RISE
to go

ABOVE & BEYOND

Contents

QUICK ACCESS TO SECTIONS

About this Report

INTRODUCTION

Melco International Development Limited's ("Melco International" or the "Company", together with its subsidiaries collectively referred to as the "Group") annual Environmental, Social and Governance ("ESG") Report presents an overview of our sustainability performance for the calendar year ended 31 December 2023 and, where possible, information and updates on the development of our ongoing plans.

This report has been prepared in accordance with the disclosure requirements of the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Global Reporting Initiative ("GRI") Universal Standards 2021 ("GRI Standards")[1] for sustainability reporting. In addition to applying the GRI Standards' reporting principles, the following principles highlighted by the ESG Reporting Guide are closely followed:

→ Materiality—the approach adopted for determining material ESG topics, including the engagement of stakeholders in the process, is outlined in Understanding What Matters Most, Assessing Materiality and Our Impact along the Value Chain.

→ Quantitative—information on the standards, methodologies, calculation tools and conversion factors adopted and assumptions made for data disclosures are provided where relevant in footnotes throughout this report and in the Performance Metrics, HKEX ESG Reporting Guide Index and the GRI Content Index.

→ Balance—disclosures in the report provide an unbiased and comprehensive picture of our ESG performance.

→ Consistency—changes to methodologies adopted and any restatements of data are disclosed in footnotes as needed and where relevant.

This report primarily covers the corporate offices of the Group, our integrated resort arm, Melco Resorts & Entertainment Limited ("Melco Resorts"), with particular focus on all properties in Macau[2], Manila[3] and Cyprus[4]. Financial information, unless otherwise stated, is presented in Hong Kong dollars (HK$). Additional ESG performance information is provided in Melco Resorts' 2023 Sustainability Report ("Melco Resorts' Report"). This report and our previous ESG Reports are available online. Any questions pertaining to this report can be sent by email to info@melco-group.com.

---

1. Melco International Development Limited has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

2. In 2023, data attributable to Melco Resorts' integrated resort, hotel and club operations in Macau, include City of Dreams Macau, Studio City, including Studio City Phase 2 that opened in 2023, Altira Macau and Mocha Clubs.

3. In 2023, data attributable to Melco Resorts' Manila operations include the integrated resort of City of Dreams Manila and the Hyatt Regency Hotel.

4. In 2023, data attributable to Melco Resorts' operations in Cyprus also include the newly opened City of Dreams Mediterranean integrated resort, hotel and club operations.

About Us

Melco International was founded in 1910 and listed on the Hong Kong Stock Exchange in 1927. Under the leadership of Chairman and Chief Executive Officer ("Chairman & CEO") Mr. Ho, Lawrence Yau Lung, Melco International has found new energy and direction as a dynamic company that leads the field in the leisure and entertainment sector. Our Group companies are responding to changing global dynamics with vibrant, imaginative products and services that fulfil the demands and dreams of an increasingly affluent and ambitious young generation. In 2017, Melco International became the sole majority shareholder of its subsidiary Melco Resorts, a developer, owner and operator of integrated resort facilities in Asia and Europe. For further information on our business outlook, operations and financial performance, please refer to our 2023 Annual Report.

Awards, Certifications and Recognition

The Group aligns sustainability performance with global sustainable development goals and benchmarks. Our efforts are reflected in the awards, recognition and certifications we have received, as detailed below.

AWARDS

→ Global Gaming Awards Asia – Corporate Social Responsibility Award of the Year as voted by industry leaders, 2023

→ Asia Gaming Awards – Outstanding Contribution in Corporate Social Responsibility and Best Responsible Gaming Program, 2023

→ Inside Asian Gaming IAG Academy IR Awards – Best Overall CSR Program: Simple Acts of Kindness, 2023

→ Association for Talent Development – Career Development category: Foundation Acceleration Programme, ATD Excellence in Practice Awards, 2023

→ Associação de Juventude Voluntária de Macau – Spread Love Through the City Service Award, 2023

→ Pou Tai Elderly Integrated Service Center and Pou Tai Youth and Family Integrated Service Center – Pou Tai Volunteer Recognition Bronze Award, 2023

→ Forbes Travel Guide – greatest number of stars amongst integrated resorts in Asia, including 16 five-star and three four-star awards in 2024

→ MICHELIN Stars – eight stars across five of our restaurants at City of Dreams, Studio City and Altira Macau in 2024, establishing our leadership position in Macau

→ Green Hotel Gold Awards for Studio City, NÜWA and Morpheus, and Green Hotel Silver Award for The Countdown, 2023

→ Green Key Award for Studio City, NÜWA, Morpheus and The Countdown, 2023

→ Best International Sustainable Commercial Development 2023 for City of Dreams Mediterranean at the International Property Awards

→ Best Sustainable Commercial Development Europe 2023 for City of Dreams Mediterranean at the European Property Awards

→ Asian Excellence Awards by Corporate Governance Asia magazine – Best Environmental Responsibility, 2023

CERTIFICATIONS

→ "RG Check" accreditation by international third-party Responsible Gambling ("RG") Council across our properties in Macau and Manila since 2021 with Cyprus accredited since 2022

→ Three more locations achieved a 100% score for the RG Implementation Index criteria of DICJ[5], bringing the total number of locations to six attaining this recognition in Macau

→ Our integrated resorts in Macau and the Philippines were amongst the first in the world to achieve the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification

→ BREEAM "Excellent" rating for the design stage for both Studio City Phase 2 and City of Dreams Mediterranean

→ Being the first and only integrated resorts in Macau to have all self-operating food and beverage ("F&B") outlets achieve the Hazard Analysis Critical Control Point ("HACCP") certification, covering City of Dreams Macau, Studio City and Altira Macau. Studio City first achieved the HACCP certificate in 2020, and the restaurants at Morpheus Hotel have been covered under the certificate of City of Dreams Macau since 2022

→ City of Dreams Mediterranean completed the HACCP food safety certification process in December 2023 and the certification was confirmed in January 2024

→ Being the first organisation 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

→ Achieved a BBB+ score on the Hang Seng Sustainability Index

→ Attained high scores in the Corporate Sustainability Assessments ("CSA") and ranked in the 87th percentile of our industry group overall

→ Achieved an A rating from the MSCI ESG Ratings

→ Received an overall score of B and a score of C for climate-related supplier engagement strategy from the Carbon Disclosure Project

→ 3rd Greater China Hotel Business Sustainability Index, CUHK Business School's Centre for Business Sustainability – Top 10 most sustainable hospitality companies, 2023

→ Outstanding Corporate for Volunteerism from the Association of Volunteers Social Service Macao, 2019-2023

5. The Direcção de Inspecção e Coordenação de Jogos ("DICJ") is the Gaming Inspection and Coordination Bureau of the Macau SAR Government.

OUR STRATEGY

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

QUICK ACCESS TO CONTENT

RISE

Our RISE sustainability strategy guides us to go "Above & Beyond" 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**.

Inspiring
our Communities

Restoring
our World

Sustaining our Supply Chain

GUEST
EXPERIENCE

Empowering
our Business

RISE TO GO ABOVE & BEYOND: OUR 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 products that have sustainability attributes
- Building capacity and awareness of the social, ecological and biodiversity impacts in sourcing
- Striving to eliminate human trafficking and modern slavery in our industry and supply chains

Empowering our Business

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

SUSTAINABILITY AT MELCO INTERNATIONAL

Understanding What Matters Most

We are committed to responsibly managing our operations in line with the evolving expectations of our key stakeholders. Understanding their priorities and challenges, and opportunities for collaboration, is an ongoing process that enables us to focus on what matters and where we can create shared value across our value chain and for our business. Our stakeholder groups[6], their influence over the Group, methods of engagement, priorities, and key concerns raised during our materiality assessment process were reviewed in 2023 and are outlined in the table below.

	Board Members	Guests	Governments	Investors	Colleagues	Suppliers	NGOs[7]
Ongoing Engagement	• Surveys • One-on-one interviews • Meeting of the board of directors of Melco International (the "Board")	• Surveys • One-on-one interviews • Online • Social media • Mystery guests • Focus groups	• Surveys • One-on-one interviews • Industry forums	• Surveys • One-on-one interviews • Briefings and meetings • Annual General Meeting • Property tours • Investor presentations • Roadshows • Conferences	• Colleague surveys and virtual interviews • Workshops and training • Various online platforms • Hotline • Events: townhall, family days, volunteering and wellness activities	• Surveys and training • One-on-one interviews • Supplier events and forums • Meetings • Assessment against Melco Resorts' Supplier Code of Conduct ("Supplier Code")	• Surveys • One-on-one interviews • NGO participation in industry meetings • Collaboration on community projects • Staff volunteering
Priorities/ Key Concerns	• Ensuring sound policies and procedures • Attracting/retaining the right talent • Enhancing energy, water and waste management • Robust data collection and reporting • ESG topic training for Board directors • Climate change and biodiversity tech investment • Maintaining safety and health standards • Enriching guest experiences	• Maintaining safety and health standards • Raising awareness on RG and environmental protection • Customer data protection • Increasing leisure facilities for families • Ensuring service excellence • Supplying and offering healthier and organic food options	• Stable and sustainable economic contributions • Promoting opportunities for job creation and socioeconomic development • Managing business diversification • Transparent engagement with government • Protecting customer interests • Supporting local communities • Managing environmental impacts • Addressing culture and heritage preservation	• Sustaining financial health • Enhancing sustainability performance and increasing transparency in disclosures • Attracting/retaining the right talent • Expanding disclosures on human rights and diversity, equity and inclusion ("DEI") • Anti-modern slavery regulations • Expanding community investment and engagement • Providing clarity on Board dynamics and oversight over ESG performance • Heightened outreach from senior leaders on ESG performance	• Ensuring data privacy and cybersecurity • Clear career roadmaps • Sustaining leadership on sustainability • Fostering DEI in the workplace • Excellence in guest service culture • Prioritising protection and support for colleagues • Expanding sustainability training and engagement • Championing small and medium enterprise ("SME") outreach and community support	• Educational opportunities on sustainability • Ensuring ethical sourcing and biodiversity impacts • Incorporating sustainability attributes to minimise waste and reduce impact • Strict safety and health measures • Contributing to local economic development and communities • Protecting data and data management integrity	• Increasing the frequency and effectiveness of community outreach • Enhanced communication with community • Raising sustainability awareness • Increasing transparency on sustainability performance
Highlights of our Response in 2023	• Delivered in-depth cybersecurity training • Adapted to emerging global legislation, including updates to Anti-Money Laundering ("AML")/ Counter-Terrorist Financing ("CTF") regulations and guidance in 2023	• Maintained RG check accreditation across all our operations, with three more locations attaining a perfect score of 100% to the RG Implementation Index criteria in Macau • Enhanced Macau's entertainment landscape with Asia's first residency show, a new year-round indoor water park, and opened Europe's first integrated resort in Cyprus	• Contributed to diversification of Macau's economy by investing at least HK$11.4 billion, mainly in non-gaming sectors, to establish the city as an international tourism and leisure destination • Trained Cultural Ambassadors through localised training programmes across all jurisdictions to promote local culture and heritage	• Provided detailed supplier and colleague training on sustainability practices, including modern slavery • Built local talent pipelines to drive succession planning • Responded to ESG raters	• Built local talent pipelines to drive socioeconomic development • Curated tailored training opportunities for our colleagues • Provided substantive programmes to support mental and physical wellbeing	• Developed a new vendor portal set to launch in early 2024, that will offer vendors quick access to purchase orders, streamlined planning and faster invoice processing • Updated our Supplier Code to address to the expectations of our Environmental Sustainability Policy and included the Supplier Code's requirements for safeguarding human rights in our request for proposal process	• Over 3,800 participants volunteered their time and efforts across over 530 volunteering initiatives • Through partnerships, contributed to societal wellbeing by supporting elderly homes, educational initiatives and health-related activities, as well as environmental clean-ups

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

7. Non-governmental Organisations ("NGOs")

Assessing Materiality

It is critical that our sustainability strategy and ESG reporting are responsive to stakeholder concerns[8], changes in the regulatory and disclosure landscape, as well as our business context and trends in our sector and globally. We annually update our materiality assessment process, which combines stakeholder engagement with data-driven analysis. In 2023, we updated our materiality assessment process to integrate the concept of double materiality. As in previous years, impact materiality was guided by the GRI Standards and, for the first time, the assessment includes a distinct consideration of financial impact by integrating the financial materiality approach of the IFRS S1[9] and SASB[10] standards.

This year, a diverse range of internal and external stakeholders completed an online survey and were interviewed by our independent consultant. For each of the Group's relevant sustainability issues, stakeholders were asked to separately rank the significance of the issues' impact on (1) economy, environment and people, including impacts on their human rights, and (2) the Group's financial performance. In ranking

the issues, they were asked to consider both the magnitude of the impact and the likelihood of its occurrence in the short term, specifically over the next three to five years. Feedback was also sought on the issues that pose the greatest sustainability risks and opportunities over the longer term, towards 2030 and beyond. For details on this process and the criteria applied, please refer to Melco Resorts' Report.

8. In 2023, one-on-one interviews with 16 internal and external stakeholders were conducted by our independent consultant; previous years also included online surveying of close to 3,000 stakeholders along with guest satisfaction surveys.

9. The International Sustainability Standards Board released International Financial Reporting Standards ("IFRS") – *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 – *Climate-related Disclosures*, collectively known as known as IFRS S1 and S2, in 2023.

10. Sustainability Accounting Standards Board ("SASB") standards for the Casinos & Gaming and Hotels & Lodging sectors.

STAKEHOLDER ENGAGEMENT AND MATERIALITY PROCESS

The table below summarises our process in 2023 to integrate the new IFRS S1 criteria, alongside the GRI Standards' criteria, into our double materiality assessment.

1 Identification of Sustainability Issues

Identification is based on industry research, peer benchmarking, stakeholder engagement, media coverage, international sustainability initiatives and sustainability reporting frameworks.

2 Stakeholder Engagement

Through an online survey and one-on-one interviews, internal and external stakeholders were specifically asked to rank the significance of each sustainability issue's potential impact, by considering both the magnitude of the impact and the likelihood of its occurrence in the short term, specifically over the next three to five years. Stakeholder groups engaged during this year's cycle of stakeholder engagement[11] included board members, senior management, suppliers/contractors, investors, government representatives and NGOs.

