

RISE to go

MELCO

SUSTAINABILITY
REPORT 2022

ABOVE & BEYOND

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About this Report

Introduction

Melco Resorts & Entertainment Limited's (MRE, Melco or the Company) fifth annual Sustainability Report presents an overview of our sustainability performance for the calendar year ended December 31st, 2022. This and our previous Sustainability Reports are available online.

Reporting Scope and Boundary

The report scope comprises all entities covered in our financial statements, including our properties in Macau, Manila and Cyprus, and our site in Japan¹. Our report presents performance and progress data in implementing our sustainability strategy and, where possible, information and updates on the development of our ongoing plans (refer to Forward-looking Statements opposite for details). Unless otherwise stated, financial information is presented in United States Dollars (US\$).

Reporting Framework

Melco Resorts & Entertainment Limited has reported in accordance with the GRI Standards for the period from 1st January, 2022 to 31st December, 2022. These standards were updated in 2021. The Global Reporting Initiative (GRI) is an independent, international organization that developed the first and most widely adopted global standards for sustainability reporting.

The data and information detailed in this report have been compiled through industry research, peer benchmarking, internal data collection systems and extensive, multifaceted engagement with internal and external stakeholders. The results of these essential steps contribute to identifying the material environmental, social and governance (ESG) topics central to our business and the evolution of our "Above & Beyond" sustainability strategy. Recognizing the importance of global cooperation in addressing ESG challenges and opportunities, our strategy aligns with the United Nations' (UN) Sustainable Development Goals (SDGs).

UN SDGs



We welcome your feedback on this report, our strategy and goals. Please email: sustainability@melco-resorts.com with your comments.

Forward-looking Statements

This report contains certain forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995), including statements regarding our financial condition, results of operations, businesses, plans, expectations, continuation or future execution of initiatives, programs, activities, policies or disclosures, strategies, goals, targets, intentions, commitments and other statements that are not historical in nature.

Forward-looking statements are statements of future expectations based on management's current expectations and assumptions. They involve known and unknown risks, uncertainties and other factors beyond our control that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements. These factors include, but are not limited to, Melco Resorts and Entertainment's ability to successfully implement ESG initiatives under expected time frames and the Company's ability to achieve its announced ESG goals, targets and commitments.

Moreover, because we operate in a heavily regulated and evolving industry and operate across various geographies, including Macau, the Philippines, and Cyprus, new risk factors may emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of these factors on our business or the extent to which any factor, or combination of factors, may cause actual results, performance or events to differ materially from those expressed or implied in any forward-looking statement. Additional factors are described in the Company's most recent *Annual Report on Form 20-F* under Item 3, "Key Information – D. Risk Factors", Item 4 "Information on the Company" and Item 5, "Operating and Financial Review and Prospects" and subsequent filings with the U.S. Securities and Exchange Commission.

In some cases, forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. All forward-looking statements contained in this Sustainability Report are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. The Company assumes no obligation to update such information.

1. 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.



OUR
STRAT
TEGY

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

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Chairman & CEO's Statement



LAWRENCE HO
CHAIRMAN & CEO

Dear Shareholders,

I consider hope as a blend of optimism and action. Action with positive engagement has been so important to our approach to sustainability. It has sustained us throughout three of the most challenging years in Melco's history; years that have been difficult for many in our communities. With border restrictions seemingly a thing of the past, I hope we will look back at this time and see it not only as "the pandemic", but as a tipping point. A moment where we took the time to sharpen our focus on the needs of the planet and those around us, and to act upon our role in creating shared value.

Success in how an organization acts on sustainability is driven, of course, by engaging colleagues. I have much to thank them for. Their continued commitment to our Above & Beyond strategy — alongside their dedicated time and energy in understanding the perspectives of our guests, suppliers and partners — has cultivated stability during this time of volatility. We have invested much into developing not only a qualified but an altruistic workforce.

Our Morpheus Moments training program, offering over 8,400 courses, received a prestigious award from the Association for Talent Development, and I've been inspired by the doubling of volunteer activities over the past year. Our "Simple Acts of Kindness" initiative has been foundational to our continued support of the elderly, our youth and those in need. Empowered by aligning themselves with what this organization stands for, an astonishing 22,000 participants volunteered their time and effort in 2022.

Over the last year, we have also reshaped and strengthened our approach to wellbeing, with a particular focus on mental health. Melco has a vital role in destigmatizing mental health concerns, and we believe no one should face a mental health challenge alone. As such, we have enhanced in-house mental wellness activities, including seminars and free counselling to normalize seeking support. We have also sponsored numerous fitness events to get our people and their endorphins on the move.

In addition to maintaining accreditation to the esteemed, internationally recognized RG Check, I am also proud that our team's efforts to promote responsible gaming was again recognized this year. City of Dreams Macau, Studio City and Mocha Golden Dragon all received perfect scores of 100% against all the assessment criteria of the Responsible Gambling Implementation Index, a government-endorsed accreditation in responsible gaming.

While our operations and communities have confronted many sustainability trials and tribulations, it is evident that these challenges also present many meaningful opportunities. If fully embraced and leveraged, we can help build a more equitable and resilient value chain, and our supply chains are critical to fostering this resilience. The disruptions to international supply chains from COVID, the war in Ukraine, and increasing climate-related disasters have heightened our focus on locally sourced products within all our jurisdictions.

From chocolate, coffee, tea and vegetables to carbon-neutral beef, across many product categories we are partnering to create an inclusive, equitable and sustainable value chain. In prioritizing local suppliers, we financially empower regional farmers and entrepreneurs by connecting them with our customers and raise awareness of the cultural aspects associated with serving local produce, all while minimizing our carbon footprint. An important part of this is our emphasis on partnerships with cooperatives focused on training and increasing women's employment opportunities. As the golden thread to simultaneously addressing a multitude of environmental and social issues, I am hopeful that Melco can demonstrate industry leadership in supply chain management — leveraging our scale to make a meaningful difference.

Beyond our approach to sustainable sourcing, we recognize our business activity has an impact on the natural environment and acknowledge in particular that we need to work harder to reduce our impact. This year we expanded our Scope 3 greenhouse gas (GHG) inventory and with its verification, we now have all our GHG emissions externally verified. We have also expanded our climate-related risk assessment, and with the rigor of the Task Force on Climate-related Financial Disclosures (TCFD) framework, used this to guide our carbon-neutral resort commitments and to address physical and transition risks.

While our operations and communities have confronted many sustainability trials and tribulations, it is evident that these challenges also present many meaningful opportunities.

As our business recovers, two more jewels in our crown will be the opening of City of Dreams Mediterranean in Cyprus and Macau's Studio City Phase 2. Both have been developed with responsibly sourced construction materials, respect for the biodiversity of the area, and advanced technology to optimize energy and water efficiency, and minimize waste.

All the above, and more, is testament to an integrated resort business operating to the highest standards and for the long term. We will continue to rise together, to go Above & Beyond, but this action will need to scale significantly to create the future that we all want. We hope this report inspires you to join us in these endeavors.

Ho, Lawrence Yau Lung
Chairman & Chief Executive Officer

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
- Minimizing any risk of occurrence or disruption from data privacy or cybersecurity events

SUSTAINABILITY AT MELCO

Performance Highlights

Restoring our World

	Goals (disclosed in 2020)	Progress in 2022	Status
ENERGY & CLIMATE RESILIENCE	Achieving carbon-neutral resorts by 2030	• 22% energy intensity reduction achieved over 2019, ahead of our target of a 3% reduction by 2030	✓ AHEAD
		• Solar photovoltaic (PV) at all properties in Macau, Manila and Cyprus. 53 electric coaches and vehicles in our combined fleet with charging stations up 25% compared to 2021	... IN PROGRESS
		• Energy-efficiency measures (EEMs) since 2018 have resulted in annualized savings of over 51.3 million kWh	★ ACHIEVED
		• BREEAM “Excellent” rating for the design stage of City of Dreams Mediterranean and Studio City 2	★ ACHIEVED
MATERIAL USE & WASTE	Achieving zero waste across our resorts by 2030	• Eliminating 1.4 million plastic bottles at our City of Dreams Manila and our Macau properties in 2022 with the NORDAQ 2000 water filtration system (NORDAQ), currently installed across 43% of our rooms and three restaurant outlets. Water refilling dispensers have also eliminated single-use plastic (SUP) water bottles in all Heart of House (HoH) areas	✓ ON TRACK
		• Continued use of sustainable, biodegradable packaging and materials in our food and beverage (F&B) operations including items made from cornstarch, bamboo fiber or paper	★ ACHIEVED
	Contributing to circular economy leadership in Asia	• Engaging with a local small and medium enterprise (SME) in Manila to recycle playing cards into a variety of packaging products	★ ACHIEVED
		• 24% reduction in waste generated in 2022 compared to 2021 and a 9% increase in waste diversion through composting and recycling	... IN PROGRESS
	Sourcing sustainable goods and services	• 36% overall increase in composting compared to 2021, with City of Dreams Manila harvesting 48% more Vermicast and 24% more Vermitea during the year	... IN PROGRESS
		• Through our “Clean Plate Challenge”, food plate waste reduced by over 24% in Macau and 50% in Manila, compared to 2021	... IN PROGRESS
	Reducing our water footprint	• Achieved annualized savings of over 463,625 m ³ through water-efficiency measures, an increase of 27% over the previous year	★ ACHIEVED

Inspiring our Communities

	Goals (disclosed in 2020)	Progress in 2022	Status
ENGAGING OUR PEOPLE	Being the company people choose to work for and stay with	• Women comprise 27% of our boards and 34% of senior management	✓ ON TRACK
		• 68% of positions at the “Vice President” level and above have been filled from within our local community	✓ ON TRACK
		• 170 average training hours per colleague in 2022, an increase of 60% over 111 hours in 2021	★ ACHIEVED
SAFETY, HEALTH & WELLBEING	Being best-in-class in safety for our guests, colleagues and community	• 99% of our colleagues completed the Hotel and Catering Safety Card Training Program training in 2022	★ ACHIEVED
		• Close to 500 colleagues participated a series of “Feel Better” in-house mental wellness seminars, organized with our partner, The Women’s General Association of Macau	★ ACHIEVED

RESPONSIBLE GAMING	Promoting responsible gaming and an attitude of staying in control	<ul style="list-style-type: none"> • First and only integrated resort operator globally to be recognized by RG Check in all our jurisdictions • Achievement of a perfect score of 100% with Macau's Gaming Inspection and Coordination Bureau's (DICJ) Responsible Gambling Indicators in 2022 at our City of Dreams Macau, Studio City and Golden Dragon properties 	<p>★ ACHIEVED</p> <p>★ ACHIEVED</p>
COMMUNITY ENGAGEMENT & INVESTMENT	Supporting our communities and strengthening their economic prosperity	<ul style="list-style-type: none"> • 2,276 community activities organized, a 104% increase from 2021 with over 22,300 Melco volunteer participants • Awarded "Outstanding Corporate for Volunteerism" by the Association of Volunteers Social Service Macao • Our in-house, HoH Roadshows generated over US\$1 million worth of business for more than 170 local SMEs 	<p>★ ACHIEVED</p> <p>★ ACHIEVED</p> <p>★ ACHIEVED</p>

Sustaining our Supply Chain

	Goals (disclosed in 2020)	Progress in 2022	Status
ETHICAL & SUSTAINABLE SUPPLY CHAIN	<p>Procuring locally and creating demand for materials that have sustainability attributes in the supply chain</p>	<ul style="list-style-type: none"> • 93%, 89% and 50% of our purchasing was from local companies in Macau, Manila and Cyprus, respectively, with 54% of our purchasing in Macau from local SMEs 	<p>★ ACHIEVED</p>
	<p>Building capacity and awareness of the social, ecological and biodiversity impacts in sourcing</p>	<ul style="list-style-type: none"> • 95% of tea served at City of Dreams Manila has sustainability attributes and 100% of coffee purchased in Manila is home-roasted and procured from local suppliers through the Philippines Coffee Board (PCB)-Le Café Filipina 	<p>★ ACHIEVED</p>
	<p>Enhancing workers' lives and working towards eliminating human trafficking and modern slavery in our industry and supply chains</p>	<ul style="list-style-type: none"> • 100% of our bed and bath linen sourced in 2022 is OEKO-TEX®-certified, ahead of our 2030 target • Almost 90% of chemicals sourced in 2022 are in the Green and Amber categories, ahead of our 2025 target • Sustainable seafood purchases accounting for 19% of all seafood purchased by weight for our properties in Macau and Manila, an increase of 4% over the previous year and in line with our target to purchase 20% of seafood from sustainable, local, and/or globally recognized certification schemes by 2025 • 21 capacity-building workshops held on sustainability best practices, with 115 attendees to date, including 93 SMEs attendees • 100% completion of training pertaining to modern slavery by our supply chain team in 2022 • Extending the Mekong Club training on modern day slavery via the Melco Learning Academy to our suppliers 	<p>✓ AHEAD</p> <p>✓ AHEAD</p> <p>... IN PROGRESS</p> <p>... IN PROGRESS</p> <p>★ ACHIEVED</p> <p>... IN PROGRESS</p>

Empowering our Business

	Goals (disclosed in 2020)	Progress in 2022	Status
ETHICS & INTEGRITY	<p>Being the world's most responsible, ethical and transparent integrated resort</p>	<ul style="list-style-type: none"> • 97% completion rate of our Corporate Governance induction training on Melco's Code of Conduct in 2022 • No material incidents of corruption, anti-competitive behavior or monopolistic practices reported • Continued ethics training and capacity-building programs for our suppliers that include business conduct, conflict of interest management, confidentiality and anti-bribery offered in 2022 	<p>★ ACHIEVED</p> <p>★ ACHIEVED</p> <p>... IN PROGRESS</p>
PRIVACY & CYBERSECURITY	<p>Minimizing any risk of disruption from data privacy or cybersecurity concerns</p>	<ul style="list-style-type: none"> • Procured cyber insurance to protect Melco against financial losses caused by potential cybersecurity incidents • No complaints or instances of data or customer privacy breaches were reported in 2022 	<p>★ ACHIEVED</p> <p>★ ACHIEVED</p>

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 groups², their influence over Melco, methods of engagement, as well as 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 license 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
- 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

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

Guests

Patronize 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 licenses 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 Melco'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 SME engagement
- Managing environmental impacts such as 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. license 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 of directors of Melco Resorts & Entertainment (the "Board") for understanding Board dynamics and engagement over ESG performance

**SUSTAINABILITY AT MELCO
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 Melco's operations to minimize waste and reduce unnecessary material usage (e.g. biodegradable products)
- Implementing strict health and safety measures against COVID-19
- Contributing to local communities and publicizing information on international events in relation to culture and heritage
- Protecting consumer data and ensuring a high level of security and integrity for data management

Non-governmental Organizations (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 Melco's sustainability initiatives
- Increasing transparency on sustainability performance

SUSTAINABILITY AT MELCO

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 concerns³, changes in the regulatory and disclosure landscape, as well as our business context and trends in our sector and globally. The table below summarizes 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 recognize 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

Identification of sustainability issues & stakeholder engagement

1

Melco bases the identification of sustainability issues on:

- Industry research and trends
- Peer benchmarking
- Stakeholder engagement
- Media coverage
- International sustainability initiatives (e.g. SDGs)
- Sustainability reporting frameworks (e.g. GRI Standards)

Stakeholder groups include, but are not limited to:

- Board members
- Customers/Guests
- Melco employees and contractors
- Government representatives
- Investors
- Suppliers
- NGOs
- Academic institutions

Stakeholders were invited to rank sustainability issues based on the significance of Melco's impacts on the economy, environment, and people, including their human rights:

- One-on-one interviews with internal and external stakeholders

Evaluation of impacts

2

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

Outcomes & validation

3

- Refined our stakeholder engagement process and framework to integrate the updated GRI Standards' criteria focusing on impact
- Prioritized 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 our 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

Next steps

4

- 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 Melco's sustainability strategy

3. 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
ASSESSING MATERIALITY

Our Impact along the Value Chain


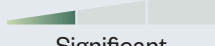



The table below presents the results of the 2022 assessment process that aligned with the updated GRI Standards, grouping the sustainability issues based on the significance of their impact in the near term and how they align with the RISE pillars of our Above & Beyond sustainability strategy and its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

SUSTAINABILITY AT MELCO ASSESSING MATERIALITY

Relative Impact at Value Chain Location

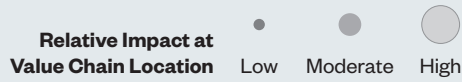
Low
 Moderate
 High

Negative	LOCATION OF IMPACT ALONG THE VALUE CHAIN			OVERALL SIGNIFICANCE OF IMPACT
	Upstream	Operations	Downstream	
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
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 license 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 Melco’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.

