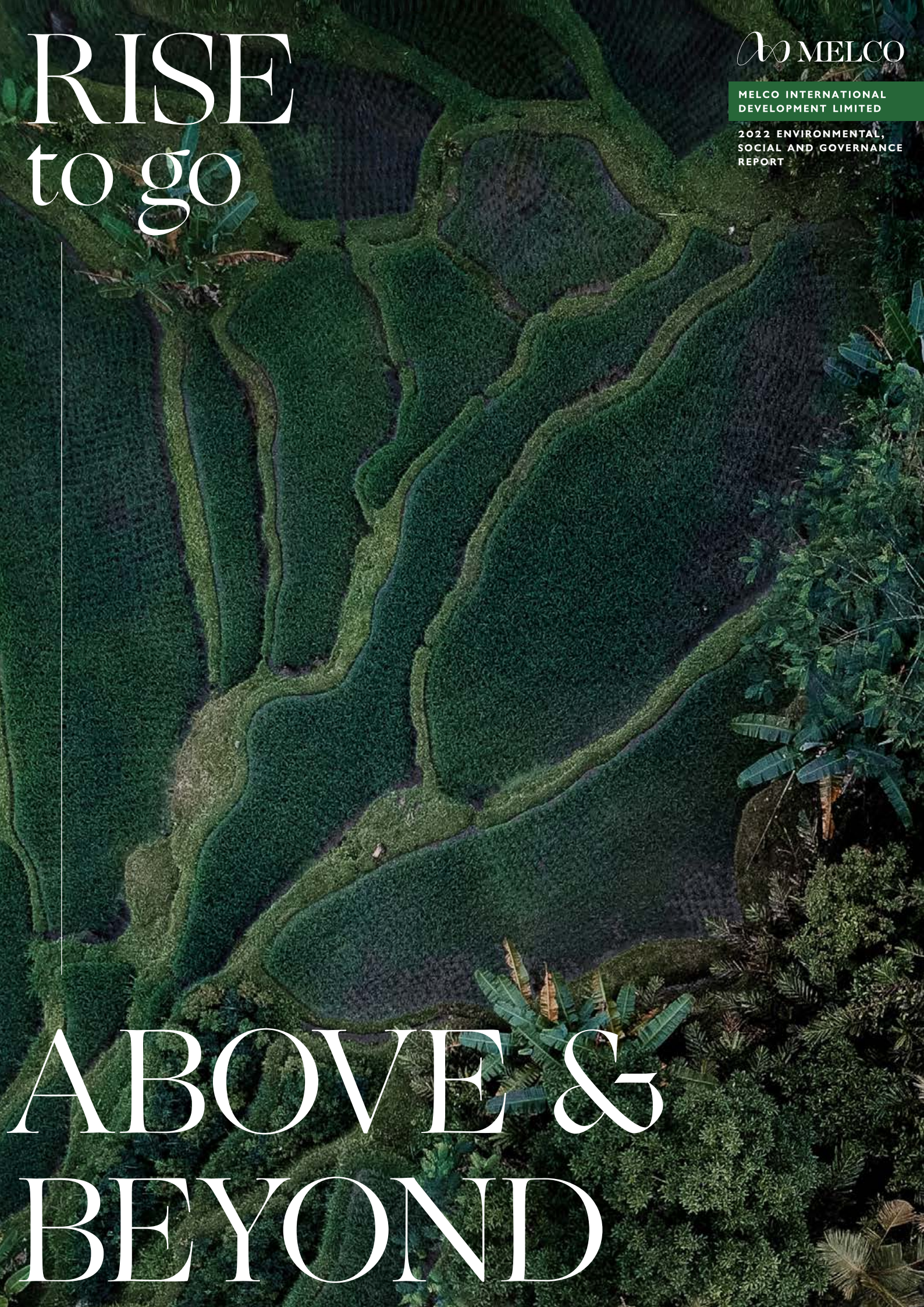

RISE to go

MELCO

MELCO INTERNATIONAL DEVELOPMENT LIMITED

2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOVE & BEYOND

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About this Report

INTRODUCTION

Melco International Development Limited's ("Melco International" or the "Company", together with its subsidiaries collectively referred to as the "Group") annual Environmental, Social and Governance ("ESG") Report presents an overview of our sustainability performance for the calendar year ended 31 December 2022 and, where possible, information and updates on the development of our ongoing plans.

This report has been prepared in accordance with the disclosure requirements of the ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Global Reporting Initiative ("GRI")'s standards ("GRI Standards")[1] for sustainability reporting, which were updated in 2021. In addition to applying GRI's reporting principles, the following principles highlighted by the ESG Reporting Guide are closely followed:

- Materiality — the approach adopted for determining material ESG topics, including the engagement of stakeholders in the process, is outlined in Understanding What Matters Most, Assessing Materiality and Our Impact along the Value Chain.
- Quantitative — information on the standards, methodologies, calculation tools and conversion factors adopted and assumptions made for data disclosures are provided in where relevant in footnotes throughout this report and in the Performance Metrics, HKEX ESG Reporting Guide Index and the GRI Content Index.
- Consistency — changes to methodologies adopted and any restatements of data are disclosed in footnotes as needed and where relevant.

This Report primarily covers the corporate offices of the Group, our integrated resort arm, Melco Resorts & Entertainment Limited ("Melco Resorts"), with particular focus on all properties in Macau[2], Manila[3] and Cyprus[4]. Financial information, unless otherwise stated, is presented in Hong Kong dollars (HK$). Additional ESG performance information is provided in Melco Resorts' 2022 Sustainability Report ("Melco Resorts' Report"). This and our previous ESG Reports are available online. Any questions pertaining to this Report can be sent by email to info@melco-group.com.

1. Melco International Development Limited has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.
2. In 2022, data attributable to Melco Resorts' integrated resort, hotel and club operations in Macau, include City of Dreams Macau, Studio City, Altira Macau and Mocha Clubs.
3. In 2022, data attributable to Melco Resorts' Manila operations include the integrated resort of City of Dreams Manila and the Hyatt Regency Hotel.
4. The Okushiga Kogen Ski Resort is included in the 2022 performance data. As of the end of December 2022, this site is no longer part of the Group.

About Us

Melco International was founded in 1910 and listed on the Hong Kong Stock Exchange in 1927. Under the leadership of Chairman and Chief Executive Officer ("Chairman & CEO") Mr. Ho, Lawrence Yau Lung, Melco International has found new energy and direction as a dynamic company that leads the field in the leisure and entertainment sector. Our Group companies are responding to changing global dynamics with vibrant, imaginative products and services that fulfil the demands and dreams of an increasingly affluent and ambitious young generation. In 2017, Melco International became the sole majority shareholder of its subsidiary Melco Resorts, a developer, owner and operator of integrated resort facilities in Asia and Europe. For further information on our business outlook, operations and financial performance, please refer to our 2022 Annual Report.

Awards, Certifications and Recognition

The Group continually assesses and aligns sustainability performance in the context of global sustainable development goals and recognised sectoral, regional and international benchmarks. Our performance against these is indicated by the awards, recognition and certifications below.

AWARDS

- Global Gaming Awards Asia – Corporate Social Responsibility of the Year
- International Gaming Awards – Sustainability Award
- Association for Talent Development ("ATD") – Customer Service Training category, ATD Excellence in Practice Awards 2022
- Melco Resorts' Cyprus recognised by the Cyprus HR Awards 2021 for "Most Effective Recruitment Strategy" and "Best CSR Initiative with Employees' Involvement" categories – Silver Awards, and a Bronze Award for HR Corporate Event of the Year
- Asian Excellence Awards by *Corporate Governance Asia* magazine – Best Environmental Responsibility
- City of Dreams recognised with the CEM Excellence Award for "Macau Energy Saving Activity 2022", Hotel Group B
- Nüwa Manila, Nobu Hotel and Hyatt Regency Manila at City of Dreams Manila recognised with the 2022 ASEAN Green Hotel Award
- Macao International Environmental Co-operation Forum and Exhibition – Green Booth Award – Third Place
- Macao International Trade and Investment Fair – Green Booth Award – Certification of Appreciation

CERTIFICATIONS

- "RG Check" accreditation by international third-party Responsible Gambling Council across our global portfolio since 2021
- City of Dreams Macau, Studio City and Golden Dragon achieved a perfect score of 100% against the Responsible Gambling Indicators, which is endorsed by the Gaming Inspection and Coordination Bureau ("DICJ")
- Our integrated resorts in Macau and the Philippines were among the first in the world to achieve the Sharecare Health Security VERIFIED® with *Forbes Travel Guide* certification
- BREEAM "Excellent" rating for the design stage for both Studio City Phase 2 and City of Dreams Mediterranean
- Being the first and only integrated resorts in Macau to have all self-operating food & beverage ("F&B") outlets achieve the Hazard Analysis Critical Control Point ("HACCP") certification, covering City of Dreams Macau, Studio City and Altira Macau. Studio City first achieved the HACCP certificate in 2020, and the restaurants at Morpheus Hotel have been covered under the certificate of City of Dreams Macau since 2022
- Being the first organisation in the hotel and entertainment industry to have achieved ISO 45001 certification in Macau, as recognition of the occupational health & safety management system at City of Dreams Macau, Studio City, Altira Macau, Mocha Clubs and the Hong Kong offices
- Certifying the Information Security Management System for our Macau operations under ISO 27001 since 2009

RECOGNITION

- Attained high scores in the S&P Global Corporate Sustainability Assessment ("CSA"), putting us in the 94th percentile for the environment category and in the 93rd percentile of our industry group overall
- Achieved a score of A by the MSCI ESG Ratings
- Received an overall score of C and retained our score of A- for climate-related supplier engagement strategy by the CDP (formerly known as Carbon Disclosure Project)
- City of Dreams Manila received special recognition at the *Manila Bulletin* Sustainability Forum for reducing single-use plastic ("SUP") within its integrated resorts in 2022
- City of Dreams Manila was recognised by the prestigious *Forbes Travel Guide* with the "Work Here Work Happy Award"
- Outstanding Corporate for Volunteerism from the Association of Volunteers Social Service Macao

OUR STRATEGY

Inspiring our guests by showing them a sustainable future is a better future

QUICK ACCESS TO CONTENT

Above & Beyond: Our Sustainability Strategy 006
Sustainability at Melco International 006
Understanding What Matters Most 008
Assessing Materiality 011

RISE

Our “Above & Beyond” sustainability strategy guides us to RISE in achieving our commitment to restore, inspire, sustain and empower our planet, people and communities. We are driven to be an adaptable and forward-thinking business, **contributing to a climate-fit and equitable future**.

ABOVE & BEYOND

SUSTAINABILITY STRATEGY

Restoring our World

- Achieving carbon-neutral resorts by 2030
- Achieving zero waste across our resorts by 2030
- Contributing to circular economy leadership in Asia
- Sourcing sustainable goods and services
- Reducing our water footprint

Inspiring our Communities

- Being the company people choose to work for and stay with
- Being best-in-class in safety for our guests, colleagues and community
- Promoting responsible gaming and an attitude of staying in control
- Supporting our communities and strengthening their economic prosperity

Sustaining our Supply Chain

- Procuring locally and creating demand for materials that have sustainability attributes
- Building capacity and awareness of the social, ecological and biodiversity impacts in sourcing
- Striving to eliminate human trafficking and modern slavery in our industry and supply chains

Empowering our Business

- Operating our business to the highest responsibility, ethical and transparency standards
- Minimising any risk of occurrence or disruption from data privacy or cybersecurity events

Understanding What Matters Most

Maintaining an open dialogue with our key stakeholders empowers us to understand and act upon evolving expectations and concerns. Insights borne from continuous stakeholder engagement provide focus on the issues that materially impact our capacity to create shared value for our stakeholders and our business. Our stakeholder groups[5], their influence over the Group, methods of engagement, priorities, and key concerns raised during our 2020 materiality assessment process were reviewed in 2022 and are outlined in the table below.

Board Members

Provide strategic direction for our long-term success.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Board meetings

PRIORITIES / KEY CONCERNS

- Ensuring sound procedures and policies to tackle key risks and opportunities such as money laundering and climate-related performance
- Aligning business strategies with governmental initiatives
- Assuring licence renewal in operating environments
- Establishing a clear roadmap to further progress on sustainability
- Implementing a concise reporting mechanism
- Implementing more training on ESG for the board of directors of Melco International (the "Board")
- Promoting the interest of our colleagues in sustainability and encouraging participation as part of the corporate culture
- Continuing to invest in technology to achieve successful climate change mitigation
- Maintaining stringent health and safety procedures against COVID-19
- Enriching guest experiences

5. Our identification of key stakeholder groups is guided by the *AA1000 Stakeholder Engagement Standard* (2015).

Guests

Patronise our integrated resorts, providing the driver for business success.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Online
- Social media
- Mystery guests
- Focus groups

PRIORITIES / KEY CONCERNS

- Maintaining strict health and safety measures against COVID-19
- Raising awareness on responsible gaming and environmental protection
- Ensuring customer data protection
- Increasing leisure and entertainment facilities specifically for families
- Ensuring service excellence from colleagues
- Supplying and offering healthier and organic food options

Governments

Provide access to operating licences and administer regulatory measures.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Industry forums

PRIORITIES / KEY CONCERNS

- Maintaining stable and sustainable economic contributions
- Promoting opportunities for job creation and socioeconomic development
- Managing diversification of the Group's business in the long run
- Ongoing, transparent and transformative engagement with government to align goals and build sustainable economies
- Protecting customers' interests on service quality and privacy
- Supporting local and rural communities through persistent efforts in community investment and small and medium enterprise ("SME") engagement
- Managing environmental impacts such as greenhouse gas ("GHG") emissions and climate change
- Addressing culture and heritage preservation

Investors

Provide financial capital for long-term business success.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Briefings and meetings
- Annual General Meeting
- Property tours
- Investor presentations
- Roadshows
- Conferences

PRIORITIES / KEY CONCERNS

- Ensuring sustained financial health and operational readiness as travel restrictions are lifted
- Establishing a clear roadmap to further progress on sustainability
- Improving transparency of sustainability performance (i.e. licence renewal, succession planning, human capital development, corruption and money laundering)
- Ensuring sound corporate governance and responsible gaming practices
- Embedding more quantitative metrics in reporting
- Expanding disclosures on human rights
- Advocating for regulations against modern slavery and human trafficking
- Providing direct access to the Board for understanding Board dynamics and engagement over ESG performance

SUSTAINABILITY AT MELCO INTERNATIONAL
UNDERSTANDING WHAT MATTERS MOST

Colleagues (Employees & Management)

Contribute skills and productivity to develop and execute our strategy.

ONGOING ENGAGEMENT

- Colleague surveys and virtual interviews
- Workshops
- Training
- Various online platforms
- Hotline
- Events: townhall, family days, volunteering and wellness activities

PRIORITIES / KEY CONCERNS

- Establishing a clear roadmap to further progress on sustainability
- Maintaining a culture of excellence where colleagues are supported to provide exceptional guest services
- Providing internal career opportunities
- Ensuring the leadership team makes it a priority to protect and support people across operations (i.e. monitoring of safety and hygiene)
- Maintaining a robust and resilient governance structure to further sustainability goals
- Fostering a diverse and inclusive working environment
- Championing SME outreach and supporting local communities through expanding sourcing partnerships, capacity building and volunteering

Suppliers

Enable us to effectively provide our products and services.

ONGOING ENGAGEMENT

- Surveys and training
- One-on-one interviews
- Supplier events and forums
- Meetings
- Assessment against our Code of Business Conduct and Ethics

PRIORITIES / KEY CONCERNS

- Following a clear and effective sustainability strategy in delivering positive environmental, social and economic impact
- Ensuring ethical sourcing and expanding the incorporation of sustainable items into our operations to minimise waste and reduce unnecessary material usage (e.g. biodegradable products)
- Implementing strict health and safety measures against COVID-19
- Contributing to local communities and publicising information on international events concerning culture and heritage
- Protecting consumer data and ensuring a high level of security and integrity for data management

Non-governmental Organisations ("NGOs")

Provide socioeconomic support in the communities where we operate.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- NGO participation in industry meetings
- Collaboration on community projects
- Colleague volunteering

PRIORITIES / KEY CONCERNS

- Increasing the frequency and effectiveness of local community outreach and initiatives
- Enhancing communication channels and planning regular engagement opportunities between community and Board members
- Raising sustainability awareness through increased communication about the Group's sustainability initiatives
- Increasing transparency on sustainability performance

SUSTAINABILITY AT MELCO INTERNATIONAL

Assessing Materiality

We adopt a data-driven and human-led approach to ongoing stakeholder engagement and evolve our materiality assessment process annually to remain responsive to stakeholder concerns[6], changes in the regulatory and disclosure landscape, as well as our business context and trends in our sector and globally. The table below summarises changes adopted in 2022 to integrate the updated GRI Standards' criteria for assessing materiality. This included assessing the positive and negative impacts (both actual and potential) that our sustainability issues have on the economy, the environment and people, as well as through the lens of impacts on human rights more explicitly.

On the following pages, we share the results of how sustainability issues are grouped based on the significance of their impact in the near term. We recognise that all the issues are significant and while we strive to meet best practice for all issues, some require additional focus to go above and beyond for positive impact. In our report, we continue to address our nine material topics that guide our business and evolving approach to sustainability. These topics address our sustainability issues where relevant and align with the RISE pillars of our Above & Beyond sustainability strategy.

STAKEHOLDER ENGAGEMENT AND MATERIALITY PROCESS

1 Identification of sustainability issues & stakeholder engagement

The Group bases the identification of sustainability issues on:
- Industry research and trends
- Peer benchmarking
- Stakeholder engagement
- Media coverage
- International sustainability initiatives (e.g. United Nations' Sustainable Development Goals)
- Sustainability reporting frameworks (e.g. GRI Standards)

Stakeholder groups include, but are not limited to:
- Board members
- Customers/Guests
- Melco Resorts' employees and contractors
- Government representatives
- Investors
- Suppliers
- NGOs
- Academic institutions

Stakeholders were invited to rank sustainability issues based on the significance of the Group's impacts on the economy, environment, and people, including their human rights:
- One-on-one interviews with internal and external stakeholders

2 Evaluation of impacts

Based on the results and data gathered in Step 1, senior management participated in a workshop to evaluate and confirm the results of the assessment of sustainability issues and to determine material topics

The assessment was based on:
- GRI Standards' criteria for assessing materiality
- Sustainability trends, risks and opportunities related to the Group's business
- An assessment of the Group's sustainability impacts, based on the updated GRI Standards' criteria, produced by our consultant, Sedgwick Richardson ("SR")
- Concerns expressed directly by stakeholders
- What the Group deems as important to the business and its longer-term success in light of key risks and opportunities
- The Group's influence on upstream entities, such as suppliers, and downstream entities and stakeholders, such as customers/guests
- Broader societal expectations

3 Outcomes & validation

- Refined our stakeholder engagement process and framework to integrate the updated GRI Standards' criteria focusing on impact
- Prioritised the issues that represent our most significant impacts on the economy, environment and people, including human rights impacts (as shown on the following pages), and validated this with the Group's Chairman & CEO
- Updated report content and structure to expand or enhance the integration of issues for material topics according to the assessment
- Improved the communication of our strategic approach to sustainability

4 Next steps

- Review and refine the stakeholder engagement process to continuously capture evolving expectations and priorities
- Continue to review and evaluate our impacts, risks and opportunities
- Continue to evolve the Group's sustainability strategy

6. In 2022, one-on-one interviews with internal and external stakeholders were conducted by our independent consultant, SR; previous years also included online surveying of close to 3,000 stakeholders along with guest satisfaction surveys.

SUSTAINABILITY AT MELCO INTERNATIONAL
ASSESSING MATERIALITY

Our Impact along the Value Chain

The table below presents the results of the 2022 assessment process that aligned with the updated GRI Standards, grouping the sustainability issues based on the significance of their impact in the near term and how they align with the RISE pillars of our Above & Beyond sustainability strategy and its nine material topics.

PILLAR & MATERIAL TOPICS	SUSTAINABILITY ISSUES	SIGNIFICANT IMPACT
		Positive
Restoring our World → **Energy & Climate Resilience** → **Material Use & Waste**	**Energy and Climate Resilience**	Cleaner/clean fuels support the energy transition and reduce climate-related risks and costs of mitigation and adaptation (allocate savings for beneficial use). Safeguard health of environment and society.
	Water	Safeguard the environment by conserving water and reduce costs through efficient use of resources (allocate savings for beneficial use).
	Material Use and Waste	Safeguard the environment by conserving resources and through circularity, and by reducing costs through efficient use of resources (allocate savings for beneficial use).
	Biodiversity	Protect to sustain life support systems, resources and quality of life.
Inspiring our Communities → **Engaging our People** → **Safety, Health & Wellbeing** → **Responsible Gaming** → **Community Engagement & Investment**	**Employee Welfare and Benefits**	Just and fair employment of talented, happy and healthy people, providing job security and professional and personal fulfilment for employees.
	Human Rights	Respecting rights and ensuring fair and just treatment of people along the value chain enhances professional and personal experiences and contributions of people.
	Community Investment and Engagement	Enhance the wellbeing of communities. Reduce inequality.
	Safety, Health and Wellbeing	Safeguard employees and guests. Enhanced work and guest experience and maintenance of trust.

Negative	LOCATION OF IMPACT ALONG THE VALUE CHAIN Upstream	Operations	Downstream	OVERALL SIGNIFICANCE OF IMPACT
Impact to air quality and climate change. Destruction of life support systems and damage to ecosystems, economies and people. Cost of mitigation and adaptation (unable to allocate savings for beneficial use).				Critically Significant
Resource depletion, environmental damage and increased operational costs (unable to allocate savings for beneficial use).				Highly Significant
Resource depletion, environmental damage and increased operational costs (unable to allocate savings for beneficial use).				Highly Significant
Cost of degradation life support systems, resources and quality of life.				Significant
Disgruntled and impaired performance impacts professional and personal development, and performance, of employees.				Highly Significant
Unjust treatment of people is immoral and inhumane and denigrates people and impairs their professional and personal experience.				Highly Significant
Impaired wellbeing of communities. Increased inequality.				Highly Significant
Injuries and fatalities impact people's lives and impair work and guest experiences and trust.				Highly Significant

SUSTAINABILITY AT MELCO INTERNATIONAL
ASSESSING MATERIALITY

PILLAR & MATERIAL TOPICS	SUSTAINABILITY ISSUES	SIGNIFICANT IMPACT
		Positive
	Training and Development	Provision of required skills to safeguard employment and guest experience, build professional and personal skills and further career development and fulfilment.
	Diversity, Equity and Inclusion	Provision of opportunities for talent and diversity to thrive and contribute to skill, thought and overall business enhancement.
	Responsible Gaming	Safeguard patrons to enable them to game responsibly, supporting social harmony and the company's licence to operate.
	Culture and Heritage	Celebrating and supporting the development of culture and heritage enhances the wellbeing of people and communities.
Sustaining our Supply Chain → **Ethical & Sustainable Supply Chain**	Ethical and Sustainable Supply Chain	Responsible business practices build sustainable business to avoid risk and environmental and social impacts along the supply chain. Support sustainable business development.
	SME Management	Building capacity for SMEs to provide goods and services that meet the Group's ESG goals supports SME development and local economies.
Empowering our Business → **Ethics & Integrity** → **Privacy & Cybersecurity**	Privacy and Cybersecurity	Safeguard data and information. Avoid breaches and remediation costs (allocate savings for beneficial use). Avoid losing stakeholder trust.
	Ethics and Integrity	Responsible business practices build sustainable business and create positive economic development. Trust of and business continuity with business partners. Avoid fines and negative business impact.
	Economy and Financial Performance	Resources to support sustainable business and economic development.