3 Evaluation of Impacts

The results of the stakeholder engagement exercise were evaluated by senior management in a workshop to confirm the assessment results and determine material topics. This evaluation was based on:

- Criteria of the GRI Standards, IFRS S1 and SASB for assessing materiality
- Sustainability trends, risks and opportunities related to the Group's business
- Concerns expressed directly by stakeholders

- The Group's sustainability impact along the value chain and financial impact over time, based on the criteria of the GRI Standards, IFRS S1 and SASB, prepared by our independent consultant
- What the Group deems as important to the business and our longer-term success in light of key risks and opportunities[12]

- The Group's influence on upstream entities, such as suppliers, and downstream entities and stakeholders, such as customers/guests
- Broader societal expectations

4 Outcomes

The outcomes of the double materiality assessment refined the stakeholder engagement process, prioritising significant impact issues on the economy, environment, and people, including human rights, and potential impacts on financial performance. These were reviewed by the Chairman & CEO, and the Board; the report content and structure were updated accordingly.

5 Next Steps

The focus will be on continuously reviewing and refining the stakeholder engagement process to capture evolving expectations and priorities, including alignment with IFRS S1 and S2. The Group will persistently review and evaluate its impacts, risks and opportunities to evolve our sustainability strategy.
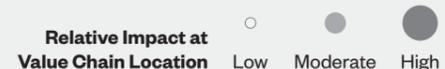
11. Every two years, we conduct a broader, more extensive stakeholder engagement process that includes the stakeholder groups engaged this year, as well as customers/guests, colleagues, media and academic institutions.

12. Refer to Melco Resorts' Report for details on the Group's risk universe and approach to managing key sustainability risks and opportunities.

SUSTAINABILITY AT MELCO INTERNATIONAL
ASSESSING MATERIALITY

SUSTAINABILITY AT MELCO INTERNATIONAL
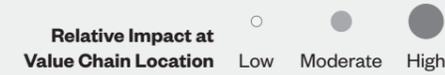ASSESSING MATERIALITY

Our Impact along the Value Chain

The table below presents the results of the 2023 double materiality assessment, grouping the sustainability issues by the pillars of our RISE sustainability strategy and their nine material topics. For each issue, the location of its impact along the value chain are identified as well as the significance of the sustainability and financial impacts potentially arising in the short and long terms.

Relative Impact at Value Chain Location   ○ Low   ● Moderate   ● High

PILLAR & MATERIAL TOPICS	SUSTAINABILITY ISSUES AND THEIR SIGNIFICANT POSITIVE (+) AND NEGATIVE (−) IMPACT		LOCATION OF IMPACT ALONG THE VALUE CHAIN			OVERALL SIGNIFICANCE OF IMPACT		
			Upstream	Operations	Downstream	Short term (3-5 years) — significance by impact / overall significance		Long term (5-10 years)
Restoring our World → **Energy & Climate Resilience** → **Material Use & Waste**	**Climate-related physical risk** + Investment in property and supply chain resilience, including onsite energy storage systems and ensuring all integrated resorts are designed to withstand the impact of extreme temperature and weather events, will reduce costs, damage and waste and safeguard property and people.	− Property damage, loss of revenues from service and supply chain disruption and increased costs to manage more frequent and severe temperature and weather events, and higher insurance costs or inability to obtain sufficient coverage.	●	●	●	Sustainability Impact / Financial Impact	Critically Significant	Critically Significant
	Climate-related transition risk + Sustainable building design, energy-efficiency initiatives and moving from fossil-fuel-based energy sources to cleaner energy sources reduce exposure to carbon pricing regulatory mechanisms.	− Net-zero transition policies and carbon prices could result in energy-related inflationary pressures. Fuel usage could be exposed to potential carbon pricing regulatory mechanisms. Impact on operational costs and capital expenditure.	●	●	●	Sustainability Impact / Financial Impact	Critically Significant	Critically Significant
	Energy management + Cleaner/clean fuels support the energy transition and reduce climate-related risks and costs of mitigation and adaptation. Safeguard health of the environment and society.	− Impact to air quality and climate change. Destruction of life support systems and damage to ecosystems, economies and people. Cost of mitigation and adaptation.	●	●	●	Sustainability Impact / Financial Impact	Critically Significant	Critically Significant
	Nature and biodiversity + Protection of ecosystems to sustain life support systems, natural resources and quality of life.	− Degradation of life support systems, resources and quality of life. Increased cost of natural resources, including food, will impact operational costs.	●	●	○	Sustainability Impact / Financial Impact	Significant	Highly Significant

SUSTAINABILITY AT MELCO INTERNATIONAL
ASSESSING MATERIALITY

Relative Impact at Value Chain Location   ○ Low   ● Moderate   ● High

PILLAR & MATERIAL TOPICS	SUSTAINABILITY ISSUES AND THEIR SIGNIFICANT POSITIVE (+) AND NEGATIVE (−) IMPACT	LOCATION OF IMPACT ALONG THE VALUE CHAIN			OVERALL SIGNIFICANCE OF IMPACT		
		Upstream	Operations	Downstream	Short term (3-5 years) — significance by impact / overall significance		Long term (5-10 years)
	Water management **+** Safeguard the environment by conserving water and reduce costs through efficient use of resources. **−** Impacts from resource depletion and water scarcity, environmental damage and increased operational costs.	● (High)	● (Moderate)	○ (Low)	Sustainability Impact / Financial Impact	Significant	Highly Significant
	Material use and waste management **+** Safeguard the environment by conserving resources and through circularity, and by reducing costs through efficient use of resources. **−** Resource depletion, environmental damage and increased operational costs.	● (High)	● (Moderate)	● (Low)	Sustainability Impact / Financial Impact	Highly Significant	Critically Significant
Inspiring our Communities → **Engaging our People** → **Safety, Health & Wellbeing** → **Responsible Gaming** → **Community Investment & Engagement**	**Employee attraction and retention** **+** Employment and retention of talented, skilled, happy and healthy people, providing job security and professional and personal fulfilment for employees. Contributes to improved financial performance. **−** Disgruntled and impaired performance impacts professional and personal development, and performance of employees, which, along with unhealthy turnover, impacts operational costs.	○ (Low)	● (High)	● (Low)	Sustainability Impact / Financial Impact	Critically Significant	Critically Significant
	Human rights, DEI, labour practices **+** Respecting rights and ensuring fair and just treatment of people enhances professional and personal experiences. Diversity of talent, experience and viewpoints supports people and the business to thrive, enhance guest experiences and financial performance. **−** Unjust treatment of people is immoral and inhumane and denigrates people, creating a sense of exclusion that impairs their professional and personal development. Lack of diverse talent and thought impairs personal performance and financial performance of the Group.	● (Low)	● (High)	● (Low)	Sustainability Impact / Financial Impact	Highly Significant	Critically Significant
	Safety and health **+** Safeguard employees and guests. Enhanced work and guest experience and maintenance of trust, reinforcing brand reputation. **−** Injuries and fatalities impact people's lives and impair work and guest experiences and trust. Increased operational costs to remediate incidents that do occur.	● (Low)	● (High)	● (High)	Sustainability Impact / Financial Impact	Highly Significant	Highly Significant
	Food safety **+** Adherence to stringent hygiene and food safety standards safeguards health and the guest and employee experience, as well as brand and supplier reputation. **−** Unsafe food negatively impacts the health of guests and employees, with incidents affecting brand and supplier reputation, and leading to loss of revenue. Increased operational costs arise from potential fines, regulatory noncompliance and measures taken to respond to incidents.	○ (Low)	● (High)	● (High)	Sustainability Impact / Financial Impact	Highly Significant	Highly Significant

SUSTAINABILITY AT MELCO INTERNATIONAL
ASSESSING MATERIALITY

Relative Impact at Value Chain Location — Low ○ · Moderate ● · High ●

PILLAR & MATERIAL TOPICS	SUSTAINABILITY ISSUES AND THEIR SIGNIFICANT POSITIVE (+) AND NEGATIVE (−) IMPACT		LOCATION OF IMPACT ALONG THE VALUE CHAIN			OVERALL SIGNIFICANCE OF IMPACT		
			Upstream	Operations	Downstream	Short term (3-5 years) — significance by impact / overall significance		Long term (5-10 years)

PILLAR & MATERIAL TOPICS	Issue	Upstream	Operations	Downstream	Short term (3-5 years)	Long term (5-10 years)
	Responsible gaming + Safeguard patrons to enable them to game responsibly, supporting social harmony and the Group's licence to operate. − Patrons impacted by the negative consequences of problem gaming, impacting social harmony, investor confidence and the Group's licence to operate.	○	●	●	Sustainability Impact / Financial Impact — Critically Significant	Critically Significant
	Community investment and engagement + Enhance the wellbeing of communities and reduce inequality. Enhancing the Group's brand reputation in the communities in which we operate. − Impaired wellbeing of communities and increased inequality. Negative impact on the Group's brand reputation in the communities in which we operate.	○	●	●	Sustainability Impact / Financial Impact — Highly Significant	Highly Significant
	Culture and heritage + Celebrating and supporting the development of culture and heritage enhances the wellbeing of people and communities, as well as the Group's brand reputation. − Lost opportunity to benefit from recognition of culture and heritage to build relationships and foster goodwill among employees, guests and communities.	○	●	●	Sustainability Impact / Financial Impact — Significant	Significant
Sustaining our Supply Chain → Ethical & Sustainable Supply Chain	**Ethical and sustainable supply chain** + Responsible business practices avoid risk and environmental and social impacts along the supply chain. Support sustainable business development. − Lack of responsible supply chain management impairs performance, impacts people, businesses and the environment and leads to loss of business.	●	●	●	Sustainability Impact / Financial Impact — Critically Significant	Critically Significant
	SME management + Building capacity for SMEs to provide goods and services that meet the Group's ESG goals supports SME development and local economies. − Failure to build capacity of SMEs reduces the Group's ability to enhance supplier relationships to achieve ESG goals and support local businesses and economies.	●	●	●	Sustainability Impact / Financial Impact — Significant	Significant
Empowering our Business → Ethics & Integrity → Privacy & Cybersecurity	**Ethics and integrity** + Responsible business practices create positive economic development. Trust of and business continuity with business partners. Avoid fines and negative business impact. − Impaired business performance/ development, impaired reputation, loss of trust and credibility and cost of fines.	●	●	●	Sustainability Impact / Financial Impact — Critically Significant	Critically Significant
	Privacy and cybersecurity + Safeguard data and information and avoid breaches and remediation costs. − Impact to people of loss/sharing of data and information. Cost of breaches, fines, legal action and legal/expert services and loss of business.	●	●	●	Sustainability Impact / Financial Impact — Critically Significant	Critically Significant

Restoring our World

CONSERVING RESOURCES, ENHANCING CLIMATE RESILIENCE AND RESTORING OUR ECOSYSTEMS

QUICK ACCESS TO MATERIAL TOPICS

CASE STUDY

Progressing on our Journey to Eliminate Single-use Plastic

Eliminating avoidable plastic has long been one of our top priorities. In 2020, we joined the Global Tourism Plastics Initiative ("GTPI")[13], led by the United Nations ("UN") Environment Programme and the World Tourism Organization, alongside the Ellen MacArthur Foundation. GTPI provides a mechanism for businesses, governments and other tourism stakeholders to act collectively, setting an example to inspire others to make the shift towards circularity in the use of plastic. As a signatory, we committed to the following five actions by 2025:

1. **Eliminate unnecessary plastic packaging**

2. **Adopt reuse models or reusable alternatives**

3. **Engage our value chain to use reusable, recyclable or compostable packaging**

4. **Increase recycled content in plastic packaging and items**

5. **Collaborate and invest to increase recycling and composting rates for plastic**

To address our primary sources of plastic consumption, our 2025 roadmap focuses on identifying all problematic plastics in our inventory and prioritising the top 15 items by weight to reduce and ultimately eliminate. Our progress to date includes:

- **Eliminating single-use plastic ("SUP") water bottles in almost all guest areas by serving filtered water in refillable glass bottles from our onsite NORDAQ bottling plants**

- **Removing SUP bottles from our Heart of House ("HoH") areas and providing water dispensers**

- **Installing high-filtration water dispensers at our restaurants to reduce plastic bottles**

- **Replacing small, disposable SUP bottles with large-sized, refillable dispensers for shampoo and other amenities in guest rooms and spas**

- **Substituting all SUP takeaway containers, utensils and gloves with biodegradable alternatives in our F&B operations**

- **Removing items such as shoe mitts, shoeshine kits and razors from guestroom setup and only providing upon request**

- **Providing bottles made with recycled polyethylene terephthalate ("rPET") only, in areas where it is not possible to provide glass water bottles**

- **Working with vendors to reuse plastic packaging**

These steps mark significant progress in our journey towards zero waste, with more detail in our section on Eliminating Plastic on page 029 of this report.

RESTORING OUR WORLD

Strategy and Management Approach

At the core of our RISE sustainability strategy to go Above & Beyond are the commitments of our Chairman & CEO. This includes inspiring our stakeholders—from suppliers to guests—by showing them that a sustainable future is a better future. With the tone for sustainability leadership cemented, the Group has established a culture where accountability for sustainability is embedded across all functions and levels of our organisation.

To deliver on our RISE sustainability strategy, we have established a roadmap and action plan to achieve our Group goals by 2030, with aligned, quantified targets set at the resort level. Practical actions for implementation are determined by our three Working Groups, the Carbon Neutral Working Group, Zero Waste Working Group, and Sustainable Sourcing Working Group, which meet monthly and report progress to Melco Resorts' Executive Sustainability Committee. Oversight of our ESG management systems and progress made against our Group-level goals and targets is provided by the Group's ESG Taskforce and Nomination and Corporate Governance Committee ("NCGC"). Please refer to our Corporate Governance Structure on page 064 for details.

KEY GOALS

- Achieving carbon-neutral resorts[14] by 2030[15]

- Achieving zero waste[16] across our resorts by 2030

- Contributing to circular economy leadership in Asia

- Sourcing goods and services with sustainability attributes[17]

- Reducing our water footprint

KEY TARGETS

Realistic intensity targets drive action and help track progress towards our ambitious goals. Assessing outcomes against baselines and critically reviewing progress and challenges in light of the latest research and technologies is essential to identify areas for improvement.

We have set the following targets for our properties based on our baseline year of 2019, which align with and support our established Group-level goals and targets[18]:

→ 5% tCO_2e/m^2 intensity reduction in Scope 1 and 2 greenhouse gas ("GHG") emissions[19] by 2030, with ambitions for 22% reduction

→ 3% kWh/m^2 intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level

→ 19% m^3/m^2 intensity reduction in water consumption by 2030

→ 5% $tonnes/m^2$ intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction

MATERIAL TOPICS

CHALLENGES

While this year was less challenging than previous years, maintaining focus on being cost effective and efficient prevailed as we steadfastly progressed our environmental initiatives. This benefited from the staunch support of our leadership and colleagues, and growing appreciation from our guests. As with other businesses, we were challenged to go deeper in our assessment of climate-related and other environmental impacts, and to enhance our understanding of the related financial impacts. We continued in committing substantial resources to work closely with our suppliers, expanding our procurement of more responsible options and introducing new categories on our restaurant menus, including duck from a source certified for its sustainability practices.