SUSTAINABILITY AT MELCO ASSESSING MATERIALITY



Negative	LOCATION OF IMPACT ALONG THE VALUE CHAIN			OVERALL SIGNIFICANCE OF IMPACT
	Upstream	Operations	Downstream	
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 license 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 Melco'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

Sustainability Risk Management

Risks continue to be increasingly interconnected and widespread across our business and the societies in which we operate. The COVID-19 pandemic continued to create a challenging operating environment for us in 2022, particularly in Macau, due to prolonged border restrictions. We again used this as an opportunity to further collaborate with governments, institutions and partners, deepening our actions to build a more resilient business and supply chain for the benefit of our stakeholders, the community and the planet.

In ensuring a united response to business and systemic risks, our Enterprise Risk Management (ERM) framework is informed by the industry-standard ISO 31000:2018. It provides the process and principles for managing risks that impact our strategic and operational objectives, and our ability to create shared value.

The Board oversees the ERM process through the Audit and Risk Committee. While our Chief Risk Officer (CRO) is operationally responsible for the process, all colleagues are supported to participate in identifying and mitigating existing, new and emerging risks.

Existing and emerging 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 informed by the 4Ts:

Treat, Tolerate, Transfer or Terminate. Monthly risk management meetings at each property provide an opportunity to confirm new mitigating measures when necessary. In addition, Melco will circulate new or revised policies and procedures through email, the intranet and other management meetings where appropriate.

The 4Ts of Risk Management

Treat
Tolerate
Transfer
Terminate

SUSTAINABILITY AT MELCO

Evolving Risks and Opportunities

The risks that we have recently identified as changing most rapidly, our Evolving Risks, as well as our robust mitigation efforts and the inherent opportunities, are detailed below.

Financial Sustainability

The COVID-19 pandemic continued to significantly impact our financial performance and liquidity in 2022.

While quarantine-free travel within Greater China resumed in early 2023, the pace of recovery for our Macau operations is still highly uncertain. It will depend on visa issuance policies and the People's Republic of China (PRC) government's responses to any future outbreaks. Longer-term impacts may also be encountered due to potential declines in income/wealth levels, affecting discretionary spending and travel.

MITIGATING MEASURES

- Employing cost-containment and financing measures to manage our financial sustainability
- Evolving and diversifying our business model through the development of future-fit integrated resorts. Refer to "Economic Diversification" below

OPPORTUNITY

We have maintained a strong cost discipline throughout the pandemic and will continue to apply such discipline as operations return to normal.

SUSTAINABILITY AT MELCO EVOLVING RISKS AND OPPORTUNITIES

Economic Diversification

Melco understands that the long-term financial sustainability of the gaming industry is underpinned by economic diversification, and we have several strategies in place to achieve this objective. In Macau, our key operating jurisdiction, Melco strongly supports the Macau Special Administrative Region (SAR) Government's development objectives to establish Macau as a World Center of Tourism and Leisure, and promote its own economic diversification. Melco has committed to invest US\$1.5 billion in Macau over the next decade, including US\$1.2 billion of the total investment in the non-gaming segment.

MITIGATING MEASURES

- Melco has announced Asia's first ever residency show with superstars Aaron Kwok, Leon Lai and Joey Yung performing a collective 90 shows at Studio City Event Center in Macau between 2023 and 2025
- In the coming years, Melco will also revamp and relaunch the House of Dancing Water, open the only year-round indoor water park and outdoor waterpark for the summer months in Macau, unveil a Splendors of China Museum, and launch a Cineplex at Studio City
- In 2024, Melco aims to open the iRad Polyclinic at Studio City, a first-class imaging and diagnostic medical check-up center, helping to promote Macau as a comprehensive wellness body check-up destination with full-fledged medical offerings
- In recent years, we have also focused on international diversification, expanding our footprint outside of Asia and into Europe. In Cyprus, we are developing City of Dreams Mediterranean, a new integrated resort project set to open in 2023. The resort includes a five-star hotel, expansive space for Meetings, Incentives, Conferences and Exhibitions (MICE), a casino, an outdoor amphitheater, a family adventure park and a variety of fine-dining and luxury retail outlets

OPPORTUNITY

Support and partner with the governments in the jurisdictions in which we operate to champion economic diversification in the gaming industry.

Data Privacy

Data privacy laws continue to tighten globally. Along with the increasing cost of compliance, privacy breaches may adversely impact our ability to interact with our customers. There are limited precedents on recently effected laws affecting the Company, such as the European Union's General Data Protection Regulation, which became effective in May 2018. The PRC Personal Information Protection Law also took effect in November 2021, covering the processing of personal information within mainland China and certain personal information processing activities outside the country. Although we do not process any personal information in mainland China, there remain uncertainties regarding the interpretation and implementation of the law. It could be deemed to apply to companies operating in Macau, like us.

MITIGATING MEASURES

- Appointing Data Protection Officers in each jurisdiction
- Protecting the data subject rights of our customers, employees and other stakeholders by keeping the consent forms, privacy policies and operational procedures up to date with the legislative requirements
- Maintaining an Information Security Incident Management Policy, covering detailed procedures to manage a security incident and to minimize any resulting impact

OPPORTUNITY

The enactment of laws in certain jurisdictions has seen Melco heighten our approach to data privacy across all jurisdictions.

**SUSTAINABILITY AT MELCO
EVOLVING RISKS AND OPPORTUNITIES**

Cybersecurity

Cyber risk continues to intensify globally, with cyber criminals employing increasingly sophisticated methods, with well-publicized attacks on large corporations occurring in 2022. Coupled with rapid changes in related technology, regulations and standards, there is a risk of being subject to a cyberattack and/or being ineffective in managing a data breach incident. This could significantly damage our reputation and relationships with stakeholders, causing financial loss and regulatory fines.

MITIGATING MEASURES

- Protecting Melco’s IT infrastructure and systems with a comprehensive Information Security Management System certified to ISO 27001
- Engaging an independent third-party expert in 2022 to run a cyber crisis drill in Manila and develop “lessons learned” to enhance cyber crisis procedures globally
- Partnering with an external, highly regarded firm to further enhance information security posture against security breaches and mitigate cybersecurity threats
- Conducting mandatory online and face-to-face training on cybersecurity

OPPORTUNITY

Partnership with industry leaders in data and cybersecurity enables Melco to significantly increase in-house capacity, without impacting resources and cost, all while employing the industry’s most advanced detection and response solutions.

Climate Action Failure

While Melco remains committed to carbon neutrality by 2030, achieving our goal requires a systematic, united approach within our business ecosystems, including working with infrastructure developments and governments. In certain jurisdictions where Melco operates, access to renewable energy sources is limited, affecting the rate at which we can adopt alternative energy over the short and medium terms.

MITIGATING MEASURES⁴

- Oversight of the Carbon Neutral Working Group to continually evolve our approach to GHG emission reduction and to assessing, mitigating and adapting to climate-related risk
- Conducting GHG accounting and verification in compliance with the [ISO 14064-3:2019](#) standard, including the expansion of our Scope 3 GHG emission inventory
- Incorporating environmental features into building design and facilities, and adopting energy-efficiency practices
- Offsetting by purchasing Energy Attribute Certificates (EACs) issued according to I-REC Standard⁵ requirements

OPPORTUNITY

Our commitment to carbon neutrality by 2030 drives us to uncover innovative technologies and approaches to operate more efficiently and sequester our GHG emissions. Our proactiveness in addressing climate resilience across our value chain can provide a genuine first-mover advantage.

4. For detail on our mitigating measures, refer to our TCFD Content Index section on page 112.

5. The International Attribute Tracking Standard.

SUSTAINABILITY AT MELCO

Our Risk Universe

Melco operates in a dynamic environment in which the risks affecting our business are constantly changing. We continually assess our risk universe to understand the rate at which the nature of each risk is changing. Risks that are rapidly changing require a preventative, responsive risk management approach, while risks with a more gradual rate of change remain subject to our active and ongoing management efforts.



SUSTAINABILITY AT MELCO

Awards, Certifications and Recognition

Melco continually assesses and aligns sustainability performance in the context of global sustainable development goals and recognized 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 Cyprus recognized 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 recognized with the CEM Excellence Award for “Macau Energy Saving Activity 2022”, Hotel Group B
- Nūwa Manila, Nobu Hotel and Hyatt Regency Manila at City of Dreams Manila recognized 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 having achieved a perfect score of 100% against the Responsible Gambling Indicators, which is endorsed by the Gaming Inspection and Coordination Bureau (DICJ)
- Melco’s 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 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 organization in the hotel and entertainment industry to have achieved ISO 45001 certification in Macau, as recognition of the occupational safety and health 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 GDP (formerly known as Carbon Disclosure Project)
- City of Dreams Manila received special recognition at the *Manila Bulletin* Sustainability Forum for reducing SUP within its integrated resorts in 2022
- City of Dreams Manila was recognized 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

Restoring our World

CONSERVING RESOURCES, ENHANCING
CLIMATE RESILIENCE AND RESTORING OUR ECOSYSTEMS



QUICK ACCESS TO MATERIAL TOPICS

Energy & Climate Resilience	028
Material Use & Waste	036

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 a total of 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 liters of vermicast and vermitea, respectively, over the year. This nutritious fertilizer supports our rooftop garden to produce over 276 kg of herbs for our restaurants
- Unused furniture, kitchenware, linen and towels were donated to two recognized 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 at the top, by our Chairman & CEO. His vision is for Melco 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, Melco has established a culture where accountability for sustainability is embedded across all functions and levels of our organization.

Our Executive Sustainability Committee, chaired by our Senior Sustainability Advisor, leads the evolution of our sustainability strategy, including reviewing progress against our commitments at quarterly meetings, implementing initiatives, and engaging with experts and stakeholders. This committee reports and provides quarterly updates to the Board of Directors on progress. Please refer to our [Corporate Governance Structure](#) section on page 078 for details.

To deliver on our strategy, we have established a Roadmap and Action Plan to achieve our overarching goals for carbon neutrality and generating zero waste by 2030. Our roadmap includes detailed initiatives for sustainable buildings, clean energy, waste reduction, water management and sustainable sourcing, aiming to reduce our environmental footprint and build climate resilience. 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 the Executive Sustainability Committee. Our robust structure for implementing our strategy draws upon the expertise of our colleagues and advisors, enabling collaboration and the sharing of insights across the business. This approach breaks down silos, making our sustainability endeavors more collaborative, which is crucial to driving initiatives across the organization.

As we work towards our ambitious timeline, engaging our colleagues as well as our business partners, suppliers, tenants and guests is critical. The Melco Learning Academy plays a pivotal role in equipping our colleagues, suppliers and tenants with the necessary information and tools to deliver on our sustainability agenda. From awareness-raising sessions to tailored courses, our stakeholders are supported and equipped to identify and take actions that further progress towards our goals and targets.

KEY GOALS

- Achieving carbon-neutral resorts⁶ by 2030⁷
- Achieving zero waste⁸ 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 targets⁹, we have set aligned targets for our properties, all based on our baseline year of 2019.

- 5% tCO₂e/m² intensity reduction in Scope 1 and 2 GHG emissions¹⁰ by 2030, with ambitions for 22% reduction
- 3% kWh/m² intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level
- 19% m³/m² intensity reduction in water consumption by 2030
- 5% tonnes/m² intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction

MATERIAL TOPICS

Energy & Climate Resilience	028
Material Use & Waste	036

HIGHLIGHTS

Decarbonization

A foundational step in our decarbonization journey has been establishing our Roadmap and Action Plan, taking steps towards 2030 to reduce and decarbonize our energy consumption, and establishing systems to measure, track and validate results. In 2022, this vital groundwork included extending our Scope 3 GHG emission inventory, preparing for its verification, and expanding our assessment of climate-related risks and plans to address physical and transition risks. We also continued to reduce the GHG intensity of our F&B operations by increasingly adopting locally sourced and reduced-impact food categories and through our food waste reduction, composting and vermiculture initiatives.

Single-use Plastic

Since launching NORDAQ, we have now rolled it out across 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 in 2022. The rollout of NORDAQ across all our properties continues to gain traction, supporting our commitment to eliminating SUP from our value chain. Once fully operational, across all our properties in Macau alone, we will eliminate 14.8 million plastic bottles annually at normalized business volumes.

Food Waste

In 2022, we continued our “Clean Plate Challenge” which has reduced food plate waste by over 24% in Macau and 50% in Manila compared to 2021. In addition to the efforts of our colleagues to make a difference, the success of this initiative was also based on our collaboration with Winnow and the London School of Economics and Political Science to explore the use of Artificial Intelligence technology and behavioral science to reduce food waste in colleague dining rooms.

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 towards our environmental objectives. We will sustain and expand these efforts as business and occupancy at our properties improve.

2023 AND BEYOND

Our commitment to building climate resilience is resolute — driving us to explore options for meeting our decarbonization 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.

6. 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.

7. 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.

8. 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.

9. Data for compiling our intensity targets and the baseline year of 2019, have been externally verified.

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

RESTORING OUR WORLD

Energy & Climate Resilience

OUR COMMITMENT

With climate action failure, extreme weather and biodiversity loss identified as the top three most severe global risks¹¹, 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
- Minimizing the impact of our business on ecology and biodiversity
- Improving the operational performance of all our resorts year-on-year
- 5% tCO₂e/m² intensity reduction in Scope 1 and 2 GHG emissions¹² by 2030, with ambitions for 22% reduction at the property level
- 3% kWh/m² intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level

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

12. 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 decarbonize 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 the 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 programs 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.

We voluntarily aligned our climate-related strategy and disclosures with the TCFD framework developed by the Financial Stability Board. In 2022, Melco 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 summarized in the table on the right.

TCFD Response (Summary of Findings)

The full TCFD report, detailing our approach to governance, strategy, risk management, metrics and targets on climate-related risks and opportunities can be found in the [TCFD Content Index on page 112](#).

Climate-related Risks

Transition risks

- *Regulatory pressures and carbon pricing*
Melco 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 Melco 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 decarbonize our operations, mitigate the risks relating to rising fossil-fuel-based energy prices and minimize disruption from severe weather events to our energy supply

ENERGY & CLIMATE RESILIENCE

HOW WE ARE MANAGING IT

Sustainable Design

Melco'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 at our City of Dreams Mediterranean and Studio City Phase 2 properties, with both achieving the 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 photovoltaic panels and infrastructure to support electric vehicles (EV). Refer to our [2021 Sustainability Report](#) for details.

As a business that recognizes that we are only as good as our people, it would be remiss not to mention our colleagues whose efforts and commitment to sustainability have not gone unnoticed. In recognition, we'd like to highlight that Vincent Wong, our Executive Director of Property Services at City of Dreams Macau, was awarded the Stelliers "Green Award" for the hospitality industry in 2022.

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 acclimatized 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 properties¹³ whenever possible. We monitor our consumption monthly and continue exploring opportunities to increasingly adopt PV panels and other renewable energy options across our portfolio.

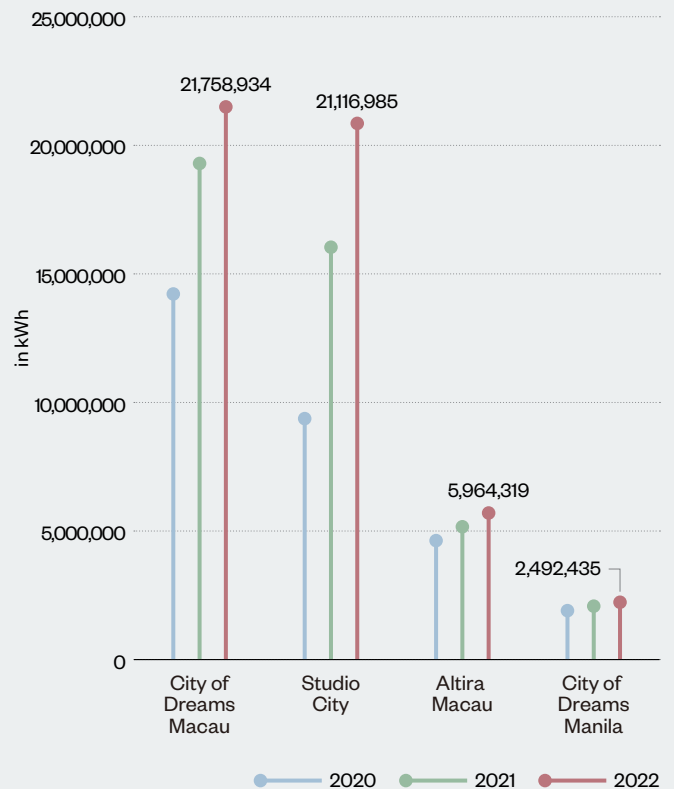
In 2022, and in comparison with the previous year, energy consumption in absolute terms and intensity increased by 2% and 3%, respectively. Despite visitation rates to our properties globally decreasing by 17%, the slight upward trends are primarily attributable to jet fuel consumption. Of note, electricity 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 22%, 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 EEMs have resulted in cumulative, annualized 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.