Negative	LOCATION OF IMPACT ALONG THE VALUE CHAIN: Upstream	Operations	Downstream	OVERALL SIGNIFICANCE OF IMPACT
Inadequate training leads to injuries and fatalities, incidents and impaired performance, resulting in impacts on employees and guests.				Highly Significant
Impaired performance and career development from lack of talent and diversity of thought and negative impacts of exclusion.				Highly Significant
Patrons impacted by the negative consequences of problem gaming, impacting social harmony and the company's licence to operate.				Significant
Lost opportunity to benefit from recognition of culture and heritage to build relationships and foster goodwill among employees, guests and communities.				Significant
Lack of responsible supply chain management impairs performance, impacts people, businesses and the environment and leads to loss of business.				Critically Significant
Failure to build capacity of SMEs reduces the Group's ability to enhance supplier relationships to achieve ESG goals and support local businesses and economies.				Highly Significant
Impact to people of loss/sharing of data and information. Cost of breaches and loss of business opportunities (unable to allocate savings for beneficial use).				Critically Significant
Impaired business performance/development, impaired reputation, loss of trust and credibility and cost of fines (unable to allocate savings for beneficial use).				Highly Significant
Lack of resources to sustainably operate business and support local economies.				Highly Significant

Restoring our World

CONSERVING RESOURCES, ENHANCING CLIMATE RESILIENCE AND RESTORING OUR ECOSYSTEMS

QUICK ACCESS TO MATERIAL TOPICS

Energy & Climate Resilience 020
Material Use & Waste 026

CASE STUDY

Sustainability at City of Dreams Manila

The steady uptick in travel and entertainment saw City of Dreams Manila welcome back guests to an integrated resort that has made substantive, holistic progress in integrating sustainability across its operations, as exemplified by the following initiatives:

- All our hotels, and three restaurant outlets, serve water from our NORDAQ water filtration and bottling system, saving over 1.1 million SUP bottles in 2022. Water filtration and refill stations are also accessible across our integrated resort. Going forward, we estimate that 4.1 million bottles can be avoided annually. Since shower amenities were replaced by large refillable containers in 2019, over 620,000 SUP bottles have been eliminated. City of Dreams Manila received special recognition at the *Manila Bulletin* Sustainability Forum for reducing SUP in 2022. At the dinner to celebrate this annual event, a five-course menu featured ingredients from our herb garden, alongside carbon-neutral beef and locally grown vegetables, mangoes and hydroponic tomatoes.

- Out of our 23 F&B restaurants and outlets, 16 serve sustainably sourced seafood, seven offer plant-based meat alternatives, and ten have launched carbon-neutral beef items on their menus. The result is a reduction of our environmental footprint without compromising on the menu offering, and enhancing the overall dining experience.

- Over 95% of our tea and coffee is sustainably sourced, 86% of our food is sourced locally, and 100% of eggs consumed are cage-free.

- A circular and regenerative system is ongoing, with our rooftop gardens providing fresh herbs for our F&B outlets. In 2022, 145 tonnes of food waste were composted through our onsite compost machine, providing a nutritious soil amendment for our gardens. Additionally, we continued to nurture our vermicompost system and produced over seven tonnes and 3,300 litres of vermicast and vermitea, respectively, over the year. This nutritious fertiliser supports our rooftop garden to produce over 276 kg of herbs for our restaurants.

- Unused furniture, kitchenware, linen and towels were donated to two recognised charities — Bahay Arugya, serving paediatric cancer patients, and Dr. Arcadio Santos National High School, a school for underprivileged children.

RESTORING OUR WORLD

Strategy and Management Approach

Our unwavering commitment to the environment underpins our Above & Beyond sustainability strategy. The inspiration for our sustainability strategy was set by the top, by our Chairman & CEO. His vision is for the Group to be a sustainability pioneer for the industry, to lead the way by example, and to show that a sustainable future is our only future. With the tone for sustainability leadership cemented, the Group has established a culture where accountability for sustainability is embedded across all functions and levels of our organisation.

To deliver on our strategy, we have established a Roadmap and Action Plan to achieve our Group goals by 2030, with aligned, quantified targets[7] set at the resort level. Practical actions for implementation are determined by our three Working Groups, the Carbon Neutral Working Group, Zero Waste Working Group, and Sustainable Sourcing Working Group, which meet monthly and report progress to Melco Resorts' Executive Sustainability Committee. Oversight of our ESG management systems and progress made against our Group-level goals and targets is provided by the Group's ESG Taskforce and Nomination and Corporate Governance Committee ("NCGC"). Please refer to our Corporate Governance Structure on page 062 for details.

KEY GOALS

- Achieving carbon-neutral resorts[8] by 2030[9]
- Achieving zero waste[10] across our resorts by 2030
- Contributing to circular economy leadership in Asia
- Sourcing sustainable goods and services
- Reducing our water footprint

KEY TARGETS

We have set realistic intensity targets to inspire action towards achieving our ambitious goals. Keeping this in mind, we have continued to harness the power of research to ensure our baseline assessments of our value chain have been updated in light of existing infrastructure and technology. We continue to explore best practices and reflect this across our operations and with our stakeholders.

In support of these established Group-level goals and targets[11], we have set aligned targets for our properties, all based on our baseline year of 2019.

- 5% tCO_2e/m^2 intensity reduction in Scope 1 and 2 GHG emissions[12] by 2030, with ambitions for 22% reduction
- 3% kWh/m^2 intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level
- 19% m^3/m^2 intensity reduction in water consumption by 2030
- 5% tonnes/m^2 intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction

MATERIAL TOPICS

Energy & Climate Resilience 020
Material Use & Waste 026

CHALLENGES

In 2022, the impact of the COVID-19 pandemic, particularly in Macau, challenged us to progress our environmental commitments while striving to maintain operations and support our people and communities. Despite this, we remained steadfast, continuing to research and identify best practices, enhance our processes and implement new initiatives while progressing toward our environmental objectives. We will sustain and expand these efforts as business and occupancy at our properties improve.

7. Our data for compiling our intensity targets and the baseline year of 2019, have been externally verified.
8. As defined by The Carbon Neutral Protocol: The global standard for carbon neutral programs. January 2018, Natural Capital Partners. https://assets.naturalcapitalpartners.com/downloads/The_CarbonNeutral_Protocol_Jan_2018.pdf.
9. To achieve our goal of carbon neutrality, we are focused on first increasing energy consumed from renewable sources, which may be generated onsite or obtained through power purchasing agreements, and then purchasing Energy Attribute Certificates or other market instruments, in quantities equivalent to the amount of energy that is consumed through non-renewable sources.
10. Achieving zero waste means avoiding the disposal of all waste materials to landfill or other treatment or disposal methods that do not involve the recovery, reuse, recycling or repurposing of the material or the generation of energy.
11. Data for compiling our intensity targets and the baseline year of 2019, have been externally verified.
12. Biogenic emissions are not included in the target boundary.

2023 AND BEYOND

Our commitment to building climate resilience is resolute — driving us to explore options for meeting our decarbonisation goals and mitigating climate-related risks. Progress towards achieving our zero-waste goal by 2030 involves conducting regular KAIZEN reviews of material consumption, generation, and separation to identify opportunities for reducing waste at source and enhancing our recycling capture and composting rates.

Energy & Climate Resilience

OUR COMMITMENT

With climate action failure, extreme weather and biodiversity loss identified as the top three most severe global risks[13], we are committed to building climate resilience, energy efficiency and exploring renewable energy options. However, we know that we have much to learn. We continually seek opportunities to adopt innovations and new technologies, and incorporate insights from our stakeholders to ensure we are best placed to make informed decisions to reduce our environmental footprint.

OUR TARGETS

- Achieving carbon-neutral resorts by 2030
- Minimising the impact of our business on ecology and biodiversity
- Improving the operational performance of all our resorts year-on-year
- 5% tCO_2e/m^2 intensity reduction in Scope 1 and 2 GHG emissions[14] by 2030, with ambitions for 22% reduction at the property level
- 3% kWh/m^2 intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level

13. World Economic Forum, The Global Risks Report 2022. https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf.

14. Biogenic emissions are not included in the target boundary.

HOW WE ARE MANAGING IT

We are committed to achieving carbon-neutral resorts globally by 2030. Our Chairman & CEO has oversight of the Company's climate strategy, which is focused on reducing our GHG footprint and addressing climate-related risks and opportunities.

We have established a Roadmap and Action Plan that includes specific actions within defined time periods towards 2030, including activities to reduce and decarbonise our energy consumption and address GHG emissions along our value chain. Starting with measuring consumption sources to establish our GHG inventory, priorities range from the ongoing identification and adoption of new technologies to enhancing how we measure performance. The implementation of these actions, aligned with our goals and targets, is driven by our Carbon Neutral, Zero Waste and Sustainable Sourcing Working Groups that meet every month and report progress to Melco Resorts' Executive Sustainability Committee.

With extreme weather events on the rise globally, managing potential damage to our properties and impacts on our colleagues and guests remains a key concern. Building up our climate resilience continues to be a focus for us. We also empower our suppliers and stakeholders by offering training programmes and capacity-building initiatives that help them devise initiatives to drive reductions in energy consumption and GHG emissions, and incorporate climate-related risks in their business decisions.

As Melco International's material climate-related risks arise from the operations of its major subsidiary, Melco Resorts has voluntarily aligned its climate-related strategy and disclosures with the Task Force on Climate-related Financial Disclosures ("TCFD") framework developed by the Financial Stability Board. In 2022, Melco Resorts worked with an independent sustainability consultancy to assess the potential climate-related risk and opportunity areas that may impact the company. The key risks and opportunities identified are summarised in the table on the right.

TCFD Response (Summary of Findings)

Melco Resorts' full TCFD report, detailing its approach to governance, strategy, risk management, metrics and targets on climate-related risks and opportunities can be found in the Melco Resorts' TCFD Content Index on page 102.

Climate-related Risks

Transition risks

- *Regulatory pressures and carbon pricing*
  The Group has high exposure to net-zero transition related policies and carbon prices that could result in energy and fuel inflationary pressures
- *Resource procurement*
  Net-zero transition related regulation could also heighten exposure to increased commodity pricing pressures

Physical risks

- *Extreme weather events*
  The increase in frequency and intensity of extreme weather events, such as typhoons, could pose considerable impact to our integrated resorts and could leave the Group vulnerable to rising insurance costs or inability to obtain sufficient coverage
- *Chronic temperature increases*
  Increases in temperatures will equally intensify energy needs for our integrated resorts to be kept at desired cooling levels to satisfy guest comfort
- *Water stress*
  Increased pressures on water supplies could result in reduced/lack of access and/or higher water procurement costs

Climate-related Opportunities

Capital flow opportunities

- Opportunities to reduce the cost of capital through financial instruments like green bonds that are linked to the implementation of carbon reduction/ green energy initiatives

Renewable energy and onsite generation opportunities

- Sourcing renewable energy and expanding onsite solar generation presents an opportunity to decarbonise our operations, mitigate the risks relating to rising fossil-fuel-based energy prices and minimise disruption from severe weather events to our energy supply

Sustainable Design

The Group's integrated resorts feature unique structures designed for both aesthetics and resilience. We work closely with professional advisors, partners and suppliers to ensure our new buildings are designed to be resource efficient and resilient to withstand the risks of climate change.

Over the last few years, we have had the unique opportunity to commence construction from the ground up on our City of Dreams Mediterranean and Studio City Phase 2 properties, with bothachieved a BREEAM "Excellent" rating for the design stage. Studio City Phase 2 was also Macau's first BREEAM-certified hotel, and the winner of the "Regional Award, Asia" at the BREEAM Awards 2021, as well as achieving Green Building Design Label 3-Star certification in 2021.

A wide array of environmental features have been adopted for these properties, ranging from responsibly sourced construction materials, and energy-, water- and resource-efficient systems, to solar photovoltaic ("PV") panels and infrastructure to support electric vehicles ("EV"). Refer to Melco Resorts' 2021 Sustainability Report for details.

Conserving Biodiversity

We know how critical biodiversity loss is to the future of life on Earth. When it comes to new site development, right from the outset, we consider the potential impacts of the construction process on the surrounding ecosystem. We have also ensured that our site acquisitions have considered protected ecological zones adequately. Our buildings, including the height and position of our building infrastructure, are also designed to not interfere with the migratory patterns of birds. We consult with ecologists and environmental experts before undertaking any large-scale construction projects to ensure that our operations continue to support the flourishing of flora and fauna.

Ecological factors have remained at the forefront of decision-making at our City of Dreams Mediterranean property as construction and development draw to a close. We consulted with local environmental experts to ensure that the design of our property supports habitats for arboreal wildlife such as birds, bats, bees and insects. We also plant and support the growth of native vegetation acclimatised to the Mediterranean to protect the area's biodiversity. Effective pest management and the adoption of soil and water protection practices are thoughtfully considered to not cause any imbalance in the natural environment.

Energy-efficiency Measures

An important part of our efforts to reduce energy consumption is meeting and exceeding the requirements of international standards for environmental, energy and facility management systems across all our properties[15] whenever possible. We monitor our consumption monthly and continue exploring opportunities to increasingly adopt PV panels and other renewable energy options across our portfolio.

In 2022, and in comparison with the previous year, energy consumption in both absolute terms and intensity increased by 2%. Despite visitation rates to our properties globally decreasing by 17% percent, the slight upward trends are primarily attributable to jet fuel consumption. Of note, electricity consumption from renewable sources was 3% higher in 2022 than in the previous year.

Compared with our base year of 2019, energy intensity has reduced by 24%, considerably ahead of our target of a 3% reduction by 2030. This reduction is partially due to reduced business volume during the pandemic and the adoption of several energy-efficiency measures ("EEMs") since 2018. These EEMs include de-lamping, adjusting ventilation flow rates, retrofitting plant and equipment, installing Variable Speed Drives in podium areas, Variable Frequency Drives in kitchens and sensors for carpark extractions, among others. While these property-level EEMs have resulted in cumulative, annualised savings of over 51.3 million kWh, we remain steadfast in our ambition to achieve between a 22% to 28% intensity reduction at the property level by 2030. See pages 028-029 of Melco Resorts' Report for details.

Energy Consumption by Source and Intensity
(in MWh)

	2022	2021	2020
Fuel consumption from non-renewable sources	**58,416**	47,770	51,911
Electricity consumption from non-renewable sources	**330,337**	334,380	326,937
Electricity consumption from renewable sources[16]	**1,525**	1,478	1,555
Total energy consumption	**390,278**	383,628	380,403
Energy intensity (in MWh/m²)	**0.28**	0.27	0.27

15. As the first integrated resort and hotel operator in Macau and Hong Kong to achieve ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications in 2018, as well as ISO 41001 for Facilities Management Systems in 2019, the Group has robust systems in place that cover our portfolio of properties in Macau and Hong Kong, including City of Dreams Macau, Studio City, Altira Macau, Mocha Clubs and the Group's Macau and Hong Kong corporate headquarter offices.

16. Solar PV systems were installed across Macau and Manila properties in 2019. Electricity generated from the PV panels installed at City of Dreams Manila was consumed onsite.

Renewables

In 2022, we made further progress on our EV programme. In Macau, 30 of our 35 shuttle buses are EV coaches operated by Zhengzhou Yutong Bus Company. Across our properties, we operate 23 EV passenger vehicles of varying sizes and golf carts with the number of charging stations up 25% compared to 2021.

We have onsite PV panels across our portfolio that can generate over 7,000 MWh at full capacity. Our 30,000 square-metre, 18,000 PV panel project on the City of Dreams Macau and Studio City roofs is the largest solar project in Macau, with the potential to reduce 5,100 tCO_2e annually, equivalent to taking 12.6 million passenger cars off the road for a year. At our integrated resorts in Manila and Cyprus, we have installed 3,120 and 4,000 PV solar panels, respectively, with both properties capable of generating 1.2 MWh at full capacity. We aim to expand our onsite renewable energy generation to the extent possible, in line with our Roadmap and Action Plan for decarbonisation.

We also support clean energy by stimulating renewable energy markets in the region, aiming to collaborate with local networks and pursue creative options for purchasing renewable energy through power purchase agreements ("PPAs") and other instruments. Our electricity consumption in Macau, Manila, Hong Kong and Taiwan is offset by purchasing Energy Attribute Certificates ("EACs") issued according to the I-REC Standard ("I-RECs")[17] requirements. Similarly, in Cyprus, we purchase EACs with Guarantees of Origin in Europe to cover all our GHG emissions arising from electricity consumption. In Japan, we match our electricity consumption from our operations with local EACs generated through a scheme called Non-fossil Fuel Energy Certificates. The scheme follows a verified and validated standard and offers third-party assurance of electricity generation and emission reductions achieved. In Singapore, we purchase EACs with Tradable Instruments for Global Renewables.

Greenhouse Gas Emissions

Our efforts to reduce GHG emissions evolve as we embrace research-backed, energy-efficient initiatives and technologies, install PV panels and expand our EV programme. To remain accountable and transparent, we have expanded and standardised disclosures of our Scope 3 emissions in line with best practice.

At a property level in 2022, reductions in GHG emissions achieved are primarily attributed to reduced visitation in Macau and normalised usage of refrigerants at Altira Macau following a substantial replenishment in 2021. The increase at Studio City was driven by the replenishment of the cooling towers in 2022, and for Manila, this is attributable to a 34% higher visitation rate. The increase in total GHG emissions is due to higher non-renewable fuel consumption from mobile sources in 2022, primarily due to increased jet fuel consumption. Overall, Scope 1 and 2 GHG emissions, in both absolute and intensity terms, increased by 16% in 2022 compared to 2021. However, they both decreased by a considerable 46% and 45%, respectively, over our 2019 baseline year, exceeding our target of a 5% intensity reduction by 2030. See pages 028-029 of Melco Resorts' Report for details on property-level GHG emissions.

Absolute GHG Emissions by Scope and Intensity
(in metric tonnes of CO_2e)

	2022	2021	2020
Scope 1 emissions	**17,152**	14,842	16,331
Emissions from stationary fuel combustion	**4,972**	5,237	5,282
Emissions from mobile fuel combustion	**7,467**	5,095	5,955
Fugitive emissions from refrigerants	**4,713**	4,510	5,095
Biogenic emissions	**212**	264	150
Scope 2 emissions (location-based)	**210,353**	212,111	207,018
Scope 2 emissions (market-based)[18]	**112**	280	665
Total Scope 1 and 2 emissions (market-based)	**17,264**	15,123	16,996
Total Scope 1 and 2 emission (market-based) intensity by floor area (in metric tonnes of CO_2e/m^2)	**0.01**	0.01	0.01

Scope 3 GHG Emissions[19]
(in metric tonnes of CO_2e)

	2022
Category 1: Purchased goods and services	**81,164**
Category 2: Capital goods	**200,438**
Category 3: Fuel and energy-related activity (FERA)	**56,034**
Category 4: Upstream transportation	**414**
Category 5: Waste	**1,181**
Category 6: Business travel	**612**
Category 7: Employee travel	**6,412**
Category 8: Upstream leased assets	**195**
Category 13: Downstream leased assets	**31,175**
Total Scope 3 emissions	**377,625**
Total Scope 3 emission intensity by floor area (in metric tonnes of CO_2e /m^2)[20]	**0.27**

Scope 3 emissions arise from upstream activities such as emissions from Furniture, Fixtures and Equipment, F&B and upstream emissions of fuel (extraction and production). We now track Scope 3 GHG emissions across nine categories that are relevant to our business and we have standardised our calculation methodology. In addition to the categories that we have control over, we are identifying opportunities to reduce emissions arising from the activities of suppliers and contractors.

With efforts to address our footprint extending to our F&B operations, we continue to include more plant-based alternatives on menus, with over 40% of our venues in Macau and Manila now serving alternatives to meat. 98% of our outlets offer vegetarian options on their menus. Furthermore, 79% of our outlets serve sustainable seafood, and we have introduced carbon-neutral beef to nine of our outlets. Through our rooftop garden at City of Dreams Manila, we also grow herbs and calamansi to meet some of the needs of our food outlets, and by purchasing local, hydroponic lettuce, tomatoes, kale and eggs, we are also reducing Scope 3 emissions.

17. The International Attribute Tracking Standard.
18. Melco Resorts' Scope 2, market-based emissions are offset through purchasing renewable energy through I-RECs and other instruments. Refer to Renewables section of this report on page 024 for details.
19. Refer to Performance Metrics on page 077 for detailed footnotes of Scope 3 GHG Emissions.
20. Scope 3 GHG emission intensity by floor area is disclosed for 2022 data, marking the first year of disclosing Scope 3 emission data for all categories that are relevant to the Company's business.

Material Use & Waste

OUR COMMITMENT

Our commitment to achieving zero waste across our integrated resorts requires partnership, innovation and ingenuity. Along our value chain, we look for ways to enhance how we procure items, consume resources and materials and reduce waste, seeking to minimise lifecycle impacts and adopt circular economy models.

OUR TARGETS

- Achieving zero waste across our resorts by 2030
- 19% m^3/m^2 intensity reduction in water consumption by 2030
- Increasing our capacity for greywater recycling across all our properties
- 5% tonnes/m^2 intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction, against our baseline year of 2019
- Diverting 5% of useful materials from disposal by 2030, against our baseline year of 2019, with ambitions for 24%

HOW WE ARE MANAGING IT

Engagement and partnership with our suppliers, peers, guests and local governments are core to our material use and waste strategies. In our quest to conserve, reuse and recycle, we work with our stakeholders to implement and manage waste reduction programmes and initiatives, focusing predominately on food waste and the reduction of SUP. Attention is directed to delivering and continually enhancing various training programmes and conducting briefing sessions with our colleagues and suppliers to build awareness and inspire action. Our Zero Waste Working Group actively evaluates our initiatives, reviews progress and identifies areas for improvement or where additional resources are required to ensure we are on track to meet our ambitious, zero-waste goal and further circular economy models.

Materials

Sustainable Buildings and Construction

From design through to construction, we commit to sustainable building practices in ways that also create brand differentiation for our integrated resorts. Our construction projects, both Studio City Phase 2 in Macau and City of Dreams Mediterranean in Cyprus, have achieved the BREEAM “Excellent” rating at the design stage, which includes metrics on material use and waste management during construction.

Whether designing new structures or planning retrofits to existing ones, our team ensures the materials required are responsibly and locally sourced, where possible. We work closely with our contractors and suppliers to abide by these guidelines in all our jurisdictions.

Managing Key Product Categories
Across our integrated resorts, we consider the lifecycle of key product categories — ensuring future purchasing decisions are informed by clear, responsible sourcing guidelines. Additionally, we continually engage with our suppliers to uncover circularity opportunities and more environmentally responsible alternatives without compromising quality, safety and guest experience. Our sourcing guidelines currently cover the following product categories: chemicals, seafood and cotton, with others in process. Details on our sourcing practices can be found in this report's Ethical & Sustainable Supply Chain section on page 052.

Eliminating Plastic
Melco Resorts remains a signatory to the Global Tourism Plastics Initiative ("GTPI")[21], an initiative led by the UN Environment Programme and the World Tourism Organization in collaboration with the Ellen MacArthur Foundation. We have been developing and enhancing our 2025 roadmap[22] to address the root causes of plastic pollution within our operations, and publicly reporting on our progress with estimates of annual weights of plastic used. We are developing a "Plastic Inventory" to track plastic use for key items highlighted by GTPI based on weight and other relevant metrics. Having greater visibility will help us make progress towards our targets, as we continue our work to reduce plastic in our operations and across our value chain.

Actions to eliminate SUP continued apace in 2022, with bottles and other disposable items replaced with responsible alternatives in our Heart of House ("HoH"), F&B outlets and most guest areas. Large-sized, refillable dispensers for amenities in guest rooms and spas at both Studio City towers, NÜWA Macau, Altira Macau and City of Dreams Manila resulted in the elimination of approximately 4.2 million SUP bottles. SUP is further avoided with water refilling stations and bottling plants that provide water for guests in refillable glass bottles (see details below) and through the use of biodegradable packaging for all our takeaway and other food products. Refer to Melco Resorts' Report for details.

