you pack for your trip include reusable water bottles and bags to minimize the use of single-use plastics that litter our beaches, harm marine life and poison our oceans.
 - Avoid single-use plastics containers and utensils when doing takeout - bring your own reusable utensils or use items from your room or condo.
- **Protect Our Reefs:**
 - Use only reef friendly sunscreen (widely available island-wide) – or try skipping the sunscreen and wear a UV rated rash guard instead.
 - Look but do not touch. Reefs are alive and critical to maintaining the ocean life that surrounds them. Help to protect them by not stepping on or touching them.
- **Protect Marine Life:**
 - Admire Hawaiian Monk seals and sea turtles from afar.
 - Don't stand or walk on coral reefs while swimming or snorkeling.
 - Don't remove coral.
- **Dine Responsibly:** Choose *Ocean Friendly Restaurants* for some of your island dining experiences. Also look for the more than 150 food establishments that display Surfrider's "Upon Request Only" signs – designed to minimize single-use plastics.



Green sea turtles can often be seen in the waters around Kaua'i

For more information on Surfrider Kaua'i Ocean Friendly Visitors Program, please visit <https://kauai.surfrider.org/ocean-friendly-visitors-program>.



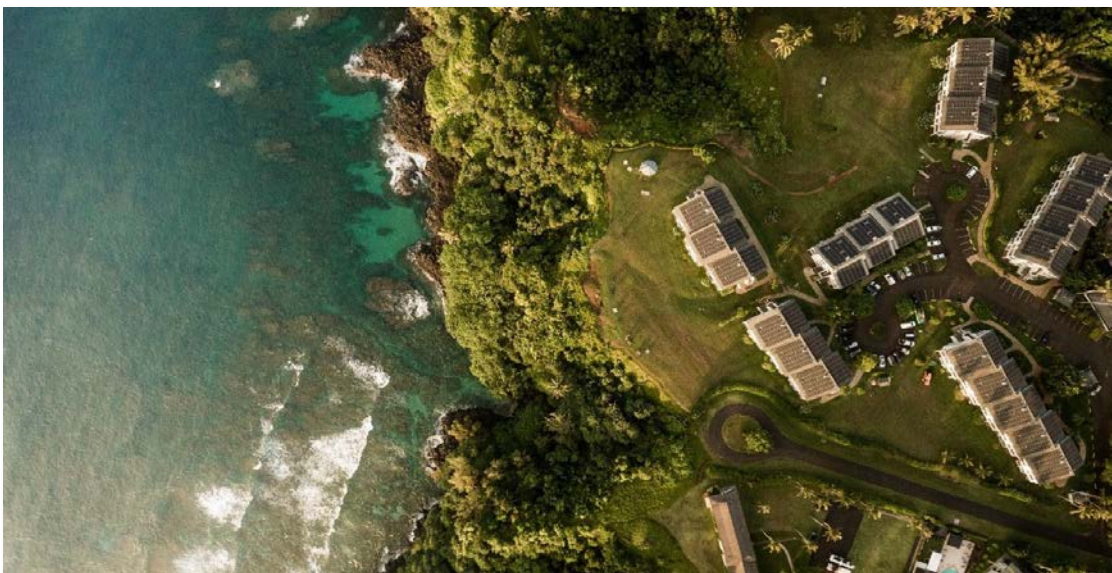
Looking Ahead

Sustainability at The Cliffs is a journey with continuous consideration of social, environmental and economic effects of development and the daily operations at the resort. The first five-year plan was completed in 2022, and a second five-year plan was established which included additional metrics and initiatives. The Sustainability Committee has developed a Sustainability Plan for 2023 – 2027 which focuses on the four interconnected domains of ecology, economics, politics and culture. This plan establishes sustainability goals across the six dimensions of; Energy Conservation & Renewable Energy Production & Consumption; Water Use & Conservation; Waste Management & Recycling (cardboard, paper plastic, glass and aluminum); Climate Change & Resiliency (including emergency preparedness); Land Use & Maintenance; Operations & Community Engagement based on current environmental challenges and opportunities.