We will continually review and implement new reduction and efficiency opportunities to build energy resilience and increase investment in renewable energy. Our Executive Sustainability Committee and steering committees continue to prioritize these actions, engaging with stakeholders and technical experts to ensure we are positioned to achieve our goals.

Calculated kWh Savings based on Cumulative Annualized EEMs¹⁴ (in kWh)

> 51.3 million kWh total accumulated annualized savings



13. 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, Melco 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 Melco's Macau and Hong Kong corporate headquarter offices.

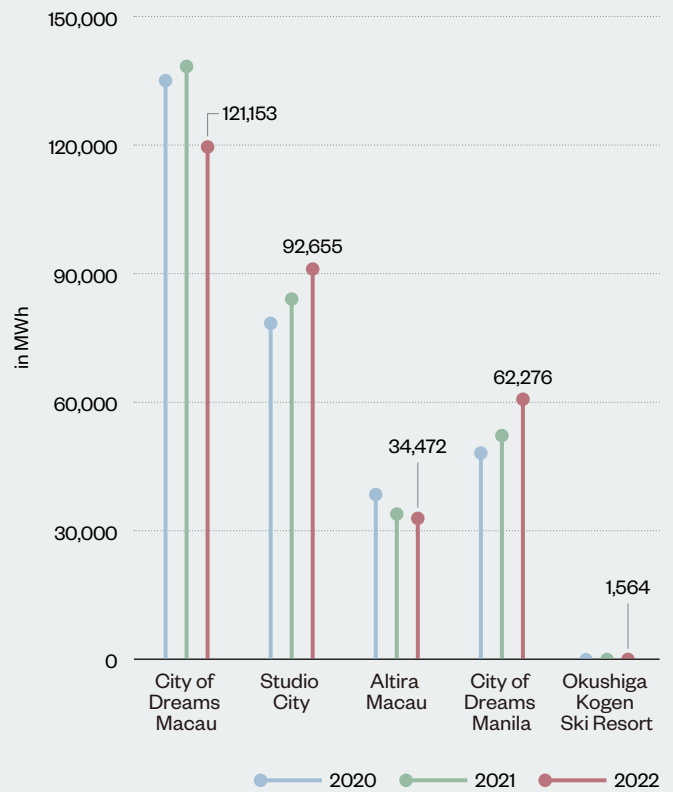
14. 2021 annualized savings for City of Dreams Manila have been restated.

ENERGY & CLIMATE RESILIENCE HOW WE ARE MANAGING IT

Energy Consumption by Source and Intensity
(in MWh)

	2022	2021	2020
Fuel consumption from non-renewable sources	58,381	47,770	50,738
Electricity consumption from non-renewable sources	330,179	333,985	326,116
Electricity consumption from renewable sources ¹⁵	1,525	1,478	1,555
Total energy consumption	390,085	383,233	378,409
Energy intensity (in MWh/m ²)	0.28	0.27	0.27

Total Resort-level Purchased Electricity Consumption
(in MWh)



Increased electricity consumption at Studio City can be attributed to the ramping up of operations at Studio City Phase 2. The increase at City of Dreams Manila has been driven by the 34% rise in visitation in 2022, over the previous year, following the easing of restrictions in the Philippines.

Renewables

In 2022, we made further progress on our EV program. 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-meter, 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 tCO₂e 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 decarbonization.

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 EACs issued according to the I-REC Standard 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 program. To remain accountable and transparent, we have expanded and standardized disclosures of our Scope 3 emissions in line with best practice.

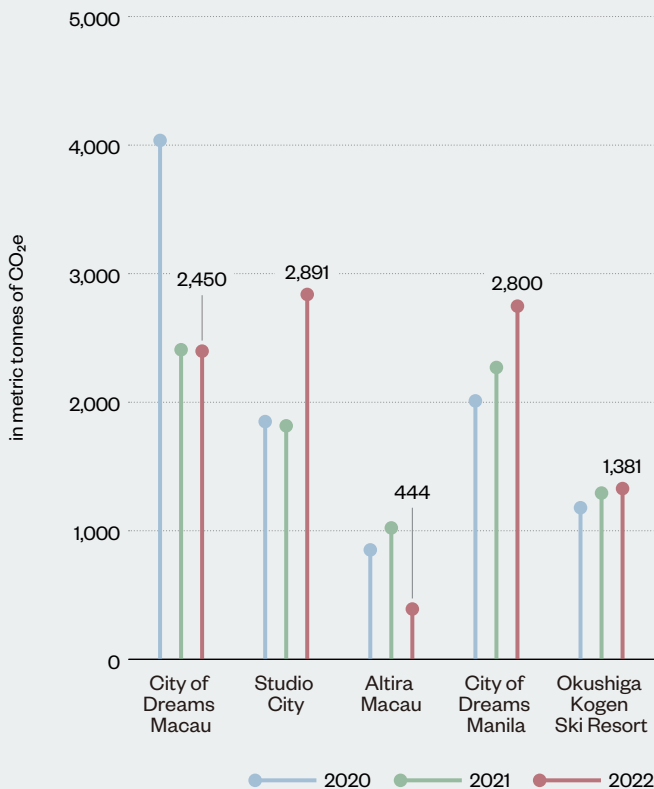
At a property level in 2022, reductions in GHG emissions achieved are primarily attributed to reduced visitation in Macau and normalized usage of refrigerants at Altira Macau following a substantial replenishment in 2021. The increase in Scope 1 GHG emissions at Studio City was driven by the replenishment 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 absolute and intensity terms, increased by 15% and 12%, respectively, in 2022 compared to 2021. They both decreased by a considerable 42% over our 2019 baseline year, exceeding our target of 5% reduction by 2030.

15. 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.

ENERGY & CLIMATE RESILIENCE HOW WE ARE MANAGING IT

Total Resort-level Scope 1 and 2 (market-based)¹⁶ GHG Emissions

(in metric tonnes of CO₂e)



Absolute GHG Emissions by Scope and Intensity

(in metric tonnes of CO₂e)

	2022	2021	2020
Scope 1 emissions	17,142	14,842	16,011
Emissions from stationary fuel combustion	4,962	5,237	4,962
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)	208,510	211,787	206,420
Scope 2 emissions (market-based) ¹⁶	210,241	264,659	250,972
Total Scope 1 and 2 emissions (market-based)	17,142	14,842	16,011
Total Scope 1 and 2 emission (market-based) intensity by floor area (in metric tonnes of CO ₂ e/m ²)	0.012	0.011	0.011

Scope 3 GHG Emissions¹⁷(in metric tonnes of CO₂e)

	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 CO₂e /m²)¹⁸	0.27

Scope 3 emissions arise from upstream activities such as emissions from Furniture, Fixtures and Equipment (FFE), 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 standardized 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.

16. Scope 2, market-based emissions are offset through purchasing renewable energy through I-RECs and other instruments. Refer to the section on Renewables on page 033 for details.

17. Refer to Performance Metrics on page 095 for detailed footnotes of Scope 3 GHG Emissions.

18. 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.

RESTORING OUR WORLD

Material Use & Waste

OUR COMMITMENT

Bold and holistic action is required to ensure natural capital is safeguarded for generations to come. 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 generate waste, seeking to minimize lifecycle impacts and adopt circular economic models.

OUR TARGETS

- Achieving zero waste across our resorts by 2030
- 19% m³/m² intensity reduction in water consumption by 2030
- Increasing our capacity for greywater recycling across all our properties
- 5% tonnes/m² 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 programs and conducting initiatives, focusing predominately on food waste and the reduction of SUP. Attention is directed to delivering and continually enhancing various training programs 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 of 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 other categories in process. Details on our sourcing practices can be found in the [Ethical & Sustainable Supply Chain](#) section of this report on page 068.

Eliminating Plastic

Melco remains a signatory to the Global Tourism Plastics Initiative (GTPI)¹⁹, 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 roadmap²⁰ 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. In 2022, GTPI released its new methodology²¹ for accommodation providers, which guides the prioritization of different plastics in terms of data collection and reporting. Plastic items and packaging have been analyzed and grouped into three categories, with priority given to Category 1: “problematic or unnecessary plastic packaging”. The total weight of each item will be reported along with Melco’s plan to reduce consumption of specific items in subsequent years. Category 1 items include takeaway cups, lids, containers, toothbrushes, water and toiletry bottles, stirrers and straws, among others.

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. Our roadmap to eliminate packaging that is not reusable, recyclable or compostable includes:

Internal operations

- Eliminating SUP bottles, shoe mitts, razors, toothbrushes and toothpaste, with plans to recycle and/or replace these with alternatives in all guest areas. Less-frequently used single-use items are only provided upon request
- Replacing all SUP F&B containers and utensils with biodegradable, sustainable alternatives, including items made from cornstarch, bamboo fiber or paper, which was completed in 2021

- Implementing a reuse and recycle model through water refilling stations, as well as establishing bottling plants across our properties to provide water for guests in refillable glass bottles (see details on our NORDAQ implementation on [page 038](#))
- Replacing small, disposable bottles with large-sized, refillable dispensers for shampoo and other amenities in guest rooms and spas. In 2022, this switch was completed at both Studio City towers, NÚWA Macau, Altira Macau and City of Dreams Manila, resulting in the elimination of approximately 4.2 million SUP bottles
- Redesigning and standardizing plastic bottles in existing operations across properties in Macau to support recycling streams, and sourcing bottles made with recycled polyethylene terephthalate (rPET), as interim measures along our path to zero waste

External stakeholders – suppliers

- Proactively engaging with suppliers to avoid disposable packaging, particularly SUP, in favor of reusable and/or lower-impact options
- Encouraging our suppliers to develop and incorporate specifications into tenders, purchase orders and other agreements to increase demand for reduced-impact products, packaging and services based on circular economy principles
- Engaged with our cage-free egg suppliers to improve packaging by reducing reliance on SUP and enhancing labeling

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

20. <https://www.unwto.org/sustainable-development/global-tourism-plastics-initiative>

21. <https://www.oneplanetnetwork.org/sites/default/files/from-crm/221005%2520-%2520Measurement%2520Monitoring%2520Methology%2520-%2520Digital.pdf>

MATERIAL USE & WASTE HOW WE ARE MANAGING IT

Tenant awareness

To manage our overall waste impact, 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. In 2022, this was extended to include compliance with a local ban on Styrofoam in Macau. We continued to enhance our standardized bin system to increase tenant awareness and action on recycling. We also shared our experience and tips from internal Zero Waste Working Group meetings at all our properties to encourage our tenants to implement similar initiatives. Train-the-trainer sessions on enhancing waste separation and recycling procedures, which were delayed due to pandemic restrictions, will be rolled out to tenants in 2023.

Progress in 2023 with NORDAQ

In 2020, Melco became the first integrated resort to commit to a global rollout of the NORDAQ 2000 water purification and bottling solution. Our goal in implementing this system is to gradually replace SUP bottles with refillable glass bottles at all of our operations. This initiative has continued to gain traction through 2022, with NORDAQ installed across 43% of all 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 normalized business volumes.

Complementing the NORDAQ solution, water refilling dispensers in all our HoH areas in Macau, Manila and Cyprus²² will enable us to avoid 2.8 million SUP bottles once operations fully resume. Our spas and fitness centers have been equipped with water filters and serving glasses, reducing the use of SUP bottles and disposable plastic or paper cups. Where the use of plastic bottles is unavoidable, we use rPET bottles that are made from recycled plastic whenever possible.

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, an increase of 9% 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 Zero Waste Working Group continues to monitor our composting efforts across our properties. Best practices trialed and implemented at locations are recommended to our colleagues globally to ensure our efforts are not limited to specific locations and properties. Our efforts at City of Dreams Manila in producing 100% organic fertilizers continues to gain momentum. In Manila, 7,011 kg of Vermicast (up from 4,731 kg in 2021) and 3,324 liters of Vermitea (up from 2,684 liters 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

We understand the material impacts that food production, harvesting and our waste have on the environment. With food waste accounting for 43% of our total waste stream²³, 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

A tangible way we can control food waste is by reducing plate waste. The first step in this process is empowering our colleagues, guests and stakeholders through awareness of food waste issues, and understanding how their decisions make a difference. Our collaboration with Winnow and the London School of Economics and Political Science to trial communication campaigns to change colleagues' behavior in 2021 was crucial in making this happen.

In addition, owing to the increased awareness and success of the "Clean Plate Challenge", we have continued this initiative through 2022. Plate waste has reduced by 50% in grams per cover at City of Dreams Manila. At the same time, our colleagues in Macau continued the campaign to achieve measurable change in behavior and reduced plate waste. Other initiatives that have contributed to reduced plate waste include:

- Reducing serving sizes of dishes (of pre-portioned meals) implemented since the beginning of the COVID-19 pandemic
- Using measuring cups to portion out rice, contributing to both health and waste reduction goals
- Constantly reviewing feedback through surveys and taking action to remove unpopular dishes and to improve both food quality and menu offerings

Construction Waste and Optimized Building Infrastructure

At City of Dreams Mediterranean a plan for the reuse, recycling and recovery of materials throughout the construction process is in place, guided by the following targets:

- Reducing construction waste by ≥ 12.5 tonnes per 100 m² generated. Procedures are in place to minimize waste, including wastage of raw materials by ordering construction materials "just in time" and through their proper handling and storage
- Diverting $\geq 70\%$ by weight or 60% by volume of construction waste from landfill

In addition, 28% of the total volume of material required for sub-bases and building foundations, as well as for gravel landscaping uses, comprises recycled material captured from site excavation during the construction phase.

Our buildings have the infrastructure to ensure waste reduction is maximized. Capacity for collecting, sorting and storing recyclable materials was considered in the planning of Studio City Phase 2 in Macau. Likewise, the City of Dreams Mediterranean property is designed to accommodate the segregation and management of recyclable and compostable waste streams. In addition to prioritizing this at new properties, we continue to seek ways to enhance waste systems across existing properties. Details can be found in the section on Waste Diversion below.

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 make further strides in this realm as border and other restrictions ease and occupancy at our resorts increases.

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

23. 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 and our tenants, guest rooms and onsite facilities.

MATERIAL USE & WASTE HOW WE ARE MANAGING IT

Material Diversion and Waste Generation²⁴ with Intensity (in metric tonnes)

	2022	2021	2020
Composting	262	192	36
Recycling	735	720	319
Total materials diverted	997	912	355
Incineration	5,657	7,624	6,788
Landfill	1,026	1,160	1,131
Total waste generated	6,683	8,783	7,919
Total materials diverted and waste generated	7,680	9,695	8,274
Waste generation intensity (in metric tonnes/m ²)	0.005	0.007	0.006

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. We will continue to expand such circular economy solutions across all our locations.

KAIZEN Review

Following the success of the KAIZEN review undertaken in 2021, with its results enhancing waste handling processes and recycling capture rates at our City of Dreams Macau, Studio City and Altira Macau resorts, we decided to conduct periodic reviews going forward. In 2022, we focused on opportunities to reduce waste and improve both waste segregation practices and the capture of plastic bottles for recycling at all our properties in Macau. Following our KAIZEN team's observations, several actions that are now being rolled out include:

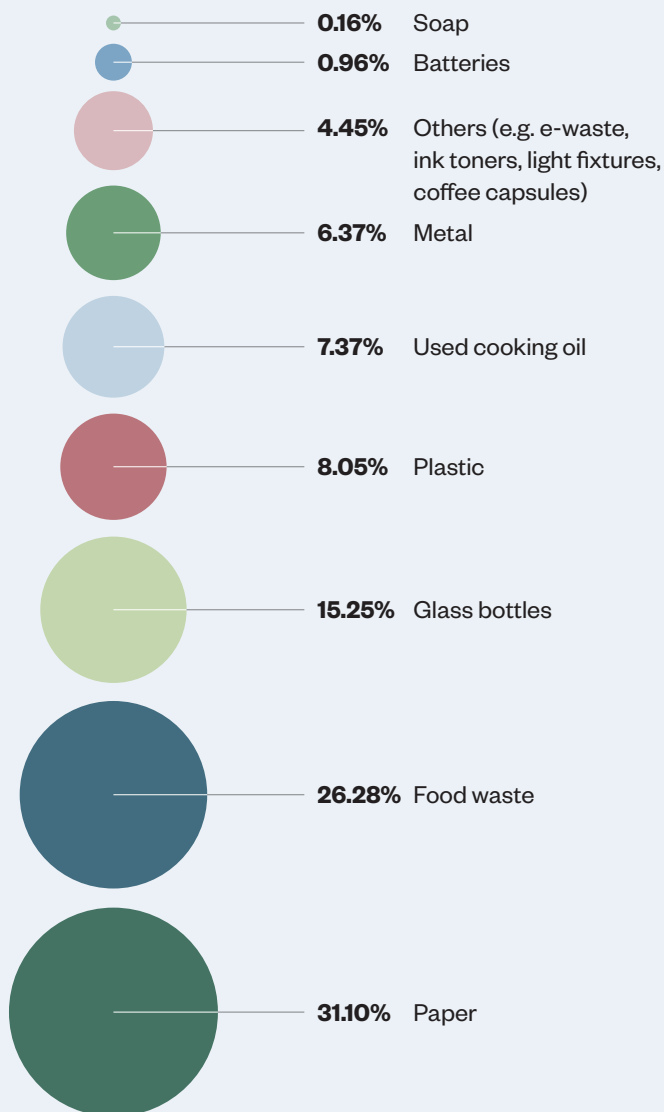
- Optimizing cleaning processes to reduce chemical usage
- Eliminating redundant processes and optimizing routes for waste collection to save time and resources
- Improving access to recycling bins, including educating suppliers on the use of these during delivery
- Providing training to increase awareness of plastic recycling, including the suitability of items and proper cleaning to enhance recovery rates
- Setting up new booths every six months that use gamification to raise internal awareness of proper recycling
- Training colleagues on the use of composting equipment to minimize the risk of damage and improve the output

Our next KAIZEN review will target food waste separation, which is expected to commence in the first quarter of 2023.