We continue to work with our suppliers to avoid SUP disposable packaging in favour of reusable and/or lower-impact alternatives. In 2022, this was extended to include compliance with a local ban on Styrofoam in Macau. All the contracts with our tenants ask for SUP to be removed in F&B operations and for environmentally responsible practices to be adopted at the outlets, including the use of our standardised bin system for recycling.

Progress in 2023 with NORDAQ
Since 2020 when Melco Resorts became the first integrated resort to commit to a global rollout of the NORDAQ 2000 water purification and bottling solution, it has been rolled out at 43% of our hotel rooms and three restaurant outlets in Macau and Manila, eliminating over 1.4 million SUP bottles at City of Dreams Manila and our Macau properties. Once fully operational across all our properties in Macau alone, we will eliminate 14.8 million plastic bottles annually at normalised business volumes.

Complementing the NORDAQ solution, water refilling dispensers in all our HoH areas in Macau, Manila and Cyprus[23] will enable us to avoid 2.8 million SUP bottles once operations fully resume. When the use of plastic bottles is unavoidable, we use recycled polyethylene terephthalate (rPET) bottles that are made from recycled plastic whenever possible.

21. Formerly known as the New Plastics Economy Global Commitment, which Melco Resorts became a signatory to in 2019.

22. https://www.unwto.org/sustainable-development/global-tourism-plastics-initiative

23. Dispensers have also been installed at Celebrity Tower since January 2020, at NÜWA and Star Tower in Macau, NÜWA and Nobu in Manila in 2021 and at Altira Macau as of January 2022. Work is underway to roll out the system at Studio City Phase 2, City of Dreams Mediterranean, Morpheus in Macau and Hyatt Regency in Manila.

Waste

In progressing towards our goal of being a zero-waste business by 2030, we are pleased to report that across the Group, waste generation decreased by 24% in 2022 compared to 2021. We attribute this reduction to our comprehensive systems designed to reduce waste in the first place and reuse valuable materials, a 9% increase in materials diverted through recycling and onsite composting, as well as an overall reduction in visitation of 17% over the previous year.

Composting
Composting and dewatering are also crucial to our waste management strategy. Our efforts at City of Dreams Manila in producing 100% organic fertilisers continues to gain momentum. In Manila, 7,011 kg of Vermicast (up from 4,731 kg in 2021) and 3,324 litres of Vermitea (up from 2,684 litres in 2021) were harvested in 2022, representing increases of 48% and 24%, respectively. These were used to support the property's onsite herb garden and surrounding horticulture.

Food Waste
With food waste accounting for 43% of our total waste stream[24], efforts to reduce and divert it from disposal are critical for reducing our impact. In 2022, 26% of the materials that we divert from disposal was food waste that was composted onsite for beneficial use.

Waste from overproduction and plate waste continue to remain our two most substantial sources of food waste. By harnessing the power of advanced technology, such as Artificial Intelligence systems and others, we are able to pinpoint the types and quantities of waste generated. This gives us valuable information that informs what we produce and offer, and what we focus on for internal awareness campaigns. In all our HoH areas, food waste from overproduction is monitored on a monthly basis and plate waste is also tracked monthly at City of Dreams, Studio City and City of Dreams Manila. Plans to roll these initiatives to other properties is underway.

Plate Waste
Our collaboration with Winnow and the London School of Economics and Political Science to trial communication campaigns to change colleagues' behaviour in 2021 was crucial in our efforts to reduce plate waste. We continued our "Clean Plate Challenge" in our HoH dining areas and reduced plate waste by 50% in grams per cover at City of Dreams Manila. In Macau, we continued reducing serving sizes and, based on internal survey results, removed unpopular dishes and improved food quality and menu offerings.

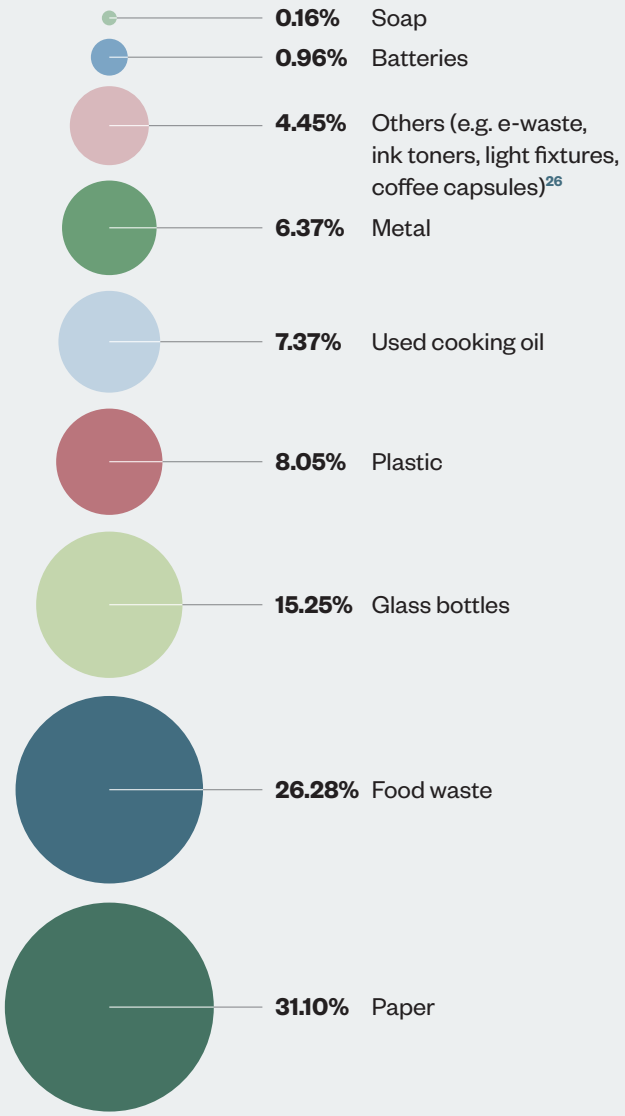
Construction Waste and Optimised Building Infrastructure
Procedures and performance targets at City of Dreams Mediterranean and Studio City Phase 2 in Macau ensure that construction waste is reused, recycled and recovered. Our building stock has the infrastructure for collecting, sorting and storing recyclable and compostable materials.

Waste Diversion
Waste generated in 2022 was less than in 2021, primarily due to reduced business volumes in Macau and efforts to reduce waste and expand composting and recycling. Our waste diversion targets are set to progress us towards our goal of being a zero-waste business by 2030. In 2022, 13% of our total waste stream was diverted from disposal through composting and recycling, which is 4% higher than the 9% diverted in 2021. We aim to further our strides in this realm as border and other restrictions ease and occupancy at our resorts increases.

Material Diversion and Waste Generation[25] with Intensity
(in metric tonnes)

	2022	2021	2020
Composting	**262**	192	36
Recycling	**735**	720	313
Total materials diverted	**997**	912	349
Incineration	**5,657**	7,624	6,786
Landfill	**1,026**	1,163	1,140
Total waste generated	**6,683**	8,787	7,926
Total materials diverted and waste generated	**7,680**	9,699	8,275
Waste generation intensity (in metric tonnes/m²)	**0.01**	0.01	0.01

MATERIAL DIVERSION BY TYPE IN 2022



Highlights of diversion initiatives in 2022 included:

Playing Cards
The trial conducted with our card supplier in Japan enabled us to recycle ten tonnes of used playing cards from our operations in Macau, in 2021. In late 2022, City of Dreams Manila engaged a local business that collects and recycles playing cards into chipboards, which is repurposed into various packaging products such as food packaging boxes, soap boxes and toy boxes.

KAIZEN Review
Our KAIZEN review in 2022, focused on opportunities to reduce waste and improve both waste segregation practices and the capture of plastic bottles for recycling at our properties in Macau. Following our team's observations, actions now being rolled out range from reducing chemical usage,optimising routes for waste collection and improving access to recycling bins to enhancing training through gamification to raise internal awareness of proper recycling and composting. Our next KAIZEN review will target food waste separation, which is expected to commence in the first quarter of 2023.

24. The volume of food waste and its portion of our total waste stream was determined based on an audit conducted in 2019 that included an assessment of waste arising from our colleague dining areas and associated kitchens, restaurants operated by Melco Resorts and our tenants, guest rooms and onsite facilities.

25. Refer to Performance Metrics on page 079 for information on hazardous waste generation.

26. Data for "Others" includes coffee capsules, which were previously disclosed separately in 2020 and 2021.

MATERIAL USE & WASTE
HOW WE ARE MANAGING IT

Water

Water is a vital resource. We responsibly manage our footprint in how we source, conserve and consume water, and discharge wastewater. With 98% of the Group's total water consumption at the property level, we implement a range of efficiency measures. We utilise extensive planting at our properties to minimise water loss through wind evaporation from pools and water features, and rainwater recovery systems for onsite irrigation. Examples of property-specific initiatives include:

- A sophisticated filtration system for treating and reusing pool water indefinitely at the House of Dancing Water show at City of Dreams Macau
- Reusing treated wastewater in City of Dreams Manila's cooling tower results in annualised savings of over 200,000 m^3 of water
- Reusing bleed-off water to flush toilets across properties and recycling water in Studio City's central kitchen using a reverse osmosis system
- Adopting a new compound to treat water scale in central kitchens to decrease the frequency of water pan drainage
- For City of Dreams Mediterranean, a high-tech 'harvesting system' is being installed to collect greywater to be treated and re-purposed for use in toilets and gardens
- At Studio City Phase 2, a leak detection system exposes water leaks within the resort and between the building and utilities' water meters, enabling us to prevent water wastage
- At City of Dreams Mediterranean, adjustments to sanitaryware items, such as water closet tanks as well as handwash basins and pantry sink mixers, have been made to achieve optimal water-efficient consumption levels set by BREEAM without compromising the guest experience
- A utility pulsed water meter connected to the building management system has been installed on the main water supply at City of Dreams Mediterranean to enable water monitoring and water leak detection
- Encouraging our colleagues to be vigilant in their water usage while cleaning guest rooms and public areas
- Ongoing replacement of fixtures with more water-efficient options, such as flow restrictors across our properties, including faucets, nozzles and shower heads

Reusing treated wastewater in City of Dreams Manila's cooling tower results in annualised savings of over 200,000 m^3 of water.

The Group's total water consumption and water intensity increased by 2% and 3% compared with 2021, respectively, due to increased occupancy at City of Dreams Manila. Water efficiency measures progressively adopted at our properties in Macau and Manila since 2019 resulted in annualised savings of over 463,600 m^3 in 2022, an increase of 27% over the previous year.

Water Consumption by Source and Intensity
(in m^3)

	2022	2021	2020
Municipal water	**2,104,523**	2,119,732	2,129,685
Recycled water	**217,714**	147,549	63,120
Total water consumption	**2,322,237**	2,267,281	2,192,805
Water intensity by floor area (in m^3/m^2)	**1.65**	1.60	1.56

The 48% increase in recycled water consumption has been driven by City of Dreams Manila's additional use of greywater from its laundry for toilet flushing. We are in the process of evaluating how these measures can be replicated across our other properties globally.

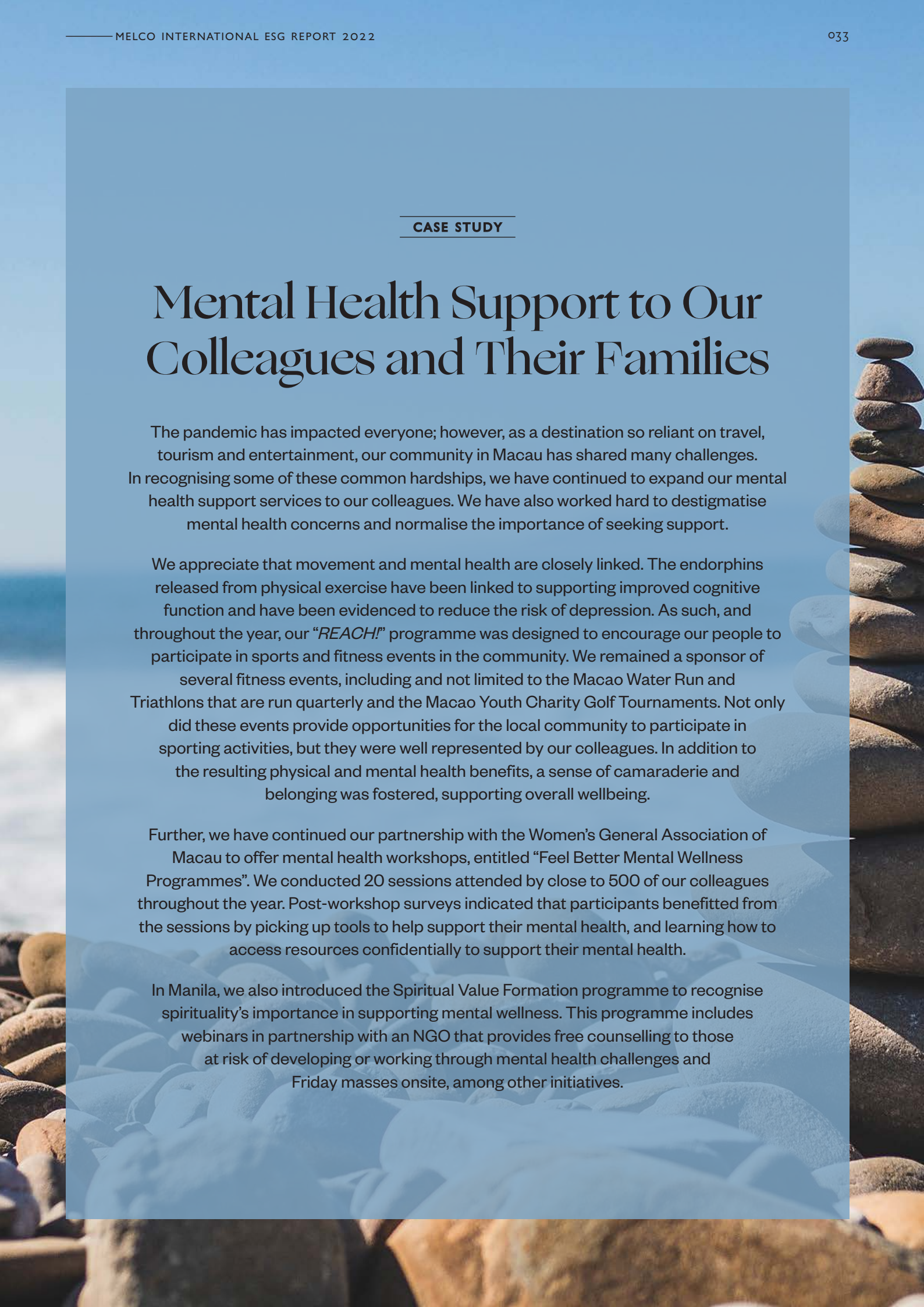
The 2021 initiative to track water efficiency across the Group by property has continued into 2022. These metrics and savings are tracked and reported to Melco Resorts' Executive Sustainability Committee every month. We continue to work towards achieving a 19% reduction in water intensity against 2019 baseline levels by 2030.

Inspiring our Communities

MAKING A MEANINGFUL DIFFERENCE FOR OUR PEOPLE, GUESTS AND COMMUNITIES

QUICK ACCESS TO MATERIAL TOPICS

Engaging our People 036
Safety, Health & Wellbeing 040
Responsible Gaming 044
Community Engagement & Investment 046



CASE STUDY

Mental Health Support to Our Colleagues and Their Families

The pandemic has impacted everyone; however, as a destination so reliant on travel, tourism and entertainment, our community in Macau has shared many challenges. In recognising some of these common hardships, we have continued to expand our mental health support services to our colleagues. We have also worked hard to destigmatise mental health concerns and normalise the importance of seeking support.

We appreciate that movement and mental health are closely linked. The endorphins released from physical exercise have been linked to supporting improved cognitive function and have been evidenced to reduce the risk of depression. As such, and throughout the year, our "*REACH!*" programme was designed to encourage our people to participate in sports and fitness events in the community. We remained a sponsor of several fitness events, including and not limited to the Macao Water Run and Triathlons that are run quarterly and the Macao Youth Charity Golf Tournaments. Not only did these events provide opportunities for the local community to participate in sporting activities, but they were well represented by our colleagues. In addition to the resulting physical and mental health benefits, a sense of camaraderie and belonging was fostered, supporting overall wellbeing.

Further, we have continued our partnership with the Women's General Association of Macau to offer mental health workshops, entitled "Feel Better Mental Wellness Programmes". We conducted 20 sessions attended by close to 500 of our colleagues throughout the year. Post-workshop surveys indicated that participants benefitted from the sessions by picking up tools to help support their mental health, and learning how to access resources confidentially to support their mental health.

In Manila, we also introduced the Spiritual Value Formation programme to recognise spirituality's importance in supporting mental wellness. This programme includes webinars in partnership with an NGO that provides free counselling to those at risk of developing or working through mental health challenges and Friday masses onsite, among other initiatives.

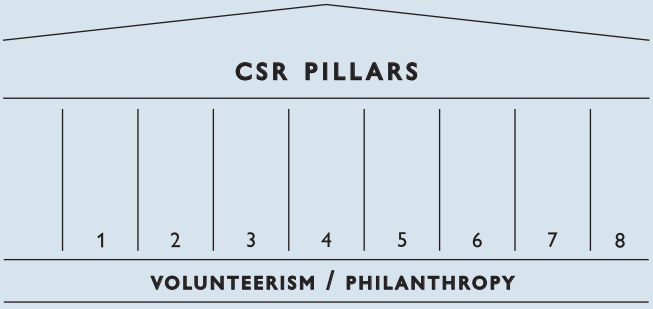
INSPIRING OUR COMMUNITIES

Strategy and Management Approach

We strive to uphold the Group's reputation as an employer of choice, creating workplaces where our colleagues feel comfortable bringing their "whole selves" to work and where their individuality and passions are recognised and valued. Respecting international norms for human rights and the local laws, customs and cultures of all the jurisdictions where we operate is foundational. This commitment is upheld in tandem with our ambitions to effect positive change for our communities' environmental, social and economic benefit.

Our accountability and contribution to the community go hand in hand with our business strategy and are underpinned by our Corporate Social Responsibility ("CSR") pillars. CSR committees across the Group have oversight of our policies and systems to support our colleagues, guests and communities, fostering their development, safety, health and wellbeing.

During the pandemic, we demonstrated unwavering support to our colleagues, maintaining our competitive compensation and incentive programmes. We also continued to organise various workshops, seminars and wellbeing initiatives and found opportunities to partner with government organisations and not-for-profit associations on community-run initiatives.



1. Youth 2. Education 3. Women 4. Environment
5. Culture & Heritage 6. Responsible Gaming
7. Whole Person Development 8. Small & Medium Enterprises

KEY GOALS

- Being the company people choose to work for and stay with
- Being best-in-class in safety for our guests, colleagues and community
- Promoting responsible gaming and an attitude of staying in control
- Supporting our communities and strengthening their economic prosperity

MATERIAL TOPICS

Engaging our People 036
Safety, Health & Wellbeing 040
Responsible Gaming 044
Community Engagement & Investment 046

CHALLENGES

Addressing the ongoing effects of the pandemic, including border closures and social gathering restrictions that have affected our operations, colleagues and guests, remained our priority in 2022. Central to this is our stakeholders' safety, health and security; we continue to review our policies, procedures, risks and controls to ensure that guest experiences are not compromised. As operations resume, we will continue supporting our colleagues' physical and mental wellbeing.

2023 AND BEYOND

As a business contingent on travel and entertainment, the last three years have pushed us out of our comfort zones as we navigated the most unchartered territories in our history. We will continue to explore best practices and enhance measures to optimise the health, safety and wellbeing of our people and guests. Maintaining an engaged workforce with strong morale, who are passionate about our goals and values, will enable us to continue to be a business that proudly serves our guests and our community.

Engaging our People

OUR COMMITMENT

Our culture of service excellence is the bedrock on which our reputation of being a responsible and highly acclaimed gaming provider and integrated resort operator stands. We are meticulous in our recruitment and onboarding process. Upon becoming a member of our family, colleagues are encouraged and supported to explore their potential through a range of training, development, cross-functional transfers and other initiatives to ensure their continual personal and professional development.

As an integrated resort operator that attracts guests from different backgrounds and parts of the world, our workforce must endeavour to reflect this diversity while balancing recruitment from the local communities we operate in. Our aim is to ensure that all guest experiences and interactions are free from bias. While we have made significant progress in adhering to high standards of gender equality, we know more can be done, particularly in the organisation's upper echelons, and we continue our efforts in this space. Our responsibilities also extend to safeguarding human and labour rights and taking a zero-tolerance approach to child or forced labour internally and across our value chain.

OUR TARGETS

- Maintaining the number of colleagues receiving training/ education/professional development at 95% level or greater annually
- 95% of managers to be recruited from the local community by 2030
- 50% of management roles to be held by women by 2030

HOW WE ARE MANAGING IT

Providing opportunities for our people to develop the right skills for undertaking their roles and reaching their full potential is critical for their professional development. We also invest in their overall wellbeing by implementing new initiatives and regularly benchmark compensation and benefits against the broader market and our industry peers. Our terms of employment and human resource policies are periodically reviewed and updated, ensuring that we meet or exceed statutory requirements, such as working hours and minimum wage, across our operations. To maintain an environment where our colleagues remain engaged, we focus on the following initiatives:

Culture of Excellence

We uphold a strength-based culture that brings out the best in our people, where our colleagues take pride in being their best and serving our guests and community. Our Culture of Excellence system is grounded by our leadership's vision and commitment, fostering an environment to deliver our brand promise. This is supported by customised training, systems and the continuous measurement of service delivery and behavioural standards. We offer attractive reward structures with regular performance and development reviews for all colleagues to celebrate their achievements. Our bespoke offering ranges from "My first 90 days" integration programme and training on technical skills, consumer and brand service and the *Forbes* Five-Star standards, to a mystery shopper programme.

We aim to continously improve how we engage with our guests on their expectations and experiences at our integrated resorts. As such, we conduct guest surveys, interviews and focus groups to ensure we receive feedback in a timely manner. We take on board all feedback received via formal and informal channels to further deliver on our culture of service and excellence.

Career Development Opportunities

Our holistic approach to career development, known as "Whole Person Development", provides various opportunities for our colleagues to acquire new skills and achieve personal and professional growth. In 2022, 49% of vacancies were filled by internal colleagues. In the year, close to 110,000 of our gaming colleague participants explored alternative career opportunities within the business through our Foundational Acceleration Programme ("FAP"), with a further 8,300 joining the FAP in preparation for the opening of Studio City Phase 2. We continue to refresh the customised curriculum of our in-house Learning Academy with over 8,400 courses spanning diverse functional skills. In 2022, over 1,210 courses were offered to colleague participants in non-managerial and managerial roles, spending an average of 183 hours and 17.3 hours on these courses, respectively. In the same year, the "Morpheus Moments – Whatever It Takes, Whenever, However" course received an award in the Customer Service Training category from the ATD.

Average Training Hours Completed per Employee by Employee Category and Gender
(Hours)

	2022	2021	2020
Management			
Female	**20.03**	24.50	15.74
Male	**15.33**	20.14	24.65
Non-management			
Female	**204.82**	131.50	104.29
Male	**161.64**	105.01	95.26

The Group's Scholarships continued to support employees and their immediate family members with financial assistance for undergraduate education. In addition, the Group's Hope Scholarships have cumulatively provided over HK$3.89 million to employees and family members who have experienced hardship or misfortune.

Since 2010, our Back-to-School programme, which is delivered in partnership with the Education and Youth Affairs Bureau of Macau and teachers from local high schools, provides colleagues who left school prematurely with the opportunity to gain their High School Diploma by undertaking formal education in-house at the Group alongside their employment. In 2022, 55 of our colleagues were admitted to the Back-to-School programme, and 20 graduated having completed it over three years. Since its launch in 2015, 29 colleagues have graduated with a Bachelor's Degree in International Business from Melco Resorts' YOU-niversity, an initiative delivered in partnership with Edinburgh Napier University, and nine have been promoted or have made an internal career change. Our Graduate Trainee Programme, organised with the Labour Affairs Bureau ("DSAL"), helps local graduates make informed decisions for their future careers by providing exposure to the hospitality industry. Established in 2020, this tailored programme has seen local university graduates undertake three-month-long placements across the business. In 2022 and despite the fact that we had suspended hiring, we recruited fifteen graduates as trainees, with five of whom being offered permanent positions.