14. As defined by The Carbon Neutral Protocol: The global standard for carbon neutral programs. January 2018, Natural Capital Partners.

15. 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 ("EACs") or other market instruments, in quantities equivalent to the amount of energy that is consumed through non-renewable sources.

16. 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.

17. A material, product or service is deemed to have a "sustainability attribute" if, when compared to other similar items, it has, or any significant portion of the materials it comprises has, (a) a reduced negative environmental impact at any point throughout its lifecycle (e.g., when it is harvested, produced or managed), (b) an increased positive social impact at any point throughout its lifecycle (e.g., where the economic benefits of its sale accrue to local or marginalised groups or communities), and/or (c) third-party certifications or traceability features attesting to its environmental and/or social benefits.

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

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

2024 AND BEYOND

It is our ongoing focus to build on the trailblazing initiatives for carbon neutrality and zero waste, and expand others as new options, technologies and best practices emerge. Our strategy for building climate resilience and managing related risks is continually evolving. We are focused on increasing our use of renewable energy, improving resource efficiency, reducing waste at source and enhancing our diversion of valuable materials and responsible sourcing efforts. A crucial part of this commitment is the planned 2024 update and deployment of our introductory, Sustainability 101 training to all colleagues.

RESTORING OUR WORLD

Energy & Climate Resilience

OUR COMMITMENT

The severe weather incidents and fluctuating temperatures of 2023 unsurprisingly highlight extreme weather as a top material risk identified in the near to long term by global experts[20]. In response and to build climate resilience, we continue to refine and apply our climate-related risk assessment, increase our use of renewable energy sources and enhance our energy efficiency performance. In pursuit of carbon neutrality, we are integrating the latest climate science into our risk assessment and scenario modelling, and are exploring opportunities to adopt innovative and technological solutions in collaboration with our stakeholders.

We were honoured to join the Sustainable Hospitality Alliance ("Alliance") in November 2023, as the first Asian-headquartered donor and founding member. Through the Alliance, we will collaborate with 50 leaders in the hospitality industry to address key challenges affecting the planet, local destinations, communities and people. This includes moving towards our goal to achieve carbon-neutral resorts by 2030, which supports our commitment as an Alliance member to accelerate the Pathway to Net Positive Hospitality[21].

OUR TARGETS

- Achieving carbon-neutral resorts by 2030

- Minimising the impact of our business on ecology and biodiversity

- Improving the operational performance of all our resorts year-on-year

- 5% tCO_2e/m^2 intensity reduction in Scope 1 and 2 GHG emissions[22] by 2030, with ambitions for 22% reduction at the property level

- 3% kWh/m^2 intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level

HOW WE MANAGE IT

Reducing our GHG footprint and addressing climate-related risks and opportunities drive our climate strategy. Our actions are overseen by our Chairman & CEO to ensure we remain on track to achieve our commitment to operate carbon-neutral resorts globally by 2030. Our roadmap and action plan include time-bound targets supported by specific actions towards 2030, including activities to reduce and decarbonise our energy consumption and address GHG emissions along our value chain. Our verified inventory for our Scope 1, 2 and 3 GHG emissions gives us a credible foundation for planning our initiatives and required resources, determining necessary investments in new technologies and measuring our progress to achieve our goal. These actions are driven by our Carbon Neutral, Zero Waste and Sustainable Sourcing Working Groups that meet every month and report progress to Melco Resorts' Executive Sustainability Committee.

Melco International's material climate-related risks arise from the operations of our major subsidiary; Melco Resorts has aligned its climate strategy and disclosures with the Task Force on Climate-related Financial Disclosures ("TCFD") framework[23] in 2022 and assessed its potential climate-related risks and opportunities ("CRRO"). The key risks and opportunities identified are summarised in the table on the right. In 2023, the approach was extended to quantify the financial 'value-at-stake' to the Group's operations in Macau, Manila and Cyprus under climate scenarios based on current policies and stress scenarios.

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

20. World Economic Forum, The Global Risks Report 2024.

21. https://sustainablehospitalityalliance.org/our-work/pathway/

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

23. IFRS S2 subsumed TCFD in 2023; Melco Resorts' climate-related disclosures continue to respond to the TCFD recommendations for the 2023 reporting year.

TCFD Response (Summary of Findings)

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

Climate-related Risks

Transition risks
→ *Regulatory pressures and carbon pricing*
The Group has high exposure to net-zero transition related policies and carbon prices that could result in energy and fuel inflationary pressures

→ *Resource procurement*
Net-zero transition related regulation could also heighten exposure to increased commodity pricing pressures

Physical risks
→ *Extreme weather events*
The increase in frequency and intensity of extreme weather events, such as typhoons, could pose considerable impact to our integrated resorts and could leave the Group vulnerable to rising insurance costs or inability to obtain sufficient coverage

→ *Chronic temperature increases*
Increases in temperatures will equally intensify energy needs for our integrated resorts to be kept at desired cooling levels to satisfy guest comfort

→ *Water stress*
Increased pressures on water supplies could result in reduced/lack of access and/or higher water procurement costs

Climate-related Opportunities

Capital flow opportunities
→ Opportunities to reduce the cost of capital through financial instruments, like green bonds that are linked to the implementation of carbon reduction/green energy initiatives

Renewable energy and onsite generation opportunities
→ Sourcing renewable energy and expanding onsite photovoltaic ("PV") electricity generation presents an opportunity to decarbonise our operations as well as mitigate the risks relating to rising fossil-fuel-based energy prices and disrupted energy supply from severe weather events

ENERGY & CLIMATE RESILIENCE
HOW WE MANAGE IT

Sustainable Design

Striving to go Above & Beyond has consistently driven us to design and develop innovative, eye-catching and memorable environments that inspire our guests, colleagues and communities. In addition to being aesthetically pleasing, our integrated resorts feature unique structures designed with resource efficiency and climate resiliency in mind. Our specialist teams work closely with professional advisors, partners and suppliers to ensure our properties continually adopt the latest best practices and environmentally responsible materials, equipment, systems and technologies, whenever feasible.

With the opening of our two newest properties in 2023, we had the unique opportunity to integrate not only the latest in sustainable design features but also all the learning we have had from testing out innovations across our global portfolio. Both City of Dreams Mediterranean in Cyprus and Studio City Phase 2 in Macau achieved the BREEAM "Excellent" rating for the design stage. Studio City Phase 2 was Macau's first BREEAM-certified hotel and City of Dreams Mediterranean the first property in Cyprus to receive this recognition.

These properties showcase a wide array of environmental features, ranging from responsibly sourced construction materials, low or no emission paint and energy-, water- and resource-efficient systems, to photovoltaic panels, greywater irrigation systems and infrastructure to support electric vehicles ("EV"). Refer to Melco Resorts' Report for details.

Energy-efficiency Measures

Operating integrated resorts is energy intensive; we were an early adopter of international standards for environmental, energy and facility management systems across all our properties[24], with a focus on efficient lighting, equipment, systems and features to reduce our energy consumption. Our Executive Sustainability Committee and steering committees monitor our consumption monthly and continue exploring opportunities to increasingly adopt PV panels and other renewable energy options across our portfolio.

Conserving Biodiversity

Protecting and enhancing the diversity of species and natural habitats and ecosystems is critical for our own survival and that of planet Earth. When it comes to new site development, right from the onset, 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 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.

Both of our newly opened properties in Cyprus and Macau integrated a range of ecological factors to protect biodiversity. These range from reducing impacts from excavation and adopting responsible pest control at both properties, to supporting habitat for arboreal wildlife such as birds, bats, bees and insects at City of Dreams Mediterranean to adopting a zig-zag non-planar façade design at Studio City Phase 2 that lessens the plain mirroring effect to limit bird collisions.

In 2023, there was an uptick in property visitation and hotel room occupancy by 139% and 165%, respectively. Electricity consumption increased across our properties yet overall energy consumption reduced by 4% in intensity over the previous year. The intensity reductions demonstrate the positive impact of our energy-efficiency measures ("EEMs"), even with the addition of two new properties to our portfolio. Overall, the 2023 energy consumption figures represent a 9%

absolute and a 27% intensity reduction over the pre-pandemic year of 2019, before visitation rates and business volume were affected by COVID-19 restrictions. In 2023, electricity consumption from renewable sources increased by 2% over the previous year.

Since 2018, we have adopted a variety of EEMs such as de-lamping, adjusting ventilation flow rates, retrofitting plant and equipment, installing Variable Speed Drives in podium areas, Variable Frequency Drives in kitchens and sensors for carpark extractions, among others. While these property-level EEMs have resulted in cumulative, annualised savings of over 57.4 million kWh[25], with a 12% increase over the previous year, we continue to make efforts to achieve intensity reductions at the property level. See pages 036-038 of Melco Resorts' Report for details.

Energy Consumption by Source and Intensity, and Generation Onsite
(in MWh)

	2023	2022	2021
Fuel consumption from non-renewable sources	**67,159**	58,416	47,770
Electricity consumption from non-renewable sources	**401,317**	330,337	334,380
Electricity consumption from renewable sources[26]	**1,555**	1,525	1,478
Total energy consumption	**470,030**	390,278	383,628
Energy intensity (in MWh/m²)	**0.27**	0.28	0.27
Total renewable energy generated[27]	**1,761**	1,525	1,478

Cleaner Energy and Renewables

In 2023, we again expanded our EV programme. In Macau, we have 30 e-coaches with Zhengzhou Yutong Bus Company and 33 EV shuttle buses. We operate eight EV buggies and golf carts in Manila and five Mercedes EQV cars are electric powered in Cyprus. Across our properties, the number of vehicles in our EV fleet has increased by 14% over the previous year and charging stations by 28%.

We have onsite PV panel systems across our portfolio that can generate close to 10,000 MWh at full capacity. Our 30,000 square metre, 18,000 PV panel project on the City of Dreams Macau and Studio City roofs is the largest PV project in Macau, with the potential to reduce 5,100 tCO$_2$e 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 panels, respectively, with Manila capable of generating 1,500 MWh and Cyprus 1,400 MWh annually. We aim to expand our onsite renewable energy generation to the extent possible, in line with our roadmap and action plan for decarbonisation.

24. As the first integrated resort and hotel operator in Macau and Hong Kong to achieve ISO 14001 Environmental Management System ("EMS") and ISO 50001 Energy Management System certifications in 2018, as well as ISO 41001 for Facilities Management Systems in 2019, we have robust systems in place that cover our portfolio of properties in Macau and Hong Kong, including City of Dreams Macau, Studio City, Altira Macau, Mocha Clubs and the Group's Macau and Hong Kong corporate headquarter offices. In 2023, City of Dreams Mediterranean was certified to the ISO 14001 EMS Standard and this certification is underway for Studio City Phase 2 in 2024.

25. For the year 2023, savings recorded at City of Dreams Mediterranean are for the months of September to December only.

26. PV panel systems were installed at our properties in Macau and Manila in 2019, and in Cyprus in 2023. Renewable energy consumed at City of Dreams Manila has been generated onsite since 2019. Data for 2023 consumption also includes renewable energy generated onsite at City of Dreams Mediterranean.

27. The renewable energy generated by PV panels at properties in Macau and Cyprus was recorded from October to December 2023. The renewable energy generated at both City of Dreams Manila and City of Dreams Mediterranean is consumed onsite and in Macau, it feeds into the electricity grid.

ENERGY & CLIMATE RESILIENCE
HOW WE MANAGE IT

We offset our Scope 2 GHG emissions through purchasing renewable energy instruments that are RE100[28] compliant. EACs, issued according to the i-REC Standard, and Renewable Energy Certificates ("RECs"), verified to the Tradable Instrument for Global Renewables ("TIGR") requirements, are purchased to offset our electricity consumption in Macau, Manila, Hong Kong and Singapore through hydroelectric and PV power projects. Similarly, in Cyprus we offset electricity consumption by purchasing EACs with Guarantees of Origin in Europe that support PV power generation. In Japan, we match purchases of local EACs generated through Non-fossil Certificates ("NFC").

GHG Emissions

Our efforts to reduce GHG emissions continue as we explore opportunities to expand our EV programme and renewable energy generation and consumption onsite, and to adopt the latest energy-efficient technology.

In 2023, we continued verifying and disclosing our Scope 1 and 2 GHG emissions and, for the second year, we fully disclosed our externally verified Scope 3 emissions from all relevant Scope 3 categories in our upstream and downstream activities. Beyond tracking these emissions, we are identifying opportunities to reduce emissions arising from the activities of suppliers and contractors, including by procuring meat options, such as beef and duck, from lower carbon sources.

The overall increase in total absolute Scope 1 and 2 GHG emissions in 2023 compared to 2022 is attributable to a significant increase in visitation and occupancy across our portfolio and the opening of our two new properties.

As a result of our ongoing efforts to reduce consumption and adopt cleaner energy sources, a 6% intensity reduction in market-based emissions was achieved in 2023 over the previous year. In comparison to the pre-pandemic year of 2019, an 8% absolute, location-based, Scope 1 and 2 emission reduction was achieved in 2023, as well as a market-based intensity reduction of 49%. While operations not being back to pre-pandemic visitation and occupancy levels contributes to reduced GHG emissions in 2023 compared to 2019, at the property level, our GHG emission footprint also reflects the addition of our new properties at City of Dreams Mediterranean and Studio City Phase 2.

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

	2023	2022	2021
Scope 1 emissions	20,392	17,152	14,842
Emissions from stationary fuel combustion	6,776	4,972	5,237
Emissions from mobile fuel combustion	7,412	7,467	5,095
Fugitive emissions from refrigerants	6,204	4,713	4,510
Biogenic emissions	368	212	264
Scope 2 emissions (location-based)	252,165	210,353	212,111
Scope 2 emissions (market-based)[29]	10	112	280
Total Scope 1 and 2 (location-based)	272,557	227,929	227,217
Total Scope 1 and 2 emissions (market-based) intensity by floor area (in metric tonnes of CO_2e/m^2)	0.012	0.012[30]	0.011[30]

Scope 3 GHG Emissions[31]
(in metric tonnes of CO_2e)

	2023	2022	2021[32]
Category 1: Purchased goods and services	167,148	81,164	–
Category 2: Capital goods	77,461	200,438	–
Category 3: Fuel and energy-related activity (FERA)	68,529	56,034	56,882
Category 4: Upstream transportation	723	414	–
Category 5: Waste	1,162	1,881	–
Category 6: Business travel	1,909	612	–
Category 7: Employee travel	11,023	6,412	–
Category 8: Upstream leased assets	548	195	–
Category 13: Downstream leased assets	44,246	31,175	32,697
Total Scope 3 emissions	372,748	377,625	89,579
Total Scope 3 emission intensity by floor area (in metric tonnes of CO_2e/m^2)[33]	0.21	0.27	–

We track Scope 3 GHG emissions across nine categories that are relevant to our business, applying a standardised calculation methodology since 2022. Overall, Scope 3 emissions reduced in intensity by 22% and in absolute terms by 1.3% in 2023 over 2022.