²⁴ Refer to Performance Metrics on page 097 for information on hazardous waste generation.

MATERIAL DIVERSION BY TYPE IN 2022

997
metric tonnes
DIVERTED IN 2022



Total Waste Generated (in metric tonnes)

6,683

Composting (in metric tonnes)

262

Waste Generation Intensity (in metric tonnes/m²)

0.005

Recycling (in metric tonnes)

735

MATERIAL USE & WASTE

HOW WE ARE MANAGING IT

Water

The responsible management of our water resources is vital. The way we conserve, source and consume water not only impacts our footprint and resource efficiency, but how we discharge wastewater can impact the aquatic ecosystems surrounding our properties. Across all our operations, we have several efficiency measures to reduce consumption, including automatic sensors on faucets, and water-saving toilets and showers. We utilize extensive planting at our properties to minimize 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 annualized savings of over 200,000 m³ 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 integrated 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 hand wash 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

Our total water consumption and water intensity across our properties 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 annualized savings of over 463,600 m³ in 2022, an increase of 27% over the previous year.

Calculated Savings based on Cumulative Annualized Water-efficiency Measures (WEMs)

(in m³)

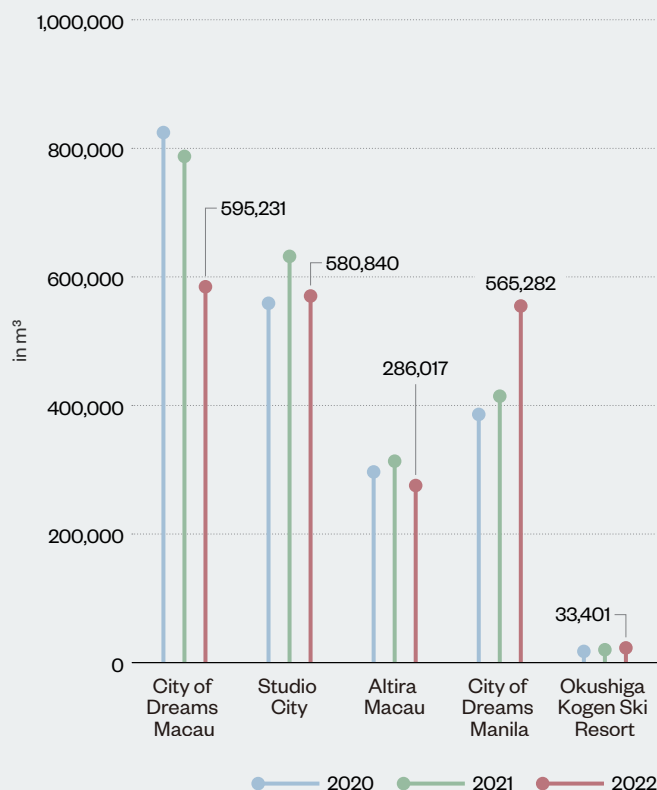
Property	Annualized Water Savings (m ³)	
	2022	2021
City of Dreams Macau	39,758	26,758
Studio City	178,835	162,753
Altira Macau	27,318	27,381
City of Dreams Manila	217,714	147,163 ²⁵
Total	463,625	364,055

Water Consumption by Source and Intensity
(in m³)

	2022	2021	2020
Municipal water	2,104,286	2,118,259	2,110,619
Recycled water	217,714	147,549	63,120
Total water consumption	2,322,000	2,265,808	2,173,739
Water intensity by floor area (in m ³ /m ²)	1.66	1.61	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.

Total Resort-level Water Consumption
(in m³)



The decrease in water consumption at City of Dreams Macau is attributable to the closure of the “House of Dancing Water” show due to COVID-19 restrictions.

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 the Executive Sustainability Committee every month. We continue to work towards achieving a 19% reduction in water intensity against 2019 baseline levels by 2030.

25. 2021 annualized savings for City of Dreams Manila have been restated.

Inspiring our Communities

MAKING A MEANINGFUL DIFFERENCE
FOR OUR PEOPLE, GUESTS AND COMMUNITIES



QUICK ACCESS TO MATERIAL TOPICS

Engaging our People	048
Safety, Health & Wellbeing	054
Responsible Gaming	058
Community Engagement & Investment	060

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 recognizing some of these common hardships, we have continued to expand our mental health support services to our colleagues. We have also worked hard to destigmatize mental health concerns and normalize 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!* program 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, the Macau Triathlons that are run quarterly and Macau 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 Programs".

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 program to recognize spirituality's importance in supporting mental wellness. This program 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.

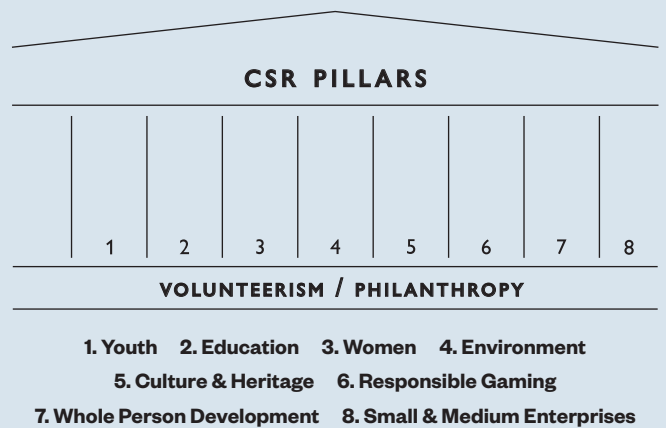
INSPIRING OUR COMMUNITIES

Strategy and Management Approach

We appreciate that our future relies on the engagement, wellbeing and motivation of our people and communities. We strive to uphold Melco's reputation as an employer of choice, creating a workplace where our colleagues feel comfortable bringing their "whole selves" to work and where their individuality and passions are recognized and valued. We are committed to maintaining a culture where our people choose to work and flourish. 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. Our CSR Steering Committee has 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 programs. We also continued to organize various workshops, seminars and wellbeing initiatives and found opportunities to partner with government organizations and not-for-profit associations on community-run initiatives.



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	048
Safety, Health & Wellbeing	054
Responsible Gaming	058
Community Engagement & Investment	060

HIGHLIGHTS

Steadfast Support

While operations in Manila and Cyprus picked up pace, border closures and the ongoing restrictions on travel and entertainment in Macau had a material impact given our substantial operations there. Notwithstanding these challenges, we continued to do what we could in engaging with our colleagues, suppliers, stakeholders and community to foster a sense of fellowship.

- Our Splendors of China initiative in Macau continued to offer an array of programs for colleagues
- “Feel Better” in-house mental wellness seminars regularly ran throughout the year to support our colleagues
- Our initial Foundational Acceleration Programme (FAP), as well as the newly launched Culinary FAP in collaboration with two governmental bodies, enabled our colleagues to accelerate their skills through job rotations, exposures, management skills, mentorship and career planning
- SME HoH Roadshows, Business Matching programs and our “Start Young”, initiative working with young academics in university, continued to support stakeholders in our community

Outstanding Corporate for Volunteerism Award

In 2022, Melco’s training program “Morpheus Moments – Whatever It Takes, Whenever, However” received an award from the prestigious talent development organization, ATD, in the Customer Service Training category. Our colleagues’ actions were again recognized with the award of “Outstanding Corporate for Volunteerism” by the Association of Volunteers Social Service Macao.

Perfect Score

Our commitment to responsible gaming (RG) enabled City of Dreams Macau, Studio City and Mocha Golden Dragon to achieve a perfect score of 100% against the Responsible Gambling Indicators, which is endorsed by Macau’s DICJ.



CHALLENGES

Addressing the ongoing effects of the pandemic, including border closures and social gathering restrictions that 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.

Balancing the operation of the business with providing best-in-class benefits, personal and professional development opportunities, and engaging our colleagues and the community, requires meticulous planning. We have strived to maintain and ensure that these initiatives align as we move forward to create shared value.

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 uncharted territories in our history. We will continue to explore best practices and enhance measures to optimize 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.

INSPIRING OUR COMMUNITIES

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 the Melco family, our 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 endeavor 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 organization's upper echelons, and we continue our efforts in this space. Our responsibilities also extend to safeguarding human and labor rights and taking a zero-tolerance approach to child or forced labor 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

To maintain an environment where our colleagues remain engaged, we focus on the following areas:

- Culture of Excellence → Systems aligned to premium brand standards
- Whole Person Development → Internal career opportunities
- Workforce Inclusion & Diversity → An equal opportunity employer
- Work Environment → Where people feel valued, cared for and recognized
- Safety & Health → Keeping our colleagues and guests safe

Culture of Excellence

Despite the challenges facing our business over the last couple of years, we have continued to be steadfast in maintaining a culture of excellence. We uphold a strength-based culture that brings out the best in our people, where our colleagues take pride being their best and in serving our guests and community. Our Culture of Excellence system provides:

- Leadership vision and commitment
- An environment that fosters success
- Diligent processes and structures to deliver our brand promise, including a training system that delivers meaningful programs and customized content
- Continuous measurement of service delivery and behavioral standards
- Attractive reward structures
- Regular performance and development reviews for all colleagues
- A culture that celebrates our achievements

This approach involves a bespoke training program that includes:

- **Induction and orientation:** new joiners receive an introduction to the secrets of Melco’s success: our philosophy, our standards and our core values
- **Technical skill training:** according to our belief in “hiring for attitude, potential and image, and training on skills”
- **“My First 90 Days” integration program:** integrates new colleagues into Melco’s culture of excellence through a proprietary program that ensures each department’s unique requirements, knowledge, skills and expectations are shared and understood
- **Consumer brand and service training:** ensures that service is aligned with our consumer brand and positioning to maintain our exemplary high standards
- **Forbes Five-Star standards training:** reveals what is behind our exquisite premium luxury service
- **Mystery shoppers:** provides an opportunity for our colleagues to experience Melco’s service excellence and inspires their own commitment to being best-in-class

We aim to continuously 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.

Whole Person Development

As skills account for only a small aspect of an individual’s identity, we encourage our colleagues to bring their “whole selves” to work. Providing opportunities for our colleagues to develop new skills and achieve personal and professional growth, both within and outside their roles, is critical. Our “Whole Person Development” initiatives include but are not limited to the following:

FAP – Building new perspectives and skills

Melco’s FAP was established in 2015 to create a “one organization” view, by allowing our colleagues to explore alternative career opportunities within the business. Our FAP provides opportunities to explore a “day in a life of” colleagues across different parts of the business, ranging from day-long “shadowing” opportunities to longer-term projects and transfers. The program is designed to ensure employees develop complementary skills that provide them with opportunities to perform their functions with a more holistic view of the business. As a business, we benefit from the flexibility this program offers in helping us resource our business needs from within the organization. In 2022, close to 110,000 of our gaming colleague participants have had the opportunity to be trained in non-gaming functions.

ENGAGING OUR PEOPLE HOW WE ARE MANAGING IT

Culinary Foundation Acceleration Program

Launched in 2021 in collaboration with the Labor Affairs Bureau (DSAL) and the Macao Institute for Tourism Studies, it is Macau's first culinary program of its kind, responding to the ongoing demand for local culinary talent by nurturing Macau residents' interest and commitment to the local culinary industry.

Studio City Phase 2 FAP

A special, three-stage FAP program has been devised and implemented for Melco colleagues ahead of the opening of Melco's Studio City Phase 2. Colleagues are given opportunities to experience non-gaming hotel operations and thereby enrich their knowledge and skills. To date, more than 8,300 gaming colleague participants have joined the program to broaden their experience and perspectives, benefiting their personal and career development goals. Feedback from participants was extremely positive with an average of 90% stating that the tours of different departments were beneficial and that FAP helped enhance their understanding of different jobs across the integrated resorts and how various departments can support each other.

Melco Learning Academy

We are intentional in developing training that is relevant and insightful to our colleagues. Our commitment to maintaining a culture of excellence is underpinned by our drive to instill a love for learning in our people. We continue to refresh our customized curriculum that was developed in 2009 and make its courses available through our in-house Learning Academy, which was the first of its kind in Macau. We currently offer over 8,400 courses spanning functional skills such as finance, customer service, leadership, sales, marketing, soft skills and language offerings. In 2022, over 1,210 courses were offered with colleagues in non-managerial and managerial roles spending an average of 183 hours and 17.3 hours on these courses, respectively.

FAP Highlights

Stage 1 – FAP Experiential Tours

A property tour to experience and observe a typical day of work in various departments

Stage 2 – FAP Roadshow

A roadshow to explore further FAP or other internal career opportunities

Stage 3 – FAP Training

Involves service immersion and brand training, as well as on-the-job training and coaching

Total Surveys Completed

4,043

Strongly Agree & Agree Others

1. The tour of all the different departments in our resort was beneficial

3,590 pax 88.8%

2. It helped me understand different jobs within our resorts

3,695 pax 91.4%

3. It helped me understand my job better and how each department supports each other

3,654 pax 90.4%

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

	2022		2021		2020	
	Female	Male	Female	Male	Female	Male
Management	20.06	15.37	24.68	20.24	15.87	24.91
Non-management	204.82	161.64	131.55	105.11	104.32	95.23

Internal Career Opportunities – long-term employment and career progression

At Melco, we strive to minimize turnover and ensure our colleagues have the skills, training and pathways to achieve personal and professional success. While we believe in a culture of excellence, we know that to stay motivated and not plateau, we need to provide opportunities for our colleagues to develop new skills. Given the scale and diversity of our business operations and functions, we are well-positioned to provide our people with opportunities to achieve professional and long-term career development by offering alternative pathways for career progression. In 2022, 49% of vacancies were filled by internal colleagues.

Scholarships

Melco Scholarships were launched in 2010 to support employees and their immediate family members, providing awards of financial assistance to support undergraduate education. In addition, Melco’s Hope Scholarships offer financial assistance to employees and family members who have experienced hardship or misfortune. Since the program’s inception, over US\$500,000 has been awarded through scholarship grants to our colleagues and their family members.

Back to School

Launched in 2010, our Back-to-School program is delivered in partnership with the Education and Youth Affairs Bureau of Macau and teachers from local high schools. This program provides colleagues who left school prematurely with the opportunity to gain their High School Diploma by undertaking formal education in-house at Melco alongside their employment. In 2022, 55 of our colleagues were admitted to the program and 20 graduated, having completed it over three years.

Melco YOU-niversity

Our continued partnership with Edinburgh Napier University has enabled our colleagues to earn a Bachelor’s Degree in International Business over two years while employed at Melco. The program admits 15 students each year. Since its launch in 2015, 29 colleagues have graduated from Melco YOU-niversity, among whom nine have been promoted or have made an internal career change.

Graduate Trainee Program

Our Graduate Trainee Program, organized with the DSAL, helps local graduates make informed decisions for their future careers by providing exposure to the hospitality industry. Established in 2020, this tailored program 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 15 graduates as trainees in various departments, including Hotel Operations, Finance, Supply Chain, Entertainment, Construction Projects as well as Events & Promotion, five of whom were offered permanent positions. Feedback received from the attendees confirmed that the program was well-rounded and equipped them with practical skills to support their career development, including coaching and mentorship from business managers.

Mentoring and Networking Group

The Melco Mentoring and Networking Group was launched in 2021 to cultivate long-term relationships and a strong community within Melco. This is a global, organization-wide initiative with participants from Macau, Hong Kong, Manila and Cyprus. Travel bans that continued to affect some of our locations limited our ability to run this program face-to-face in 2022. With the continued easing of travel restrictions, we intend to re-launch this program in person in 2023.

ENGAGING OUR PEOPLE HOW WE ARE MANAGING IT

Workforce Inclusion & Diversity

Diversity, equity and inclusion (DEI) underpins our people strategy at Melco, 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. 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

In upholding our vision of being an inclusive workforce, since 2013 Melco has been one of only two companies in Macau to participate in a DSAL-organized internship program for local students with special needs. Upon completing the program, we were the only company to offer permanent positions to the participants. We have had 119 interns participate to date with 53 being placed in permanent positions. In December 2022, we participated in DSAL's career fair for the physically challenged.