Workforce Inclusion & Diversity

Diversity, equity and inclusion ("DEI") underpins our people strategy, reinforcing our steadfast commitment to upholding human rights in line with the United Nations' Universal Declaration on Human Rights and applicable legal requirements. We are an equal opportunity employer with zero tolerance for any form of discrimination or harassment based on age, race, religion, gender identity, sexual orientation, varying ability, parental/marital status, or other non-meritocratic factors.

We are aware of the intangible value that having people from different backgrounds brings and we are committed to upholding our values of being a diverse and inclusive workplace. In 2022, we did not have any reported incidents of discrimination in 2022. Highlights of our progress on DEI are outlined below.

Inclusive Workplace
Over 34 nationalities are represented in our global workforce. Women comprise 48% of the workforce.

Hiring of Individuals with Special Needs
Since 2013, our involvement in a DSAL-organised internship programme for local students with special needs led to 119 interns participating to date and 53 being placed in permanent positions.

Leadership from the Local Community
In the communities where we operate, 69% of positions at the "Vice President" level and above have been filled locally.

WOMEN IN LEADERSHIP

24% of directors across our board of directors

19% of our Corporate Executive Committees

33% of our senior management

41% of our general management

Family-friendly Workplace
All our properties are equipped with lactation rooms for nursing mothers to support their transition back to work. In addition, initiatives to support our colleagues to balance work and family needs while minimising risks associated with the pandemic remained in place.

Work Environment

As an organisation committed to continually improving the work environment, we actively seek feedback from our colleagues. In addition to regular surveys and "Meet the Management" sessions, other engagement channels range from focus groups, mobile apps and newsletters to annual performance appraisals. We offer a range of work-life balance initiatives to provide flexibility including:

- **Strawberry Life Flex Compress:** a compressed workweek arrangement where our colleagues can concentrate work hours on certain days of the week
- **Strawberry Life's part-time scheme:** allowing colleagues to remain eligible for full-time benefits on a pro-rated basis
- **"Thinking of you" initiative:** providing subsidised leave for colleagues who are evaluating career changes, allowing for a six- to 18-month partly paid leave of absence, which provides them a safety net while exploring other employment opportunities in other industries
- **Lifestyle Programmes:** workshops providing lifestyle and personal growth knowledge through the Group's Learning Academy
- **Hybrid work from home opportunities** as positions and responsibilities allow

We also take pride in providing our colleagues with facilities and amenities to support their wellbeing, learning and social lives. Our HoH has dining rooms with an extensive menu selection, including healthy and sustainable options, computers for online learning and entertainment, relaxation rooms fitted with massage chairs, hammocks and TVs, as well as a concierge desk to support colleagues.

Safety, Health & Wellbeing

OUR COMMITMENT

The safety, health and wellbeing of our colleagues and guests is always a top priority and we adhere to the highest occupational safety and health ("OSH") standards. We approach safety and health holistically, paying due consideration to physical security, safety, clean air, hygiene and wellbeing. We have a set of stringent internal control procedures and checks to ensure compliance with all governmental and internal standards with well-established pandemic control measures.

OUR TARGET

- Reduce the Group's annual employee Injury Frequency Rate ("IFR") by 5% in 2023, from base year 2019

HOW WE ARE MANAGING IT

Occupational Safety and Health

OSH matters are taken seriously across all our properties. This has been reflected in achieving ISO 45001 certification at City of Dreams Macau, Studio City, Altira Macau, Mocha Clubs and the Hong Kong offices; the first organisation in the hotel and entertainment industry in Macau to do so.

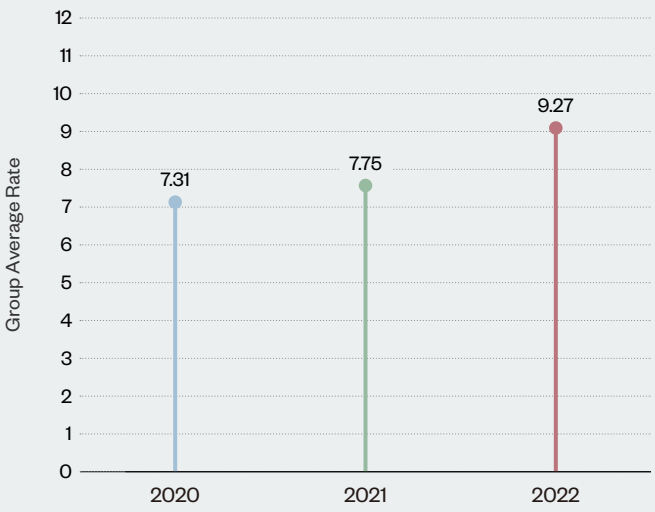
Our protocols strictly adhere to OSH management system requirements at all our properties. Each of our integrated resorts has its own dedicated OSH Committee that meets monthly and has responsibility for:

- Developing targeted OSH training and awareness-raising activities
- Monitoring OSH performance trends and following up on incidents, ensuring thorough investigation and effective rectification
- Managing auditing and inspection activities
- Identifying areas for improvement and resource allocation needs
- Reporting to management on OSH issues raised by colleagues and contractors and corresponding corrective and preventative actions

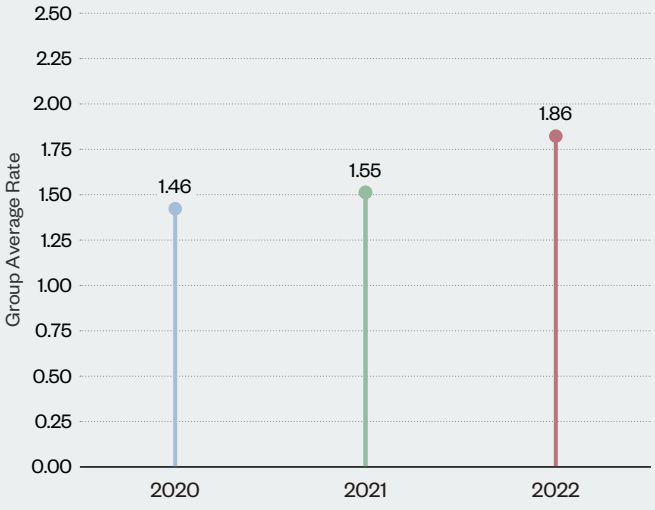
New starters must complete OSH training, with refresher courses mandatory for colleagues and contractors. In 2022, we utilised the quieter operational times to actively raise awareness of OSH, running approximately 300 internal training sessions with over 12,000 colleagues attending.

Any incidents are reviewed by the CRO and the relevant business units then implement corrective and/or preventative measures as appropriate. Our Emergency Response Teams liaise with local authorities to devise and implement plans specific to each site.

The Group's Total Lost-time Incident Frequency Rate[27]
(Group average)



The Group's Total Recordable Injury Frequency Rate[28]
(Group average)



This year, the average work-related IFR of 1.86 across the Group's operations in Macau, Manila, Cyprus and our office in Hong Kong, was lower than our 20% reduction target for the year, against our baseline of 3.09 in 2019. However, compared to 2021, the IFR and the lost-time incident frequency rate across our operations globally were higher at close to 20%. This is attributable to a combination of factors, including government-imposed restrictions that resulted in frequent resort closures and subsequent reopening, which in turn required retraining of existing colleagues and training of new hires at our new properties, particularly in Cyprus. These metrics are reviewed regularly, especially in light of the increase in business operations, new joiners and ongoing updates to regulatory safety standards. We will continue enhancing our safety training, monitoring and implementing preventative actions and remediation measures.

Hotel and Catering Safety Card Training Programme

With support of DSAL, 99% of our colleagues completed the Hotel and Catering Safety Card Training Programme in 2022, which addresses emergency response, workplace accident prevention, fire and heat prevention and manual handling.

Healthy Air

Our resorts are structured to optimise airflow, guaranteeing a high standard of air quality. Sensors are placed throughout our guest areas and HoH to provide real-time air quality data. Smoking is restricted to designated areas in accordance with legal requirements.

27. Average total lost-time injury frequency rate (based on number of cases multiplied by 1,000,000 hours per 40- and 48-hour work weeks).

28. Average total recordable injury rate (based on the number of cases multiplied by 200,000 hours per 40- and 48-hour work weeks).

Wellbeing

A healthy workforce, both physically and mentally, is an engaged one. We are aware of the serious mental health challenges brought about by the pandemic on individuals, families and communities and we constantly seek opportunities to support them through our initiatives. Our Pillars of Wellbeing — Physical, Occupational and Intellectual, Emotional and Social — guide our comprehensive approach and our health and wellness initiatives continued to gain momentum in 2022, as outlined in this chapter's Case Study on page 033.

In 2022, we continued to partner with The Women's General Association of Macau in running a series of "Feel Better" in-house mental wellness seminars. These sessions have been conducted throughout the year, with close to 500 colleagues participating. Mental health concerns and suicide has been a rising risk in Asia, and we have worked hard to break the taboo surrounding seeking help from therapists. We consider our colleagues and their families part of the wider family of the Group. Given the ongoing impacts of the pandemic, we expanded mental health support and plan to extend these programmes to our colleagues' family members in 2023.

Eating Safely, Healthily and Sustainably

Our F&B offering is subject to stringent food safety standards and inspections. All our properties have obtained HACCP certification and are audited annually by a third party. In 2022, we did not have any incidences of non-compliance arising from the audits or that resulted in any fines, penalties or warnings.

Regular and ongoing training is provided to our F&B colleagues and suppliers on food safety and how to safeguard the health and wellbeing of our colleagues and guests. To support this, we constantly review our menu offerings to ensure nutritious and sustainable food options are available, including those that cater to unique dietary preferences. In addition, we are committed to expanding the offering of sustainably and wild-caught seafood and the range of plant-based meal offerings to support the increased demand for these from our guests and colleagues.

Keeping our Properties Secure

We take the security of our guests, personnel and physical property very seriously. Our security personnel are extensively trained and are well equipped to respond to emergencies and threats. In addition, we rely on state-of-the-art technology to ensure physical controls and security measures are not compromised. We also maintain relationships of trust and reliance with the police and other local authorities in all our locations.

Crisis Management

Our security and safety teams are highly experienced in managing casino-related incidents and oversee our emergency control and incident prevention procedures. We ensure regular collaboration with emergency services and other appropriate agencies and undergo rigorous testing of our crisis management plan, conducting drills on evacuation procedures and colleague training as appropriate.

NONN
澳門競技障礙
挑戰賽
Corridas de
Obstáculos de
Macau 2022
12.18
活動日期
Data da
actividade
體育局
DESPORTO Instituto do Desporto
澳門大型體育動向
Trend On Macau
Sport For All
Pratica Desporto, Reforça a Tua Saúde
齊運動 好健康
MELCO
新濠
澳門競技障礙
挑戰賽
Corridas de
Obstáculos de Macau
挑戰組隊際賽
Categoria de desafio : Prova por equipas
冠軍
1° Lugar
MOP 3,000
體育用品禮券

Responsible Gaming

OUR COMMITMENT

We remain committed to safeguarding our guests' wellbeing by promoting responsible gaming ("RG") and adhering to the most stringent standards of RG. We equip our guests with all required tools, information and materials to make informed decisions when engaged in gaming activities at our properties.

In 2021, we became the first integrated resort operator in Macau, the Philippines and Cyprus to achieve the esteemed RG accreditation, RG Check, well ahead of our previously set target year of 2025. Developed by the Responsible Gambling Council, RG Check is the world's most comprehensive and rigorous, international, third-party RG accreditation programme, reviewed by a prestigious and independent panel of RG specialists. To maintain this achievement, all our properties and colleagues are subject to rigorous RG checks on an ongoing basis.

RG Check—The most comprehensive RG accreditation program in the world.

This Responsible Gambling Indicators project, developed by the Responsible Gambling Work Group[29], is a government-endorsed certification in RG, as assessed by Macau's DICJ. In 2022, the project's Executive Team conducted onsite assessments at City of Dreams Macau, Studio City and Mocha Golden Dragon with all properties receiving a perfect score of 100% against the Responsible Gambling Indicators. The Group's strong governance structure, including its RG committees with oversight of all our operations from management to the front line, and RG training provided, were favourably recognised. In addition, our efforts to support our guests to game responsibly, including our offering of 24-hour assistance and visible displays of hotline information and RG messages, were noted.

OUR TARGET

- Achieving third-party accreditation for all new integrated resort RG programmes within three years of opening

HOW WE ARE MANAGING IT

We appreciate that our guests are on a spectrum when it comes to understanding gaming and gaming responsibly. We remain proactive in offering our guests tools, safeguards, information and the support they need to game responsibly. In addition, we maintain a culture of transparency. We work closely with governments and gaming regulators and explore the use of technology to ensure the highest standards of RG are upheld across all our properties.

Leadership from the Top

The tone for RG is set from the top, with our Chairman & CEO, Mr. Ho, Lawrence Yau Lung, accountable for our RG strategy. Our RG Steering Committee is well represented by leaders from both gaming and non-gaming departments and from all our properties. The Committee provides strategic direction for all our RG initiatives. Supplementing this are separate working committees that frequently meet to review, recommend and manage the implementation of strategies to bolster our RG initiatives further.

Technology and Process

Technology is critical for effectively managing our RG processes. Real-time facial recognition security systems are integral to our gaming infrastructure in Macau, Manila and Cyprus, supporting self-exclusion. We continually explore developments and ensure our technology, processes and controls keep up with the rapid pace of technological advancements.

Educating our Colleagues on RG

Our people are at the core of our RG strategy, which can only be successful if our front-line colleagues are equipped with the right tools to support our guests. As such, they undergo rigorous and regular training, at least quarterly, to maintain our high standards and ensure we comply with legislation and the training requirements required to retain our RG accreditation. Training for colleagues in this area is run via in-person courses and e-learning offerings.

Our colleagues are frequently required to complete RG assessments online, and we dedicate a particular month of each year as "RG Awareness Month" to further increase awareness, accountability and action. We also invite NGOs and other community stakeholders to engage with our colleagues and suppliers as part of our HoH Roadshows and community-building events.

Our RG ambassadors are frontline managers who are subject matter experts on all issues surrounding RG. They are specifically trained to support our guests and colleagues in a more sophisticated manner, including through referrals to professional counselling services and self-exclusion and other support services as required. Representatives from our RG Ambassador team, including close to 900 qualified managers who serve as contact points for all RG-related issues, are available onsite 24/7. Participation rates for the training in 2022 range from 90 to 100% of our colleagues attending across our properties.

Supporting the Community

Raising awareness of RG in the communities we operate in is critically important. We surpass regulatory requirements for operators to display RG information for our guests at our properties, and we actively engage people in our communities on the subject.

29. The group comprises members from the Social Welfare Bureau, Gaming Inspection and Coordination Bureau, Education and Youth Development Bureau, Institute for the Study of Commercial Gaming at University of Macau and Centre for Gaming and Tourism Studies of Macao Polytechnic University.

Community Engagement & Investment

OUR COMMITMENT

At the Group, we recognise that to go far, we must go hand in hand with all our stakeholders to create lasting impact. Over the years, we have designed, developed and implemented numerous programmes to provide opportunities for our colleagues to engage with the local community through volunteering, charitable donations and sponsorships. We also proactively work with local SMEs and seek opportunities to promote conservation of heritage and local culture.

OUR TARGETS

- 80% of global colleagues to volunteer at least 4 hours per year
- Each jurisdiction to run cultural and heritage programmes that help develop people into knowledgeable and engaged ambassadors of their country
- Advance the economic prosperity of local SMEs

HOW WE ARE MANAGING IT

Our Chairman & CEO, Mr. Ho, Lawrence Yau Lung, is passionate about engaging with our local communities and leads our CSR Steering Committee. The committee comprises colleagues with a sound understanding of their local communities' unique challenges and issues and who have relationships with governments, authorities and NGOs working to alleviate these concerns. This committee meets monthly to review and track the progress of our community engagement initiatives and identify improvement areas.

We strive to meet the unique needs of local communities by creating positive impact through our CSR Pillars as highlighted below.

Economic Prosperity for Local SMEs

Our commitment to operate globally, but think and act locally, guides us in exploring partnerships to build the capacity of local SMEs. Some of our initiatives in 2022 on this front include:

- Attending the 2nd Procurement Alliance Matching Event organised by the Macau Young Entrepreneur Incubation Centre, meeting at least 30 SMEs and supporting more than 100 SME booths
- Conducting an "Online Business Matching" programme with over 60 SMEs participating that showcased products and services ranging from furniture and equipment to IT systems
- Implementing targeted training programmes to support local businesses and SMEs through the SME Academy on topics such as sustainability, work ethics, product development, food safety and hygiene. In 2022, five workshops were conducted with 116 attendees from 96 SMEs
- Enabling over 170 local SMEs and NGOs to generate over HK$7.78 million worth of business at 155 HoH Roadshows during the year
- Collaborating with the Macao Federation of Trade Unions on the "Privileges for You" Shopping Carnival, where approximately 140 SMEs showcased their wares with the support of around 120 volunteer colleagues

For more details on SME engagement, please refer to the Sustaining our Supply Chain section on page 048.

Volunteerism

We take great pride in the efforts of our colleagues who "give back" through volunteering. Across our three key locations, Macau, Manila and Cyprus, over 22,000 participants volunteered their time across over 2,000 volunteering initiatives during 2022.

Having seen the benefits of "Simple Acts of Kindness" since the beginning of the pandemic, we continued the programme in 2022. In Macau, our colleagues engaged in a number of activities to support the elderly and children, from helping with household repairs to hosting carnivals and other festive celebrations benefitting over 400 children. We also partnered with the Association for Rehabilitation of Drug Abusers of Macau to enable rehabilitated individuals ease back into society by developing skills to help them become self-sustainable. Surplus linen was donated to people in need in Manila through the Bahay Aruga, in addition to over 4,100 kg of used linen, chairs and kitchen items that were given to the Correctional Institution for Women. In Cyprus, we organised several forest, underwater and beach clean-ups and donated toys, clothing, electronics and supermarket vouchers to less-privileged children. Please see page 061 of Melco Resorts' Report for more details on our volunteer activities.

Culture and Heritage

In operating within the wider tourism industry, we have the opportunity to protect and promote local heritage and raise awareness of the cultural aspects of our jurisdictions.

In 2016, we launched our Splendors of China initiative in Macau, a series of courses that we curated to raise awareness of Chinese culture and heritage. Over 20,000, equivalent to 95% of our colleagues, have completed courses since its rollout, with over 50% of the participants completing more than the one required elective. In 2022, close to 10,000 of our colleagues, representing almost 90% of our colleagues in Macau, completed the Government Patriotic Exhibit, while over 1,200 colleagues attended the National Security Exhibit. The overwhelming feedback from colleagues who completed this course is that of pride in their country's history and economic performance.

Youth Engagement

The youth of today is the talent and workforce of tomorrow; we are committed to supporting their development. The Youth Star Talent Contest, now in its third year, provides an opportunity for the youth of Macau to showcase their talent while developing an appreciation of cultural heritage. By interacting with other youth in the community from different schools, they develop valuable skills in leadership and build their capacity for working in teams and competing in a healthy manner. This programme attracted over 900 youth from 55 schools in Macau in 2022.

To cultivate talent in Macau and the Greater Bay Area, we supported the "Start Young" initiative, in collaboration with the academic community, industry and society. Youth were engaged through a business case study competition exploring the theme of sustainability by showcasing the Group's Above & Beyond sustainability strategy. The programme involved 22 onsite visits and two rounds of virtual sustainability seminars and environmental tours.

Disaster Relief

In the Philippines, we have continued to support our community in the aftermath of the COVID-19 pandemic and through Typhoon Odette by supporting vaccinations, donating rapid test kits and providing monetary assistance to those most vulnerable. In Cyprus, we collaborated with CNS Group to donate five lightweight fire emergency response vehicles to communities affected by wildfires that occurred the previous year.

Philanthropy

We seek opportunities to support meaningful initiatives that improve the livelihood of and empower the most vulnerable in the community. In 2022, we donated nearly HK$64 million to causes supporting youth, SME and micro-enterprise development, culture and heritage, community needs and disaster relief. With business volume down 40% over the previous year, we made every effort to focus our monetary, in-kind and volunteering resources to support priority needs in our communities.

Charitable Contributions[30]
(HK$)

2008-2021 (cumulative)	HK$918.1 million
2022	**HK$63.9 million**

30. Including cash contributions, in-kind donations and donations from our Philippines Foundation.

Sustaining our Supply Chain

TRANSPARENCY, TRACEABILITY AND TRANSFORMATION TO FURTHER SUSTAINABLE SUPPLY CHAINS

QUICK ACCESS TO MATERIAL TOPICS

Ethical & Sustainable Supply Chain 052

CASE STUDY

Supporting Locally Sourced Coffee in the Philippines

Our sourcing strategy focuses on strengthening relationships with our suppliers and building their capacity, supporting local communities and reducing the environmental impact of the items we procure. An example of how we make this is happen is with coffee, an everyday ingredient in our business and part of a thriving industry in the Philippines. With the country being one of the few in the world that produces the four, commercially viable Arabica, Robusta, Liberica and Excelsa varieties, coffee was an ideal category for exploring local sourcing alternatives to meet our needs at City of Dreams Manila.

To see what was possible, we reached out to the Philippines Coffee Board ("PCB")-Le Café Filipina, to understand the coffee industry and its role in working with producers, roasters and other participants along the supply chain. PCB strives to create an inclusive, equitable and sustainable coffee value chain by supporting local farmers and entrepreneurs and connecting them with customers while focusing on empowering women who play an active role within the industry. PCB also delivers technical assistance, research, training and certification programmes in partnership with Cavite State University and the departments of Trade and Industry, and Agriculture, in the Philippines. PCB runs a marketing and promotional initiative for locally certified coffee known as Kape Isla, a "Gold Standard" coffee quality seal for the industry. Based on our discussions with PCB, we knew that its mission and initiatives aligned with our sustainability commitment to support local farmers' cooperatives and promote the local coffee industry.

Philippine Coffee Board, Inc.

In addition to sourcing 100% of our coffee locally, we have conducted several training seminars in partnership with PCB that engaged various stakeholders, including our colleagues involved in sourcing and serving coffee. Building on the success our in-house coffee roasting at City of Dreams Manila, we will look to exploring other relevant capacity-building courses for our colleagues. We plan to implement other initiatives to support the local coffee industry such as participating in the annual Coffee Origins Festival in October 2023 and raising awareness of our collaboration with local farmers and consumption of local coffee among our stakeholders. In support of International Women's Day, Melco Resorts worked closely with PCB-Le Café Filipina to promote its "W Blend" that specifically honours the contribution of women across the coffee value chain.

Strategy and Management Approach

As a global company with over 4,000 suppliers worldwide, including over 1,700 in Macau, we know we are uniquely positioned to influence our suppliers. Our efforts focus on working with like-minded suppliers to reduce and eliminate adverse environmental and social impacts, integrating sustainable attributes into our shared products and services, and targeting programmes and policies on sourcing locally.

We review and update our Supplier Code of Conduct ("Supplier Code") regularly, which forms the basis for maintaining accountability and transparency in decision making across our supply chain. In addition, we endeavour to support small- and medium-sized businesses, particularly those we know to have been negatively affected during the pandemic, and run regular training and information sessions for our suppliers and partners along our value chain.