The Committee reviews both ongoing progress on the above key metrics and provides insight and guidance on future objectives and new initiatives to reduce the environmental footprint of The Cliffs. The Committee is also involved in the identification of opportunities to participate in sustainability initiatives with the Northshore communities, the island of Kaua'i and the Hawaiian Islands as a whole.

The 2023 Goals and Objectives:

- ❖ Develop and approve Sustainability Plan for the next five-year cycle (2023 – 2027).
- ❖ Develop newsletter articles to educate and inform owners and guests to ongoing sustainability efforts and provide tips on how they can help achieve our sustainability goals.
- ❖ Increase owner/guest awareness of the importance of using high demand energy appliances (ranges, dryers, hot water heaters, etc.) during daylight hours.
- ❖ Increase owner/guest awareness of the recycling opportunities through improved signage at recycling stations and with in-room information in timeshare units.
- ❖ Develop partnerships with other Northshore businesses and organizations to improve sustainable efforts.
- ❖ Promote hourly rental of Envoy electric vehicles on the property.
- ❖ Install EV vehicle charging capability at the Administration Building.
- ❖ Identify Scope 1 & Scope 2 emissions for the property; Set scope 1 & 2 emissions reduction goals.
- ❖ Identify available financial grants, incentives and/or rebates for sustainability infrastructure improvements.
- ❖ Identify new sustainability awards and recognition programs to help further our exposure of the sustainability efforts at The Cliffs.



Aerial view of several of The Cliffs' residential buildings and the open spaces along the ocean bluff

APPENDICIES

Appendix 1: The Cliffs at Princeville Sustainability Alignment to UN Sustainable Goals

Sustainability is defined as per the United Nations World Commission on the Environment and Development, as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” The three pillars of sustainability are economic, environment and social elements which embrace the natural environment and human resources. With increasing urbanization sustainability concerns have increased in the last two decades. To this point the United Nations issued 17 Global Sustainable Development Goals (SDG) and 169 targets in 2015:



Appendix 2: 2022 Core Sustainable Metrics and Goals

Energy Conservation & Renewable Energy Production & Consumption:

- Record kWh produced from renewable energy systems
- Record kWh consumed on the property (all sources)
- Review consumption vs demand cycles to determine where we can optimize use of renewables
- Measure propane usage across the property
- Implement energy conservation measures to reduce consumption

Water Use & Conservation:

- Record water used on property
- Reduce quantity of water consumed on the property
- Adjust and/or turn off irrigation system automatic timers to align with changing seasonal weather condition demands
- Install water flow restrictors in timeshare units and common areas
- Procure low water use appliances and fixtures
- Encourage Owners to install low water use appliances and fixtures
- Encourage use of tap water and FloWater systems instead of purchasing single-use bottled water

Appendix 2: 2022 Core Sustainable Metrics and Goals - Continued

Waste Management & Recycling:

- Conduct solid waste audit to identify areas for improvement
- Reduce amount of solid waste produced
- Increase amount of cardboard recycled
- Increase amount of paper, plastic, glass and aluminum recycled
- Reduce the use of single-use plastic water bottles on the property
- Promote recycling of used household batteries at recycling station by Building 4
- Strive to make public events “zero solid waste” events with use of recyclable or reusable materials
- Support proper disposal of household hazardous waste, pharmaceutical, electronic, and personal care product waste by working with Kaua’i County to advertise options for proper disposal

Climate Change & Resiliency:

- Issue annual update to the Emergency Plan
- Reduce use of gas-powered equipment to reduce GHG emissions
- Conduct property assessment to improve resiliency as part of QC audits

Land Use & Maintenance:

- Restrict/eliminate use of pesticides/herbicides
- Use biodegradable fertilizers
- Continue enhancement of Botanical Walk and Grounds with native plants and trees
- Reduce/eliminate invasive species onsite
- Construct greenhouse for propagation/growing plants for use on the property
- Utilize green waste composting
- Inform guests of nearby walking trails