Leadership from the Local Community

In the communities where we operate, 68% of positions at the "Vice President" level and above have been filled locally.

WOMEN IN LEADERSHIP

27% of directors
across
our boards

21% of our
Corporate
Executive
Committees

34% of our senior
management

41% of our general
management

Family-friendly Workplace

Our reputation of being an inclusive business means supporting colleagues to honor their caring responsibilities, including women returning to the workforce. 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 minimizing risks associated with the pandemic remained in place during 2022.

Work Environment

As an organization committed to continually improving the work environment, we actively seek feedback from our colleagues. We offer many formal and informal channels for them to share comments and suggestions with us. On a more formal basis, surveys and “Meet the Management” sessions are conducted regularly. Other engagement channels include:

- Focus groups across various business functions and integrated resorts
- A mobile app that allows colleagues to “Talk to Management”
- Newsletters and social media
- Annual performance appraisals
- Leadership forums
- In-house mental wellness seminars

We offer a range of work-life balance initiatives to provide flexibility to meet our colleagues’ needs and provide them opportunities to develop their interests outside the workplace. These initiatives include:

- **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 subsidized 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 Programs:** workshops providing lifestyle and personal growth knowledge through the Melco 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 contains:

- Premium onsite learning facilities
- Dining rooms with an extensive menu selection, including healthy and sustainable options
- Social areas with refreshments and computers for online learning and entertainment
- Relaxation rooms fitted with massage chairs, hammocks and TVs
- 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 safety and health standards. We approach safety and health holistically, paying due consideration to physical security, safety, clean pandemic control measures.

OUR TARGET

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

HOW WE ARE MANAGING IT

Occupational Safety and Health (OSH)

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 organization in the hotel and entertainment industry to do so in Macau. 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:

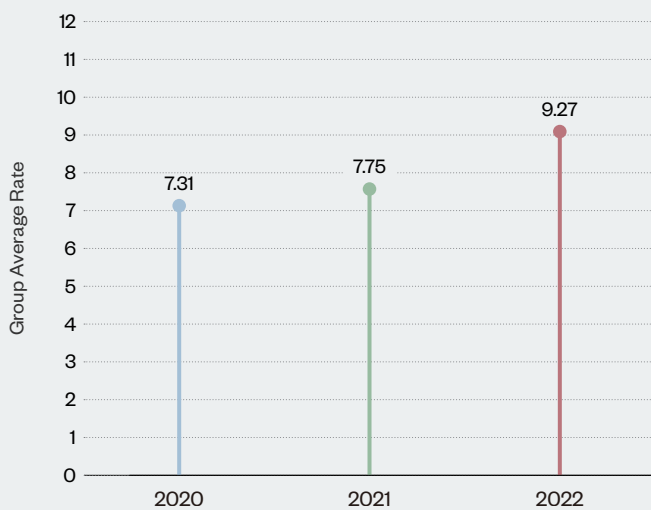
- Developing targeted OSH training and awareness-raising activities
- Monitoring OSH performance trends and following up on incidents, ensuring thorough investigation and effective rectification
- Managing auditing and inspection activities
- Identifying areas for improvement and resource allocation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

New starters must complete OSH training as part of their induction. We understand the importance of ongoing training and development to ensure that the highest safety and compliance standards are maintained. As such, OSH training is part of continuous training and development across our organization and is mandatory for employees and contractors. In 2022, we utilized the quieter operational times to actively raise awareness of OSH across our properties. We ran approximately 300 internal training sessions, which over 12,000 colleagues attended.

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.

Melco Total Lost-time Incident Frequency Rate²⁶

(Group average)

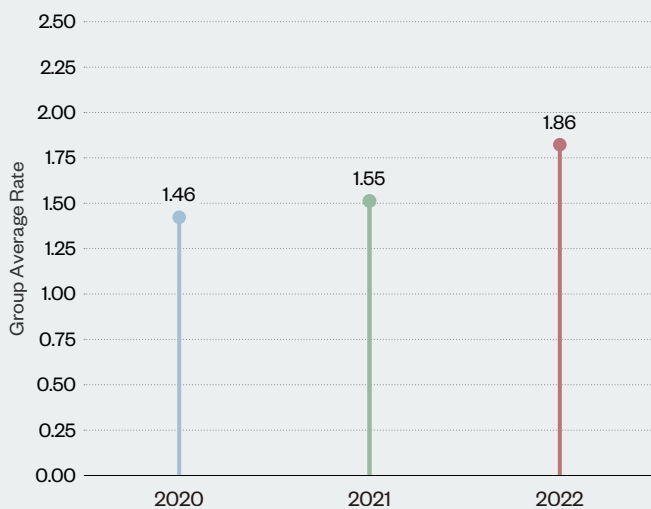


This year, the average work-related IFR of 1.86 across Melco’s operations in Macau, Manila, Cyprus and our office in Hong Kong, was lower than our 20% reduction target for the year, against our baseline of 3.09 in 2019. However, compared to 2021, the IFR and the lost-time incident frequency rate across 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.

We also continue to support vaccination drives and encourage our colleagues to be vaccinated against COVID-19, both for their safety and for the safety and security of our guests.

Melco Total Recordable Injury Frequency Rate²⁷

(Group average)



Hotel and Catering Safety Card Training Program

Our Hotel and Catering Safety Card Training Program, launched in 2018, continues to be offered to colleagues. Topics covered in this training include emergency response, workplace accident prevention, fire and heat prevention and manual handling. DSAL and Melco actively support this training program and 99% of our colleagues completed this training in 2022.

26. 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).

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

SAFETY, HEALTH & WELLBEING HOW WE ARE MANAGING IT

Healthy Air

Our resorts are structured to optimize 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.

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 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 045](#).

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 Melco family. Given the ongoing impacts of the pandemic, we expanded mental health support and plan to extend these programs to our colleagues' family members in 2023.

Our Pillars of Wellbeing

PHYSICAL

- "REACH!" – athlete nurturing program
- Macao Water Run, Macao Triathlons and Macao Youth Charity Golf Tournaments

OCCUPATIONAL AND INTELLECTUAL

- Training and development

EMOTIONAL

- "Feel Better" mental wellbeing seminars for colleagues and families

SOCIAL

- Community volunteering opportunities
- Organization-wide social events and opportunities to foster meaningful relationships
- Encouraging colleagues to "give back" to the community by encouraging volunteering during working hours



Eating Safely, Healthily and Sustainably

We do not compromise on safety, hygiene and quality, and we want our dining guests to be assured that this is at the forefront of our dining outlets. Our F&B offering is subject to stringent food safety standards and checks. Our food safety teams run regular inspections to ensure compliance with our safety standards. All our properties have obtained the Hazard Analysis Critical Control Point (HACCP) certification. In addition, we engage an external auditor to conduct annual HACCP assessments at our properties. In 2022, we did not have any incidences of non-compliance arising from the audit 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.

INSPIRING OUR COMMUNITIES

Responsible Gaming

OUR COMMITMENT

We are aware of the risks associated with being an operator in the gaming industry. We remain committed to safeguarding our guests' wellbeing and to promoting RG. We are acutely aware of the duty of care we owe to our guests and colleagues. What makes Melco stand out is our industry reputation of 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 addition, we surpass regulatory requirements in all the jurisdictions that we operate in and strive for continuous improvement to provide a fair and safe experience for all our guests and colleagues.

In 2021, Melco 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 program, 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.

This Responsible Gambling Indicators project, developed by the Responsible Gambling Work Group²⁸, is a government-endorsed certification in RG. It requires achieving a 90% or above score in all the assessment criteria of the RG Implementation Index, which are grouped under the categories of *Training & Promotion, Self-Exclusion & Emergency Message and Configuration of Facilities*. In the third and fourth quarters of 2022, the project's Executive Team conducted onsite assessments at City of Dreams Macau, Studio City and Mocha Golden Dragon. All three properties achieved perfect scores of 100% and were recognized as "Responsible Gaming Model Units". Melco's strong governance structure, including its RG committees with oversight of all our operations from management to the front line, was favorably recognized. In addition, judges commended us on embedding RG across our training programs and structures. 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. We continue to further enhance our promotion of RG, a responsibility we owe to our guests and community.

OUR TARGET

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



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

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, Lawrence Ho, 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.

RG Ambassadors

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 counseling 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.

The rigorous training program to be qualified as an RG Ambassador includes:

- Level 1 – RG Introduction
- Level 2 – RG Advanced course
- Level 3 – RG Ambassador training

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.

28. 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 (“ISCG”) at University of Macau and Centre for Gaming and Tourism Studies of Macao Polytechnic University.

INSPIRING OUR COMMUNITIES

Community Engagement & Investment

OUR COMMITMENT

At Melco, we recognize 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 programs 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.

Not only do all these initiatives provide Melco with a greater understanding of our community's unique attributes, needs and challenges, they also serve as a critical channel for our colleagues to engage with our wider community. This further enhances a spirit of giving, belonging and pride among our colleagues and community members.

OUR TARGETS

- 80% of global colleagues to volunteer at least 4 hours per year
- Each jurisdiction to run cultural and heritage programs 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 relationship with our community sustains us. We do not take this for granted. We recognize the benefit and synergies from strong relationships built with our local communities, and reciprocate by offering support when needed. We also know that our suppliers and other local businesses are essential to the community and ecosystem we operate in.

CSR Steering Committee

Our Chairman & CEO, Lawrence Ho, 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.

Our CSR Approach and Programs

Supported by our CSR pillars, we strive to meet the unique needs of local communities by:

- Engaging with local SMEs and suppliers
- Partnering closely with local NGOs, charities, academia, government departments, associations and other organizations
- Being mindful of local needs and developing differentiated programs that offer practical solutions for social issues
- Aligning needs with our business strategy for a sustainable approach

Our CSR pillars underpin our mission for our business to create positive impact. In reporting on our partnerships and programs to strengthen our communities, we focus on the following areas:

- Economic Prosperity for Local SMEs
- Volunteerism
- Disaster/Pandemic Relief Response
- Culture and Heritage
- Philanthropy

Economic Prosperity for Local SMEs

Our commitment to operate globally, but think and act locally by supporting local SMEs, remains strong. Over the past few years, the disruptions to our supply chains further accelerated the pace at which we have had to think unconventionally and prioritize local procurement. We continue to explore opportunities to foster greater partnerships and build the capacity of local SMEs. Some of our initiatives in 2022 on this front include:

Industry Participation

- Participated in the 27th Macao International Trade & Investment Fair, Macao Franchise Expo 2022, 2022 Portuguese Speaking Countries Products and Services Exhibition
- Attended the 2nd Procurement Alliance Matching Event organized by the Macau Young Entrepreneur Incubation Centre in October 2022, meeting at least 30 SMEs and supporting more than 100 SME booths

Online Business Matching

In the fourth quarter of 2022, we conducted an “Online Business Matching” program. This program was well attended with over 60 SMEs participating. Products and services showcased and supplied included project alterations, fixtures, furniture and equipment, operational systems, IT and engineering equipment. We remain committed to engaging with and supporting local SMEs.

Melco SME Academy

Our commitment to instilling a love for life-long learning is not limited to our colleagues. Developed under the umbrella of our Learning Academy, the SME Academy provides targeted training programs to support local businesses and SMEs. Programs are designed to address the nuances of being an SME operating in a global environment and include topics such as sustainability, work ethics, product development, food safety and hygiene. We trust that these tools will equip our SME partners to remain competitive

and achieve scale in our increasingly evolving business environment. In 2022, five workshops were conducted with 116 attendees from 96 SMEs.

HoH Roadshows

We open our doors and provide rent-free retail space as part of our HoH Roadshows to support local SMEs. The roadshows serve as an effective platform for increasing revenue and market exposure for our SME partners, most of whom have been adversely affected by the pandemic.

In total, our HoH Roadshows generated over US\$1 million worth of business for local SMEs in 2022. Over 170 SMEs, as well as NGOs, participated in the 155 roadshow sessions held.

“Privileges for You” Shopping Carnival

In 2022, the Macao Federation of Trade Unions and Melco furthered our collaboration and co-organized the “Privileges for You” Shopping Carnival. This was designed to enable SMEs to showcase their products and services and support their business endeavors. Approximately 140 SMEs participated in the Shopping Carnival hosted during the Labor Day holiday weekend, with around 120 of our colleagues volunteering to support the participating SMEs.

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.

Volunteering Initiatives

	2022	2021
Activities	2,276	1,114
Participants	22,346	16,000

Neighborhood Letter Follow up

Our Mocha Club and Altira colleagues dropped off over 37,000 letters to households and SMEs in their neighborhoods. Over 170 of our employees offered their time to help with cleaning and minor home repairs, focusing on supporting households with elderly residents.

COMMUNITY ENGAGEMENT & INVESTMENT HOW WE ARE MANAGING IT

Simple Acts of Kindness 2.0

Melco's "Simple Acts of Kindness" was initiated in 2020 to help the community in Macau during the height of the pandemic. The Simple Acts of Kindness philosophy is based on the principle that a multitude of little things can have a big impact. Having seen the benefits of this initiative over the last two years, we continued the program in 2022. Community initiatives as part of this program include:

Properties in Macau

- working with care homes to give our time and support to the elderly, including offering help with day-to-day jobs
- visiting households of the elderly with over 1,500 employees delivering food and groceries during the lockdown and helping with odd jobs
- partnering with nine care homes on the "Small Dreams" program that enables elderly residents to realize their dreams, such as being able to go out to a restaurant, undertaking studies in the field of nursing, or learning a new art form such as flamenco dancing

We are very happy that Melco Volunteer Team came to help us beautify the wall at our playground. We believe that art has no boundary, and it promotes inclusion for the mentally challenged. It means a lot to us, and the results are outstanding!

Ms. Grace Lam

Principal of Concordia School of Special Education

- partnering with three children's homes on another "Small Dreams" program for participants to enjoy a hot meal with friends, a haircut at a salon, a hotel stay or Christmas cakes
- hosting a children's carnival, including festive celebrations and running festive cooking workshops, benefitting over 400 children
- partnering with the Association for Rehabilitation of Drug Abusers of Macau through our "Adopt an NGO" program. The program was designed to enable rehabilitated individuals ease back into society by developing skills to help them become self-sustainable, such how to operate a café, thereby providing them a means of livelihood
- supporting the government's community-wide testing for COVID-19, with over 430 of our colleagues operating these test stations
- engaging over 150 volunteers in a beach and walking trail clean-up

City of Dreams Manila

- donating surplus linen to our partners, including Bahay Aruga, and participating in blood donation campaigns
- supporting "Children's Joy Foundation", "Spoonful of Dreams" and educational institutions in their endeavors
- donating over 4,100 kg of used linen, as well as items no longer fit for operations but still in usable condition, including chairs and kitchen items, to the Correctional Institution for Women in Manila

City of Dreams Mediterranean

- conducting forest, underwater and beach clean-ups in the Akrotiri area, Limassol and Ayia Napa Harbor, aimed at reducing land and marine litter and raising awareness about the impact of pollution on the country's ecosystem
- organizing the "No Child Without a Present This Year" Christmas charity campaign for the third consecutive year, in collaboration with the newspaper, *Efimerida Lemesos*, wherein employees donated toys, clothing, electronics and supermarket vouchers to ensure less-privileged children receive Christmas presents
- running pottery classes and other workshops for children
- participating in blood donation programs

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 program attracted over 900 youth from 55 schools in Macau in 2022.

The “Start Young” initiative involves a collaboration with the academic community, industry and society, both nationally and internationally, to cultivate talent in Macau and beyond. “Start Young” is Macau’s first integrated resort business case study competition exploring the theme of sustainability, showcasing Melco’s Above & Beyond sustainability strategy to participating students. It is designed to help them understand on-the-ground business operations better and identify sustainable optimization solutions through field visits. The program involved 22 onsite visits and two rounds of virtual sustainability seminars and environmental tours; over 300 students in the Greater Bay Area benefitted from this program. The feedback received was overwhelmingly positive, with participants appreciating the opportunity to experience the practical implementation of academic and theoretical concepts.

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. Melco Cyprus collaborated with CNS Group to donate five, lightweight fire emergency response vehicles to communities affected by the wildfires that devastated rural areas of Larnaca and Limassol in 2021.

Philanthropy

At Melco, 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 US\$8 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 Contributions²⁹

(US\$)

2008-2021 (cumulative)	US\$118 million
2022	US\$7.85 million

29. 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

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 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 programs 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 of our in-house coffee roasting at City of Dreams Manila, we will plan 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 worked closely with PCB to promote its “W Blend” that specifically honors the contribution of women across the coffee value chain.

SUSTAINING OUR SUPPLY 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 to integrate leading environmental and social practices. 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 programs 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 endeavor to support small- and medium-sized businesses, particularly those we know to have been negatively affected during the pandemic. We also run regular training and information sessions for our suppliers and partners along our value chain, recognizing that together we can accelerate shared value creation for business, society and the environment.