The reduction in Category 2 emissions is attributed to the fact that 2022 data reflected an increase in capital expenditure in relation to the development of our new properties of City of Dreams Mediterranean and Studio City Phase 2. The 2% reduction in emissions from waste in 2023 is attributable to the increased diversion of materials to recycling and composting in 2023 over the previous year. For the other categories that increased in 2023, this is due to the uptick in business operations and the addition of the two new properties to our portfolio.

We continue to identify and implement new opportunities to reduce Scope 1 and 2 emissions arising from our own operations, as well as the Scope 3 categories that we have control over and those arising from the activities of suppliers and contractors. One area we focus on is reducing the footprint of our F&B operations, with vegetarian and plant-based alternatives on menus and by procuring meat options, such as beef and duck, from lower carbon sources. In Macau, Manila and Cyprus, 90% of our restaurants offer vegetarian options and 54% serve alternatives to meat. Furthermore, 84% of our outlets serve sustainable seafood,[34] 15 of our restaurants serve lower carbon beef. Growing herbs and calamansi at City of Dreams Manila's rooftop garden enables us to meet some of our needs, and by purchasing local, hydroponic lettuce, tomatoes, kale and eggs, we are also helping to reduce Scope 3 emissions.

28. https://www.there100.org/.

29. Our Scope 2, market-based emissions are offset through renewable energy instruments that are RE100 compliant. Refer to our Cleaner Energy and Renewables section on page 025 for details.

30. Rounded to third decimal place for consistency.

31. Refer to Performance Metrics on page 077 for detailed footnotes of Scope 3 GHG Emissions.

32. In 2021, only Scope 3 Categories 3 and 13 were available for disclosure.

33. Scope 3 GHG emission intensity by floor area was disclosed in 2022, marking the first year of disclosing Scope 3 emission data for all categories that are relevant to the Group's business.

34. We define sustainable seafood as fish or seafood items from sources that have been certified by international bodies or other standards. Refer to our Sustaining our Supply Chain section on page 050 for details.

RESTORING OUR WORLD

Material Use & Waste

OUR COMMITMENT

Achieving zero waste across our integrated resorts is a bold and holistic commitment that requires us to innovate, not just in adopting the waste management hierarchy of reduce, reuse and recycle, but in planning ahead and collaborating along our value chain to establish circular economy models. We consider both the lifecycle impacts and opportunities for circularity, from our choice of materials, products and packaging, to how we manage food, water and waste.

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[35]

- Diverting 5% of useful materials from disposal by 2030, against our baseline year of 2019, with ambitions for 24%

HOW WE MANAGE IT

Our Zero Waste Working Group, responsible for setting our resource conservation and waste reduction agenda, holds monthly meetings to assess progress, identify areas for improvement and plan new initiatives. This involves considering additional actions, resources, training and partnerships with suppliers, business partners and local governments. We have ingrained a mindset of resource conservation and waste prevention among our colleagues and stakeholders, and continuously collaborate with them to explore opportunities for circularity and environmentally responsible alternatives, while always ensuring quality, safety and guest experience are not compromised.

Materials

Sustainable Buildings and Construction

From designing new structures or planning retrofits to existing ones, our team upholds our high standards for environmental performance and the responsible sourcing of materials and products. We work closely with our contractors and suppliers to meet our expectations across all our jurisdictions.

The latest properties to join our portfolio, Studio City Phase 2 in Macau and City of Dreams Mediterranean in Cyprus, integrated features to achieve the BREEAM Excellent rating

at the design stage, and tracked material use and waste management metrics throughout the development process to measure performance.

Managing Key Product Categories

Across our integrated resorts, we consider the lifecycle of key product categories—ensuring future purchasing decisions are informed by clear, responsible sourcing guidelines. Additionally, we continually engage with our suppliers to uncover circularity opportunities and more environmentally responsible alternatives without compromising quality, safety and guest experience. Our sourcing guidelines currently cover the following product categories: chemicals, seafood and cotton, with others in process. Detail on our sourcing practices can be found in this report's Ethical & Sustainable Supply Chain section on page 054.

Eliminating Plastic

A key priority of our RISE sustainability strategy is to reduce consumption of SUP across our value chain. Being a GTPI signatory has supported these efforts and the adoption of circularity approaches in the use of plastics, as noted in the Case Study on page 019.

Our roadmap to achieve the GTPI 2025 commitments guides us to eliminate unnecessary plastics, embrace circular economy models for reusing, repurposing and recycling plastics, increase recycled content in products and packaging, and foster collaboration and investment in expanded recycling programmes. Over the past several years, we have researched and planned how to best address the items in our SUP inventory, tested the feasibility of alternatives and trialled a number of initiatives. We have

reported on our progress across our properties each year and are pleased that in 2023, we are seeing our efforts come to fruition, with dramatic results in SUP elimination.

One highlight of these efforts has been the installation of the NORDAQ onsite filtration system, providing water in reusable glass bottles across 55% of our hotel rooms and three restaurant outlets in Macau and Manila. Over 5.2 million bottles were avoided in 2023 from guest rooms in Macau, Manila and Cyprus. When the NORDAQ system is installed for all properties in Macau, we will avoid an estimated 14.8 million plastic bottles annually.

Water refilling dispensers in all our HoH areas in Macau, Manila and Cyprus[36] will enable us to avoid 2.8 million SUP bottles once operations fully resume. When the use of plastic bottles is unavoidable, we use rPET bottles that are made from recycled plastic whenever possible. For details on other areas of progress, refer to Melco Resorts' Report.

We continue to work with our suppliers to avoid SUP disposable packaging in favour of reusable and/or lower-impact alternatives. We also encourage them to adopt environmentally responsible practices, including the use of our standardised bin system for recycling.

---

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

36. Dispensers have also been installed at Celebrity Tower in 2020, NÜWA and Star Tower in Macau, NÜWA and Nobu in Manila in 2021, Altira Macau in 2022 and at our offices in Macau in 2023. Work is underway to roll out the system at Studio City Phase 2, City of Dreams Mediterranean, Morpheus in Macau and Hyatt Regency in Manila.

MATERIAL USE & WASTE
HOW WE MANAGE IT

Waste and Diversion

Progressing towards our goal of zero-waste integrated resorts by 2030 guides us in our efforts to reduce waste at source and divert valuable materials for composting and recycling. With increased visitation and occupancy rates at our properties in 2023, waste generation increased across the Group over 2022. However and while it has been challenging in the face of the pandemic-related disruptions that impacted collection and diversion channels, we are pleased that our efforts over the years are making a difference; we diverted 11% of our total waste stream from disposal through composting and recycling. This is a 76% increase in the quantity of materials diverted over the previous year. Furthermore, when we compare our performance to pre-pandemic levels in 2019, the total quantities of materials composted and recycled are up by 209% and 138%, respectively, and waste generated at the Group level has reduced by 22%[37] in absolute terms and 31% in intensity.

Food Waste

In 2019, food waste accounted for 43% of the waste stream[38] at our properties and in 2023, it represented 15% of the materials we diverted from disposal. We continue to harness the power of advanced technology, such as the Winnow Artificial Intelligence ("AI") systems and others, to minimise waste and improve operational efficiencies in our kitchens, dining rooms and restaurants. We monitor food waste from overproduction in our employee dining rooms ("EDRs") daily and review the data together with our F&B teams monthly at City of Dreams, Studio City and City of Dreams Manila. Plate waste is monitored at all our properties in Macau and Manila.

Managing Production and Plate Waste

Ensuring that the right options and quantities of food are produced for both our guests and colleagues is the first step in our efforts to reduce wastage. In addition to providing extensive training to our F&B colleagues on ordering, production management, storage and inventive

menu creation, we have been assessing and monitoring our performance through Winnow AI technology. In 2023, the Winnow team led training sessions to further engage colleagues in both Macau and Manila on food waste reduction techniques, and how to streamline waste recording and analysis with the Winnow Vision machines in the kitchens of our EDRs[39]. The Winnow team also implemented a deep-dive Plate Waste Audit of post-consumer plate waste in our EDRs to identify the most common food waste left on our colleague's plates by category[40]. Recommendations from the audit are being implemented in our EDRs, including our chefs adjusting portion sizes and amending menus to remove less popular items.

Composting

Composting and dewatering are also crucial to our food waste management strategy. Our efforts at City of Dreams Manila in producing 100% organic fertilisers continues to gain momentum, supporting the property's onsite herb garden and surrounding horticulture, as well as its waste diversion initiatives. In Manila, 5,316 litres of Vermitea were harvested in 2023, representing an increase of 60% over the previous year. For Vermicast, 6,698 kg were produced; this is 4.5% less than the previous year as more food waste arising from preparation in the kitchens was transferred to our onsite composter.

Other circularity initiatives include providing compost generated at our property to a local farm that grows melons, which are later served at City of Dreams Manila. In Cyprus, City of Dreams Mediterranean is the first resort to own and operate an integrated composting plant within its property to support a circular model, where food waste produced is composted on site and the resulting compost is used for landscaping across its property.

We have implemented Clean Plate Challenges to motivate and acknowledge waste reduction efforts, with high overall participation rates across all our properties. In Macau, we added a fun element with a Waste Separation Game Booth where colleagues, after showing their clean plates, participate in monthly games quizzing them on recycling and handling different packaging types.

Material Diversion and Waste Generation[41] with Intensity
(in metric tonnes)

	2023	2022	2021
Composting	**272**	262	192
Recycling	**1,486**	735	720
Total materials diverted	**1,758**	997	912
Incineration	**11,956**	5,657	7,624
Landfill	**1,919**	1,026	1,163
Total waste generated	**13,875**	6,683	8,787
Total materials diverted and waste generated	**15,633**	7,680	9,699
Intensity of materials diverted and waste generated (in metric tonnes/m²)	**0.009**	0.005[42]	0.007[42]

37. Data are for the non-hazardous waste stream; hazardous waste amounted to 56.76 tonnes.

38. 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 the Group and our tenants, guest rooms and onsite facilities.

39. Winnow Vision uses AI technology to identify food waste arising from EDR kitchens and Winnow Sense records the weight of post-consumer plate waste.
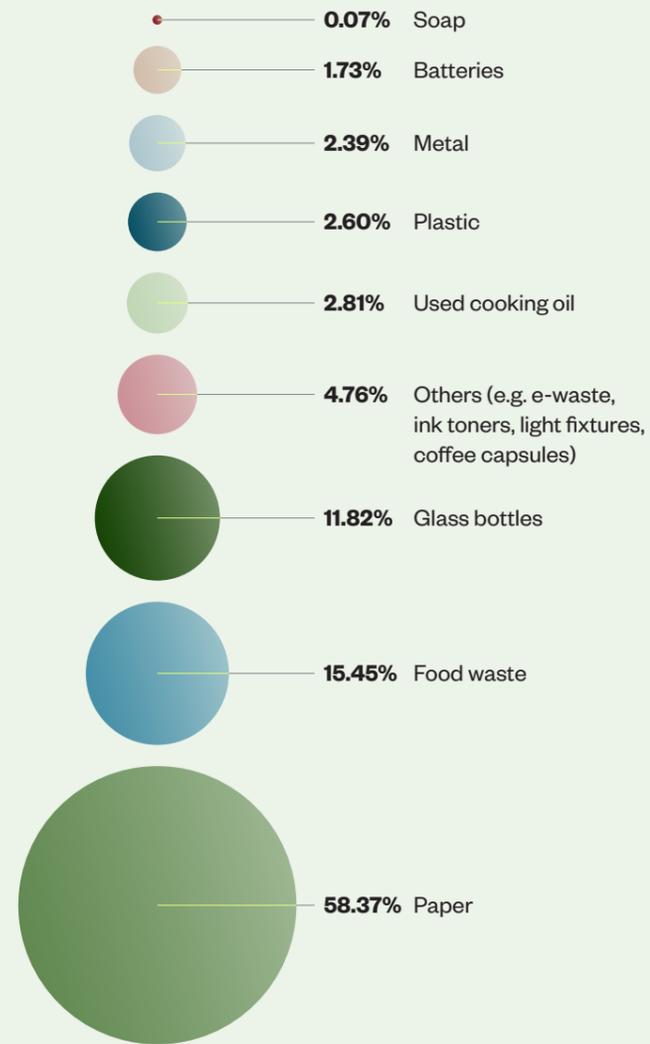
40. Food categories were vegetables, grains, pasta/noodles, meat and bread/pastry; non-food items included bones/shells, fruit/vegetable peels and tissues/paper.

41. Refer to Performance Metrics on page 079 or information on hazardous waste generation.

42. Rounded to third decimal place for consistency.

MATERIAL DIVERSION BY TYPE IN 2023

0.07% Soap

1.73% Batteries

2.39% Metal

2.60% Plastic

2.81% Used cooking oil

4.76% Others (e.g. e-waste, ink toners, light fixtures, coffee capsules)

11.82% Glass bottles

15.45% Food waste

58.37% Paper

1,758
metric tonnes
DIVERTED IN 2023

Other Diversion Highlights

Playing Cards
We have established recycling and repurposing initiatives for playing cards in all our markets. In line with local regulations, 24 tonnes of cards are now recycled each month from our properties in Macau, totalling 152 tonnes in 2023. City of Dreams Manila and Mediterranean are now recycling all playing cards with local vendors. Over 355 tonnes of playing cards were recycled in Manila. Our local partner processed them into chip board, which is used for a variety of types of packaging, including for food items, soap and toys. City of Dreams Mediterranean also recycled 1.3 tonnes of playing cards with local vendors.

KAIZEN Review
A KAIZEN review was undertaken in 2023 to identify new opportunities to reduce both food and general waste in our F&B preparation kitchens. Following our KAIZEN team's observations, actions that are now being rolled out include: reducing the use of disposable gloves in kitchens; ensuring proper waste segregation to avoid mixing food and non-food waste such as cling film, tissues and gloves found in food waste bins; and training colleagues on updated Standard Operating Procedures ("SOPs") on waste reduction, reuse and recycling, among others.