KEY GOALS

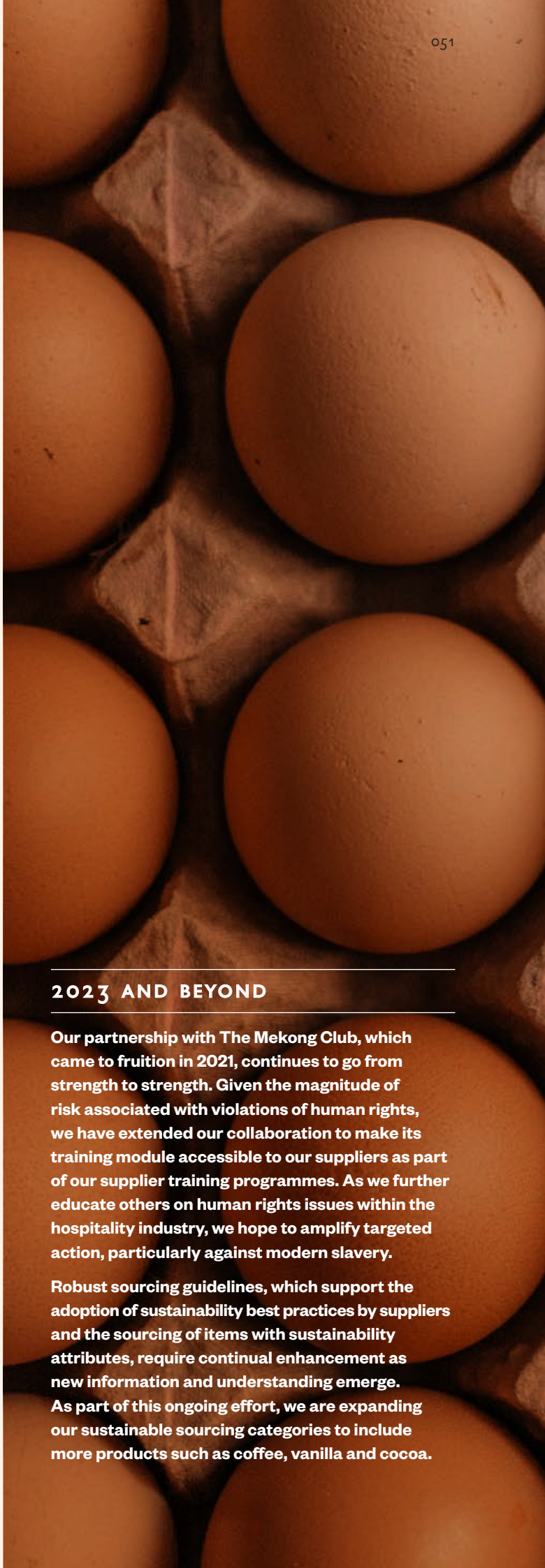
- Procuring locally and creating demand for materials that have sustainability attributes
- Building capacity and awareness of the social, ecological and biodiversity impacts in sourcing
- Striving to eliminate human trafficking and modern slavery in our industry and supply chains

MATERIAL TOPIC

Ethical & Sustainable Supply Chain 052

CHALLENGES

Our industry is emerging from the headwinds experienced due to government restrictions on entertainment and border closures. The cost of transportation and logistics was unprecedented, and unreliable supply chains challenged us to explore alternative avenues. Rising costs globally are another risk that all businesses must manage amid high inflationary conditions. In response, we continue to harness the power of technology to improve data collection and visibility over our supply chain, which has reduced delays, facilitated greater clarity and communication between stakeholders, and helped us optimise purchasing to manage cost and the timeliness of delivery. Access and visibility over this data will continue to enable us to make better decisions centrally in line with our sustainability goals.



2023 AND BEYOND

Our partnership with The Mekong Club, which came to fruition in 2021, continues to go from strength to strength. Given the magnitude of risk associated with violations of human rights, we have extended our collaboration to make its training module accessible to our suppliers as part of our supplier training programmes. As we further educate others on human rights issues within the hospitality industry, we hope to amplify targeted action, particularly against modern slavery.

Robust sourcing guidelines, which support the adoption of sustainability best practices by suppliers and the sourcing of items with sustainability attributes, require continual enhancement as new information and understanding emerge. As part of this ongoing effort, we are expanding our sustainable sourcing categories to include more products such as coffee, vanilla and cocoa.

Ethical & Sustainable Supply Chain

OUR COMMITMENT

We are committed to embedding our sustainability values into the fabric of our culture internally to ensure our partners, suppliers and guests experience the benefits across all our interactions with them. This includes expanding our efforts to source locally, publicly promoting the local products we procure, and addressing human rights risks associated with hospitality supply chains.

OUR TARGETS

- Sourcing 80% of our procurement choices with sustainability attributes by 2025
- Purchasing 100% of our bed linen and towels from OEKO-TEX®-certified suppliers and 100% of our pure cotton linen and towels from sustainable sources by 2030
- Procuring 20% of our seafood from sustainable, local, and/or globally recognised certification schemes by 2025
- Sourcing 50% of our chemicals rated as Green or Amber by 2025
- Sourcing 100% cage-free eggs by 2025

HOW WE ARE MANAGING IT

The Sustainable Sourcing Working Group has oversight of our sustainable sourcing strategy. This working group is represented by a broad range of members from across the organisation and meets monthly to further our goals.

We engage with suppliers committed to incorporating sustainability considerations in their value chain and who have agreed to meet the requirements of our Supplier Code. Some of the critical issues addressed in the Supplier Code include:

- → Ethical and fair business practices, including zero tolerance for misleading advertising and unfair advantage
- → Human rights, including freedom of association, the right to collective bargaining, fair labour practices and our zero-tolerance policy on modern slavery, including any form of forced or harmful child labour
- → Standards for health and safety
- → Environmental protection measures

- Anti-corruption and anti-bribery practices
- Data privacy and upholding confidentiality in business conduct

Suppliers also have access to our whistleblowing channels and are encouraged to raise any instances of actual or potential misconduct safely and confidentially. Further details can be found in our Ethics & Integrity section on page 064 of this report.

Supplier Engagement

We engage with our suppliers to collaborate on new product development and packaging design initiatives, as well as to identify process improvements. "Sustainability and Ethics" workshops are run on close to a monthly basis, and we encourage our suppliers to participate.

Technological Advancements and Process Improvements

We continue working with our suppliers to enhance transparency and optimise the supply chain to ensure efficient use of time and resources for all.

Our online purchase-to-pay procurement system, now implemented globally across all of the Group's operating entities, has improved our oversight of procurement and spending while keeping track of consumables and materials used. Further, automation of our invoicing and billing has helped us optimise the use of our colleagues' time and resources while also ensuring our suppliers are paid promptly. In 2022, we also expanded the use of our procurement system, Birchstreet, and aligned our Standard Operating Procedures ("SOPs") to support more centralised management of our supply chains.

HoH Roadshow Highlights

334

SMEs and NGOs participated since 2019

394

sessions held since 2019

The SME Academy was established in 2017.

The SME Experience Tour has been implemented since 2016.

Capacity Building
Our capacity-building initiatives are designed for colleagues and suppliers to contribute to our joint sustainability efforts with an ongoing series of workshops routinely held.

21 events held to date

115 attendees, including 93 SMEs

We regularly engage around topics such as responsible sourcing, eliminating waste, increasing recycled and biodegradable content, and eliminating the use of SUP packaging. As part of our KAIZEN exercise to enhance waste diversion, we continually work with our suppliers to reduce packaging and make delivery processes more efficient. This involves setting up appropriate recycling bins and signage at product receiving areas and warehouses and briefing suppliers to carry out responsible waste segregation when making deliveries onsite. In addition, we encourage our suppliers to develop and incorporate specifications into tenders, purchase orders and other agreements to increase demand for lower-impact products and packaging, and services based on circular economy principles. Details on these initiatives can be found in our Material Use & Waste section on page 026 of this report.

Additional information on specific capacity-building programmes for SMEs can be found in this report's Community Engagement & Investment section on page 046.

Supplier Showcase
A highlight of our supplier engagement activities in Macau is showcasing items with sustainability attributes, including both food and non-food items, while informing suppliers about the Group's requirements and aspirations. The showcases will continue as operations resume from the impact of the pandemic restrictions.

Sourcing Guidelines

We strive to make better decisions with enhanced knowledge and empower our business partners and suppliers across our supply chains to do the same. Our sourcing guidelines continue to adhere to high standards of procurement and sustainability.

Cotton
Given our reliance on cotton, we have guidelines for procuring cotton and related items from sources that mitigate the environmental impacts of water consumption, agrochemicals, and the conversion of habitats for agricultural use that result from growing, harvesting and manufacturing cotton. In addition, we are committed to ensuring that our linen and towels are free from harmful chemicals and safe for use. In 2021, our operations in Macau and Manila achieved our target for 100% of our bed and bath linen to be sourced from OEKO-TEX®-certified and other sustainable sources by 2030, nine years ahead of schedule. Our efforts to enhance the sustainability attributes of other textiles, including uniforms and other materials, continue.

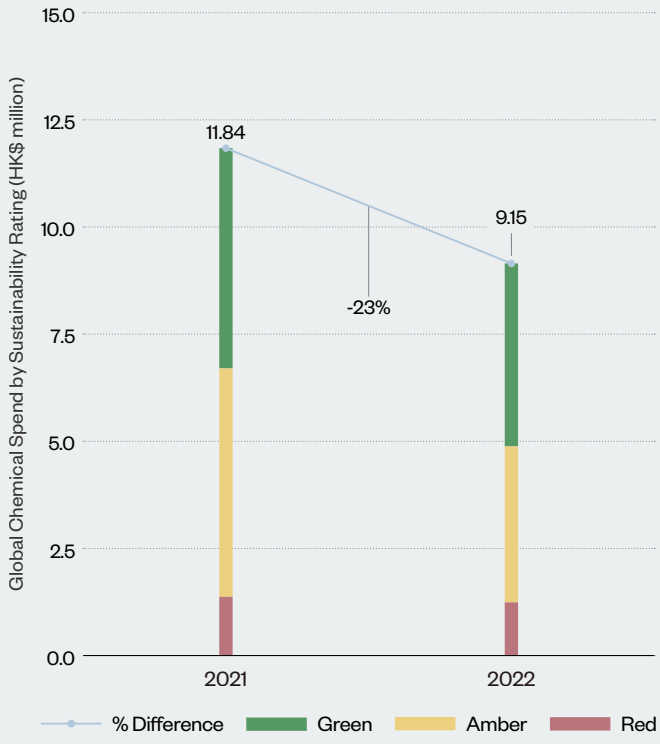
Chemicals
We continue to monitor the use of chemicals across our properties every quarter. Our sourcing guidelines use a traffic-light rating system — "Green, Amber or Red" that includes criteria to assess impacts on human health, toxicity, ecosystem degradation and bioaccumulation.

In 2022, we continued to reduce consumption of Red-rated chemicals and consolidate and standardise the use of chemicals across all our properties globally. We reduced the

total number of chemical products consumed by 10% in 2022 and 23% by spend over the previous year. With close to 90% of the chemicals we use now rated as Green or Amber, we have already exceeded our target of them comprising 50% of our consumption by 2025.

Chemical Consolidation for Macau and Manila
(in HK$ million)

-23% global spend and close to 90% Green or Amber



Seafood

Updating our sourcing guidelines enables us to increasingly adopt available options for procuring seafood that is sustainably sourced and, where possible, from local, small-scale fishers. Our Sustainable Seafood Sourcing Guidelines prioritise seafood certified by international bodies such as the Marine Stewardship Council ("MSC"), Aquaculture Stewardship Council ("ASC"), Global Aquaculture Alliance – Best Aquaculture Practices ("BAP"), the GLOBAL G.A.P Aquaculture Certification and other standards. Our procurement strategy is based on science-based recommendations from the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES") and the International Union for Conservation of Nature ("IUCN"), as well as the Local Seafood Guide of World Wide Fund for Nature ("WWF").

In 2022, sustainable seafood purchases increased by a further 4% by weight over the previous year, now accounting for 19% of all seafood purchased by weight for our properties in Macau and Manila. In particular, sustainable seafood purchased in Manila accounts for 34% of all seafood purchased — a 12% increase compared to 2021.

"We are proud that one example of our commitment to enhance the sustainability of our procurement practices – by supporting local farmers and communities and the humane treatment of livestock – now means that 100% of the delicious eggs that we serve in restaurants for our colleagues and guests are locally sourced and cage-free."

Markus Tauwald
Executive Chef, Western, City of Dreams Manila

Cage-free Eggs
Since March 2022, 100% of the eggs served at City of Dreams Manila are from cage-free, local sources. With most of our F&B outlets in Macau following suit, delivering on our commitment to source and offer 100% cage-free eggs by 2025 across our entire portfolio is within sight.

Cocoa, Coffee, Tea and Vanilla
In 2022, we continued to explore options and expand the range of products we procure with sustainability attributes. Over 95% of the tea served at our Manila property is now from sustainable sources. 100% of our coffee, representing approximately six metric tons of coffee served in Manila, is home-roasted and procured from local suppliers through the PCB. In Macau, 72% of our coffee capsules and 7% of our teabags are responsibly sourced. We will continue prioritising chocolate and vanilla vendors from the Philippines for our properties in Manila and Macau and expand our existing practices to further responsible procurement supporting local providers.

Human Trafficking and Modern Slavery

We are acutely aware of the hospitality industry's vulnerability to the risk of human trafficking and modern slavery. We address these risks through codes of conduct, training and collaboration with our partners. Our employment contracts are designed to comply with local laws and we adhere to and exceed requirements related to fair and reasonable working hours, minimum wage limits and providing a safe workplace for our colleagues.

Our security personnel are well trained to identify underage and minor patrons and potential sexual exploitation and other suspicious activities. We have developed strong partnerships with local authorities, task forces, industry leaders and NGOs to work collaboratively to manage these risks. Our partnership with The Mekong Club has ensured that its training programmes are now embedded in our orientation and supplier training and are regularly offered through our Absorb Learning Academy. In 2022, 100% of our procurement team colleagues completed training on matters pertaining to modern slavery globally.

The Mekong Club Training

Given the risk of human trafficking and modern slavery within the hospitality industry and its supply chains, raising awareness and building capacity for our stakeholders to address these risks is critical.

Since The Mekong Club conducted in-depth training on modern slavery for our procurement team in 2021, the Melco Learning Academy has rolled out online, tailored training to more of our colleagues and our suppliers. The course comprises four modules with a video and an assessment to be completed for each topic to reinforce the learning. In 2022, our colleagues responsible for procurement and our suppliers that completed the course received an average score of 88% on the assessments.

Key topics addressed in the training include:

- Introduction to the concept and definition of modern slavery and the prominence of common yet lesser-known instances of slavery, including but not limited to workers in factories, on construction sites or fishing vessels and hospitality staff, among others
- Specific focus on modern slavery and its influence on the hospitality industry, as well as signs to look out for related to third-party contractors and other risks
- Discussion of the various forms modern slavery, including forced labour that accounts for 75% of instances with 60% of those instances related to supply chain manufacturing
- The vital role played by the private sector in lobbying and influencing the public sector on changing policies, regulations and increasing transparency on this topic
- The importance of maintaining transparency across the value chain, including supply chain mapping, traceability and supplier capacity development to support a holistic approach to supply chain management programs to eradicate modern slavery

Empowering our Business

OUR LICENCE TO OPERATE IS BOTH A PRIVILEGE AND A RESPONSIBILITY

QUICK ACCESS TO MATERIAL TOPICS

Ethics & Integrity 064
Privacy & Cybersecurity 068

CASE STUDY

Health, Safety and Wellbeing

With border restrictions again significantly impacting our Macau operations in the last 12 months, we used the operational downtime to shine a spotlight on the important topics of safety, health and wellbeing. OSH has always been paramount in our business. We are proud to have been the first organisation in the hotel and entertainment industry to achieve the ISO 45001 certification in Macau; again, renewing this certification in 2022. In 2022, Melco Resorts' Risk & Compliance Department chaired monthly Risk Committee meetings at each property in Macau. Throughout the year, all workplace injuries were reviewed to ensure adequate remediation of the root cause of any incidents, such as enhancing hazard signage and running additional training on the performance of physical tasks. This led to a 77.4% reduction in work-related injuries across Macau compared to the pre-pandemic 2019 base year. We have also achieved a continual decrease in work-related injuries throughout the pandemic, with a 54.3% reduction in 2020 and a 63.7% reduction in 2021, compared to the 2019 base year.

The monthly Risk Committee meetings also included a review of the root cause of any food safety incidents, and findings from food safety inspections. While City of Dreams Macau and Altira Macau have been HACCP certified for several years, we also used this time to gain certifications for our other Macau properties. Studio City first achieved HACCP certification in 2021, and in 2022 the certificate at City of Dreams Macau was extended to cover the restaurants at the Morpheus Hotel. With this accomplished, the Group is now the first company in Macau to have all self-operated food outlets at all resorts certified under the widely recognised HACCP standards.

With all the experience our teams gained in achieving the certifications noted above, in 2022, we set forth a programme to encourage transferring this knowledge for the betterment of all colleagues. This culminated in Melco Resorts' Risk & Compliance Department developing training programmes on nutrition and healthy eating, special dietary requirements, and common food allergies; these were launched on the Group's online training platform for all Macau colleagues to participate. A total of 1,826 colleagues completed these training courses in 2022. Posters on these topics were also displayed throughout the HoH areas in Macau. These training courses were so well received that, based on demand, quarterly nutrition workshops will be run in 2023 for colleagues in Macau.

Strategy and Management Approach

The Group holds itself to the highest sustainability standards — underpinned by our absolute commitment to robust governance, ethical conduct throughout our value chain, and world-class data security for our stakeholders. Our governance structure forms the bedrock, laying a solid foundation upon which we continue to enhance our sustainability policies, metrics and performance.

KEY GOALS

- Operating our business to the highest responsibility, ethical and transparency standards
- Minimising any risk of occurrence or disruption from data privacy or cybersecurity events

MATERIAL TOPICS

Ethics & Integrity 064
Privacy & Cybersecurity 068

CHALLENGES

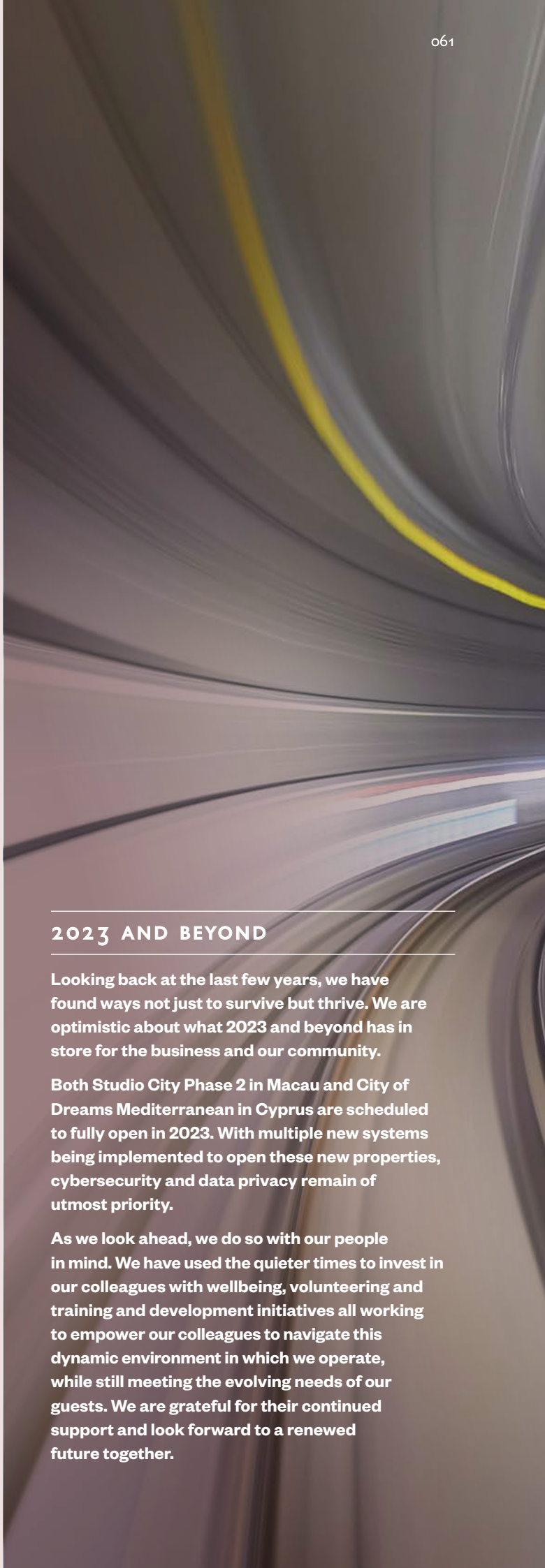
The government-imposed shutdowns that underpinned stagnation in our operations over 2020 and 2021 continued through 2022. Macau, which has historically been our primary driver of business performance, had stringent border restrictions in place throughout 2022. This negative impact on tourism continues to challenge the Group's financial and operational success.

In response, we proudly confirm that any measures to achieve cost savings and operational efficiencies have not altered our ability to execute our world-class sustainability strategy. We continually review our risks to ensure our management practices have sufficient mitigating actions embedded without compromising our high ESG standards.

OUR POLICIES AND STATEMENTS

Our Above & Beyond sustainability strategy is underpinned by the policies listed below that enable us to manage potential risks. The Group reviews policies regularly to ensure they are relevant and designed to meet objectives.

- Board Diversity Policy
- Corporate Governance Code
- Code of Business Conduct and Ethics
- Procedures for Handling Complaints and Whistleblowing
- ESG Governance Policy
- Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CTF") Policy
- Environmental Sustainability Policy
- Ethical Business Practices Programme
- Information Security Policy
- Inclusion & Diversity Statement
- Occupational Safety and Health Policy
- Sponsorship and Donations Policy
- Supplier Code of Conduct
- Privacy-Personal Data Protection Policy



2023 AND BEYOND

Looking back at the last few years, we have found ways not just to survive but thrive. We are optimistic about what 2023 and beyond has in store for the business and our community.

Both Studio City Phase 2 in Macau and City of Dreams Mediterranean in Cyprus are scheduled to fully open in 2023. With multiple new systems being implemented to open these new properties, cybersecurity and data privacy remain of utmost priority.

As we look ahead, we do so with our people in mind. We have used the quieter times to invest in our colleagues with wellbeing, volunteering and training and development initiatives all working to empower our colleagues to navigate this dynamic environment in which we operate, while still meeting the evolving needs of our guests. We are grateful for their continued support and look forward to a renewed future together.

Corporate Governance Structure

The Board oversees the Group's ESG practices and reporting, meeting or exceeding compliance requirements in all our jurisdictions, and upholding the highest standards of business conduct. The Group's ESG Framework, comprising our ESG Governance Policy, risk management and internal control systems, is reviewed and approved by the Board, ensuring its appropriateness and effectiveness. The management of ESG is under the ambit of the NCGC and is overseen directly by our Chairman & CEO, supported by the ESG Taskforce. The taskforce monitors the performance of the Group through direct engagement with the ESG/CSR committees of major subsidiaries, reporting back to the NCGC.

Identifying and mitigating ESG-related risks is the responsibility of functional groups across all levels of the organisation, with regular communication channels ensuring appropriate resources are provided to meet ESG responsibilities and to make progress against the Group's ESG goals. In 2022, the committees provided the Board with semi-annual updates on ESG-related topics. Presentations covered global ESG trends and regulatory requirements in the markets where we operate, as well as the status of the Group's goals for achieving carbon neutral resorts, zero waste by 2030 and targets for responsible procurement. The Board received updates on progress in areas including climate-related risk management and enhancing verification of GHG emissions throughout the value chain, as well as energy and water efficiency measures. Key projects to manage food and plastic waste, along with sustainable sourcing and SME engagement programmes, were also shared.

The Board's review of CSR initiatives included progress made in 2022 to promote mental and physical health meaningfully and effectively with the expansion of the "Feel Better Mental Wellness Programmes" and the addition of the "*REACH!*" programme that encouraged our people to participate in fitness events in the community. Updates were also provided on ongoing initiatives such as our global, professional development and capacity-building programmes, "Splendours of China" initiative that furthers appreciation of local culture and heritage in Macau, and adherence to the stringent standards required of the RG Council's "RG Check" accreditation across our properties.