Operations & Community Engagement:

- Use battery-operated carts and battery powered equipment
- Provide quarterly employee sustainability training program
- Process Momentive guest survey data: “Overall Score” & “How Likely to Recommend The Cliffs” Scores (September through August cycle)
- Process RCI/II Guest Surveys: Gold/Premier
- Establish cross functional team for sustainability
- Participate in Community Events: Charity Walk
- Offer wellness & activity programs to Guests and Employees
- Partner with local government, businesses and organizations on sustainability efforts and activities

Appendix 3: Apartment Greening Tri-Fold Flyer

BECOME A KAUAI EXPERT
Research customs, appropriate dress and the Island culture

BUY LOCAL
Support our local vendors and suppliers

REUSE
Use re-fillable water bottles
And re-usable grocery bags

REDUCE & RECYCLE
Use electricity and water sparingly. Minimize solid waste by recycling as much as possible

RESPECT WILDLIFE
Keep your distance, and do not feed the local wildlife (Yes, even the chickens)



OUR SUSTAINABILITY MISSION

At The Cliffs we strive to minimize our impact on the environment and protect the unique and natural beauty that is our Island home.

We take great pride in our ongoing sustainability efforts and ask for your help in protecting and preserving Kauai for future generations by assisting us with a few simple steps you can take during your stay



2nd Place Winner In 2022

BUSINESS ACHIEVEMENT AWARDS 2022

Recognized for operating in an environmentally & socially responsible manner

For more information on our Sustainability Program and our ongoing efforts please go to: www.cliffsatprinceville.com/sustainability-reports



A Sustainable Approach To Your Vacation



This is what a green resort looks like



Recognized for outstanding accomplishment, dedication and innovation

Information provided on outside of Tri-flyer

WHAT WE ARE DOING

- Optimizing renewable energy production and battery storage
- Minimizing energy use by installing energy star appliances and LED lighting
- Reducing water usage across the property
- Reducing solid waste produced
- Increasing the quantity of recycled materials
- Increasing cardboard recycling
- Maintaining open spaces and views
- Replacing invasive species with native species
- Construction of a greenhouse for the propagation and growing of plants to be used on the property
- Promoting local Farmer's Markets
- On-site Food Truck service during the week (see Concierge for weekly schedule)
- On-site wellness activities (see Concierge for available activities)
- On-site Fitness Center, Tennis, Pickle Ball, Basketball half court, Shuffleboard, Botanical Walking Trail

HOW YOU CAN HELP

- Turn off lights and fans when not in use
- Use energy intensive appliances during daylight hours when solar panels are producing electricity (between 10:00 am – 4:00 pm)
- Use re-fillable water bottles at the FloWater stations located by the Fitness Center and in the Pool Area avoiding single-use bottled water
- Separate and recycle your paper, aluminum, glass and plastic containers at the Recycling Stations located around the property
- Deposit used household batteries in the receptacle box at the Recycling Station at Building 4
- Recycle your cardboard at the Maintenance Building (please break down cardboard boxes prior to disposal)
- Turn off the gas to the barbeque when you're done cooking (please clean the barbeque grill too)
- Support local Farmer's Markets and on-site Food Truck vendors (see Concierge for locations and schedules)

PROTECT KAUAI'S BEACHES AND REEFS

- Use only reef friendly sunscreen
- Do not touch or stand on the reefs
- Keep your distance from local sea life
- Do not feed the fish when snorkeling
- Pack out everything you take to the beach
- Pick up trash that others may have left behind

For more information go to: <https://kauai.surfrider.org>

REDUCE YOUR EMISSIONS

- Plan your stay to minimize the amount of driving each day
- Explore the nearby walking and hiking trails
- Rent bicycles at the Front Desk
- Use the Kauai Bus (Bus stop located at the Princeville Shopping Center)
- Rent a Tesla by the hour/day using the Envoy app (vehicles are located outside the Front Desk Lobby) download the app at: www.envoythere.com/mobility-app

Information and tips provided on the inside of Tri-fold Flyer