Water

Managing water resources responsibly is a global challenge. Across our operations, we focus on water conservation and reuse as well as ensuring that wastewater is properly treated to meet regulatory requirements. Water-efficiency measures implemented range from automatic sensors on faucets and water-saving toilets and showers to adopting innovative technologies. Progress and performance are tracked, with results reviewed monthly by Melco Resorts' Carbon Neutral Working Group and quarterly by its Executive Sustainability Committee. Maintaining vegetation and habitats at our properties helps to minimise water loss through wind evaporation from pools and water features, and rainwater recovery systems play an important part in onsite irrigation. Examples of property-specific initiatives include:

→ A high-tech 'harvesting system' installed at City of Dreams Mediterranean collects and treats greywater that is repurposed for use in toilets and gardens; in 2023, over 2,950 m³ water was reused

→ A sophisticated filtration system treats and reuses pool water indefinitely at The House of Dancing Water show at City of Dreams Macau

→ Bleed-off water is reused to flush toilets across properties and a reverse osmosis system recycles water for use in Studio City's central kitchen

→ A new compound has been adopted to treat water scale in central kitchens to decrease the frequency of water pan drainage

→ At Studio City Phase 2, a leak detection system exposes water leaks within the building 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 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

→ Colleagues are encouraged 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

The Group's total water consumption and water intensity increased by 32% and 6% compared with 2022, respectively, due to the increased visitation and occupancy rates across our portfolio and the opening of our two new properties, as well as the Studio City Indoor Water Park. Yet, water consumption reduced by 13% and 30% in absolute and intensity terms, respectively, over the pre-pandemic year of 2019, before visitation rates and business volume were affected by COVID-19 restrictions. In terms of water efficiency, we are well ahead of our 2030 target to reduce water consumption intensity by 19% m³/m², compared to 2019. Measures that we have progressively adopted at our properties in Macau and Manila since 2019 resulted in annualised savings of over 466,304 m³ in 2023.[43]

Water Consumption by Source and Intensity
(in m³)

	2023	2022	2021
Municipal water	2,853,711	2,104,523	2,119,732
Recycled water	218,225	217,714	147,549
Total water consumption	3,071,936	2,322,237	2,267,281
Water intensity by floor area (in m³/m²)	1.74	1.65	1.60

43. Savings recorded at City of Dreams Mediterranean will be disclosed for the year 2024.

Inspiring our Communities

MAKING A MEANINGFUL DIFFERENCE FOR OUR PEOPLE, GUESTS AND COMMUNITIES

CASE STUDY

REACH! Boosts Physical Health in Macau

Embracing regular exercise isn't just about physical fitness; it's a gateway to reducing stress and enhancing overall wellbeing. Launched in 2022, The *REACH!* Programme encourages colleagues to engage in exercise and community sports. It offers physical and mental health benefits, fosters camaraderie and belonging, and supports overall wellbeing. Since its launch in December 2022, achievements of our *REACH!* Athlete Nurturing Programme include:

- **7,435 participants**
- **36 elite sport players identified**
- **400 training sessions and 55 competitions conducted, with 20 awards won**

Other team activities during the year included dragon boating, badminton, basketball and soccer. Nutrition and sport psychology seminars are conducted on a bi-monthly basis, with regular tips on injury prevention and how to improve core stability. Sport injury consultations are also available. Our colleagues also participated in the Macau Special Olympics Sport Day, the Macau International Dragonboat Race and 12 triathlon events.

In collaboration with the Macau Special Olympics and Macau Deaf Association, 41 athletes joined the Melco Macau Water Run for water conservation. Colleagues and their children volunteered for recycling, reinforcing children's awareness of environmental protection, and the Macau Deaf Association also designed event collaterals, attracting 600+ participants, including five *REACH!* Team members, and 28 volunteers from the Group and their children.
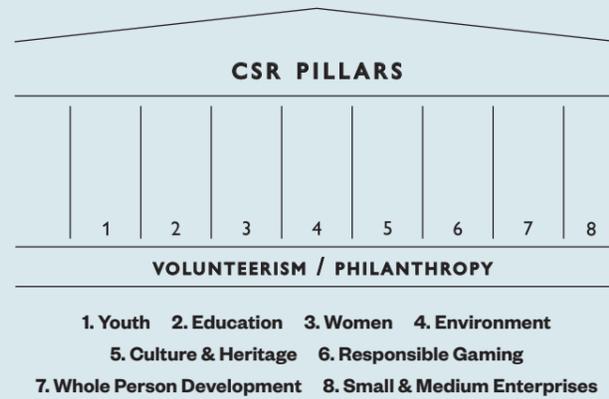
INSPIRING OUR COMMUNITIES

Strategy and Management Approach

Inspiring our people to collaborate for a better future motivates us to actively engage with all our stakeholders to understand their needs, safeguard their wellbeing and safety, and support personal and professional development. This is important at work, but also in the interactions we have with all our business and community partners across our operations. We work with governments, NGOs, business partners and SMEs to extend our commitments to our local communities, increasing our positive impact on local economic, social and environmental development. Upholding RG is also vital to maintain trust and support from our guests, governments and communities in all our markets.

As an employer of choice, we prioritise creating a safe, inclusive workplace where colleagues are comfortable in bringing their "whole selves" to work. This involves stringent safety, health, and hygiene standards, and nurturing an environment that values individuality and passions. Our commitment to a flourishing workplace culture aligns with international human rights norms, local labour, safety and health regulations, and respects local customs and cultures.

Providing unwavering support to our colleagues, as well as competitive compensation and incentive programmes, remain ongoing priorities. We organise workshops, training and targeted initiatives on topics ranging from wellbeing, nutrition and fitness to professional skill development, RG and cultural heritage. Signature initiatives, such as our Foundation Acceleration Programme ("FAP") and Culinary FAP, Back-to-School programme and other continued learning opportunities, play a key role in providing learning and professional development opportunities that enrich both our colleagues' skills and the quality of our service offering.

Our eight CSR pillars guide our initiatives to support our people and make a difference in our communities.

CSR PILLARS

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

VOLUNTEERISM / PHILANTHROPY

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

KEY GOALS

- Being the company people choose to work for and stay with

- Being best-in-class in safety for our guests, colleagues and community

- Promoting RG and an attitude of staying in control

- Supporting our communities and strengthening their economic prosperity

MATERIAL TOPICS

CHALLENGES

As we emerged from the pandemic in 2023, we focused on ensuring that the support system in place for our colleagues and other stakeholders remained fit for purpose as business volumes resumed. Amid inflation and the economic impact of the previous few years, we saw to it that policies and controls continued to safeguard the wellbeing, safety, health and security of all our stakeholders, while preserving the guest experience. This necessitated harmonising immediate operational needs with long-term business objectives, while still offering excellent benefits and growth opportunities for our team, and supporting our suppliers, SMEs and community partners.

2024 AND BEYOND

The efforts we have made to sustain the business and emerge rejuvenated from the pandemic— from efficiency improvements to investing in our people—position us well for the future. Reflecting on collective challenges and successes shared with our diverse stakeholders, our focus remains on mental and physical wellbeing, and career advancement. We will explore innovative ways to enhance both morale and excellence in customer service. In 2024, we will launch initiatives to revitalise our engagement with colleagues and other stakeholders, establish a new baseline for assessing satisfaction levels and success, and refine metrics to measure progress.

INSPIRING OUR COMMUNITIES
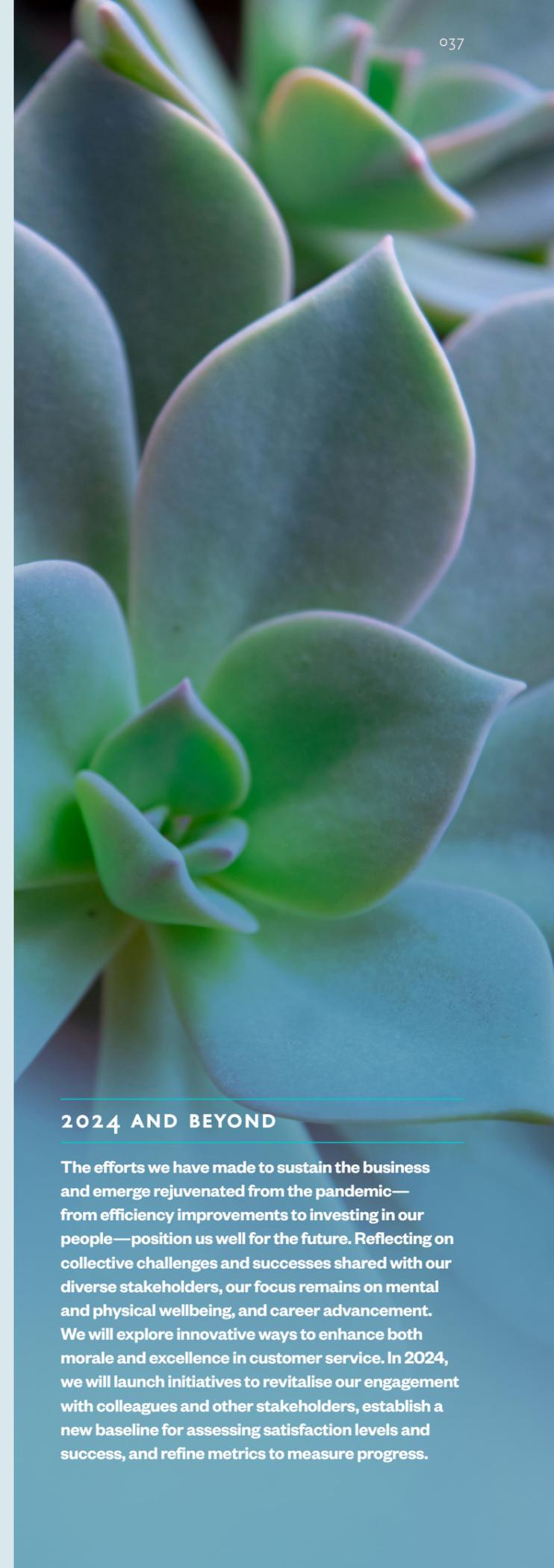
Engaging our People

OUR COMMITMENT

From the recruitment process to continuous personal and professional development, we are committed to supporting our colleagues to explore their potential through a range of training, cross-functional transfers, upskilling opportunities and ongoing health and wellbeing initiatives.

OUR TARGETS

- Maintaining the number of colleagues receiving training/education/professional development at 95% level or greater annually

- 95% of managers in Macau to be recruited from the local community by 2030

- 50% of management roles to be held by women by 2030

HOW WE MANAGE IT

We take pride in our diverse workforce, which has grown to over 20,000 colleagues representing 79 nationalities in 2023, mirroring the variety of the regions and communities where we operate. As we advance towards our 2030 goals,

a notable 41% portion of our management positions are occupied by women, and 67% of our senior managers across the Group hail from the local communities we serve—this figure rises to 85% in Macau.

We actively communicate with our colleagues across multiple channels to exchange information, reinforce our values and, importantly, gather their feedback for improvement. Continuously keeping up to date with regulatory changes, standards, best practices and stakeholder expectations is a key part of our strategy. These efforts ensure we remain responsive and adhere to the latest human and labour rights requirements. As we continue, we enforce both our zero-tolerance policy for child or forced labour in our operations and supply chain, while maintaining high standards for safety, health and hygiene.

Enabling our people to develop the right skills for undertaking their roles and reaching their full potential is critical for their professional and personal development, and our long-term success. We implement a range of initiatives and conduct regular assessments. To ensure we meet or exceed statutory requirements, such as working hours and minimum wage, we consistently benchmark our compensation and benefits against the broader market and our industry peers, and frequently review and update our terms of employment and human resource policies. To support our colleagues to thrive, we focus on the areas highlighted below.

Ethical Practices

In upholding high standards across our diverse workplaces, we are guided by the Codes of Business Conduct and Ethics of Melco International and of Melco Resorts (collectively the "Codes") that include, amongst other requirements, our expectation to go above and beyond regulatory requirements related to human and labour rights, in line with the UN's Universal Declaration on Human Rights. Refer to our Ethics & Integrity section on page 066 for details.

Culture of Excellence

We take great pride in our culture of excellence that permeates all that we do. This culture is underpinned by a system emphasising leadership vision, commitment and the fulfilment of our brand promise. Supporting this, are our bespoke initiatives ranging from "My first 90 days" integration programme and training on technical skills, consumer brand and service, and the Forbes Five-Star standards to a mystery shopper programme.

Meeting the evolving expectations of our guests for innovative experiences at our integrated resorts inspires us to seek out and be responsive to new ideas. Established formal and informal channels, including guest surveys, interviews and focus groups enable us to gather feedback on how we can enhance our culture of excellence in service delivery.

Career Development Opportunities

"Whole Person Development" is our holistic approach to career development that provides opportunities for our colleagues to acquire new skills and achieve personal and professional growth by exploring functional areas and alternative career opportunities within the business. During the year, colleagues explored alternative career opportunities within the business through our FAP; for the close to 7,000 FAP experiences provided, 32% related to non-gaming activities. In 2023, 20% of vacancies were filled by internal colleagues, which is less than in the previous year. Given the

increase in business volumes that followed the lifting of travel restrictions at the beginning of the year, new hires were made to support our expanding teams.

Since its launch in 2021, the 12-month Culinary FAP seeks to nurture local culinary talent through structured on-the-job training and cross-functional exposure, supplemented by formal and informal training in partnership with the local government and universities. In 2023, we continued to witness 100% of our F&B colleagues that participated in the FAP being retained within the Group, and a significant 50% promotion rate upon completion.

The customised curriculum of our in-house Learning Academy offers over 8,400 courses spanning diverse functional skills. In 2023, close to 586,000 participants attended over 1,300 of the training courses offered by the academy, contributing to a total of over 1.3 million learning hours delivered. In 2023, an average of 65 training hours were accessed per colleagues.

Average Training Hours Completed per Employee by Employee Category and Gender[44]
(Hours)

	2023		2022		2021	
	Female	**Male**	Female	Male	Female	Male
Management	**19.88**	**16.07**	20.03	15.33	24.50	20.14
Non-management	**67.15**	**70.96**	204.82	161.64	131.50	105.01

44. Average training hours returned to pre-pandemic levels in 2023; the higher average training hours in 2022 and 2021 reflected the increased training provided for colleagues to maintain their professional skills, and opportunities for exploring other department's operations when business was restricted.

ENGAGING OUR PEOPLE
HOW WE MANAGE IT

For colleagues and their immediate families, the Group has been providing awards of financial assistance to support undergraduate education since 2010, as well as Hope Scholarships for those who have experienced hardship or misfortune. Since the program's inception, HK$3.89 million has been awarded through scholarship grants to our colleagues and their family members.

Our Back-to-School programme with the Education and Youth Development Bureau and local high school teachers provides colleagues who left school prematurely with the opportunity to earn their high school diploma while working. In July 2023, we celebrated 20 colleagues obtaining their Junior High School Certificate from Escola Seong Fan da Associação Comercial de Macau, and four colleagues obtaining their High School Certificate from Escola Secundária Luso-Chinesa de Luís Gonzaga Gomes.