The Board regularly evaluates these ongoing initiatives to assess priorities and recommend areas for enhancement. In addition, the Board also conducted its review of the Group's annual ESG report. As per our regular practice, an external consultant was engaged to provide training on regulatory trends and developments, including ESG-related topics like the TCFD recommendations and International Sustainability Standard Board ("ISSB") proposals, to the Board.

Sustainability Risk Management

Risks continue to be increasingly interconnected and widespread across our business and the societies in which we operate. Details about our sustainability risk management approach in relation to the Group's major operations can be found on page 018 of Melco Resorts' Report.

CORPORATE GOVERNANCE STRUCTURE

Board of Directors

- Oversees the Group's ESG issues, risks and opportunities identified by management, management approach and strategy, and public reporting
- Reviews and approves the ESG Governance Policy and the ESG Framework on an ongoing basis
- Ensures the appropriateness and effectiveness of the Group's ESG management systems
- Ensures that review of the Group's ESG management systems are conducted regularly
- Reviews and approves the annual ESG report

Chairman & CEO

- Oversees the Group's ESG issues, management approach and strategy, the implementation of the ESG Governance Policy and the ESG Framework
- Reviews the annual ESG report before it is presented to the NCGC for review and endorsement

Nomination and Corporate Governance Committee

- Reviews the ESG Governance Policy, programmes and public disclosures, and assesses the adequacy of the governance and delegated duties and responsibilities set up by the Company to implement its ESG policies and programmes
- Considers major investigation findings on ESG issues
- Discusses the ESG Framework with the ESG Taskforce and senior management to ensure the establishment and maintenance of effective and appropriate ESG management systems
- Reviews and endorses the annual ESG report and make recommendation to the Board for approval

ESG Taskforce

- Assists the Board and the NCGC in overseeing the ESG management systems
- Establishes regular communication channels with ESG/CSR committees of major subsidiaries to ensure they commit enough resources in carrying out ESG responsibilities at Group-level
- Reviews the ESG reports as submitted by the ESG/CSR committees of major subsidiaries for submission to the Board and/or NCGC semi-annually
- Prepares an annual ESG Report on the Group's activities, including qualitative and quantitative performance
- Carries out the role of an independent assessor, performs analyses and independent appraisals to assess the effectiveness and appropriateness of the Group's ESG Framework and reports on the results of the independent assessment
- Other functions as deemed necessary by the Board and the NCGC and as required by the Listing Rules from time to time

ESG/CSR Committees of Subsidiaries

- Develop ESG strategies, lead on reporting of ESG activities and assessment of ESG management systems of the relevant subsidiaries
- Support implementation of the Group's ESG Framework and ESG Governance Policy
- Identify ESG issues associated with business activities within business lines, and their impact and likelihood
- Identify, manage and evaluate the effectiveness and appropriateness of systems that are in place to mitigate such ESG issues
- Lead on environmental sustainability initiatives at the subsidiary level
- Oversee social responsibility initiatives at the subsidiary level
- Be accountable for our responsible gaming strategy
- Report on ESG performance and initiatives to the Board and/or the Chairman & CEO and/or the NCGC

Ethics & Integrity

OUR COMMITMENT

Our guests and stakeholders must remain assured of our commitment to standards of ethical business conduct that meet or exceed what is required by applicable laws, rules or regulations. This adherence to ethics and legal compliance policies upholds our tradition of integrity while reducing risk throughout our value chain and maintaining the trust of our stakeholders. This is essential for sustaining our success and licence to operate.

OUR TARGETS

- Ensuring 100% of colleagues receive training on ethical conduct
- Maintaining zero cases of ethical violations along our value chain
- Remediating 100% of any ethical violations along our value chain

HOW WE ARE MANAGING IT

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics ("Code") underpins all business interactions with our stakeholders. All our directors, officers and employees declare their acceptance of and compliance with the Code upon joining the Group and when the Code is updated. To ensure that our colleagues have a full understanding of and remain up to date with its contents, they are sent the Code and informed of any changes or updates. Each colleague then signs a Certificate of Compliance to confirm their commitment to follow the Code's provisions, which includes guidelines relating to:

- → Employment practices to maintain fair, inclusive and respectful workplaces
- → Policy against retaliation
- → Fair competition
- → Conflicts of interest
- → Bribery and corruption
- → Giving and receiving gifts and entertainment
- → Confidential and proprietary information
- → Money laundering and terrorist financing

In 2022, there were no material incidents of corruption, anti-competitive behaviour or monopolistic practices reported within the Group.

Ethical Business Practices Programme

With our zero-tolerance approach to bribery, fraud and corruption, giving or receiving bribes or advantages, whatever their size or significance, is never acceptable. Our Ethical Business Practices Programme is designed to provide comprehensive training on the requirements of relevant local laws and regulations, including anti-corruption laws, regulations, policies and procedures, with a focus on protecting our people and our business.

Do The Right Thing ("DTRT") Training
Completing the DTRT online training and an assessment at least annually is required for our management and colleagues in key business functions to ensure they continue to be aware of risks associated with bribery and corruption. In addition, we extend the training programmes on ethics to stakeholders outside our internal operations, including to our suppliers. Please see the Ethical & Sustainable Supply Chain section of this report on page 052 for details.

Ethical Business Advisor and Liaison Officers
In addition to implementing our DTRT training and assessments, we have appointed an Ethical Business Advisor and Liaison Officers throughout the organisation. Liaison Officers work closely with colleagues to support them in understanding, interpreting and discussing their queries on our Code and Programme, and matters about ethical business conduct. The Ethical Business Advisor reviews any concerns with Liaison Officers, with follow-up actions implemented as required.

Whistleblowing

Whistleblowing plays an important role in our commitment to doing business within the law and to upholding our Code and values — ensuring we maintain trust through an open and honest culture. We provide an email channel for colleagues to raise concerns about any potential violations or wrongdoing. These emails are directed automatically to the Group's Audit Committee Chairman, the Group General Counsel and the Head Internal Audit concurrently.

At the subsidiary level, Melco Resorts has numerous channels for colleagues to raise any concerns they may have anonymously, including a dedicated toll-free phone number and email account operated by an independent third party. Details of the various options for raising concerns are available on our intranet and physical locations at our properties. We encourage our suppliers to confidentially raise any potential concerns and breaches via our whistleblower hotline. We have strict procedures in place to ensure all matters pertaining to whistleblowing are handled confidentially and professionally. In 2022, we received approximately 50 matters raised via the hotline, including allegations of misappropriation of company assets and non-compliance with our SOPs. Matters reported via the hotline have resulted in disciplinary action and the implementation of new/amended policies to strengthen the communication and monitoring of, and compliance with, protocols.

2022 Initiatives

Policy Updates
We continue to update our systems and protocols to meet emerging legislation globally. Our gaming regulators issued updates to AML/CTF regulations and guidance in 2022. We were also subject to AML/CTF regulatory audits in Macau, Manila and Cyprus in the last 12 months. Our related policies and practices have been updated accordingly. Regulators have also continued to focus on data privacy and cybersecurity and engaged in joint dialogue with Melco Resorts and other integrated resort operators to better understand our controls. Details on cybersecurity are available in this report's Privacy & Cybersecurity section on page 068.

Continued Ethics Training for Suppliers
To ensure our high standards are adhered to throughout our supply chain, we continue to provide capacity-building and training programmes for our suppliers covering ethical business conduct, conflict of interest management, confidentiality and anti-bribery. While the initial focus has been on SME suppliers in Macau, we are working towards standardising these procedures across all our locations of operation.

Compliance and Cybersecurity Reporting
We continue to enhance the quarterly compliance and cybersecurity reporting to the Risk and Audit Committee of our subsidiary, Melco Resorts. Examples of issues discussed in 2022 included significant employee misconduct cases, AML suspicious transaction reports filed, compliance training statistics, approved sponsorship and donations, and the People's Republic of China ("PRC")'s Personal Information Protection Law ("PIPL") that came into force in November 2021. The Cybersecurity Report covers topical industry issues and the roadmap, including key performance indicators, results of employee awareness campaigns, phishing exercises and security assessments performed, particularly related to the readiness of new property openings in 2023.

Privacy & Cybersecurity

OUR COMMITMENT

In running our business, we are highly aware of the duty of care we owe our customers, colleagues, suppliers, partners, regulators and other stakeholders. We understand the importance of being entrusted with their personal and corporate data and continue to implement best practice measures that adhere to the highest data protection and information security standards.

OUR TARGETS

- Maintaining zero incidents of leaks, theft or loss of data
- Ensuring 100% of relevant colleagues are trained on information security and data protection

HOW WE ARE MANAGING IT

In our increasingly digital world, we know that data is paramount. Data is much more than information, and we are keenly aware of the need for robust controls to prevent data leakage or misuse by those entrusted with access to that data. Our management team and colleagues have received frequent training on the risks associated with data mismanagement, including potential harm to stakeholders, business disruption, and reputational risks.

No complaints or instances of data or customer privacy breaches were reported in 2022. Some of our controls in place to manage data and information security risks are outlined below.

Cybersecurity and Data Privacy Initiatives

- → Certifying our Information Security Management System for our Macau operations under ISO 27001 since 2009 and requiring all information technology ("IT") service providers to also be similarly certified
- → Conducting regular risk assessments and internal and external/independent-third party audits of our processes and protocols under our Cybersecurity and Information Security Policies

- Performing regular reviews of all policies, procedures and training concerning cybersecurity and data privacy to ensure compliance readiness with applicable laws and regulations
- Ensuring data privacy protocols meet or exceed the requirements of all the jurisdictions in which we operate, including Macau's Personal Data Protection Act, the Philippines' Data Privacy Act and the European Union's General Data Protection Regulation. Given the quieter periods of business in 2022, particularly at our Macau properties, we took the opportunity to continue to review our systems, processes, policies and controls for compliance with the PRC's PIPL
- As part of the roadmap developed from the National Institute of Standards and Technology (NIST) Framework assessment in 2021, in Q4 2022, we engaged an independent third-party expert to assist in running a cyber crisis drill, simulating an attack on our Manila operations. Lessons learned from the exercise will be incorporated into updates of our crisis management documentation, training and further drills planned across other locations in 2023
- Procuring cyber insurance to protect the Group against financial losses caused by cybersecurity incidents

Training and Capacity Building

- Ongoing comprehensive training to colleagues in line with the fast pace of change in the evolution of information technology, which poses security risks. Our colleagues across all levels of the organisation are systematically trained on information security and guidelines on data protection and receive training at least annually in line with applicable laws and regulations. Training includes management and detection of phishing and whaling, risks of malware and spyware, and other threats to information security and data. We also perform regular phishing exercises to test colleagues' real-life responses to a simulated cyberattack
- Working in close partnership with our suppliers and business partners to manage cybersecurity threats and maintain the integrity of operations across our value chain. Through our processes and ongoing reviews, we impose our high standards on vendors and provide feedback on their ISO 27001-certified systems for rectification. We continue to invest in the digital transformation of our supply chain, the benefits of which include reducing inefficiencies, increased transparency and enhanced data security

Performance Metrics

PEOPLE

The progress of our People strategy is revealed through several indicators. These encompass: inclusion and diversity, including closing the gender gap and empowering local community colleagues; attraction and retention rates; building capacity through training; and safety and health performance. All these areas work toward our goals, of which a strategic update can be reviewed in the Inspiring our Communities section on page 032.

Our Workforce

TOTAL WORKFORCE[31] BY GENDER

	2022	2021	2020
Female	**8,115**	8,643	9,600
Male	**8,796**	9,254	10,169
Total	**16,911**	17,897	19,769

31. Figures reflect permanent employees. We do not have temporary employees. Globally, we have around 2,741 non-employee workers to augment existing functions, including construction, F&B, IT, security and administrative functions.

OUR WORKFORCE BY GENDER AND GEOGRAPHIC LOCATION[32]

	2022	2021	2020
Corporate and Centralised Services (Including Hong Kong, Singapore, Macau and Japan)			
Female	**250**	281	310
Male	**283**	366	413
Total	**533**	647	723
% of Employees in Corporate and Centralised Services (Including Hong Kong, Singapore, Macau and Japan)	**3%**	4%	3%
Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)			
Female	**5,920**	6,499	6,969
Male	**5,772**	6,261	6,815
Total	**11,692**	12,760	13,784
% of Employees in Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)	**69%**	71%	70%
Manila Property			
Female	**1,540**	1,559	2,032
Male	**2,173**	2,171	2,519
Total	**3,713**	3,730	4,551
% of Employees in Manila Property	**22%**	21%	23%
Cyprus Property			
Female	**405**	304	289
Male	**568**	456	422
Total	**973**	760	711
% of Employees in Cyprus Property	**6%**	4%	4%

32. Figures reflect permanent employees. We do not have temporary employees. Part-time employees represent less than 1% of the total workforce.

Senior Management[33] Representation from Local Communities

	2022	2021	2020
Local			
Hong Kong	**81%**	73%	69%
Singapore	**25%**	–	–
Macau	**78%**	77%	82%
Manila	**57%**	67%	43%
Cyprus	**25%**	57%	40%
Total	**69%**	73%	71%
Non-local			
Hong Kong	**19%**	27%	31%
Singapore	**75%**	–	–
Macau	**23%**	23%	18%
Manila	**43%**	33%	57%
Cyprus	**75%**	43%	60%
Total	**31%**	27%	29%

33. Senior management defined as vice presidents and above. Our usage of "local" is in accordance with local government definitions. Significant locations represent where we have integrated resort operations and local, corporate headquarters.

New Employee Hires and Turnover by Gender, Age and Location

	2022		2021		2020	
	Number	**Rate**	Number	Rate	Number	Rate
New Hires by Gender						
Female	**535**	**6.60%**	286	3.31%	296	3.08%
Male	**652**	**7.41%**	500	5.41%	317	3.12%
New Hires by Age						
Under 30 years of age	**503**	**21.60%**	369	12.30%	253	6.08%
Between the age of 30 and 50	**621**	**5.40%**	358	3.08%	280	2.29%
Over 50 years of age	**64**	**2.08%**	59	1.82%	80	2.37%
New Hires by Location						
Hong Kong	**27**	**14.59%**	28	13.53%	45	15.85%
Singapore	**1**	**20.00%**	–	–	–	–
Macau	**479**	**3.98%**	505	3.84%	386	2.72%
Manila	**351**	**9.45%**	50	1.34%	124	2.72%
Cyprus	**327**	**34.03%**	–	–	–	–
Other locations	**3**	**60.00%**	203	25.47%	58	7.72%
Employee Turnover by Gender						
Female	**1,051**	**12.94%**	1,291	14.95%	1,832	19.08%
Male	**1,087**	**12.37%**	1,522	16.47%	2,227	21.90%
Employee Turnover by Age						
Under 30 years of age	**423**	**18.16%**	763	25.43%	1,462	35.14%
Between the age of 30 and 50	**1,166**	**10.14%**	1,537	13.21%	2,258	18.47%
Over 50 years of age	**549**	**17.84%**	513	15.84%	339	10.03%
Employee Turnover by Location						
Hong Kong	**67**	**35.26%**	73	35.27%	218	76.76%
Singapore	**0**	**0%**	–	–	–	–
Macau	**1,575**	**13.08%**	1,691	12.87%	2,300	16.22%
Manila	**366**	**9.85%**	898	24.08%	1,445	31.75%
Cyprus	**129**	**13.42%**	–	–	–	–
Other Locations	**1**	**20.00%**	151	18.90%	96	12.78%

Average Training Hours Completed per Employee by Employee Category and Gender

	2022	2021	2020
Management			
Female	**20.03**	24.50	15.74
Male	**15.33**	20.14	24.65
Non Management			
Female	**204.82**	131.50	104.29
Male	**161.64**	105.01	95.26

Total Recordable Injury and Total Lost-time Injury Frequency Rates of the Group

	Change 2022/2021				
	Rate	**%**	**2022**	2021	2020
Total Recordable Injury Rate					
40-hour work week/total cases[34]	**0.33**	**19.53%**	**2.02**	1.69	1.59
48-hour work week/total cases[35]	**0.28**	**19.86%**	**1.69**	1.41	1.33
Average	**0.31**	**19.68%**	**1.86**	1.55	1.46
Total Lost-time Injury Frequency Rate					
40-hour work week/total cases[36]	**1.66**	**19.64%**	**10.11**	8.45	7.97
48-hour work week/total cases[37]	**1.39**	**19.74%**	**8.43**	7.04	6.64
Average	**1.53**	**19.69%**	**9.27**	7.75	7.31

34. Total case x 200,000 / 40 hours.
35. Total case x 200,000 / 48 hours.
36. Total case x 1,000,000 / 40 hours.
37. Total case x 1,000,000 / 48 hours.

Total Lost Days due to Work Injury

	2022	2021	2020
Lost days due to work injury	**1,390**	1,339	1,414

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

The Group reports on the percentage of individuals within the organisation's governance bodies and across its global workforce by gender.

Profile of Governance Bodies, Corporate Executive Committees and Employees

	2022	2021	2020
Board Members by Gender			
Female	**24%**	24%	25%
Male	**76%**	76%	75%
Board Members by Age			
Under 30 years of age	**0%**	0%	0%
Between the age of 30 and 50	**29%**	30%	35%
Over 50 years of age	**71%**	70%	65%
Corporate Executive Committees by Gender			
Female	**19%**	19%	18%
Male	**81%**	81%	82%
Corporate Executive Committees by Age			
Under 30 years of age	**0%**	0%	0%
Between the age of 30 and 50	**38%**	44%	47%
Over 50 years of age	**63%**	56%	53%
Management by Gender			
Female	**41%**	40%	41%
Male	**59%**	60%	59%
Management by Age			
Under 30 years of age	**1%**	1%	1%
Between the age of 30 and 50	**80%**	81%	82%
Over 50 years of age	**20%**	19%	17%
Non-management by Gender			
Female	**49%**	49%	49%
Male	**51%**	51%	51%
Non-management by Age			
Under 30 years of age	**15%**	18%	23%
Between the age of 30 and 50	**67%**	64%	60%
Over 50 years of age	**18%**	18%	17%

ENVIRONMENT

Our environmental impact and performance is managed and reported against a number of indicators. These include our GHG emissions, energy consumption, waste management, including recycling and composting, and water consumption and reuse. All data cover the Group's sustainability performance for the year ended 31 December 2022, unless otherwise stated, with historical data provided for comparison purposes. For a strategic review of our environmental progress, as well as detail regarding the scope of data and any restatements, review our Restoring our World section on page 016.

Greenhouse Gas ("GHG") Emissions

ABSOLUTE GHG EMISSIONS BY SCOPE AND INTENSITY (IN METRIC TONNES OF CO_2e)

	2022	2021	2020
Scope 1 emissions	**17,152**	14,842	16,331
Emissions from stationary fuel combustion	**4,972**	5,237	5,282
Emissions from mobile fuel combustion	**7,467**	5,095	5,955
Fugitive emissions from refrigerants	**4,713**	4,510	5,095
Biogenic emissions	**212**	264	150
Scope 2 emissions (location-based)	**210,353**	212,111	207,018
Scope 2 emissions (market-based)[38]	**112**	280	665
Total Scope 1 and 2 emissions (market-based)	**17,264**	15,123	16,996
Total Scope 1 and 2 emissions (location-based)	**227,929**	227,217	223,499
Total Scope 1 and 2 emission (market-based) intensity by floor area (in metric tonnes of CO_2e/m^2)	**0.01**	0.01	0.01

38. Melco Resorts' Scope 2, market-based emissions are offset through purchasing renewable energy through I-RECs and other instruments. Refer to the Renewables section on page 024 for details.

	2022	2021	2020
Scope 3 emissions			
Category 1: Purchased goods and services[39, 40]	**81,164**	–	–
Category 2: Capital goods[41]	**200,438**	–	–
Category 3: Fuel and energy-related activity (FERA)[42]	**56,034**	56,882	35,588
Category 4: Upstream transportation[43]	**414**	–	–
Category 5: Waste[44, 45]	**1,181**	–	–
Category 6: Business travel[46]	**612**	–	–
Category 7: Employee commuting[47, 48]	**6,412**	–	–
Category 8: Upstream leased assets[49]	**195**	–	–
Category 13: Downstream leased assets	**31,175**	32,697	30,579
Total Scope 3 emissions	**377,625**	89,579	66,167
Total Scope 3 emission intensity by floor area (in metric tonnes of CO_2e/m^2)[50]	**0.27**	–	–

39. Calculated using an average data method that applies the weight of purchased item by type and a spend-based method based on the amount spent on capital goods.
40. Items that do not have their weight stated in Melco Resorts' purchasing system or do not have lifecycle assessment emission factors attributable for the emission calculations have been excluded.
41. Definition of "capital goods" is in line with the Melco Resorts' financial accounting.
42. Electricity consumption for fuel and energy-related activity is calculated using the most recent set of emission factors for overseas electricity based on the Department for Environment, Food and Rural Affairs of the United Kingdom (Defra) 2021 data.
43. This category includes emissions from the transportation and distribution of goods and services purchased by Melco Resorts.
44. This category includes emissions from the disposal of waste generated within Melco Resorts' business operations only.
45. Recycling of "household residual waste" (e.g. soap, used waste oil) has been excluded in the calculation.
46. Calculation of air travel only.
47. Includes emissions from transportation carriers that arise during employees' commute to and from work in vehicles not owned or operated by Melco Resorts.
48. Employees in Singapore and at our site in Japan account for less than 1% of our full-time employees and are excluded from this calculation. In addition, employees at the Okushiga Kogen ski resort live onsite during the operational season.
49. Includes emissions from the operations of assets that are leased by Melco Resorts (acting as lessee), that are not included in Scope 1 and Scope 2. As upstream leased assets are not under Melco Resorts' operational control, it may need to request data from lessors in order to calculate emissions. In the current inventory, upstream leased vehicles for shuttle buses in the Philippines and Macau have been included.
50. Scope 3 GHG emission intensity by floor area is disclosed for 2022 data, marking the first year of disclosing Scope 3 emission data for all categories that are relevant to the Company's business.

Energy

CALCULATED kWh SAVINGS BASED ON ANNUALISED EEMs (IN kWh)[51]

	2022	2021	2020
City of Dreams Macau	**21,758,934**	19,559,473	14,482,900
Studio City	**21,116,985**	16,300,899	9,634,885
Altira Macau	**5,964,319**	5,428,746	4,890,185
City of Dreams Manila	**2,492,435**	2,340,704	2,166,354
Total	**51,332,673**	43,629,822	31,174,324

51. 2021 annualised savings for City of Dreams Manila have been restated.

ENERGY CONSUMPTION BY SOURCE AND INTENSITY (IN MWh)

	2022	2021	2020
Fuel consumption from non-renewable sources	**58,416**	47,770	51,911
Electricity consumption from non-renewable sources	**330,337**	334,380	326,937
Electricity consumption from renewable sources[52]	**1,525**	1,478	1,555
Total energy consumption	**390,278**	383,628	380,403
Energy intensity (in MWh/m²)	**0.28**	0.27	0.27

52. Solar PV systems were installed across Macau and Manila properties in 2019. Data from 2020 onwards is disclosed. Electricity generated from the PV panels installed at City of Dreams Manila was consumed onsite.