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

HIGHLIGHTS

Ongoing pandemic disruptions to international supply chains have amplified our efforts to source local products within all our jurisdictions. While delighted with the quality of products we have substituted locally, the added benefit of reducing our carbon footprint makes these efforts all the more worthwhile. In 2022, 93% of our purchasing was from local companies in Macau, out of which 54% was from local SMEs. In Manila and Cyprus, 89% and 50% of our procurement supports local businesses, respectively. This approach fosters a greater camaraderie with other businesses in our communities, further strengthening the resilience of our supply chains.

In Cyprus, sustainability training courses have been included in the Absorb Learning Academy, which includes modules that address global sustainability issues and where they intersect with Melco's supply chain goals and objectives. We continue to run extensive supplier training, including workshops on OSH, business ethics, and The Mekong Club's supply chain training with a focus on eradicating modern slavery.

In 2022, we further updated our procurement system, Birchstreet, which provides us access to our global data, giving us a "single entity view" of our supply chain. This has increased transparency over matters relating to our supply chain while enabling us to make purchasing decisions centrally.

In line with customer expectations, our menus increasingly communicate the sourcing of plant-based alternatives and other vegetarian options, carbon-neutral beef, and locally and sustainably sourced food items. We continue to make progress in sourcing only cage-free eggs by 2025, and are also taking the initiative to trial sustainably grown cacao and vanilla sourced from small, female-run farming enterprises.

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 optimize 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 programs. 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.

SUSTAINING OUR SUPPLY CHAIN

Ethical & Sustainable Supply Chain

OUR COMMITMENT

Given the scale and reach of Melco's operations, we recognize our influence over a wide range of suppliers and guests across our value chain. We continue to embed 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 recognized 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 organization who bring their unique expertise and perspectives to further our goals for sustainable sourcing. This Group meets every month and reports to the Executive Sustainability Committee.

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 labor practices and our zero-tolerance policy on modern slavery, including any form of forced or harmful child labor
- Standards for health and safety

**ETHICAL & SUSTAINABLE SUPPLY CHAIN
HOW WE ARE MANAGING IT**

- 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 080 of this report.](#)

Supplier Engagement

Our suppliers are an integral part of our value chain and we are committed to working together on sustainability initiatives for mutual benefit. We engage with our local and SME suppliers to collaborate on new product development initiatives. When invited to share perspectives, input from our suppliers leads to process improvements and enhanced product and packaging design. Another way we can tangibly support and engage with our suppliers is through training. We run “Sustainability and Ethics” workshops 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 optimize 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 Melco’s operating entities, has improved our oversight of procurement and spending while keeping track of consumables and materials used. This enhances efficiencies along our supply chain, reducing

**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.

the risk of disruption and delays, and enabling us to plan ahead. Further, automation of our invoicing and billing has helped us optimize 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 centralized management of our supply chains, thus giving us access to our procurement data across the world, which is particularly important as inflationary conditions remain.

ETHICAL & SUSTAINABLE SUPPLY CHAIN HOW WE ARE MANAGING IT

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 held.

21 events held to date

115 attendees, including 93 SMEs

Supporting our suppliers to adopt environmentally responsible practices is a continual focus. 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 036 of this report.

Additional information on specific capacity-building programs for SMEs can be found in this report's [Community Engagement & Investment](#) section on page 060.

Supplier Showcase

A highlight of our supplier engagement activities in Macau is showcasing items with sustainability attributes, including both food and non-food items. This event endeavors to share

information on sustainable and ethical products while informing suppliers about Melco's requirements and aspirations, and to gain insight into suppliers or markets that offer innovative products. 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.

In 2022, we repurposed, donated or recycled linen and towels to Bahay Aruga, a free, halfway house for paediatric cancer patients, and Dr. Arcadio Santos National High School, a school for underprivileged students.

Chemicals

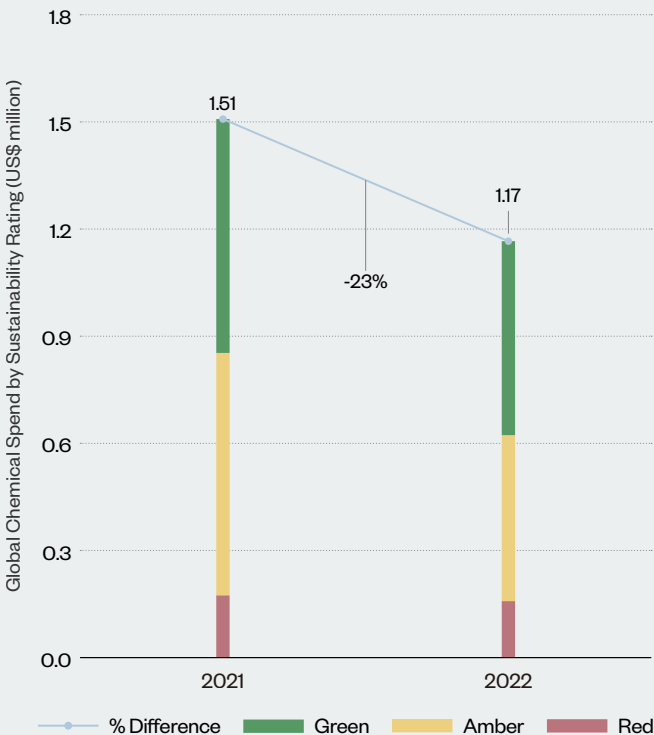
Our commitment to exploring safer chemicals for use in our operations is unwavering. Our Executive Sustainability Committee continues to monitor the use of chemicals across our properties every quarter. Our sourcing guidelines use a traffic-light rating system (Green, Amber or Red) that enables us to have transparency in the use of approved chemicals. The rating system includes criteria that assess impacts on human health, toxicity, ecosystem degradation and bioaccumulation.

In 2022, we continued to reduce consumption of Red-rated chemicals — maintaining the safety and hygiene of our properties during a pandemic while balancing the

environmental impacts of the chemicals we use. We continue to consolidate and standardize the use of chemicals across all our properties globally with the hope that it not only delivers economies of scale, but also greater oversight of our environmental footprint from these consumables. 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 US\$ million)

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



Seafood

We demonstrate our commitment to UN SDG 14, Life under Water, by updating our sourcing guidelines to increasingly adopt available options for procuring seafood that is sustainably sourced and, where possible, from local, small-scale fishers. In addition, we have joined the “Better Seafood Philippines” challenge, which is supported by The United States Agency for International Development (USAID) and the Philippines Bureau of Fisheries and Aquatic Resources (BFAR). Facilitated by the Sustainable Fisheries Partnership, an American nonprofit organization focused on restoring the ocean, the initiative commits participants to source seafood responsibly.

Our Sustainable Seafood Sourcing Guidelines prioritize 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 World Wide Fund for Nature (WWF)’s Local Seafood Guide.

The proportion of sustainable seafood purchased each quarter at each property is reviewed by the Executive Sustainability Committee, which in turn reports to the Board quarterly. Despite the challenges and disruptions to our supply chain and the impact of restrictions on dining and entertainment through most of 2022, we are pleased to report that 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 prioritizing 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 programs 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 labor 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 LICENSE TO OPERATE IS BOTH
A PRIVILEGE AND A RESPONSIBILITY



QUICK ACCESS TO MATERIAL TOPICS

Ethics & Integrity	080
Privacy & Cybersecurity	084

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 organization in the hotel and entertainment industry to achieve the ISO 45001 certification in Macau; again, renewing this certification in 2022. In 2022, the Risk 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, Melco is now the first company in Macau to have all self-operated food outlets at all resorts certified under the widely recognized HACCP standards.

With all the experience our teams gained in achieving the certifications noted above, in 2022, we set forth a program to encourage transferring this knowledge for the betterment of all colleagues. This culminated in the Risk Department developing training programs on nutrition and healthy eating, special dietary requirements, and common food allergies; these were launched on Melco'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

We take great pride in our Above & Beyond strategy, at the heart of which is our commitment to inspire our guests to realize that a sustainable future is a better future. We aspire to operate our business to the highest responsibility, ethical and transparency standards; leading the industry in addressing common challenges, engaging with key stakeholders and creating shared value.

Melco 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, metric and performance.

KEY GOALS

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

MATERIAL TOPICS

Ethics & Integrity	080
Privacy & Cybersecurity	084

HIGHLIGHTS

Unwavering Support

Our operations in Manila have seen a resurgence upon the relaxation of pandemic restrictions, and the development of our Cyprus property continues apace. In contrast, our Macau business continued to face challenges associated with the pandemic border closures. Given the significance of our Macau operations to the Group, and despite these ongoing disruptions, we were unwavering in our efforts to support our colleagues and other key stakeholders, particularly SMEs that form an integral part of our value chain.

Future-ready Governance Practices

Furthermore, our commitment to upholding and enhancing our governance practices remains a priority. We have taken advantage of quieter business times to further invest in updating policies, procedures and controls to ensure our colleagues and systems are well positioned for future developments. We have continued to ensure all our processes comply with updated laws and regulations locally and globally. This included a particular focus on ensuring adherence to China’s Personal Information Protection Law (PIPL) that came into effect in November 2021. Actions were also taken to address anti-money laundering measures for gaming operations in Cyprus and Manila, and the evolving regulatory environment concerning cybersecurity and data privacy.

RG Accreditation

We were proud to become the first integrated resort operator in Macau, the Philippines and Cyprus to achieve the esteemed, internationally recognized, third-party RG accreditation, RG Check, in 2021. This year, we have continued to focus on our compliance and adherence to this accreditation.

Cybersecurity and Data Privacy

We continue to work closely with third-party advisors to implement best practice procedures, in line with our roadmap defined under the National Institute of Standards and Technology (NIST) Framework that was set in 2021. In 2022, this included augmenting cyber crisis procedures globally and running a cyber crisis drill in Manila, as well as continuing to enhance the monitoring performed by the Managed Security Service Provider (MSSP).

OUR POLICIES AND STATEMENTS

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



Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy



Board Diversity Policy



Corporate Governance Guidelines



Code of Business Conduct and Ethics



Environmental Sustainability Policy



Ethical Business Practices Program



Information Security Policy



Inclusion & Diversity Statement



Occupational Safety and Health Policy



Procedures for Handling Complaints and Whistleblowing



Sponsorship and Donations Policy



Supplier Code of Conduct



Privacy-Personal Data Protection Policy

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 sustainability strategy. We continually review our risks to ensure our management practices have sufficient mitigating actions embedded without compromising our high ESG standards.

2023 AND BEYOND

We are confident that the drastic impacts of the COVID-19 pandemic are now behind us; we can say with confidence we've found ways not just to survive but thrive during the adversity. 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've 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.

EMPOWERING OUR BUSINESS

Corporate Governance Structure

Our Board of Directors oversees all facets of the company strategy and operations, including our approach to embedding sustainability across both. Trust is at the heart of our business. To build this trust, our Board commits to meeting or exceeding compliance requirements in all our jurisdictions, and upholding the highest standards of business conduct.

Our Board comprises seven Directors who provide diverse backgrounds, viewpoints, skills and experience to benefit our business. They oversee the implementation and evolution of our sustainability strategy, risk assessments and reporting.

THE BOARD COMPRISES:

3

Executive Directors
nominated by our parent company,
Melco International Development Limited

4

**Independent
Non-Executive Directors**
who lead and participate in Board committees

We are confident that our Board members' diversity of backgrounds, skills and competencies is adequate. However, we appreciate there is always more that can be done. We remain committed to attaining broader diversity in our Board composition, and its sub-committees, including increasing female representation in these positions.

The NCGC, in consultation with the Chairman of the Board & CEO, plays a critical role in ensuring the ongoing effective composition and functioning of the Board and its sub-committees. Our Corporate Governance guidelines have stringent requirements for the nomination of Directors, including independence criteria. The NCGC also regularly reviews the composition of the Board to ensure the experience, expertise and diversity is well positioned to steer the organization. The NCGC evaluates succession planning regularly and in the company's and its shareholders' best interest.

Three steering committees manage our sustainability and CSR programs, and the Board directly oversees these committees. The CSR Steering Committee and the Responsible Gaming Committee are led by our EVP, Chief of Staff to Chairman & CEO, and our Senior Sustainability Advisor chairs the Executive Sustainability Committee. Our Steering Committees and senior management teams all have extensive tenure with the Company, and broad experience in the gaming industry.

CORPORATE GOVERNANCE STRUCTURE

Chairman & CEO

Board of Directors

The Board receives quarterly updates on sustainability initiatives and monitors how new developments, industry trends and the regulatory landscape may affect our business.

Board Committees

The Board has established three committees to maintain oversight of key governance issues. All three committees are comprised entirely of Independent Non-Executive Directors.

Compensation Committee

The Compensation Committee executes the responsibilities of the Board relating to the compensation of our directors and executives. The Compensation Committee works closely with management to design, evaluate and approve compensation plans, policies and programs for executives, and recommend directors' compensation. These recommendations are presented to the Board for approval before any changes take effect.

Audit and Risk Committee

The Audit and Risk Committee monitors the integrity of Melco's financial reporting processes and oversees its internal financial and operational controls and risk management systems. It is also responsible for reviewing and revising policies relating to ethical conduct, responsible gaming, financial reporting, audit, risk management, cybersecurity and compliance, such as anti-money laundering, anti-bribery and data privacy.

Nominating and Corporate Governance Committee (NCGC)

The NCGC's responsibilities include overseeing Melco's environmental, social and governance performance practices, director nominations to support the Company's Policy on Board Diversity, and review and amendment of Corporate Governance policies previously approved by the Board.

Steering Committees

Melco's steering committees serve to protect our stakeholders' interests. Strategic functions of the committees include understanding stakeholder concerns through our internal governance system and establishing goals, implementing policies, prioritizing initiatives and securing resources.

CSR Steering Committee

Supported by our EVP, Chief of Staff to Chairman & CEO, this Committee is responsible for the effective execution of social responsibility initiatives. The CSR Steering Committee engages with local community partners and colleagues to ensure effective partnerships and community engagement initiatives deliver a tangible and positive difference. Senior managers from across the organization attend monthly meetings.

Executive Sustainability Committee

Chaired by our Senior Sustainability Advisor, this centralized committee champions the activities of the Working Groups that are composed of colleagues representing all corporate functions across our integrated resorts. These Working Groups manage and measure progress towards achieving our ambitious goals for carbon neutrality, sustainable sourcing and zero waste. The Executive Sustainability Committee reports and provides quarterly updates to the Board.

Responsible Gaming Steering Committee

Championed by our EVP, Chief of Staff to Chairman & CEO, this Committee meets quarterly to consider strategic initiatives to ensure that our RG policies are held to the highest standards. This Committee sponsors RG Working Committees across corporate functions, and designates Global RG Champions, who meet regularly to review operational issues.

Properties & Corporate Functions

Monitor implementation of the Group sustainability strategy onsite at each of our integrated resorts to ensure Melco's overall goals align with local needs.

Employee Champion Networks

Employee champions lead colleagues at the resort level to implement procedures and initiatives to support Melco's sustainability strategy.

EMPOWERING OUR BUSINESS

Ethics & Integrity

OUR COMMITMENT

Our guests and stakeholders must remain assured of our commitment to set 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 license to operate.

Our Board and leadership teams set the tone and direction for accountability, professionalism and transparency. We are proud that this culture of excellence has permeated across all levels of our organization. This lays the foundation for trust, confidence, respect and transparency in our interactions with our guests, stakeholders, community and governments in our jurisdictions. We take pride in our reputation as a law-abiding corporate citizen with a solid commitment to our people, community and planet, steered firmly by our Above & Beyond sustainability strategy.

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. We believe that this sets a strong foundation for responsible business. The Code provides our people and our guests with the confidence that all interactions with Melco are fair and in compliance with laws and regulations. Our Code is reviewed by the NCGC and 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

At Melco, we adopt a zero-tolerance policy for any instances of non-compliance with our Code. Our new joiner induction program includes a mandatory corporate governance orientation module that must be completed within the first 30 days of employment. In addition, and on an annual basis, all employees must review our Code, including any updates, and confirm their compliance with the provisions of the Code. In 2022, 97% of our colleagues who joined during the year completed the Corporate Governance induction training on the Code in Macau, with completion rates being 99% in Manila and 99% in Cyprus.

There were no material incidents of corruption, anti-competitive behavior or monopolistic practices reported within the Group.

Ethical Business Practices Program

We are fully aware of the ethical business risks that operating in a sector like ours brings. We adopt a zero-tolerance approach to bribery, fraud and corruption and we are confident in our entity-wide, operational controls to manage these risks. We take stringent measures to ensure the importance of ethical business is instilled in our employees both at the commencement of employment and on an ongoing basis. Our Ethical Business Practices Program (the Program) 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.

Our Directors and Senior Management also confirm their understanding of and adherence to the Program and all applicable anti-corruption laws and policies annually. This is done in addition to any annual reporting requirements imposed upon our Directors and Management by local laws and regulations.