Each year, 15 of our colleagues have the opportunity to earn a Bachelor's Degree in International Business through our partnership with the Edinburgh Napier University. This is achievable over a two-year period while they are employed at the Group. Since 2015, 29 colleagues have graduated from Melco YOU-niversity, amongst whom nine have been promoted or have made an internal career change since completing the programme. Since its establishment in 2020, the tailored Graduate Trainee Programme has been organised in partnership with the Labour Affairs Bureau ("DSAL") in Macau. It offers three-month-long placements for local graduates to gain experience across various business departments, enabling them to appreciate the Group's high standards and consider career opportunities in the hospitality industry.

Workforce Inclusion & Diversity

We see DEI as a strength that enables our colleagues to bring unique attributes, experiences and views to build a resilient and future-fit company. 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.

Colleagues are encouraged to raise potential incidences of noncompliance with our Codes and Statement or other concerns through our Procedures for Handling Complaints and Whistleblowing; in 2023, we did not receive any reported incidents of discrimination or other concerns. Highlights of our progress on DEI are outlined below.

Inclusive Workplace
79 nationalities are represented in our global workforce. Women comprise 47% of the workforce.

Opportunities for Individuals with Special Needs
In partnership with the DSAL in 2023, we offered 13 internship opportunities, leading to seven interns becoming permanent employees. Since the inception of the programme in 2013, 137 interns have participated, with 60 securing permanent roles.

Leadership from the Local Community
In the communities where we operate, 67% of positions at the "Vice President" level and above have been filled locally, increasing to 85% in Macau.

WOMEN IN LEADERSHIP

17% of directors across our boards

13% of our Corporate Executive Committees

34% of our senior management

41% of our general management

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

Work Environment

Enhancing the work environment to meet the evolving needs of colleagues is critical for maintaining our culture of excellence and for our people to thrive. We actively seek their feedback through formal and informal channels. These range from regular surveys, "Meet the Management" sessions, focus groups, mobile apps, newsletters and annual performance appraisals. To provide flexibility, we offer a range of work-life balance initiatives:

→ **Strawberry Life Flex Compress:** a compressed workweek arrangement where our colleagues can concentrate work hours on certain days of the week

→ **Strawberry Life's part-time scheme:** allowing colleagues to remain eligible for full-time benefits on a pro-rated basis

→ **"Thinking of you" initiative:** providing subsidised leave for colleagues who are evaluating career changes, allowing for a six- to 18-month partly paid leave of absence, which provides them a safety net while exploring other employment opportunities in other industries

→ **Lifestyle Programmes:** workshops providing lifestyle and personal growth knowledge through the Group's Learning Academy

→ **Hybrid work from home opportunities** as positions and responsibilities allow

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

INSPIRING OUR COMMUNITIES

Safety, Health & Wellbeing

OUR COMMITMENT

At the heart of our operations lies an unwavering commitment to the safety and health of our colleagues, guests and partners. Our approach is comprehensive, adhering to industry-leading occupational safety and health ("OSH") standards. Robust training, constant monitoring and thorough audits ensure we excel in physical security, safe working practices, indoor air quality and hygiene, amongst others. We have a set of stringent internal control procedures and checks to ensure compliance with all governmental and internal standards with well-established pandemic control measures.

OUR TARGET

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

HOW WE MANAGE IT

Occupational Safety and Health

We were the first organisation in the hotel and entertainment industry in Macau to achieve ISO 45001 certification for our OSH management system. Across all our properties, we adopt stringent OSH protocols and our dedicated OSH Committees meet monthly to oversee their responsibilities for:

→ Reporting to management on OSH issues raised by colleagues and contractors as well as progress made on any corrective and preventative actions

→ Monitoring OSH performance results and following up on any incidents, ensuring thorough investigation and effective rectification

→ Managing auditing and inspection activities

→ Developing targeted training and awareness-raising activities

→ Identifying areas for improvement and resource allocation needs

All new joiners attend OSH training as part of their induction, and we provide ongoing training and development opportunities that are mandatory for our colleagues and contractors to ensure that standards are maintained. In 2023, approximately 300 internal training sessions were held with over 17,000 participants, including more than 5,400 new hires and 11,700 colleagues.

OSH performance and regular reviews of risks and hazards are overseen by our Chief Risk Officer ("CRO"), with the relevant business units implementing appropriate corrective and/or preventative measures. Our Emergency Response Teams liaise with local authorities to devise and implement plans to respond to a range of potential incidents at each of our locations.

The Group's Total Recordable Injury Frequency Rate[45]
(Group average)
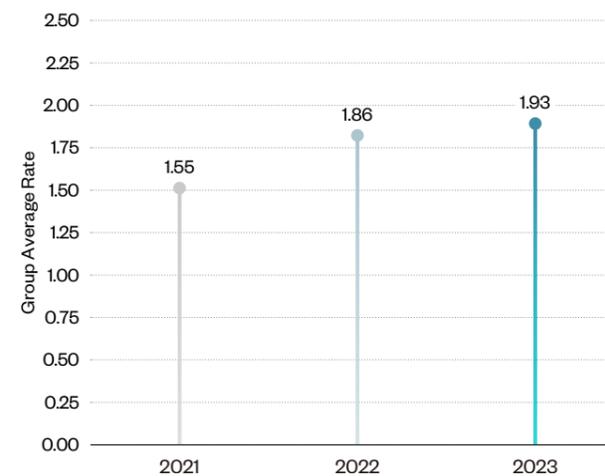
The Group's Total Lost-time Injury Frequency Rate[46]
(Group average)
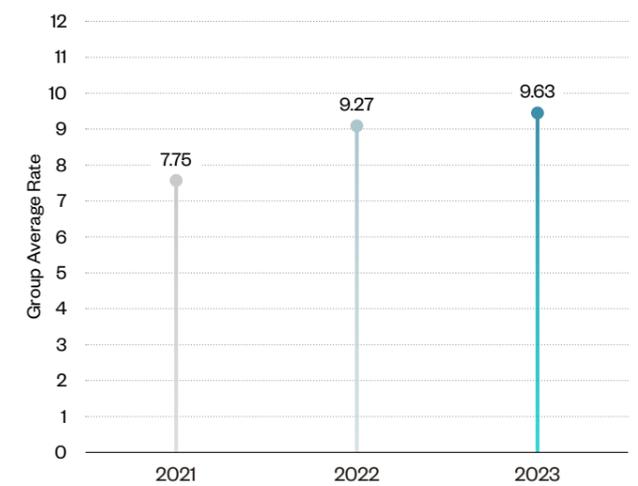
This year, the Group's operations in Macau, Manila, Cyprus, and our Hong Kong office reported an average recordable work-related IFR of 1.93. Although this represents a 3.77% increase from 2022, it still falls below our baseline rate of 3.09 in 2019. The average lost-time IFR reached 9.63, marking a 3.83% rise from the previous year. These increases are attributed to expanded business operations and the launch of new properties in Macau and Cyprus. This expansion necessitated the training and retraining of both new and existing employees. We are committed to continuously reviewing our performance and improving our safety training, monitoring, and the implementation of preventative and remedial actions.

---

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

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

SAFETY, HEALTH & WELLBEING
HOW WE MANAGE IT

Hotel and Catering Safety Card Training Programme

Since its launch in 2018, our Hotel and Catering Safety Card Training Programme has raised awareness and built the capacity of our colleagues to prevent workplace accidents, adopt proper manual handling practices and respond to emergencies. DSAL and Melco Resorts actively support this training programme and 89% of our colleagues completed this training in 2023.

Healthy Air

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

Wellbeing

We adopt a comprehensive approach to the health and wellbeing of our colleagues, their families and our communities, and implement a variety of initiatives aligned with our four Pillars of Wellbeing—Physical, Occupational and Intellectual, Emotional and Social. Prioritising mental and physical wellbeing is key for thriving both personally and professionally.

Since 2021, in collaboration with The Women's General Association of Macau, our Feel Better Mental Wellness Programme has significantly benefitted over 2,400 colleagues, their families, friends and the wider community, with bi-monthly seminars and counselling offered. Surveys reveal that 88% of participants feel more inclined to seek professional help after attending the seminars. Annually, we provide 600 individual counselling sessions exclusively for our colleagues and their families. In 2023, 182 colleagues, 98 family members and 113 community members participated in the programme. 600 colleagues also benefited from the individual counselling services offered by the Feel Better Programme.

In Manila, through a partnership with a local NGO, our Spiritual Value Formation programme continues to promote mental wellness as a vital component of overall spirituality. Our Philippine colleagues can benefit from webinars on a variety of mental health topics, counselling support and Friday masses onsite, amongst other initiatives.

Eating Safely, Healthily and Sustainably

We ensure that all our F&B outlets adopt safety, hygiene and quality best practices. Food safety teams conduct regular inspections to ensure compliance with the relevant regulations and our food safety standards. All our properties in Macau and Cyprus have obtained the HACCP certification. Each year, an external auditor conducts HACCP assessments at all our F&B locations in Macau; in 2023, 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. As part of our *REACH!* Programme, this year we have intensified nutrition education with quarterly seminars at our employee restaurants in Macau, two-day seminars in Manila and Cyprus, and a focus group discussion in Hong Kong, attracting a total of over 300 attendees. We plan to continue these seminars at all Group locations and extend them to local NGOs to raise awareness. Educational posters on HoH notice boards are refreshed on a regular basis, covering topics from nutrition fundamentals and food allergy management to fat loss myths. Future seminars will cover food security and waste minimisation. Refer to page 063 of Melco Resorts' Report for details.

Keeping our Properties Secure

Safeguarding the security of our guests, personnel and physical property is an ongoing priority. Our security personnel are highly trained and well equipped to respond to potential emergencies and threats. State-of-the-art technology is used across all our properties to maintain and test the integrity of physical controls and security measures. Strong partnerships with the police, fire departments and other local authorities ensure support if an unlikely event was to occur. Additionally, we routinely work with emergency services for crisis management plan testing, staff training and conducting emergency response and evacuation drills.

INSPIRING OUR COMMUNITIES

Responsible Gaming

OUR COMMITMENT

Our commitment to RG is foundational to our ethos. While essential for maintaining our license to operate, we strive to differentiate ourselves in the industry by upholding stringent RG standards. By leveraging advanced facial recognition technology, we facilitate RG amongst our guests—equipping them with all the required information and resources to make informed gaming choices. Exceeding regulatory requirements in all our jurisdictions, we are dedicated to continuously enhancing fair and safe gaming experiences for our guests and colleagues.

OUR TARGET

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

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

HOW WE MANAGE IT

We have technologically enabled safeguards to facilitate RG amongst our patrons and we proactively provide related information, tools and support to our guests. Recognising that our guests are on a spectrum when it comes to understanding gaming and gaming responsibly, we promote a culture of transparency on how we address RG. Working closely with governments and gaming regulators we ensure that our approach, systems and support meet the highest standards of RG across all our properties.

Leadership from the Top

The tone for RG is set from the top, with our Chairman & CEO, Mr. Ho, Lawrence Yau Lung, accountable for our RG strategy. Our RG Steering Committee, comprising leaders from both gaming and non-gaming departments across all properties, provides strategic direction for our RG initiatives. Additionally, separate working committees at each of our properties oversee the implementation of RG measures. They frequently review performance and offer recommendations to enhance our initiatives.

Third-party Validation

RG Check is the world's most comprehensive and rigorous, international, third-party RG accreditation programme that was developed by the RG Council and is overseen by an independent panel of RG specialists. Since 2021, when we became the first integrated resort operator in Macau and the Philippines to achieve RG Check, all our operations, including those in Cyprus since 2022, are subject to rigorous RG checks on an ongoing basis to maintain this esteemed RG accreditation status.

This RG Indicators project, developed by the RG Work Group[47], is a government-endorsed RG certification. 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 2022, the project's Executive Team conducted onsite assessments at City of Dreams Macau, Studio City and Mocha Golden Dragon; all three locations attained perfect scores of 100% and were recognised as 'Responsible Gaming Model Units'. In 2023, Altira, Mocha Inner Harbor and Mocha Kuong Fat at City of Dreams Macau joined their sister locations in also receiving perfect scores, with others to be assessed in 2024.

In addition to the robust RG measures adopted at City of Dreams Mediterranean, we are working with the RG unit of the Cyprus Gaming and Casino Supervision Commission to establish additional procedures and performance indicators for measuring the efficacy of our RG controls.

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

Achieving our RG commitments is contingent on all our colleagues—from our senior leaders to our front-line colleagues—being aware of the critical importance of RG and being equipped with the right tools to support our guests. Rigorous training is conducted through a mix of online and in-person sessions to maintain our high standards, comply with regulatory requirements and retain our RG accreditation.

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

Our RG Ambassadors ("RGAs") are key frontline managers and experts in all aspects related to RG. They're specifically trained to support guests and colleagues with RG challenges, including self-exclusion practices, and provide referrals to professional counselling services. In total, RGA teams across our properties comprise over 1,000 qualified managers who serve as contact points for all RG-related issues, and are available onsite 24/7. In Macau, we have increased our RGAs to 691, enhancing support for gaming disorder prevention. Additionally, 174 RGAs were trained in Cyprus and 232 RGAs in Manila, marking an increase of 55 RGAs from the previous year in Manila.

Supporting the Community

In collaboration with local NGOs, we implement diverse RG initiatives within our communities, aimed at elevating RG awareness and ensuring easy access to information, resources and support services—surpassing standard regulatory requirements. In 2023, we hosted quarterly workshops for women in Macau, organised events and roadshows to promote RG with NGOs such as the Youth Volunteers Association of Macau and Sheng Kung Hui, and provided counselling support through Gaming Employee Home. Similar events will be organised in Manila and Cyprus in 2024.

47. In Macau, this 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 Investment & Engagement

OUR COMMITMENT

We are deeply embedded in the fabric of the communities across our jurisdictions; the sustainability of our business hinges on engaging with stakeholders to understand and address their needs to create shared value. We are committed to collaborating with community partners to implement tailored programmes that meet local needs and drive economic development, empowering colleagues to engage with the local community through volunteering, and providing charitable donations and sponsorships to beneficiaries for meaningful impact.

Whether it is helping those in need, furthering economic opportunities, celebrating culture and heritage, or helping to conserve local environments, we leverage our talent and resources to support our local communities to evolve and prosper.

OUR TARGETS

- 80% of global colleagues to volunteer at least 4 hours per year

- Each jurisdiction to run cultural and heritage programmes that help develop people into knowledgeable and engaged ambassadors of their country

- Advance the economic prosperity of local SMEs

HOW WE MANAGE IT

Inspired and supported by our Chairman & CEO, Mr. Ho, Lawrence Yau Lung, our CSR Steering Committee focuses on helping to address the unique challenges faced by our local communities. Meeting monthly, the committee reviews and tracks the progress of our community engagement initiatives and identifies improvement areas. Working closely with local governments, NGOs and businesses, and our dedicated colleagues, we strive to meet the unique needs of local communities by creating positive impact through our CSR Pillars as highlighted below, with details provided in Melco Resorts' Report on pages 071-077.