Waste

MATERIAL DIVERSION AND WASTE GENERATION WITH INTENSITY (IN METRIC TONNES)

	2022	2021	2020
Composting	**262**	192	36
Recycling	**735**	720	313
Total materials diverted	**997**	912	349
Incineration	**5,657**	7,624	6,786
Landfill	**1,026**	1,163	1,140
Total waste generated	**6,683**	8,787	7,926
Total materials diverted and waste generated	**7,680**	9,699	8,275
Materials diverted and waste generation intensity (in metric tonnes/m²)	**0.01**	0.01	0.01

MATERIAL DIVERSION BY TYPE (IN METRIC TONNES)

	2022	2021	2020
Composting			
Food waste	**262.06**	191.93	36.24
Recycling			
Paper	**310.13**	326.3	210.20
Metal	**63.49**	42.26	23.79
Used cooking oil	**73.52**	55.01	9.89
Glass bottles	**152.08**	66.33	12.43
Batteries	**9.62**	1.58	0.96
Plastic	**80.29**	102.08	4.04
Soap	**1.56**	3.21	1.85
Others (e.g. e-waste, ink toners, light fixtures and coffee capsules)[53]	**44.36**[54]	122.87	54.35

53. Data for "Others" includes coffee capsules, which were previously disclosed separately in 2020 and 2021.

54. The significant reduction in 2022 is attributable to the one-off recycling of e-waste in 2021.

HAZARDOUS AND NON-HAZARDOUS WASTE GENERATION WITH INTENSITY (IN METRIC TONNES)[55]

	2022	2021
Hazardous waste by category[56]		
Batteries	**10**	N/A
Ink toners	**0.35**	N/A
Light fixtures	**0.07**	N/A
E-waste	**17**	N/A
Contaminated containers	**2**	N/A
Total hazardous waste	**30**[57]	110
Hazardous waste by intensity (in metric tonnes/m²)	**0.00002**	0.00008
Total non-hazardous waste	**7,650**	9,585
Non-hazardous waste by intensity (in metric tonnes/m²)	**0.005**	0.007
Total waste	**7,680**	9,695

55. Figures have been rounded.
56. Additional categories, such as spent paint and used cooking oil, will be added to the inventory as waste stream accounting is enhanced.
57. The significant reduction in 2022 is attributable to the one-off recycling of e-waste in 2021.

Water

WATER CONSUMPTION BY SOURCE AND INTENSITY (IN m^3)

	2022	2021	2020
Municipal water	**2,104,523**	2,119,732	2,129,685
Recycled water	**217,714**	147,549	63,120
Total water consumption	**2,322,237**	2,267,281	2,192,805
Water intensity by floor area (in m^3/m^2)	**1.65**	1.60	1.56

HKEX ESG Reporting Guide Index

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
ENVIRONMENTAL				
Aspect A1: Emissions				
General disclosure information on: Policies and Compliance relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Full	Energy & Climate Resilience Material Use & Waste Empowering our Business / Strategy & Management Approach / Our Policies and Statements	The Group's approach to environmental management is discussed throughout the ESG Report. The Group's environmental policies are also reflected in its ISO management systems for environmental management (14001:2015), facilities management (ISO 41001:2018) and energy management (ISO 50001:2018). In 2022, the Group was in compliance with all applicable environmental laws and regulations.
KPI A1.1:	The types of emissions and respective emissions data.	Full	Energy & Climate Resilience / Greenhouse Gas Emissions	Air emissions other than GHG emissions are not material.
KPI A1.2:	Direct (Scope 1) and energy indirect (Scope 2) greehouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Full	Energy & Climate Resilience / Greenhouse Gas Emissions Performance Metrics	
KPI A1.3:	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Full	Material Use & Waste / Waste Diversion Performance Metrics	

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
KPI A1.4:	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Full	Material Use & Waste / Waste Diversion Performance Metrics	
KPI A.1.5:	Description of emission target(s) set and steps taken to achieve them.	Full	Energy & Climate Resilience	
KPI A1.6:	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Full	Material Use & Waste / Waste	The Group has set the goal of zero waste by 2030 and an intensity reduction target for non-hazardous waste.
Aspect A2: Use of Resources				
General disclosure information on: Policies on the efficient use of resources, including energy, water and other raw materials.		Full	Restoring our World Empowering our Business / Strategy & Management Approach / Our Policies and Statements	The Group's approach to environmental management is discussed throughout the ESG Report. The Group's environmental policies are also reflected in its ISO management systems for environmental management (14001:2015), facilities management (ISO 41001:2018) and energy management (ISO 50001:2018).
KPI A2.1:	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Full	Energy & Climate Resilience / Energy-efficiency Measures Performance Metrics	
KPI A2.2:	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Full	Material Use & Waste / Water Performance Metrics	
KPI A2.3:	Description of energy use efficiency target(s) set and steps taken to achieve them.	Full	Energy & Climate Resilience	
KPI A2.4:	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.	Full	Material Use & Waste / Water	In 2022, the Group had no issues sourcing water that is fit for purpose.
KPI A2.5:	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Material	Material Use & Waste / Eliminating Plastic	While the Group does not produce products, refer to page 017 of this Report for details about our work within our operations and with suppliers to eliminate packaging that is not reusable, recyclable or compostable.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect A3: The Environment and Natural Resources				
General disclosure information on: Policies on minimising the issuer's significant impacts on the environment and natural resources.		Full	Restoring our World Empowering our Business / Strategy & Management Approach / Our Policies and Statements Ethical & Sustainable Supply Chain	The Group's approach to environmental management is discussed throughout the ESG Report. The Group's environmental policies are also reflected in its ISO management systems for environmental management (14001:2015), facilities management (ISO 41001:2018) and energy management (ISO 50001:2018).
KPI A3.1:	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Full	Energy & Climate Resilience Material Use & Waste Ethical & Sustainable Supply Chain	
Aspect A4: Climate Change				
General disclosure information on: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Full	Restoring our World Empowering our Business / Strategy & Management Approach / Our Policies and Statements Melco Resorts' TCFD Content Index	The Group's approach to identifying and mitigating climate-related issues is discussed throughout the ESG Report and integrated into the Group's ISO management systems for environmental management (14001:2015), facilities management (ISO 41001:2018) and energy management (ISO 50001:2018). Refer to Melco Resorts' TCFD Content Index.
KPI A4.1:	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Full	Energy & Climate Resilience Material Use & Waste Melco Resorts' TCFD Content Index	Refer to Melco Resorts' TCFD Content Index for details.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
SOCIAL				
Aspect B1: Employment				
General disclosure information on: Policies and Compliance relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Full	Inspiring our Communities Empowering our Business / Strategy & Management Approach / Our Policies and Statements	
KPI B1.1:	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Full	Engaging our People Performance Metrics	
KPI B1.2:	Employee turnover rate by gender, age group and geographical region.	Full	Engaging our People Performance Metrics	
Aspect B2: Health and Safety				
General disclosure information on: Policies and Compliance relating to providing a safe working environment and protecting employees from occupational hazards.		Full	Safety, Health & Wellbeing	
KPI B2.1:	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Full		There were no work-related fatalities across the Group in 2019, 2020, 2021 and 2022.
KPI B2.2:	Lost days due to work injury.	Full	Safety, Health & Wellbeing / How We are Managing It Performance Metrics	
KPI B2.3:	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Full	Safety, Health & Wellbeing / How We are Managing It	

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect B3: Development and Training				
General disclosure information on: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Full	Engaging our People / Career Development Opportunities	
KPI B3.1:	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Partial	Engaging our People / Career Development Opportunities Performance Metrics	96.4% of employees received training in 2022, comprising 95.2% of management and 96.5% of non-management. Data not available by gender.
KPI B3.2:	The average training hours completed per employee by gender and employee category.	Full	Engaging our People / Career Development Opportunities Performance Metrics	
Aspect B4: Labour Standards				
General disclosure information on: Policies and Compliance relating to preventing child and forced labour.		Full	Engaging our People / How We are Managing It Ethical & Sustainable Supply Chain / Human Trafficking and Modern Slavery	Outlined in Supplier Code of Conduct.
KPI B4.1:	Description of measures to review employment practices to avoid child and forced labour.	Full	Engaging our People / How We are Managing It Ethical & Sustainable Supply Chain / How We Are Managing It / Human Trafficking and Modern Slavery	The Group reviews its recruitment and workplace operations, and engagements with its suppliers, to monitor compliance with the Code of Business Conduct and Ethics, as well as the Supplier Code of Conduct.
KPI B4.2:	Description of steps taken to eliminate such practices when discovered.	Full	Ethics & Integrity Ethical & Sustainable Supply Chain / How We are Managing It / Human Trafficking and Modern Slavery	The Group did not identify any cases of child or forced labour in 2022.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect B5: Supply Chain Management				
General disclosure information on: Policies on managing environmental and social risks of the supply chain.		Full	Engaging our People / How We are Managing It Ethical & Sustainable Supply Chain	Outlined in the Supplier Code of Conduct.
KPI B5.1:	Number of suppliers by geographical region.	Full		In 2022, the Group procured goods and services from over 4,000 suppliers in Macau (24%), Philippines (27%), Hong Kong (16%), Cyprus (19%), USA (2%), Mainland China (2%), Japan (1%), Singapore (2%), UK (2%), and other locations (5%).
KPI B5.2:	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Full	Ethical & Sustainable Supply Chain / How We are Managing It / Supplier Engagement	The Group engages with all of its suppliers in local markets to monitor compliance with its Supplier Code of Conduct and to build capacity for meeting its sustainable sourcing goals.
KPI B5.3:	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Full	Ethical & Sustainable Supply Chain	The Group identifies environmental and social risks along the supply chain and engages with all of its suppliers in local markets to monitor compliance with its Supplier Code of Conduct and to build capacity for meeting its sustainable sourcing goals.
KPI B5.4:	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Full	Restoring our World Ethical & Sustainable Supply Chain	

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect B6: Product Responsibility				
General disclosure information on: Policies and Compliance relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Full	Safety, Health & Wellbeing Ethics & Integrity Privacy & Cybersecurity Empowering our Business / Strategy & Management Approach / Our Policies and Statements	The Group does not produce products. Suppliers of branded merchandise produced for the Group must adhere to product responsibility requirements in the Supplier Code of Conduct.
KPI B6.1:	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Full		No recalls related to branded merchandise produced for the Group occurred in 2022.
KPI B6.2:	Number of products and service related complaints received and how they are dealt with.	Full		No complaints related to branded merchandise produced for the Group, or substantiated complaints related to services provided, occurred in 2022.
KPI B6.3:	Description of practices relating to observing and protecting intellectual property rights.	Full	Privacy & Cybersecurity	The Group takes appropriate legal measures, including registering trademarks and domain names in relevant jurisdictions, and implements robust data and information management protocols, systems and initiatives, to protect its intellectual property.
KPI B6.4:	Description of quality assurance process and recall procedures.	Full	Safety, Health & Wellbeing / Healthy Air and Eating Safely, Healthily and Sustainably	
KPI B6.5:	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Full	Privacy & Cybersecurity	In 2022, the Group did not experience any significant data breaches or receive any substantiated complaints.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect B7: Anti-corruption				
General disclosure information on: Policies and Compliance relating to bribery, extortion, fraud and money laundering.		Full	Ethics & Integrity Empowering our Business / Strategy & Management Approach / Our Policies and Statements	
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.	Full		In 2022, there were no material incidents of corruption, anti-competitive behaviour or of anti-trust or monopolistic practices within the Group.
KPI B7.2:	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Full	Ethics & Integrity / How We are Managing It / Whistleblowing	
KPI B7.3:	Description of anti-corruption training provided to directors and staff.	Full	Ethics & Integrity / How We are Managing It / Ethical Business Practices Programme	
Aspect B6: Community Investment				
General disclosure information on: 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.		Full	Community Engagement & Investment	
KPI B8.1:	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Full	Inspiring our Communities / Strategy and Management Approach Community Engagement & Investment / How We are Managing It	
KPI B8.2:	Resources contributed (e.g. money or time) to the focus area.	Full	Inspiring our Communities / Strategy and Management Approach Community Engagement & Investment / How We are Managing It	

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
		GRI 1: Foundation 2021	
		GRI 2: General Disclosures 2021	
		1. The Organization and its Reporting Practices	
2-1	Organizational details	About this Report About Us The Company's registered office address is at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.	
2-2	Entities included in the organization's sustainability reporting	About this Report	
2-3	Reporting period, frequency and contact point	About this Report This report was published on 28 April 2023.	
2-4	Restatements of information	Restoring our World and Performance Metrics Due to changes to data collection approach in 2022 or previous typographical errors, the following data have been corrected: – 2021 Calculated kWh Savings based on Cumulative Annualised Energy-efficiency Measures (EEMs) – restated for City of Dreams Manila in 2022; despite restatement of reduced savings, overall savings achieved in 2022 increased over 2021. – Material Diversion by Type – data for 2020 and 2021 restated to reflect that coffee capsules are now disclosed in "Others". – 2021 Calculated m^3 Savings based on Cumulative Annualised Water-efficiency Measures (WEMs) – data restated for City of Dreams Manila to show a reduction in savings in 2021 from what was previously reported. – 2021 Chemical Consolidation for Macau and Manila – restated 2021 data now includes data from City of Dreams Manila.	
2-5	External assurance	ISO 14064-3:2019 A third-party assurance provider verified the Scope 1, 2 and 3 GHG emission inventory of Melco Resorts, our major subsidiary, for the year 2022 against ISO 14064-3:2019. The Board reviewed and approved the Group's 2022 ESG Report.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
GRI 2: General Disclosures 2021			
2. Activities and Workers			
2-6	Activities, value chain and other business relationships	About Us About this Report Our Impact along the Value Chain Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business Melco International's Annual Report 2022 – Corporate Structure, P.19 Melco International's subsidiary, Melco Resorts & Entertainment Limited, is a global, premium-focused integrated resort operator primarily targeting the Asian premium mass as well as the mass gaming segments, by leveraging its differentiated, award-winning non-gaming entertainment attractions. Melco Resorts' business is focused in Macau, Manila and Cyprus. The Okushiga Kogen Ski Resort is included in the 2022 performance data; as of the end of December 2022, this site in Japan is no longer part of the Group. There were no significant changes in the Group's value chain compared to the previous reporting period. Operating within global gaming and hospitality industries, the Group's supply chain is unsurprisingly vast; embracing over 4,000 upstream vendors who support the delivery of services and products necessary to deliver a premium guest experience within our resorts. Our goods and services are too numerous to list but include fresh food and beverages, furniture and in-room technology systems, responsible gaming and security systems, furniture, fixtures and equipment, communications, gaming, sport and spa equipment, as well as operational, logistics and professional services, to name but a few. We continuously endeavour to engage and support our local supply base; collaborating to find new ways to differentiate our guest experience and in turn create inclusive business opportunities. In 2022, the Group procured goods and services from over 4,000 suppliers in Macau (24%), Philippines (27%), Hong Kong (16%), Cyprus (19%), USA (2%), Mainland China (2%), Japan (1%), Singapore (2%), UK (2%), and other locations (5%). The Company's downstream activities range from engaging with and providing experiences for guests to contracting or collaborating with stakeholders in our jurisdictions of operations. Examples of these interactions include companies that undertake the recycling of valuable materials from our operations, educational institutions that organise capacity-building programmes for our colleagues and NGOs that work with us on community engagement activities.	
2-7	Employees	Performance Metrics Melco International's Annual Report 2022 – Management Discussion and Analysis, P.38 The Company employed 16,911 people in 2022 compared to 17,897 in 2021; representing 6% change in the workforce when business volume reduced by 40%.	
2-8	Workers who are not employees	Performance Metrics There were no significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
GRI 2: General Disclosures 2021			
3. Governance			
2-9	Governance structure and composition	Corporate Governance Structure Melco International's Annual Report 2022 – Board of Directors and Senior Management, Corporate Governance Report – Diversity and Delegation by the Board, P.39-54	
2-10	Nomination and selection of the highest governance body	Corporate Governance Structure Melco International's Annual Report 2022 – Board of Directors and Senior Management, Corporate Governance Report – The Board of Directors and Diversity, P.39-48	
2-11	Chair of the highest governance body	Corporate Governance Structure Melco International's Annual Report 2022 – Board of Directors and Senior Management, P.39, Corporate Governance Report – The Board of Directors, P.43 In view of the current composition of the Board, the in-depth knowledge of Mr. Ho, Lawrence Yau Lung of the operations of the Group and of the gaming and entertainment sector, his extensive business network and connections in that sector, and the scope of operations of the Group, the Company believes it is in its best interests for Mr. Ho, Lawrence Yau Lung to assume the roles of Chairman and Chief Executive Officer until such time as the Company considers that such roles should be assumed by different persons.	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure Understanding What Matters Most Assessing Materiality Melco International's Annual Report 2022 – Corporate Governance Report – Diversity, Delegation by the Board, Risk Management and Internal Controls, P.42-57, Report of the Directors, P.60-63 Melco Resorts' Report – Sustainability Risk Management and Evolving Risks and Opportunities, P.018-023	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Structure Melco International's Annual Report 2022 – Corporate Governance Report – Diversity, Delegation by the Board, Risk Management and Internal Controls, P.42-57, Report of the Directors, P.60-63	
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Structure The Board approved its 2022 ESG Report on 31 March 2023.	
2-15	Conflicts of interest	Melco International's Annual Report 2022 – Board of Directors and Senior Management, P.39-41, Corporate Governance Report, P.42-45, 53-56, Report of the Directors, P.63, 66 Conflict of interest covered in detail in the Code of Business Conduct and Ethics on Melco Resorts' website	
2-16	Communication of critical concerns	Ethics & Integrity – Ethical Business Advisor and Liaison Officers, Whistleblowing The Group did not have any critical concerns raised in 2022.	
2-17	Collective knowledge of the highest governance body	Corporate Governance Structure Melco International's Annual Report 2022 – Board of Directors and Senior Management, P.39-41	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
GRI 2: General Disclosures 2021			
3. Governance			
2-18	Evaluation of the performance of the highest governance body	Melco International's Annual Report 2022 – Corporate Governance Report, P.46	
2-19	Remuneration policies	Melco International's Annual Report 2022 – Corporate Governance Report, P.52, Report of the Directors, P.99	
2-20	Process to determine remuneration	Melco International's Annual Report 2022 – Corporate Governance Report, P.52	
2-21	Annual total compensation ratio		Confidentiality constraints. Information is considered private.
4. Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Melco Resorts' Report – Chairman & CEO's Statement, P.004-005 Melco International's Annual Report 2022 – Chairman & CEO's Statement, P.20-21	
2-23	Policy commitments	Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business – Strategy and Management Approach, Our Policies and Statements Ethics & Integrity The precautionary principle informs the Group's risk assessment, property design, construction and operations and planning processes.	
2-24	Embedding policy commitments	Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business – Strategy and Management Approach, Our Policies and Statements Ethics & Integrity	
2-25	Processes to remediate negative impacts	Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business	
2-26	Mechanisms for seeking advice and raising concerns	Ethics & Integrity Our Policies and Statements	
2-27	Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations occurred during the reporting period.	
2-28	Membership associations	European Casino Association The Mekong Club, a not-for-profit organisation that inspires and engages the private sector to collaborate and lead in the fight against modern slavery. The Group joined the membership-based business association in 2021.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
		GRI 2: General Disclosures 2021	
		5. Stakeholder Engagement	
2-29	Approach to stakeholder engagement	Understanding What Matters Most Assessing Materiality As part of identifying its stakeholders, the Group applied the GRI Reporting Principle of stakeholder inclusiveness.	
2-30	Collective bargaining agreements	Other than the rank-and-file employees of the table games division of City of Dreams Manila, representing 5% of the Group's workforce, none of our employees are members of any labour union and we are not party to any collective bargaining or similar agreement with our employees.	
		GRI 3: Material Topics 2021	
3-1	Process to determine material topics	Understanding What Matters Most Assessing Materiality	
3-2	List of material topics	Assessing Materiality There have been no significant changes from previous reporting periods in the list of material topics and topic boundaries.	
		Report Section: Restoring our World	
		Material Topic: Energy & Climate Resilience	
		GRI 3: Material Topics 2021	
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Restoring our World – Strategy and Management Approach Energy & Climate Resilience Our Policies and Statements Melco Resorts' TCFD Content Index	
		GRI 302: Energy 2016	
302-1	Energy consumption within the organization	Energy & Climate Resilience Performance Metrics	
302-3	Energy intensity	Energy & Climate Resilience Performance Metrics The ratio uses energy consumption within the organisation.	
302-4	Reduction of energy consumption	Energy & Climate Resilience Performance Metrics	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Restoring our World			
Material Topic: Energy & Climate Resilience			
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Energy & Climate Resilience Performance Metrics Scope 1 emissions arise from stationary fuel combustion (LPG, natural gas, diesel, fuel gel, kerosene and cassette gas as well as biogenic sources from wood and charcoal), mobile fuel combustion (from diesel, petrol and other fuels consumed for light and heavy vehicles, buses and other forms of transport) and refrigerants (R134a, R404a, R407c, R410a, R22, R123, R23, R141b, R417a and R1234ZE). 2019 is the base year for target setting as that was the first year that third-party verification was undertaken of the Group's Scope 1 inventory. GHG inventory is calculated using an operational control approach. The inventory aligns with the GHG Protocol published by WBCSD and WRI, and refers to the Global Warming Potentials ("GWPs") of the Sixth Assessment Report ("6AR") of the Intergovernmental Panel on Climate Change ("IPCC").	
305-2	Energy indirect (Scope 2) GHG emissions	Energy & Climate Resilience Performance Metrics Scope 2 emissions arise indirectly from purchased electricity consumption. Scope 2 emissions are reported with both the location-based and market-based methods, in alignment with reporting requirements from the GRI Standards and the GHG Protocol. 2019 is the base year for target setting as that was the first year that third-party verification was undertaken of the Group's Scope 2 inventory. Our Scope 2 market-based emissions are neutral since 2018 from the purchase of Energy Attributes Certificates for 100% of our global electricity consumption. The Group's GHG inventory is calculated using an operational control approach. The inventory aligns with the GHG Protocol published by WBCSD and WRI, and refers to the GWPs of the 6AR of the IPCC.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Restoring our World			
Material Topic: Energy & Climate Resilience			
GRI 305: Emissions 2016			
305-3	Other indirect (Scope 3) GHG emissions	Energy & Climate Resilience Performance Metrics In 2021, Scope 3 emissions disclosed arose from downstream leased assets (tenants) and fuel and energy-related activity. Emissions arising from these categories, which were disclosed for the years 2020 and 2021, have adopted an updated methodology in 2022. In 2022, Scope 3 emissions are now tracked against nine categories that are relevant to our business. The year 2022 is now adopted as the base year for tracking Scope 3 emissions. The inventory aligns with the GHG Protocol published by WBCSD and WRI, and refers to the GWPs of the 6AR of the IPCC.	
305-4	GHG emissions intensity	Energy & Climate Resilience Performance Metrics	
305-5	Reduction of GHG emissions	Energy & Climate Resilience Performance Metrics	
Material Topics: Energy & Climate Resilience / Material Use & Waste			
GRI 304: Biodiversity 2016			
304-2	Significant impacts of activities, products and services on biodiversity	Restoring our World – Energy and Climate Resilience, Materials Sustaining our Supply Chain	
Material Topic: Material Use & Waste			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Restoring our World – Strategy and Management Approach Material Use & Waste Our Policies and Statements	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Restoring our World			
Material Topic: Material Use & Waste			
GRI 301: Materials 2016			
301-2	Recycled input materials used	Sustainable Design Material Use & Waste	Information unavailable. It is not feasible to quantify the percentage of recycled input materials used.
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Material Use & Waste	
303-2	Management of water discharge-related impacts	Material Use & Waste All wastewater discharges to municipal treatment systems are in compliance with applicable legal requirements. Data are not available on quantities discharged.	
303-3	Water withdrawal	Material Use & Waste	
303-4	Water discharge	Material Use & Waste	Not applicable. All wastewater discharges to municipal treatment systems are in compliance with applicable legal requirements. Data are not available on quantities discharged.
303-5	Water consumption	Material Use & Waste Performance Metrics	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Material Use & Waste	
306-2	Management of significant waste-related impacts	Material Use & Waste	
306-3	Waste generated	Material Use & Waste Performance Metrics	
306-4	Waste diverted from disposal	Material Use & Waste Performance Metrics	
306-5	Waste directed to disposal	Material Use & Waste Performance Metrics	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Inspiring our Communities			
Material Topic: Engaging our People			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Inspiring our Communities – Strategy and Management Approach Engaging our People Our Policies and Statements	
GRI 202: Market Presence 2016			
202-2	Proportion of senior management hired from the local community	Performance Metrics	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Performance Metrics	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Engaging our People Performance Metrics	
404-2	Programs for upgrading employee skills and transition assistance programs	Engaging our People	Information unavailable. Programmes to facilitate continued employability of employees who leave the company, either through retirement or termination, are not currently provided.
404-3	Percentage of employees receiving regular performance and career development reviews	All permanent employees, excluding newly-hired employees that did not complete their probationary period, received annual performance reviews.	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Engaging our People Performance Metrics	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Engaging our People Zero allegations of discrimination have been submitted to the government or to human resources in this reporting period.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Inspiring our Communities			
Material Topic: Safety, Health & Wellbeing			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Inspiring our Communities – Strategy and Management Approach Safety, Health & Wellbeing Our Policies and Statements	
GRI 403: Occupational Health & Safety 2018			
403-1	Occupational health and safety management system	Safety, Health & Wellbeing The Group's safety and health management system covers all of our operations. In addition, our operations in Macau and Hong Kong are certified to the ISO 45001 management system standard for occupational health and safety.	
403-2	Hazard identification, risk assessment, and incident investigation	Safety, Health & Wellbeing As part of implementing the Group's OSH management system, identified hazards and assessed risks are mitigated and managed, the competency of colleagues and workers responsible for related work scopes is assured and overall implementation is monitored and reviewed to identify areas for improvement. Colleagues and workers are trained to remove themselves from potentially hazardous situations without reprisal and thorough incident investigations are undertaken to identify hazards and assess risks with the implementation of any necessary corrective action, changes to the hierarchy of controls or other improvements to its management system.	
403-3	Occupational health services	Safety, Health & Wellbeing As part of implementing the Group's OSH management system, identified hazards and assessed risks are mitigated and managed, the competency of colleagues and workers responsible for related work scopes is assured and overall implementation is monitored and reviewed to identify areas for improvement.	
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety, Health & Wellbeing Colleagues and contractors participate in regular OSH briefings and training, including being provided with opportunities to evaluate and continuously improve our OSH systems and processes. Communication occurs through various platforms, including but not limited to, induction and refresher courses, monthly meetings of our OSH Committees, team talks, internal communication on our e-Learning platform, surveys, feedback forms, and audits.	
403-5	Worker training on occupational health and safety	Safety, Health & Wellbeing	
403-6	Promotion of worker health	Safety, Health & Wellbeing Ethical & Sustainable Supply Chain As part of implementing our OSH system, the Group provides information and conducts training with colleagues and onsite workers to promote health and wellbeing. Onsite clinics also provide occupational health services to support employees.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Inspiring our Communities			
Material Topic: Safety, Health & Wellbeing			
GRI 403: Occupational Health & Safety 2018			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety, Health & Wellbeing	
403-8	Workers covered by an occupational health and safety management system	Safety, Health & Wellbeing The Group's operations across Macau and Hong Kong are certified to the ISO 45001 management system standard for occupational health and safety. OSH systems are implemented to comply with all relevant legal requirements, and cover the workplaces of all colleagues across the Group and onsite workers.	
403-9	Work-related injuries	Safety, Health & Wellbeing Performance Metrics There were no cases of high-consequence work-related injuries or of colleague or worker fatalities at the Group's properties in 2022. The main types of injuries included slips, trips and falls, cuts and abrasions, striking against objects or manual handling. The Group's OSH system identifies work-related hazards that pose a risk of high-consequence injury and implements controls to mitigate risk.	Information unavailable. Data on workers outside the organisation have yet to be collected.
GRI 416: Customer Health & Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Ethics & Integrity No significant incidents of non-compliance with regulations concerning health and safety impacts occurred during the reporting period.	
Material Topic: Responsible Gaming			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Inspiring our Communities – Strategy and Management Approach Responsible Gaming	
GRI 417: Marketing & Labeling 2016			
417-1	Requirements for product and service information and labeling	Responsible Gaming The Group has not had any incidents of non-compliance with its procedures related to responsible gaming and health and safety communication materials.	
417-3	Incidents of non-compliance concerning marketing communications	Responsible Gaming Community Engagement & Investment The Group has not had any incidents of non-compliance with requirements or codes concerning marketing communications.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Inspiring our Communities			
Material Topic: Community Engagement & Investment			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Inspiring our Communities – Strategy and Management Approach Community Engagement & Investment Our Policies and Statements	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement & Investment	
Material Topics: Engaging our People/ Ethical & Sustainable Supply Chain			
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Ethical & Sustainable Supply Chain	
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical & Sustainable Supply Chain Engaging our People	
Report Section: Sustaining our Supply Chain			
Material Topic: Ethical & Sustainable Supply Chain			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Sustaining our Supply Chain – Strategy and Management Approach Ethical & Sustainable Supply Chain Our Policies and Statements	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Ethical & Sustainable Supply Chain Disclosure item 2-6 of this Content Index Our usage of "local" is in accordance with local government definitions.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Sustaining our Supply Chain			
Material Topic: Ethical & Sustainable Supply Chain			
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Ethical & Sustainable Supply Chain 100% of new suppliers must acknowledge acceptance of our Supplier Code of Conduct, including its environmental requirements. Suppliers' environmental performance is assessed and compliance with the Supplier Code of Conduct is required.	
308-2	Negative environmental impacts in the supply chain and actions taken	Our Impact along the Value Chain Ethical & Sustainable Supply Chain	Information unavailable/ incomplete. The number and percentage of suppliers assessed have yet to be quantified.
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Ethical & Sustainable Supply Chain 100% of new suppliers must acknowledge acceptance of our Supplier Code of Conduct, including its social requirements. Suppliers' social performance is assessed and compliance with the Supplier Code of Conduct is required.	
414-2	Negative social impacts in the supply chain and actions taken	Our Impact along the Value Chain Ethical & Sustainable Supply Chain	Information unavailable/ incomplete. The number and percentage of suppliers assessed have yet to be quantified.
Report Section: Empowering our Business			
Material Topic: Ethics & Integrity			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Empowering our Business – Strategy and Management Approach Ethics & Integrity Our Policies and Statements	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Ethics & Integrity All of the Group's operations are regularly assessed for corruption risk.	
205-2	Communication and training about anti-corruption policies and procedures	Ethics & Integrity All members of the Group's governing bodies, including the Board, its committees and the ESG Taskforce as well as property-level boards and their committees and Executive Committees have received training on our anti-corruption policies. All colleagues receive training on the Group's anti-corruption policies and procedures. Our requirements for suppliers and business partners are acknowledged through acceptance of the Group's Supplier Code and related training is provided.	
205-3	Confirmed incidents of corruption and actions taken	Ethics & Integrity No confirmed incidents of corruption in the reporting year.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Empowering our Business			
Material Topic: Ethics & Integrity			
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics & Integrity No legal actions for anti-competitive behaviour, anti-trust or monopoly practices were identified in the reporting year.	
Material Topic: Privacy & Cybersecurity			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Empowering our Business – Strategy and Management Approach Privacy & Cybersecurity Our Policies and Statements	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy & Cybersecurity The Group did not have any substantiated complaints concerning breaches of customer privacy or losses of customer data during the reporting period.	
Other Disclosure Items			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Melco Resorts' Report – Performance Metrics, P.088 Melco International's Annual Report 2022 – Management Discussion and Analysis P.30-38, Consolidated Statement of Financial Position, P.109-110	
201-2	Financial implications and other risks and opportunities due to climate change	Energy & Climate Resilience Melco Resorts' TCFD Content Index	Information unavailable. Financial implications from climate change scenarios based on risk classifications have yet to be assessed.
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	Ethical & Sustainable Supply Chain As part of the intensive training provided to all security teams, approaches to enforcing procedures that respect human rights are followed. 100% of security personnel receive this training, which is provided by the Group, local authorities and third-party security experts.	