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. This training is designed to ensure management and business leaders continue to be aware of risks associated with bribery and corruption, thus instilling a culture of excellence with an awareness of these risks within their teams.

In addition, we extend the training programs 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 068](#) for details on the anti-corruption initiatives implemented in our supply chain.

Ethical Business Advisor and Liaison Officers

In addition to implementing our DTRT training and assessments, we have appointed individuals throughout the organization as the Ethical Business Advisor and Liaison Officers. Liaison Officers

work closely with colleagues to support them in understanding, interpreting and discussing their queries on our Code and Program, and matters about ethical business conduct. This additional line of defense provides further oversight over business conduct and ethics, including compliance, risk management and implementing preventative measures concerning bribery, fraud and corruption.

The Ethical Business Advisor reviews any concerns with Liaison Officers at least quarterly and updates the Audit and Risk Committee. Feedback provided by the Committee is then reviewed by the Ethical Business Advisor and Liaison Officers at regular meetings, with follow-up actions implemented as required.

Whistleblowing

Compliance with our Code and all applicable laws and regulations is non-negotiable. Our Procedures for Handling Complaints and Whistleblowing play an essential role in achieving this commitment, and our employees and stakeholders feel safe in raising any potential concerns or red flags that are a concern.

We have 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.

ETHICS & INTEGRITY

HOW WE ARE MANAGING IT

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 and other integrated resort operators to better understand our controls. Details on cybersecurity are available in this report's [Privacy & Cybersecurity section on page 084](#).

Compliance and Cybersecurity Reporting

We continue to enhance the quarterly compliance and cybersecurity reporting to the Audit and Risk Committee. The Compliance Report includes coverage of employee misconduct cases, whistleblower reports, anti-money laundering, data privacy and anti-bribery and corruption updates. 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 PRC 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.

Continued Ethics Training for Suppliers

It is imperative that our suppliers are aware of our high standards of business conduct that are expected of them in doing business with Melco. To ensure they are adhered to throughout our supply chain, we continue to provide capacity-building and training programs for our suppliers. Our programs address topics such as 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 standardizing these procedures across all our locations of operation.

Employee Safety and Health

We aim to inspire and support our colleagues to maintain a healthy lifestyle and a balanced diet. Our online training platform launched new training programs on nutrition and healthy eating, special dietary requirements, and common food allergies in 2022. A total of 1,826 colleagues completed related training courses in 2022. Posters on these topics were also displayed at the entrances of all employee canteens and selected notice boards in the HoH areas. We also discussed these new topics at OSH events and CSR activities held in Macau in 2022 to promote knowledge in our community. We endeavor to continue sharing knowledge on other health-related topics that will benefit our colleagues' wellbeing on a regular basis going forward.



EMPOWERING OUR BUSINESS

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 will continue to take all measures to safeguard this. We strive to implement best practice measures that adhere to the highest data protection and information security standards. With new properties expected to open in Macau and Cyprus in 2023, resulting in an increased customer base, this could not be of higher importance as we extend training and compliance checking across all levels of our organization and locations.

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 PIPL, the first comprehensive legislation in mainland China dedicated to the protection of personal information of individuals located within China.
- As part of the roadmap developed from the 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 Melco 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 organization 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.



COM
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FILE

About Melco

Melco Resorts & Entertainment Limited (Melco) is a developer, owner and operator of integrated resort facilities in Asia and Europe. Headquartered in Hong Kong, China and Singapore, we employ 16,908 people. Melco is listed on NASDAQ under the ticker symbol “MLCO”.

The sole majority shareholder of Melco is Melco International Development Limited (Melco International). Melco International is listed on the Main Board of The Stock Exchange of Hong Kong Limited (HKEX) and is substantially owned and led by Mr. Lawrence Ho, our Chairman, Executive Director and Chief Executive Officer (CEO).

Melco has operations in Macau, the Philippines and Cyprus with corporate offices in those locations and our headquarters in Singapore and Hong Kong. In Macau, we operate integrated resorts Altira Macau and City of Dreams. We also operate Mocha Clubs, the largest non-casino-based operations of electronic gaming machines in Macau. In addition, the Company has a majority ownership and operates Studio City, a cinematically-themed integrated entertainment, retail and

gaming resort. In the Philippines, Melco’s Philippine subsidiary operates and manages City of Dreams Manila, a casino, hotel, retail and entertainment integrated resort. Melco currently operates and manages a temporary casino in Limassol, the first authorized casino in the Republic of Cyprus, and three licensed satellite casinos (Cyprus Casinos) Nicosia, Ayia Napa and Paphos in Cyprus, and is developing our integrated casino resort, City of Dreams Mediterranean.

Melco is a pioneer and innovator in premium luxury, culinary offerings and entertainment, continuously striving to raise the bar. Development of our highly anticipated Studio City Phase 2 is progressing. Designed by renowned international architecture firm Zaha Hadid Architects, the extension project will feature thrilling new entertainment and leisure offerings including the first W Hotel in Macau. Studio City Phase 2 has been named winner of the “Regional Award, Asia” at the BREEAM Awards 2021 in recognition of its incorporation of sustainable building design, development and management attributes.

Further details on our operations can be found in our [Annual Report \(US Form 20-F\)](#) linked here.

APPENDICES

Performance Metrics

ECONOMIC & SOCIAL IMPACT

Economic and social impact is measured by the financial value we generate and the contributions we make in terms of our overall community investment. For a strategic review of our economic and social progress, refer to our [Annual Report](#) and the [Inspiring our Communities](#) section on page 044, respectively.

Economic Value Generated & Distributed

	2022	2021	2020	2019
Total revenue (in thousands of US\$)	1,349,977	2,012,356	1,727,923	5,736,801
Total operating costs & expenses (in thousands of US\$)	2,093,082	2,589,807	2,668,480	4,989,123
Operating (loss) / income (in thousands of US\$)	(743,105)	(577,451)	(940,557)	747,678
Cash and cash equivalents (in thousands of US\$)	1,812,729	1,652,890	1,755,351	1,394,982
Dividends declared per share	-	0	0.055	0.2135
Total employees	16,908	17,878	19,746	23,078
Community investment (charitable giving in US\$)	7,852,819	21,905,091	34,105,825	17,092,28

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 044 section.

Our Workforce

ALL EMPLOYEES³⁰

	2022	2021	2020	2019
Employees by Gender				
Female	8,114	8,636	9,592	11,082
% of Females	48%	48%	49%	48%
Male	8,794	9,242	10,154	11,996
% of Males	52%	52%	51%	52%
Total	16,908	17,878	19,746	23,078

30. Globally we have around 2,741 non-employee workers to augment functions including construction, F&B, IT, security and administrative functions.

OUR WORKFORCE BY GENDER AND GEOGRAPHIC LOCATION^{31, 32}

	2022	2021	2020	2019
Corporate and Centralized Services (Including Hong Kong, Singapore, Macau and Japan)				
Female	249	274	302	299
Male	281	354	398	376
Total	530	628	700	675
% of Employees in Corporate and Centralized Services (Including Hong Kong, Singapore, Macau and Japan)	3%	4%	3%	4%
Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)				
Female	5,920	6,499	6,969	7,684
Male	5,772	6,261	6,815	7,886
Total	11,692	12,760	13,784	15,570
% of Employees in Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)	69%	71%	70%	67%
Manila Property				
Female	1,540	1,559	2,032	2,706
Male	2,173	2,171	2,519	3,162
Total	3,713	3,730	4,551	5,868
% of Employees in Manila Property	22%	21%	23%	25%
Cyprus Property				
Female	405	304	289	393
Male	568	456	422	572
Total	973	760	711	965
% of Employees in Cyprus Operations	6%	4%	4%	4%

31. Figures reflect permanent employees. We do not have temporary employees.

32. Part-time employees represent less than 1% of the total workforce.

Senior Management Representation from Local Communities^{33, 34, 35}

	2022	2021	2020	2019
Local				
Hong Kong / Macau	78%	75%	76%	69%
Singapore	25%	-	-	-
Manila	57%	67%	43%	44%
Cyprus	25%	57%	40%	40%
Total	68%	73%	71%	65%
Non-local				
Hong Kong / Macau	22%	25%	24%	31%
Singapore	75%	-	-	-
Manila	43%	33%	57%	56%
Cyprus	75%	43%	60%	60%
Total	32%	27%	29%	35%

33. Senior management defined as vice presidents and above.

34. Our usage of "local" is in accordance with local government definitions.

35. Significant locations represent where we have properties 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	6.59%	285	3.30%	295	3.08%
Male	650	7.39%	499	5.40%	310	3.03%
New Hires by Age						
Under 30 years of age	501	21.52%	369	12.30%	253	6.08%
Between the age of 30 and 50	620	5.39%	358	3.08%	280	2.28%
Over 50 years of age	64	2.08%	57	1.76%	72	2.14%
New Hires by Location						
Hong Kong	27	15.25%	26	12.56%	35	13.41%
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	33.61%	-	-	-	-
Other locations	-	-	203	25.47%	60	7.72%
Employee Turnover by Gender						
Female	1,049	12.93%	1,289	14.93%	1,790	18.66%
Male	1,080	12.28%	1,521	16.46%	2,129	20.97%
Employee Turnover by Age						
Under 30 years of age	422	18.13%	763	25.43%	1,460	35.10%
Between the age of 30 and 50	1,165	10.13%	1,536	13.20%	2,218	18.16%
Over 50 years of age	542	17.61%	511	15.78%	241	7.16%
Employee Turnover by Location						
Hong Kong	59	32.42%	70	33.82%	78	29.89%
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	13.33%	-	-	-	-
Other locations	0	0%	151	18.90%	96	12.78%

Average Training Hours Completed per Employee by Employee Category and Gender

	2022	2021	2020
Management by Gender			
Female	20.06	24.68	15.87
Male	15.37	20.24	24.85
Non-management by Gender			
Female	204.82	131.55	104.32
Male	161.64	105.11	95.34

Total Group-wide Recordable Injury and Lost-time Injury Frequency Rates

	Change 2022/2021		2022	2021	2020
	Rate	%			
Total Recordable Injury Rate					
40-hour work week/total cases ³⁶	0.33	19.53%	2.02	1.69	1.59
48-hour work week/total cases ³⁷	0.28	19.86%	1.69	1.41	1.33
Average	0.31	19.68%	1.86	1.55	1.46
Lost-time Injury Frequency Rate					
40-hour work week/total cases ³⁸	1.66	19.64%	10.11	8.45	7.97
48-hour work week/total cases ³⁹	1.39	19.74%	8.43	7.04	6.64
Average	1.53	19.69%	9.27	7.75	7.31

36. Total case x 200,000 / 40 hours.

37. Total case x 200,000 / 48 hours.

38. Total case x 1,000,000 / 40 hours.

39. Total case x 1,000,000 / 48 hours.

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Melco reports on the percentage of individuals within the organization's governance bodies and across its global workforce by gender.

Governance Bodies, Corporate Executive Committee and Employees Profile

	2022	2021	2020
Board Members by Gender			
Female	27%	27%	27%
Male	73%	73%	73%
Board Members by Age			
Under 30 years of age	0%	0%	0%
Between the age of 30 and 50	27%	31%	36%
Over 50 years of age	73%	69%	64%
Corporate Executive Committee by Gender			
Female	21%	21%	20%
Male	79%	79%	80%
Corporate Executive Committee by Age			
Under 30 years of age	0%	0%	0%
Between the age of 30 and 50	43%	50%	47%
Over 50 years of age	57%	50%	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 Melco's sustainability performance for the calendar year ending December 31st, 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 024.

Greenhouse Gas (GHG) Emissions

TOTAL RESORT-LEVEL SCOPE 1 AND 2 (MARKET-BASED) GHG EMISSIONS (IN METRIC TONNES OF CO₂e)

	2022	2021	2020	2019	2018
City of Dreams Macau	2,450	2,461	4,089	8,903	6,302
Studio City	2,891	1,869	1,902	2,838	2,585
Altria Macau	444	1,075	904	1,044	213
City of Dreams Manila	2,800	2,323	2,063	4,120	2,134
Okushiga Kogen Ski Resort	1,381	1,346	1,232	-	-

ABSOLUTE GHG EMISSIONS BY SCOPE AND INTENSITY (IN METRIC TONNES OF CO₂e)

	2022	2021	2020	2019	2018
Scope 1 emissions	17,142	14,842	16,011	29,315	19,768
Emissions from stationary fuel combustion	4,962	5,237	4,962	7,755	6,806
Emissions from mobile fuel combustion	7,467	5,095	5,955	12,883	8,964
Fugitive emissions from refrigerants	4,713	4,510	5,095	8,677	3,998
Biogenic emissions	212	264	150	310	163
Scope 2 emissions (location-based)	208,510	211,787	206,420	263,130	266,478
Scope 2 emissions (market-based)⁴⁰	210,241	264,659	250,972	350,062	-
Total Scope 1 and 2 emissions (market-based)	17,142	14,842	16,011	29,315	19,768
Total Scope 1 and 2 emission (market-based) intensity by floor area (in metric tonnes of CO₂e/m²)	0.012	0.011	0.011	0.021	0.014

40. Scope 2, market-based emissions are offset through purchasing renewable energy through I-RECs and other instruments. Refer to the [Renewables](#) section on page 033 for details.

	2022	2021	2020	2019
Scope 3 emissions				
Category 1: Purchased goods and services ^{41, 42}	81,164	-	-	-
Category 2: Capital goods ⁴³	200,438	-	-	-
Category 3: Fuel and energy-related activity (FERA) ⁴⁴	56,034	56,882	35,588	49,516
Category 4: Upstream transportation ⁴⁵	414	-	-	-
Category 5: Waste ^{46, 47}	1,181	-	-	-
Category 6: Business travel ⁴⁸	612	-	-	-
Category 7: Employee commuting ^{49, 50}	6,412	-	-	-
Category 8: Upstream leased assets ⁵¹	195	-	-	-
Category 13: Downstream leased assets	31,175	32,697	30,579	33,405
Total Scope 3 emissions	377,625	89,579	66,167	82,921
Total Scope 3 emission intensity by floor area (in metric tonnes of CO₂e/m²)⁵²	0.27	-	-	-

41. 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.
42. Items that do not have their weight stated in the Company's purchasing system or do not have lifecycle assessment emission factors attributable for the emission calculations have been excluded.
43. Definition of "capital goods" is in line with the Company's financial accounting.
44. Electricity consumption for FERA 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.
45. This category includes emissions from the transportation and distribution of goods and services purchased by Melco.
46. This category includes emissions from the disposal of waste generated within the Company's business operations only.
47. Recycling of "household residual waste" (e.g. soap, used waste oil) has been excluded in the calculation.
48. Calculation of air travel only.
49. Includes emissions from transportation carriers that arise during employees' commute to and from work in vehicles not owned or operated by the Company.
50. 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.
51. Includes emissions from the operations of assets that are leased by the Company (acting as lessee), that are not included in Scope 1 and Scope 2. As upstream leased assets are not under Melco's operational control, the Company 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.
52. 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

TOTAL RESORT-LEVEL PURCHASED ELECTRICITY CONSUMPTION (IN MWh)

	2022	2021	2020	2019	2018
City of Dreams Macau	121,153	139,929	136,630	169,624	172,887
Studio City	92,655	85,648	79,991	106,472	118,953
Altira Macau	34,472	35,482	40,027	46,620	47,650
City of Dreams Manila	62,276	53,788	49,718	69,893	67,020
Okushiga Kogen Ski Resort	1,564	1,546	1,485	119	-

ENERGY CONSUMPTION BY SOURCE AND INTENSITY (IN MWh)

	2022	2021	2020	2019	2018
Fuel consumption from non-renewable sources	58,381	47,770	50,738	97,387	74,917
Electricity consumption from non-renewable sources	330,179	333,985	326,116	414,314	420,682
Electricity consumption from renewable sources ⁵³	1,525	1,478	1,555	-	-
Total energy consumption	390,085	383,233	378,409	511,701	495,600
Energy intensity (in MWh/m²)	0.28	0.27	0.27	0.36	0.35

53. 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.

Waste

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

	2022	2021	2020	2019	2018
Composting	262	192	36	88	71
Recycling	735	720	319	624	576
Total materials diverted	997	912	355	712	647
Incineration	5,657	7,624	6,788	15,415	12,862
Landfill	1,026	1,160	1,131	2,232	1,890
Total waste generated	6,683	8,783	7,919	17,647	14,752
Total materials diverted and waste generated	7,680	9,695	8,274	18,360	15,399
Waste generation intensity (in metric tonnes/m ²)	0.005	0.007	0.006	0.013	0.011

MATERIAL DIVERSION BY TYPE (IN %)

	2022	2021	2020	2019
Recycling				
Paper	31.10	35.80	42.18	70.36
Metal	6.37	4.64	9.47	5.91
Used cooking oil	7.37	6.03	3.94	2.16
Glass bottles	15.25	7.28	0.00	1.32
Batteries	0.96	0.17	0.38	0.30
Plastic	8.05	11.20	1.61	0.07
Soap	0.16	0.35	0.74	-
Others ⁵⁴ (e.g. e-waste, ink toners, light fixtures, coffee capsules)	4.45	13.48	21.24	0.02
Composting				
Food waste	26.28	21.05 ⁵⁵	14.43	12.40

54. Data for "Others" in the years 2019 to 2021 have been restated to include coffee capsules, which were disclosed separately in previous years.