Economic Prosperity for Local SMEs

In our markets, SMEs and micro enterprises form the backbone of local economies, driving economic activity and job creation along the value chain. Some of our initiatives to support local procurement in our communities in 2023 include:

- → Attending the 3rd Procurement Alliance Matching Event organised by the Macau Young Entrepreneur Incubation Centre and matching with six SMEs

- → Enabling over 257 local SMEs and NGOs to generate over HK$8.56 million worth of business at 13 HoH Roadshows during the year, a 55% increase in revenue over the previous year

- → Hosting an event for 77 suppliers, including 34 F&B SMEs, in Macau to introduce their products to our F&B colleagues and receive training on the Group's food safety standards; a total of 127 attendees joined the event

- → Collaborating with the Economic and Technological Development Bureau ("DSEDT") and Macao Government Tourism Office ("MGTO") in Macau to host a ten-day long Christmas Bazaar at Studio City in December 2023 for SMEs and NGOs to showcase of a broad range of handicrafts and gift ideas, as well as food and drinks from over 40 local businesses

Volunteerism

Giving back through volunteering is important to our colleagues who are passionate about wanting to make a difference in our communities. Across our three key locations, Macau, Manila and Cyprus, over 3,800 participants volunteered their time and effort across over 530 volunteering initiatives during 2023, ranging from regular visits to elderly homes, cooking classes for underprivileged families and blood donations to beach and underwater cleanups.

Now in its third year, our "Simple Acts of Kindness" programme, initially launched to focus our community support efforts during the pandemic, has evolved into a signature initiative. Based on the principle that a multitude of little things can have a big impact, the programme delivers key initiatives across our global network, ranging from support to the elderly and children, and donations of food and other items to NGOs for distributing to those in need, to running blood donations, planting trees and cleaning up coastlines. Please see page 058 of Melco Resorts' Report for more details on our volunteer activities.

Culture and Heritage

Celebrating the unique cultures and heritage of our communities enriches the experiences of our guests and colleagues. As a significant contributor to the tourism industry in Macau, Manila and Cyprus, we have a special opportunity, and we believe a responsibility, to promote local culture and heritage.

Since its launch in 2016, our Splendours of China initiative in Macau has had a widespread impact on raising awareness of Chinese culture and heritage amongst our colleagues. Also in Macau, colleagues in guest services and our front offices serve as cultural ambassadors, sharing their knowledge about our properties and Macau to our guests. In Manila, we launched a one-day orientation programme to enable colleagues, especially non-locals, to learn about the Filipino culture and experience local tourist spots, and thereby provide a better service to our guests. To familiarise our colleagues with the history, traditions and attractions of Cyprus, our Cypriot Cultural Ambassadors Programme, in partnership with the Limassol Tourism Board, enables our colleagues to promote Cypriot culture and heritage to our guests from Europe and beyond.

Youth Engagement

Inspiring our youth to contribute to the workforce of tomorrow is key to developing talent. In collaboration with the academic community, industry and society, both nationally and internationally, our 'Start Young' resort business case study programme aims to cultivate talent in Macau and beyond. It showcases our RISE sustainability strategy and involves secondary school students in a business case study competition to identify practical solutions to optimise and enhance the sustainability of day-to-day operations. In collaboration with The Macau Productivity and Technology Transfer Centre, we organised a competition for 66 teams of local secondary students to create short videos on science-related topics ranging from smart cities and sustainability to Chinese medicine. We organised ten environmental tours around Melco Resorts' properties for the winners.

Philanthropy and Disaster Relief

At the Group, we seek opportunities to support meaningful initiatives that improve the livelihoods of the most vulnerable in the community. In 2023, we donated over HK$130 million to causes supporting youth, SME and micro-enterprise development, culture and heritage, community needs and disaster relief. A donation of over HK$9.7 million was provided to support the relief efforts in response to the earthquake in Gansu Province in December 2023. As always, we make every effort to focus our monetary, in-kind and volunteering resources to support priority needs in our communities.

Donations and Charitable Contributions[48]
(HK$)

2008-2022 (cumulative)	982 million
2023	**130.32 million**

48. 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

Furthering Animal Welfare with Cage-free Eggs

Cage-free eggs[49] are produced by hens that are free to roam in barns and natural environments, rather than being confined to small cages. Research shows that cage-free eggs are not only produced under more humane conditions, but also present reduced food safety risks compared to caged eggs. Numerous international and local organisations encourage a shift to cage-free eggs to benefit public health, animal welfare and sustainability.

Our move towards cage-free eggs began over two years ago. Our sourcing teams assessed the feasibility of sourcing these eggs, while our chefs tested and confirmed their quality. Partnering with the Lever Foundation[50], an NGO that works to create a more humane and sustainable protein supply in Asia, we engaged local farmers and distributors to secure a sufficient and reliable supply and create economies of scale to facilitate the switch to cage-free eggs. At City of Dreams Manila, we have been using locally sourced cage-free eggs since March 2022. In Macau, F&B outlets currently serve 80% cage-free eggs and plan to increase that to 100% by 2024. We aim to meet our commitment for 100% cage-free eggs by 2025 across our entire portfolio.

Following our initial success, we started raising awareness amongst our SME suppliers about the benefits of cage-free eggs in 2023. Together with the Lever Foundation, we held workshops with 17 local SME vendors in Macau on the topic of animal welfare as well as opportunities to reduce plastic and waste in packaging and distribution.

"We were pleased to work with Melco Resorts to set their global cage-free egg commitment and support them as pioneers for the welfare of hens in the markets they operate. The step Melco Resorts has taken towards promoting animal welfare and sustainable food practices in the region has significantly helped other food companies, such as caterers, eateries, bakeries and more, transition to cage-free eggs. We look forward to working with Melco Resorts to expand their animal welfare policies in the future."

LEVER FOUNDATION

49. Cage-free eggs are sourced from suppliers that are recommended by the Lever Foundation.

50. https://leverfoundation.org/

SUSTAINING OUR SUPPLY CHAIN

Strategy and Management Approach

Our sourcing strategy emphasises enhancing relationships with our extensive network of 3,500 local and over 5,000 global suppliers. We focus on building their capacity to adopt leading ESG practices, collaborating with local partners to effect change, supporting local communities and reducing the environmental impact of the items we procure.

Our Supplier Code outlines our expectations for ethical and responsible behaviour, fostering accountability and transparency throughout our supply chain. We routinely review and update the Supplier Code, and provide training and information sessions for our suppliers. Each year, we look to expand our sourcing of items with sustainability attributes[51]. This effort is a core part of our RISE sustainability strategy, aiming to inspire our colleagues, suppliers and guests to embrace the fact that collective action can drive meaningful change.

KEY GOALS

- Procuring locally and creating demand for materials that have sustainability attributes[51]

- 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

CHALLENGES

As our industry recovers from the COVID-19 pandemic years, we are not alone in navigating the challenges of inflation and geopolitical pressures. To address the rising cost of logistics and disruptions in supply chains, our response includes strengthening supplier relationships, creating economies of scale in procurement and harnessing technology to improve data collection and supply chain visibility. This approach streamlines procurement and delivery processes.

Building resilience in our sourcing remains an ongoing challenge. Being nimble and diversifying our sourcing base helps us mitigate risks from natural events like extreme weather and pest outbreaks, which can affect harvesting and delivery routes, and other factors impacting supply chain continuity.

51. A material, product or service is deemed to have a "sustainability attribute" if, when compared to other similar items, it has, or any significant portion of the materials it comprises has, (a) a reduced negative environmental impact at any point throughout its lifecycle (e.g., when it is harvested, produced or managed), (b) an increased positive social impact at any point throughout its lifecycle (e.g., where the economic benefits of its sale accrue to local or marginalised groups or communities), and/or (c) third-party certifications or traceability features attesting to its environmental and/or social benefits.

52. https://themekongclub.org/modern-slavery

2024 AND BEYOND

Our ambitions for 2024 include intensifying our due diligence approach by conducting thorough assessments of our suppliers' adherence to ethical business, health and food safety, labour and environmental practices, as well as evaluating their financial health. This enhanced scrutiny will be guided by key performance indicators aligned with our Supplier Code's compliance requirements. To support our suppliers to enhance their performance, we will continue to provide access to our suite of supplier training and capacity-building resources.

Recognising that 40% of modern slavery victims are entangled in global supply chains, predominantly in Asia[52], our partnership with The Mekong Club ("TMC") is more crucial than ever. We will continue to expand our collaboration with TMC to raise awareness and provide training to our suppliers and colleagues, and work with stakeholders to effect change within the hospitality industry.

SUSTAINING OUR SUPPLY CHAIN

Ethical & Sustainable Supply Chain

OUR COMMITMENT

Our extensive operations provide a unique opportunity to integrate sustainability into our sourcing. This positively impacts our business operations and advances ESG best practices in the supply chain, bringing benefits to local communities. By raising awareness of the importance of ethical and sustainable sourcing amongst our guests and colleagues, we drive demand for responsibly sourced products and services. We have set and continue to make substantial progress towards our targets that drive us to continually look for opportunities to improve our sourcing approach.

OUR TARGETS

- Sourcing 80% of our procurement choices with sustainability attributes[53] 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[54] by 2030

- Procuring 20% of our seafood from sustainable[55], local, and/or globally recognised certification schemes by 2025

- Sourcing 50% of our chemicals rated as Green or Amber[56] by 2025

- Sourcing 100% cage-free eggs by 2025

HOW WE MANAGE IT

Supply chain management is guided by our commitment to increase ethical and sustainable sourcing and our Supplier Code. The code outlines our baseline expectations for ethical and responsible conduct and practices amongst our suppliers related to:

→ Ethical and fair business practices, including zero tolerance for misleading advertising and unfair advantage

→ Human rights (including freedom of association, the right to collective bargaining, fair labour practices) and our zero-tolerance policy on modern slavery (including any form of forced or harmful child labour)

→ Standards for safety and health

→ Environmental protection measures

→ Anti-corruption and anti-bribery practices

→ Data privacy and upholding confidentiality in business conduct

In 2023, we updated our Supplier Code to specifically refer to the expectations of the Group's Environmental Sustainability Policy and included the code's requirements for safeguarding human rights in our request for proposal process. Established procedures and processes guide our implementation of code requirements, with oversight of compliance and our sustainable sourcing strategy by the Sustainable Sourcing Working Group. Representatives from across our properties bring their unique expertise and experience to monthly meetings of the working group, enabling a global review of performance, as well as the sharing of lessons learned and best practices from local implementation in our markets. Quarterly reports on progress are provided to Melco Resorts' Executive Sustainability Committee.

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 of this report on page 066.

Supplier Engagement and Capacity Building

We support the adoption of a sustainability mindset, particularly amongst local and SME suppliers, through awareness, training and partnership building. These collaborations are vital for sharing process improvements, enhancing product and packaging designs, reducing environmental impact and co-developing new products or expanding sourcing categories.

We offer a series of annual "Sustainability and Ethics" workshops covering topics such as responsible sourcing, reducing waste, increasing recycled and biodegradable content, and eliminating the use of SUP packaging.

26 events held to date

368 attendees, including 200 SMEs

To reduce packaging and make delivery processes more efficient, we also work directly with our suppliers as part of our ongoing KAIZEN exercise. Recycling bins and signage are well established at product receiving areas and warehouses, and suppliers are briefed on waste segregation requirements for onsite deliveries. Suppliers are encouraged to incorporate specifications for reduced impact products, packaging and services, based on circular economy principles, into tenders, purchase orders and other agreements. Details on these initiatives can be found in our Material Use & Waste section on page 028 of this report.

---

53. A material, product or service is deemed to have a "sustainability attribute" if, when compared to other similar items, it has, or any significant portion of the materials it comprises has, (a) a reduced negative environmental impact at any point throughout its lifecycle (e.g., when it is harvested, produced or managed), (b) an increased positive social impact at any point throughout its lifecycle (e.g., where the economic benefits of its sale accrue to local or marginalised groups or communities), and/or (c) third-party certifications or traceability features attesting to its environmental and/or social benefits.

54. We define sustainable sources as those that are certified to internationally recognised schemes for responsibly sourced cotton.

55. We define "sustainable seafood" as fish or seafood items from sources that have been certified by international bodies or other standards. Refer to page 058 of this section for details.

56. The "traffic-light" rating system (Green, Amber or Red) rates chemicals based on their impacts on human health, toxicity, ecosystem degradation and bioaccumulation, prioritising those certified to internationally-recognised eco-labels such as Green Key and Green Seal.

ETHICAL & SUSTAINABLE SUPPLY CHAIN
HOW WE MANAGE IT

Supplier Showcase

Showcasing items with sustainability attributes, including both food and non-food items, is a highlight of our supplier engagement activities. These events in Macau, known as HoH Roadshows, enable our suppliers to share information on sustainable and ethical products and new innovations in sourcing with our colleagues, peers in the hospitality sector and NGOs focused on environmental protection and sustainably sourced seafood. We were pleased to resume these activities, which were suspended during the pandemic and are highlighted below.

City of Dreams Manila also reprised supplier engagement activities with its event known as "The Philippine Sustainability Movement". Additional information on specific capacity-building programmes for SMEs can be found in this report's Community Investment & Engagement section on page 048.

Technological Advancements and Process Improvements

To optimise procurement efficiencies, we adopt the latest advancements in technology and systems to improve accessibility and transparency amongst our teams, suppliers and distributors. This alignment also streamlines our SOPs for more centralised supply chain management. We added new features to our procurement system, BirchStreet, and preparations are underway for a new vendor portal set to launch in early 2024. This will offer suppliers quick access to purchase orders, streamlined planning and faster invoice processing. Tablet access to this system will also facilitate efficient product transfers, reduce paper use and improve the reliability of product delivery.

We also continue to enhance our online purchase-to-pay ("P2P") procurement system; with oversight of our global procurement and spending, we can track the delivery and usage of consumables, reducing the risk of disruption and delays, and enabling us to plan ahead. Prompt payment of suppliers through automated invoicing and billing is good for their businesses and helps optimise the use of our colleagues' time and resources.

Sourcing Guidelines

Our sourcing strategy centres on impactful categories, identifying those where options with sustainability attributes can be adopted at scale through engagement with our supply chain stakeholders. We started by establishing sourcing guidelines and targets for cotton, chemicals and seafood, and as we track our progress with these categories, we continually look for other categories, as demonstrated by our initiatives with cage-free eggs, coffee and more.