Melco Resorts' TCFD Content Index

QUICK ACCESS TO SECTIONS

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
Melco Resorts' oversight and management of climate-related risks and opportunities.	Melco Resorts' actual and potential impacts of climate-related risks and opportunities across the value chain of our business, our strategy, and our financial planning.	How Melco Resorts effectively identifies, evaluates and manages climate-related risks to our business, suppliers and communities.	The metrics and targets used to assess and manage relevant climate-related risks and opportunities material to Melco Resorts.

TCFD DESCRIPTION	OUR RESPONSE

GOVERNANCE

a. Describe the board's oversight of climate-related risks and opportunities.

Board

Board of Directors

The Board has strategic oversight and ultimate responsibility for sustainability governance including climate-related risks. The Board receives quarterly reports on climate-related risks and opportunities and our Chairman & CEO, who sits on the Board, oversees the Company's Roadmap and Action Plan for decarbonisation, including GHG emission reduction, and strategy for assessing, mitigating and adapting to climate-related risks and identifying opportunities. Refer to Corporate Governance Structure section on page 062 for more details.

Audit and Risk Committee

The Audit and Risk Committee supports the Board in the management of risk and is responsible for overseeing and monitoring the effectiveness of the risk management and internal control processes during the year, including climate-related risks.

Nominating and Corporate Governance Committee (NCGC)

The NCGC assists the Board in assessing climate-related issues by overseeing strategy and evaluating emergent risks and opportunities, and the Company's progress against its environmental goals, including the policies and programmes instrumental in achieving short- and long-term climate-related targets. This report is reviewed by the NCGC, and provides a review of climate-related risks and outlines progress towards environmental goals.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Management Level

Executive Sustainability Committee

The Executive Sustainability Committee comprises the Chairman & CEO, CFO, CRO, President, Property Presidents, SVP Project and Facilities, Supply Chain VP, Chief of Staff to Chairman & CEO and Sustainability Team, and provides quarterly updates to the Board on progress towards the Company's Carbon Neutral, Zero Waste and sustainable sourcing goals including reviewing any related capital expenditures annually and raising any significant strategic or operational climate-related issues that may impact the Company's growth and performance objectives. The Committee sponsors Working Groups across all corporate functions and all resorts that drive and measure progress towards achieving our ambitious goals.

Working Groups

Oversight of our actions falls under the purview of three Working Groups: the Carbon Neutral Working Group, Zero Waste Working Group and Sustainable Sourcing Working Group, which report to our Executive Sustainability Committee. The Working Groups meet monthly to map our actions and measure our progress while evaluating our policies and systems with a view towards continual improvement. Within all budgets, each business unit across properties is responsible for working towards our long-term goals, such as energy- and water-efficiency measures, waste reduction and sustainable and responsible sourcing.

Senior Sustainability Advisor

The Senior Sustainability Advisor works with the Executive Sustainability Committee, Working Groups and the Sustainability Team to set climate-related strategies and implement actions towards our goals, and offers advice and provides regular updates to the CEO on the Company's progress.

Chief Risk Officer (CRO)

The CRO provides a regular update to the CEO and the Audit and Risk Committee on significant strategic risks, including climate-related risks and opportunities. The CRO participates in annual Sustainability Materiality Assessments and includes any significant climate-related risks identified in the Company-wide risk register.

TCFD DESCRIPTION	OUR RESPONSE

STRATEGY

Climate-related risks and opportunities (CRROs) were first identified through an in-depth workshop with key stakeholders within the Company, which has been detailed below. Following the risk identification stage, a prioritisation assessment was completed to understand which CRROs are most significant to the business. The full table of prioritised CRROs is listed on page 106.

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Risk and Opportunity Identification

Beginning in 2022, Melco Resorts has been working with an independent sustainability consultancy to assess the potential climate-related risk and opportunity (CRRO) areas that may impact the Company. An in-depth, climate-related risk and opportunity workshop was held for key representatives from business units across all of our properties to provide insights and input to the assessment.

A comprehensive list of potential CRROs was first developed using information collected from external research, the internal workshop and interviews with stakeholders from across the business. The longlist development considered all risk categories outlined by the TCFD.

Time Horizon

CRROs considered as part of the identification analysis have been reviewed over a time horizon up to 2050. Time periods considered as part of the analysis were separated into the following:

- Short term – 0-2 years
- Medium term – 2-5 years
- Long term – 5-11 years and onwards

b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

From identifying potential CRROs within specific time horizons and looking at the velocity and likelihood of each area, Melco Resorts has determined where the impact could occur across the value chain of the business as well as the potential financial impact to the organisation.

Assessing the potential impact has helped the business identify those prioritised CRRO areas and the prioritisation analysis is detailed below. The table on page 106 lists the prioritised CRRO areas identified as part of the work completed by the Company's business units.

Prioritisation Analysis

Following the risk identification stage, a prioritisation assessment was completed to understand which CRROs are most significant to the business.

CRROs have been assessed on three main criteria:

- **Velocity:** the speed of development of the external root cause that is driving the CRRO.
- **Likelihood:** the likelihood is considered by consistency of outcome when comparing a Stress Scenario with a Current Policy Scenario for each CRRO, and determining how closely the projections are in alignment with each other. (For more information on the scenarios applied, please refer to disclosure Strategy (c) on the next page)
- **Financial Impact:** estimate of the order of magnitude for how the identified CRROs could impact the business.

TCFD DESCRIPTION	OUR RESPONSE
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**Climate Scenario Selection** As part of the prioritisation analysis, the CRROs were analysed using two scenarios: Current Policy and a Stress Scenario. The Current Policy Scenario considers temperature increases likely to range between 2.5-3°C, with significant resultant impacts to global climate systems. The Stress Scenario depends on whether the CRRO is a transition or a physical CRRO. For transition CRROs, a low-carbon pathway aligned to limiting peak global temperatures to at least below 2°C was considered. For physical CRROs, a high-emission pathway is used, aligned to RCP 8.5, where global temperatures increase significantly and reach 4°C above pre-industrial levels. Scenarios to support the Stress Scenario analysis are based on the following data sources: → **Current Policy Scenario** • NGFS (Current Policies) • IEA World Energy Outlook (Stated Policies Scenario) • Climate Impact Explorer (RCP 4.5) • KNMI Climate Change Atlas (RCP 4.5) • WRI Water Risk Atlas (RCP 4.5) • WRI Aquaduct Floods (RCP 4.5) → **Transition Stress Scenario** • NGFS (Net Zero 2050) • IEA World Energy Outlook (Sustainable Development Scenario) → **Physical Stress Scenario (all RCP 8.5)** • Climate Impact Explorer • KNMI Climate Change Atlas • WRI Water Risk Atlas • WRI Aquaduct Floods Upon considering different climate scenarios and impact to the business, we have determined what the company's response should be as well as mitigating measures to reducing risks. **Glossary** *NGFS* Network for Greening the Financial System *IEA* International Energy Agency *KNMI* The Royal Netherlands Meteorological Institute *WRI* World Resources Institute

Summary of Key Identified CRROs, Potential Impacts and Mitigating Actions

The following table lists the prioritised CRRO areas identified as a result of the assessment as well as related time horizons, value chain affected areas and the Company's response and mitigating action for each CRRO.

Scope 1 GHG emissions
Scope 1 emissions arise from sources that an organisation owns or controls directly. For example, burning fuel in fossil-fuel powered vehicles in its fleet.

Scope 2 GHG emissions
Scope 2 are emissions that arise indirectly from the generation of energy that is purchased and consumed by a company. For example, when the electricity or energy it buys for heating and/or cooling buildings, is being produced on its behalf.

Scope 3 GHG emissions
Scope 3 encompasses emissions that are not produced by the company itself, and are not arising from the activities of assets owned or controlled by them, but by those that it's indirectly responsible for, up and down its value chain. An example of this is when the company buys, uses and disposes of products from suppliers. Scope 3 emissions include all sources that are not within its scope 1 and 2 boundaries.

Transition Risk Areas

Regulatory Pressures and Carbon Pricing

Our integrated resorts are energy intensive and therefore Scope 2 emissions comprise a significant portion of the Company's carbon footprint.

Melco Resorts therefore has high exposure to net-zero transition related policies and carbon prices that could result in energy inflationary pressures.

Fuel usage relating to Scope 1 emissions could also be exposed to potential carbon pricing regulatory mechanisms in the future.

Implicit carbon costs could also affect the Company where investments are required to meet building efficiency requirements and emissions regulations that are introduced as part of net-zero transition plans.

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs and capital expenditure – *low moderate impact*

Melco Resorts' Response and Mitigation Actions
Melco Resorts performed a quantitative scenario analysis to assess its exposure to carbon pricing. The assessment reviewed Melco Resorts' exposure over a 10-year time horizon and was identified as low to moderate risk.

To mitigate Melco Resorts' exposure to such regulation, Melco Resorts will be:

- → Pursuing our strategy for Carbon Neutral resorts, which will involve implementing further energy-efficiency initiatives and reducing reliance on fossil-fuel-based energy sources through further investment in cleaner energy sources (i.e. PVs, PPAs).
- → Continuing to monitor the introduction of further regulations including building efficiency regulatory requirements.
- → Aligning future developments and retrofits to BREEAM/latest green building standards.

Resource Procurement

Scope 3 categories 1 & 2 (Purchased Goods and Services and Capital Goods, respectively) are material contributions to emissions, as a result of the embodied carbon associated with energy-intensive goods and construction materials and activities.

Melco Resorts has exposure to potential commodity price increase pressures resulting from net-zero transition related regulations.

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs and capital expenditure – *insignificant impact*

Melco Resorts' Response and Mitigation Actions

Melco Resorts assessed its future growth strategy and determined that the exposure relating to carbon-intensive building materials is low. The Company will continue to monitor the risk to resource procurement alongside our growth strategy as this develops.

The Company also aligned recent integrated resort expansions to BREEAM building standards. The Company will aspire to follow this approach for any future developments.

By aspiring to attain BREEAM International certification, this will ensure embodied carbon is factored into design and construction considerations for new developments and this will reduce the risk in this area.

Physical Risk Areas

Acute

Extreme Weather Events

The increase in frequency and intensity of extreme weather events, such as typhoons, could pose considerable impact to Melco Resorts.

Melco Resorts has integrated resorts located in island regions that are in close proximity to coastal waters. The properties in Macau and Manila are both subject to typhoons, which exposes the integrated resorts to potential impacts including damage to property, loss of revenues as a result of service disruption and increased employee management costs to ensure procedures are in place to effectively manage such events.

Melco Resorts obtains insurance coverage for such events. However, as an enhanced warming climate change scenario could lead to increased severity and frequency of extreme weather events, this could leave Melco Resorts vulnerable to increased insurance costs or inability to obtain sufficient coverage.

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs and lost revenues – *moderate impact*

Melco Resorts' Response and Mitigation Actions

To mitigate Melco Resorts' exposure to extreme weather events, we will:

- Invest in resilience, such as onsite energy storage systems and ensuring all integrated resorts are designed to reduce the impact of weather events.
- Avoid high-risk areas for future developments.
- Review insurance agreements and consider cost/benefit assessment of investing in resilience versus the increased costs of insurance.

Physical Risk Areas

Chronic

Chronic Temperature Increases

Increases in temperatures are likely to require increased energy needs for our integrated resorts to be kept at desired cooling levels to maintain guest comfort and satisfaction.

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs – *insignificant impact*

Water Stress

Global warming is likely to increase pressures on water supplies that could result in increased water procurement costs for the Company.

Macau is considered a medium water stress region, whereas both Cyprus and the Philippines are regarded as low stress regions. Climate is anticipated to raise the vulnerability to water stress in these regions.

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs – *insignificant impact*

Melco Resorts' Response and Mitigation Actions

- Melco Resorts performed a scenario analysis, looking at the potential impacts of both increased temperatures and water stress. Climate scenario modelling has been applied, looking at projections for both variables under high (RCP 8.5) warming and current policy (RCP 4.5) scenarios. For increased temperatures, considerations have been made based on the current cost of energy and the forecast in increased energy consumption under a stress scenario. When assessing water stress, we have analysed the potential impact this could have on water procurement costs for the business. Both assessments have indicated an increase in operational costs that is insignificant when compared to other costs. The analysis has therefore shown that impacts to Melco Resorts are immaterial over a long-term time horizon.
- The implementation of planned energy- and water-efficiency measures will help further reduce risk exposure in these areas as well as build further resilience.

Opportunities

Capital Flow Opportunities

Strategic Actions to be Undertaken

There are increasing opportunities for Melco Resorts to reduce the cost of capital through instruments such as green bonds, which would be linked to the implementation of carbon reduction/cleaner energy initiatives and build resilience.

Actions

- Due diligence of capital investments that involves a carbon emission assessment.
- Investment in low-carbon/low-energy technologies to unlock potential favourable green financing opportunities.

Renewable Energy and Onsite Generation Opportunities

Strategic Actions to be Undertaken

Sourcing renewable energy and expanding onsite solar generation presents an opportunity for Melco Resorts to decarbonise its operations as well as mitigate the risks relating to rising fossil fuel-based energy prices and disrupted energy supply from severe weather events.

Actions

- Assess potential investment opportunities to reduce exposure to risks based on energy usage and costs savings analysis.

RISK MANAGEMENT

TCFD DESCRIPTION	OUR RESPONSE
a. Describe the organization's processes for identifying and assessing climate-related risks.	The Board oversees our Enterprise Risk Management ("ERM") process through the Audit and Risk Committee, and while our CRO is operationally responsible for the process, all colleagues are supported to participate in the identification and assessment of existing, new and emerging risks, including climate-related risks. Please refer to Sustainability Risk Management section of Melco Resorts' Report for the full disclosure on our risk management processes.
b. Describe the organization's processes for managing climate-related risks.	The Board oversees the ERM process through the Audit and Risk Committee. Existing and emerging risks, including climate-related risks and their potential impacts and mitigation measures, are regularly discussed with the Executive Management team. The conclusion of those discussions is presented to the Audit and Risk Committee every quarter alongside a risk register that is informed by the 4Ts of Risk Management: Treat, Tolerate, Transfer or Terminate. To ensure effective management of the CRRO analysis completed to date, we will additionally regularly monitor and review CRROs with our facility management teams in our monthly Working Group meetings and quarterly Executive Sustainability Committee meetings. Our daily operational risks related to climate change, carbon and energy management are managed through our ISO 14001 Environment Management System and ISO 50001 Energy Management System certified system.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The Audit and Risk Committee oversees and monitors the Company's risk management policies, procedures and practices, and internal control systems, including climate-related risks along with financial, operational and compliance controls.

METRICS & TARGETS

TCFD DESCRIPTION	OUR RESPONSE
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risks management processes.	We publish key metrics on energy, water usage and waste management in our sustainability report annually. Monitoring and reporting these metrics help us to identify areas with high climate-related risks to further improve our performance. Measuring our energy and water usage helps to assess potential carbon pricing exposure and the extent of potential impacts arising from temperature increases and water-related risks. Please refer to page 076 to see Performance Metrics on energy, water and waste. Where we have not set targets for specific CRROs, we are working to install the required systems to collect and monitor data so we can report progress against these in future disclosures.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Please refer to page 076 of the report to see our disclosure for Scope 1, 2, and 3 GHG emissions.
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**Our Goals and Targets** In preparation for the transition to a low-carbon economy, we have established goals and targets, supported by initiatives for carbon reduction. These will help the organisation minimise exposure to climate-related risks. Please refer to page 018, Restoring our World, for details on our approach and actions taken for energy, water and waste management. Our goals include: → Achieving carbon-neutral resorts by 2030 → Achieving zero waste across our resorts by 2030 → Contributing to circular economy leadership in Asia → Sourcing sustainable goods and services → Reducing our water footprint In support of these Group-level goals, we have set the following aligned targets for our properties, all based on our baseline year of 2019: → 5% tCO_2e/m^2 intensity reduction in Scope 1 and 2 GHG emissions by 2030, with ambitions for 22% reduction → 3% kWh/m^2 intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level → 19% m^3/m^2 intensity reduction in water consumption by 2030 → 5% $tonnes/m^2$ intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction Where we have not set targets for specific CRROs, we are working to install the required systems to collect and monitor data so we can report progress against these in future disclosures. Going forward, we will continue to seek technological innovations and facilitate the transition to a lower-carbon environment by adopting more advanced renewable energy systems and explore the feasibility of adopting SBTi targets.

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