55. 2021 food waste data has been restated.

HAZARDOUS AND NON-HAZARDOUS WASTE GENERATION WITH INTENSITY (IN METRIC TONNES)⁵⁶

	2022	2021
Hazardous waste by category⁵⁷		
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	30⁵⁸	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

56. Figures have been rounded.

57. Additional categories, such as spent paint and used cooking oil, will be added to the inventory as waste stream accounting is enhanced.

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

Water

TOTAL RESORT-LEVEL WATER CONSUMPTION (IN M³)

	2022	2021	2020	2019	2018
City of Dreams Macau	595,231	798,030	835,129	1,346,783	1,264,784
Studio City	580,840	642,519	569,519	995,508	937,636
Altira Macau	286,017	323,882	307,150	406,896	413,273
City of Dreams Manila	565,282	424,982	396,644	661,686	599,256
Okushiga Kogen Ski Resort	33,401	30,535	27,942	1,380	-

WATER CONSUMPTION BY SOURCE AND INTENSITY (IN M³)

	2022	2021	2020	2019	2018
Municipal water	2,104,286	2,118,259	2,110,619	3,423,319	3,218,930
Recycled water	217,714	147,549	63,120	50,718	50,718
Total water consumption	2,322,000	2,265,808	2,173,739	3,474,037	3,269,648
Water intensity by floor area (in m³/m²)	1.66	1.61	1.56	2.54 ⁵⁹	2.34

59. 2019 water consumption intensity adjusted based on revised GFA at facilities in Cyprus.

APPENDICES

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 Melco Melco's headquarters are at 71 Robinson Road #04-03, Singapore 068895 and the 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 27th 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: <ul style="list-style-type: none"> - 2021 Calculated kWh Savings based on Cumulative Annualized 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”, and “Food Waste” diverted from disposal as a percentage of the waste stream was adjusted to 21.05 in 2021 instead of 21.07 as previously reported. - 2021 Calculated m³ Savings based on Cumulative Annualized Water-efficiency Measures (WEMs) – data restated for City of Dreams Manila to show reduced savings in 2021 than was reported. - 2021 Chemical Consolidation for Macau and Manila (chart) – 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 Company's Scope 1, 2 and 3 GHG emission inventory for the year 2022 against ISO 14064-3:2019. The Board's NCGC reviewed and approved the Company's 2022 Sustainability 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	<p>About Melco</p> <p>About this Report</p> <p>Our Impact along the Value Chain</p> <p>Restoring our World</p> <p>Inspiring our Communities</p> <p>Sustaining our Supply Chain</p> <p>Empowering our Business</p> <p>MRE Annual Report 2022 – Form 20-F – P.79-94; 158</p> <p>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 Melco’s value chain compared to the previous reporting period.</p> <p>Operating within global gaming and hospitality industries, Melco’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 endeavor 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.</p> <p>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 organize capacity-building programs for our colleagues and NGOs that work with us on community engagement activities.</p>	
2-7	Employees	<p>MRE Annual Report 2022 – Form 20-F – P.158</p> <p>Performance Metrics</p> <p>The Company employed 16,908 people in 2022 compared to 17,878 in 2021; representing 5% change in the workforce when business volume reduced by 40%.</p>	
2-8	Workers who are not employees	<p>Performance Metrics</p> <p>There were no significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.</p>	

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 MRE Annual Report 2022 – Form 20-F – P.146-151; 152-157	
2-10	Nomination and selection of the highest governance body	MRE Annual Report 2022 – Form 20-F – P.156 Board Diversity Policy	
2-11	Chair of the highest governance body	Corporate Governance Structure MRE Annual Report 2022 – Form 20-F – P.146-147 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 Sustainability Risk Management MRE Annual Report 2022 – Form 20-F – P.152-157	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Structure MRE Annual Report 2022 – Form 20-F – P.152-157	
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Structure MRE Annual Report 2022 – Form 20-F – P.156 The Nominating and Corporate Governance Committee of the Board approved Melco Resorts Sustainability Report 2022 on 24th April, 2023.	
2-15	Conflicts of interest	MRE Annual Report 2022 – Form 20-F – P.63-66; 164-166 Conflict of interest covered in detail in the Code of Business Conduct and Ethics	
2-16	Communication of critical concerns	Ethics & Integrity MRE Annual Report 2022 – Form 20-F – P.152-157 Melco did not have any critical concerns raised in 2022.	
2-17	Collective knowledge of the highest governance body	MRE Annual Report 2022 – Form 20-F – P.152-157 Corporate Governance Structure	
2-18	Evaluation of the performance of the highest governance body	MRE Annual Report 2022 – Form 20-F – P.156	
2-19	Remuneration policies	MRE Annual Report 2022 – Form 20-F – P.151-152; 155-156	
2-20	Process to determine remuneration	MRE Annual Report 2022 – Form 20-F – P.151-152; 154-155	
2-21	Annual total compensation ratio		Confidentiality constraints. Information is considered private.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
GRI 2: General Disclosures 2021			
4. Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Chairman & CEO's Statement	
2-23	Policy commitments	Sustainability Risk Management 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 Melco's risk assessment, property design, construction and operations and planning processes.	
2-24	Embedding policy commitments	Sustainability Risk Management 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	Sustainability Risk Management Evolving Risks and Opportunities 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	Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business 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 organization that inspires and engages the private sector to collaborate and lead in the fight against modern slavery. Melco 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 Company 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 labor 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 Evolving Risks and Opportunities Restoring our World – Strategy and Management Approach Energy & Climate Resilience Our Policies and Statements 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 organization.	
302-4	Reduction of energy consumption	Restoring our World – Strategy and Management Approach 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	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p> <p>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).</p> <p>2019 is the base year for target setting as that was the first year that third-party verification was undertaken of Melco's Scope 1 inventory. GHG inventory is calculated using an operational control approach. The inventory aligns with the Greenhouse Gas Protocol Corporate Accounting Standard (GHG Protocol) published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), and refers to the Global Warming Potentials (GWPs) of the Sixth Assessment Report (6AR) of the Intergovernmental Panel on Climate Change (IPCC).</p>	
305-2	Energy indirect (Scope 2) GHG emissions	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p> <p>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.</p> <p>2019 is the base year for target setting as that was the first year that third-party verification was undertaken of Melco'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. Melco'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.</p>	
305-3	Other indirect (Scope 3) GHG emissions	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p> <p>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.</p> <p>The inventory aligns with the GHG Protocol published by WBCSD and WRI, and refers to the GWPs of the 6AR of the IPCC.</p>	
305-4	GHG emissions intensity	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p>	
305-5	Reduction of GHG emissions	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p>	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Restoring our World			
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, Material Use & Waste 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 Evolving Risks and Opportunities Restoring our World – Strategy and Management Approach Material Use & Waste Our Policies and Statements	
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 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 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	
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 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 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Performance Highlights Engaging our People Performance Metrics	
404-2	Programs for upgrading employee skills and transition assistance programs	Engaging our People	Information unavailable. Programs 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	Inspiring our Communities 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.	
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 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			
403-1	Occupational health and safety management system	<p>Safety, Health & Wellbeing</p> <p>Melco's safety and health management system covers all of our operations. In addition, Melco's operations in Macau and Hong Kong are certified to the ISO 45001 management system standard for occupational health and safety.</p>	
403-2	Hazard identification, risk assessment, and incident investigation	<p>Safety, Health & Wellbeing</p> <p>As part of implementing Melco'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.</p>	
403-3	Occupational health services	<p>Safety, Health & Wellbeing</p> <p>As part of implementing Melco'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.</p>	
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>Safety, Health & Wellbeing</p> <p>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.</p>	
403-5	Worker training on occupational health and safety	<p>Safety, Health & Wellbeing</p>	
403-6	Promotion of worker health	<p>Safety, Health & Wellbeing</p> <p>Ethical & Sustainable Supply Chain</p> <p>As part of implementing its OSH system, Melco 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.</p>	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Safety, Health & Wellbeing</p>	

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			
403-8	Workers covered by an occupational health and safety management system	<p>Safety, Health & Wellbeing</p> <p>Melco'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.</p>	
403-9	Work-related injuries	<p>Safety, Health & Wellbeing</p> <p>Performance Metrics</p> <p>There were no cases of high-consequence work-related injuries or of colleague or worker fatalities on Melco properties in 2022. The main types of injuries included slips, trips and falls, cuts and abrasions, striking against objects or manual handling. Melco's OSH system identifies work-related hazards that pose a risk of high consequence injury and implements controls to mitigate risk.</p>	<p>Information unavailable.</p> <p>Data on workers outside the organization have yet to be collected.</p>
GRI 416: Customer Health & Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>Ethics & Integrity</p> <p>No significant incidents of non-compliance with regulations concerning health and safety impacts occurred during the reporting period.</p>	
Material Topic: Responsible Gaming			
GRI 3: Material Topics 2021			
3-3	Management of material topics	<p>Assessing Materiality</p> <p>Our Impact along the Value Chain</p> <p>Sustainability Risk Management</p> <p>Inspiring our Communities – Strategy and Management Approach</p> <p>Responsible Gaming</p>	
GRI 417: Marketing & Labeling 2016			
417-1	Requirements for product and service information and labeling	<p>Responsible Gaming</p> <p>Melco has not had any incidents of non-compliance with its procedures related to responsible gaming and health and safety communication materials.</p>	
417-3	Incidents of non-compliance concerning marketing communications	<p>Responsible Gaming</p> <p>Community Engagement & Investment</p> <p>Melco has not had any incidents of non-compliance with requirements or codes concerning marketing communications.</p>	

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 Melco's operations are regularly assessed for corruption risk.	
205-2	Communication and training about anti-corruption policies and procedures	Ethics & Integrity All members of Melco's governing bodies, including the Board, its committees and the Company's Executive Committee as well as property-level boards and their committees and Executive Committees have received training on Melco's anti-corruption policies. All colleagues receive training on Melco's anti-corruption policies and procedures. Melco's requirements for suppliers and business partners are acknowledged through acceptance of Melco's Code of Conduct for Suppliers and related training is provided.	

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 205: Anti-corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	Ethics & Integrity No confirmed incidents of corruption in the reporting year.	
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 behavior, 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 Melco 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	Performance Metrics MRE Annual Report 2022 – Form 20-F – P.131; 158-159	
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Risk Management Evolving Risks and Opportunities Our Risk Universe Energy & Climate Resilience 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	Safety, Health & Wellbeing 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 Melco, local authorities and third-party security experts.	

APPENDICES

TCFD Content Index

QUICK ACCESS TO SECTIONS

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
Melco's oversight and management of climate-related risks and opportunities.	Melco's 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 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.

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
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 decarbonization, 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 078 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 programs 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.

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 prioritization assessment was completed to understand which CRROs are most significant to the business. The full table of prioritized CRROs is listed on [page 116](#).

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 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 longest 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 has determined where the impact could occur across the value chain of the business as well as the potential financial impact to the organization.

Assessing the potential impact has helped the business identify those prioritized CRRO areas and the prioritization analysis is detailed below. The table on [page 116](#) lists the prioritized CRRO areas identified as part of the work completed by the Company's business units.

Prioritization Analysis

Following the risk identification stage, a prioritization 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.

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
TCFD DESCRIPTION			
<p>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Climate Scenario Selection</p> <p>As part of the prioritization analysis, the CRROs were analyzed using two scenarios: Current Policy and a Stress Scenario.</p> <p>The Current Policy Scenario considers temperature increases likely to range between 2.5-3°C, with significant resultant impacts to global climate systems.</p> <p>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.</p> <p>Scenarios to support the Stress Scenario analysis are based on the following data sources:</p> <ul style="list-style-type: none"> → Current Policy Scenario <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • NGFS (Net Zero 2050) • IEA World Energy Outlook (Sustainable Development Scenario) → Physical Stress Scenario (all RCP 8.5) <ul style="list-style-type: none"> • Climate Impact Explorer • KNMI Climate Change Atlas • WRI Water Risk Atlas • WRI Aquaduct Floods <p>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.</p> <p>Glossary</p> <p><i>NGFS</i> Network for Greening the Financial System <i>IEA</i> International Energy Agency <i>KNMI</i> The Royal Netherlands Meteorological Institute <i>WRI</i> World Resources Institute</p>		

Summary of Key Identified CRROs, Potential Impacts and Mitigating Actions

The following table lists the prioritized 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 organization 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

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

Melco 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



Value Chain Affected Area (unmitigated impact)

Operational costs and capital expenditure – *low moderate impact*

Melco’s Response and Mitigation Actions

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


To mitigate Melco’s exposure to such regulation, Melco 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. solar photovoltaics (PVs), power purchase agreements (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.

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
<p>Resource Procurement</p> <p>Time Horizon</p> <p>Value Chain Affected Area (unmitigated impact)</p>	<p>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.</p> <p>Melco has exposure to potential commodity price increase pressures resulting from net-zero transition related regulations.</p>  <p>Operational costs and capital expenditure – <i>insignificant impact</i></p>	<p>Melco's Response and Mitigation Actions</p> <p>Melco 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.</p> <p>The Company also aligned recent integrated resort expansions to BREEAM building standards. The Company will aspire to follow this approach for any future developments.</p> <p>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.</p>	

Physical Risk Areas

Acute

<p>Extreme Weather Events</p> <p>Time Horizon</p> <p>Value Chain Affected Area (unmitigated impact)</p>	<p>The increase in frequency and intensity of extreme weather events, such as typhoons, could pose considerable impact to Melco.</p> <p>Melco 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.</p> <p>Melco 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 vulnerable to increased insurance costs or inability to obtain sufficient coverage.</p>  <p>Operational costs and lost revenues – <i>moderate impact</i></p>	<p>Melco's Response and Mitigation Actions</p> <p>To mitigate Melco's exposure to extreme weather events, we will:</p> <ul style="list-style-type: none"> → 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. 	
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GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
Physical Risk Areas			
<i>Chronic</i>			
<p>Chronic Temperature Increases</p> <p>Time Horizon</p> <p>Value Chain Affected Area (unmitigated impact)</p>	<p>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.</p>  <p>Operational costs – <i>insignificant impact</i></p>	<p>Melco's Response and Mitigation Actions</p> <p>→ Melco 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 analyzed 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 are immaterial over a long-term time horizon.</p> <p>→ The implementation of planned energy- and water-efficiency measures will help further reduce risk exposure in these areas as well as build further resilience.</p>	
<p>Water Stress</p> <p>Time Horizon</p> <p>Value Chain Affected Area (unmitigated impact)</p>	<p>Global warming is likely to increase pressures on water supplies that could result in increased water procurement costs for the Company.</p> <p>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.</p>  <p>Operational costs – <i>insignificant impact</i></p>		
Opportunities			
<p>Capital Flow Opportunities</p>	<p>Strategic Actions to be Undertaken</p> <p>There are increasing opportunities for Melco 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.</p> <p>Actions</p> <ul style="list-style-type: none"> → Due diligence of capital investments that involves a carbon emission assessment. → Investment in low-carbon/low-energy technologies to unlock potential favorable green financing opportunities. 		
<p>Renewable Energy and Onsite Generation Opportunities</p>	<p>Strategic Actions to be Undertaken</p> <p>Sourcing renewable energy and expanding onsite solar generation presents an opportunity for Melco to decarbonize its operations as well as mitigate the risks relating to rising fossil fuel-based energy prices and disrupted energy supply from severe weather events.</p> <p>Actions</p> <ul style="list-style-type: none"> → Assess potential investment opportunities to reduce exposure to risks based on energy usage and costs savings analysis. 		

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
TCFD DESCRIPTION		OUR RESPONSE	

RISK MANAGEMENT

<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>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 this report on page 018 for the full disclosure on our risk management processes.</p>
<p>b. Describe the organization's processes for managing climate-related risks.</p>	<p>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.</p> <p>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.</p>
<p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>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.</p>

GOVERNANCE

STRATEGY

RISK MANAGEMENT

METRICS & TARGETS

TCFD DESCRIPTION

OUR RESPONSE

METRICS & TARGETS

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 094](#) 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 094](#) 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 organization minimize exposure to climate-related risks. Please refer to [page 026, 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% tCO₂e/m² intensity reduction in Scope 1 and 2 GHG emissions by 2030, with ambitions for 22% reduction
- 3% kWh/m² intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level
- 19% m³/m² intensity reduction in water consumption by 2030
- 5% tonnes/m² 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.

Contact Details

Your Feedback

If you have any questions or feedback on this report, please scan the QR Code with your smartphone to provide your feedback.



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