HoH Roadshow Highlights

—

270
SMEs and NGOs participated in 2023

171
sessions held in 2023

- 20+ SME vendors joined F&B workshops on animal welfare and plastic and waste reduction, in collaboration with Lever Foundation

- 127 participants attended our "To the Table" annual event in Macau, including 77 suppliers (34 SME vendors) and 50 chefs and guests, to promote the Group's support of sustainable products and practices, locally produced products and high food safety standards

- SME Experience Tour has been implemented since 2016 and the SME Academy since 2020

Cotton

In cotton sourcing, we've achieved significant milestones ahead of schedule. By 2021, all bed linen and bath towels in Macau and Manila were sourced from OEKO-TEX®-certified suppliers, meeting our 2030 target for these items nine years early. In Manila, chef uniforms are also made from OEKO-TEX®-certified cotton. The objectives of our cotton procurement guidelines are twofold: ensuring that our linen and towels are free from harmful chemicals and safe for use; and mitigating the environmental impacts arising from growing, harvesting and manufacturing cotton. Building on this commitment, we have also made progress on other textiles, including circularity trials for integrating recycled fabric into uniforms in Macau and Cyprus. These efforts will expand as our tendering process now requests vendors to provide recycled fabric options for all uniform replenishments.

Chemicals

Procuring safer chemicals for use in our operations is guided by our sourcing guidelines that adopt a traffic-light rating system (Green, Amber or Red) to rate chemicals based on their impacts on human health, toxicity, ecosystem degradation and bioaccumulation. We have clearly delineated chemical types by rating, providing transparency and stringent controls on their procurement and usage at the property level, which is monitored quarterly by Melco Resorts' Executive Sustainability Committee.

In 2023, 90% of the total chemicals used across the Group were rated as Green or Amber, a 2% increase over 2022, while the total number of chemical products increased by 30% with the addition of City of Dreams Mediterranean and Studio City Phase 2 to our portfolio. With the preponderance of green chemicals at 56% and amber at 34% across our portfolio, we are again well ahead of our target of sourcing 50% of chemicals in these reduced impact categories by 2025. Spend on chemicals purchased increased in 2023 over 2022 due to the addition of City of Dreams Mediterranean to our portfolio and the application of a higher exchange rate for currency conversions in 2023. This is also reflected in the spend on Red-rated chemicals in 2023, along with increased procurement of a chlorinated alkaline floor cleaner.

At the local level, 88% of the chemicals used at our properties in Macau and Manila, and 95% at City of Dreams Mediterranean, are rated as Green or Amber. In Macau and Manila, the usage of Green-rated chemicals increased by 15% over the previous year.

Chemical Consolidation for Macau, Manila and Cyprus[57]
(in HK$ million)

90%
of chemicals used are Green or Amber, a 2% increase over 2022

Global Chemical Spend by Sustainability Rating (HK$ million)

- 2021: 11.84
- 2022: 9.15 (−23%)
- 2023: 10.52 (+15%)

% Difference   Green   Amber   Red
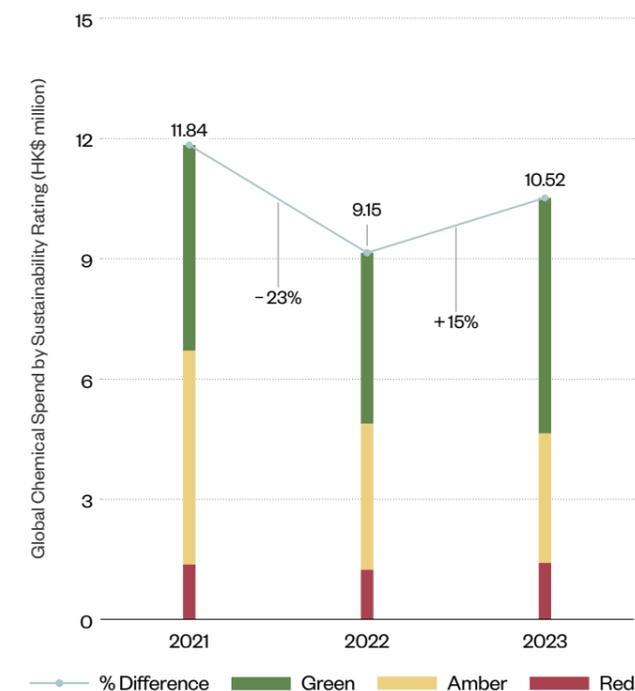
57. Data for 2023 comprise the spend on chemicals in Macau, Manila and Cyprus. As City of Dreams Mediterranean opened in 2023, it is not included in the 2021 and 2022 data.

**ETHICAL & SUSTAINABLE SUPPLY CHAIN
HOW WE MANAGE IT**

Seafood

Our sourcing guidelines and menus are regularly updated to feature more responsibly sourced seafood, focusing on local, small-scale fishers. To support these efforts, we collaborate with organisations working to promote sustainable sourcing and participate in events like World Ocean Day on 8th June, with restaurants creating special menus featuring sustainably sourced seafood.

Our Sustainable Seafood Sourcing Guidelines align with the science-based recommendations of 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. We prioritise procurement of fish and seafood that is 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.

In 2023, we are pleased to report that sustainably[58] sourced seafood purchases increased by a further 3% over the previous year, now accounting for 22% of all seafood purchased by weight for our properties in Macau and Manila[59]. Sustainably sourced seafood purchased in Manila accounts for 50% of all seafood purchased by weight, which is a 16% increase over 2022. In Macau, 16% of all seafood purchased is from sustainable sources.

Other Sourcing Categories

Exploring options and expanding the range of products we procure with sustainability attributes is an ongoing opportunity for us to make a difference. 15 outlets at our properties in Macau and Manila now serve lower carbon beef. For some of the menus that offer duck at our properties in Macau, we are transitioning to procure from a source certified for its sustainability practices.

Through our partnership with the Philippines Coffee Board-Le Café Filipina, all the coffee procured and roasted onsite at City of Dreams Manila since 2022 comprises four locally available varieties of Arabica, Robusta, Liberica and Excelsa. In 2023, our properties in Macau have also been sourcing coffee from the Philippines, further bolstering this coffee value chain that supports local farmers and entrepreneurs, including women who play an active role within the industry. At City of Dreams Manila, 100% of the tea served is from certified organic sources in Sri Lanka and the vanilla procured is from sustainable sources certified in the Philippines and Madagascar.

In Macau, 56% of our coffee capsules are responsibly sourced and 15% of our teabags are produced from carbon-neutral sources[60]. The coffee is from sources certified by the Rainforest Alliance and Fairtrade International, with the capsules collected biweekly for recycling.

City of Dreams Manila has an extensive rooftop garden, producing a variety of items, including Italian and Thai basil, mint, rosemary, thyme, lotus flowers and leaves, as well as calamansi, which are consumed onsite at four of our restaurants.

Human Trafficking and Modern Slavery

Contributing to the global effort to eradicate human trafficking and modern slavery is essential; we are acutely aware of these risks within the hospitality industry and in the supply chain. We address these risks through our Codes and Supplier Code, training and collaborating with our partners, including local authorities, task forces, industry leaders and NGOs.

Within our own operations, we ensure that employment contracts 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.

Since TMC first conducted in-depth training on modern slavery for our procurement team in 2021, The Melco Learning Academy has continued to provide both orientation and ongoing, online, tailored courses for our colleagues in collaboration with TMC. In four modules, the training integrates a video and assessment, and addresses the topics of modern slavery across a range of sectors, including hospitality and the supply chain, red flags for identifying risk factors from suppliers and third-party contractors, how the private sector can lobby and influence for changes in policies, regulations, and the need for increased transparency and traceability across the value chain.

Security personnel across our three markets are trained to identify underage and minor patrons, and 100% of our teams in Manila, and 95% in Macau and Cyprus, have been trained by TMC on human rights, sexual exploitation and identifying suspicious activities. TMC also supported us to develop the training courses on human rights and modern slavery for our suppliers that are offered through our Absorb Learning Academy.

---

58. As noted earlier, we define "sustainable seafood" as fish or seafood items from sources that have been certified by international bodies or other standards.

59. Information on sustainably sourced seafood purchased at City of Dreams Mediterranean will be provided for the 2024 year.

60. https://www.dilmahtea.com/sustainability/carbon-neutral-dilmah-tea.html

Empowering our Business

OUR LICENSE TO OPERATE IS BOTH A PRIVILEGE AND A RESPONSIBILITY

QUICK ACCESS TO MATERIAL TOPICS

CASE STUDY

Cybersecurity Vigilance

Cybersecurity risk has long been a serious threat, and it came closer to home with several significant cyberattacks on companies in our sector in 2023. A breach resulting in the loss of system access and data would seriously impact our business and stakeholders. From business disruptions to the cost, time and resources required to respond to an attack, the impacts are real and potentially substantial. Responding to the necessary and stringent regulatory environment increasingly raises the cost of compliance, and a breach would also expose the Group to potential fines and resulting legal actions.

In December 2023, an external industry expert provided in-depth cybersecurity training for Melco Resorts' Board and executive leadership, the Studio City Board, as well as some Board directors of the Group. The purpose of the training, which involved two in-person sessions (each over three hours), was for participants to understand the nature of cybersecurity risk and critically assess the Group's risk management approach and contingency plans.

Topics covered in the cybersecurity training included:

1. Cyber Threat Landscape Update

- Global/Asia-Pacific metrics
- Business/financial impact of breaches
- Sector-specific case studies
- Demonstrations of attack tactics

2. Interactive Scenario-based Exercises:

- Realities and pre-planning for cyber breaches
- Simulated incident scenarios and escalation timelines
- Best practices and decision-making processes
- Law enforcement involvement and ransomware payment decisions
- Third-party involvement in incidents

3. Board Roles and Responsibilities:

- U.S. SEC Rule implications on Cybersecurity Risk Management
- Cyber insurance and policy considerations
- Board's role in cyber governance
- Individual board member responsibilities

EMPOWERING OUR BUSINESS

Strategy and Management Approach

Our RISE sustainability strategy inspires us to be best-in-class, holding us to the highest standards of ethics, transparency and sustainability. Achieving our goals and commitments is underpinned by our robust governance structure and implementation of stringent policies, systems and controls, including world-class data security practices for our stakeholders. Guided by our Codes and related procedures, maintaining our high expectations for ethical conduct throughout our value chain is paramount.

KEY GOALS

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

MATERIAL TOPICS

CHALLENGES

We are confident that our solid foundation of policies, procedures, training and systems places our business and stakeholders in a strong position for the future. However, we must remain vigilant and continually review and assess risks—particularly those from unforeseen "black swan" events.

Maintaining effective management practices and mitigation strategies, aligned with our high ESG standards, is critical, as well as providing training on advanced social engineering attacks, including AI-driven tactics like deep fakes. We keep our Board and colleagues informed about evolving cyber threats, regularly test their awareness of phishing risks, and ensure that our third-party data processors adhere to stringent cybersecurity and data privacy controls.

OUR POLICIES AND STATEMENTS

Our RISE sustainability strategy is underpinned by the policies listed below that support us in managing potential risks. We review Group policies regularly to ensure they are relevant and designed to meet objectives.

- Board Diversity Policy
- Code of Business Conduct and Ethics
- Corporate Governance Code
- ESG Governance Policy
- Risk Management Policy
- Procedures for Handling Complaints and Whistleblowing
- Corporate Anti-money Laundering ("AML") and Counter-terrorist Financing ("CTF") Policy
- Document Retention Policy
- Environmental Sustainability Policy
- Ethical Business Practices Programme
- Gifts Policy
- Guidelines for the International Transfers of EU[61] Personal Data
- Guidelines on Festive Gift Giving to Government Officials
- Guidelines on Data Protection Measures
- Inclusion & Diversity Statement
- Information Security Policy
- Information Technology Acceptable Use Policy
- IT Security Guideline for Contractors and Third Parties
- Occupational Safety and Health Policy
- Public Website and Application Security Policy
- Policy on Red Flags Raised (Due Diligence of Construction and Design Contractors)
- Policy on Sponsorship and Donations
- Privacy/Personal Data Protection Policy
- Data Privacy Guidelines
- Personal Data Retention Guidelines
- Policy for International Transfer of EU Personal Data
- Supplier Code of Conduct

2024 AND BEYOND

We will continue to maintain our strong approach to governance, while deepening investment in advanced tools for attack prevention and detection, and arranging regular resilience drills across our operations. We will also keep our Board up to date on relevant risks and continue to upskill both our Board members and management teams with regular training on evolving risk factors and technologies, as well as preventative, mitigative and responsive actions.

61. European Union ("EU").

EMPOWERING OUR BUSINESS

CORPORATE GOVERNANCE STRUCTURE

Corporate Governance Structure

The Board has oversight of our corporate governance structure and oversees the Group's strategy for managing and reporting ESG performance. The Group's ESG Governance Policy, risk management systems and internal control environment are reviewed by the Board to ensure that our ESG framework and management systems enable our global operations to comply with applicable regulatory requirements and operate on a sustainable basis for the long term, as well as that they are appropriate and effective. Management of ESG across the Group is supervised by the NCGC of the Board and is overseen directly by our Chairman & CEO. The ESG Taskforce assists the Board and the NCGC in monitoring ESG performance. Engaging with the ESG and corporate social responsibility ("CSR") committees (the "Committees") of our major subsidiaries, the taskforce tracks performance, ensuring that adequate resources are allocated for ESG responsibilities and goals to be achieved.

Identifying and mitigating ESG-related risks is the responsibility of functional groups across all levels of the organisation, with regular communication channels ensuring appropriate resources are provided to meet ESG responsibilities and to make progress against the Group's ESG goals. In 2023, the Committees provided the Board with semi-annual updates on ESG-related topics. Presentations covered global ESG trends and regulatory requirements in our jurisdictions, and progress made towards the Group's targets for achieving carbon-neutral, zero-waste resorts by 2030 and expanding the sustainability attributes of our procurement. The Board received updates on progress in areas including climate-related risk management and enhancing verification of GHG emissions throughout the value chain, as well as energy and water efficiency measures. Key projects to manage food and plastic waste, along with sustainable sourcing and SME engagement programmes, were also shared.

The Board's review of CSR initiatives included progress made in 2023 to promote mental and physical health meaningfully and effectively with the expansion of the "Feel Better Mental Wellness Programmes" and the addition of the "*REACH!*" programme that encouraged our people to participate in fitness events in the community. Other updates shared ranged the Group's professional development and capacity-building initiatives, and local culture and heritage promotion, to maintaining RG Council's "RG Check" accreditation across all our properties.

The Board actively reviews the Group's performance and its annual ESG report to critically assess progress made and recommend areas for improvement where needed. To keep abreast of the latest developments, training is regularly provided to the Board by external consultants. In 2023, briefing materials from external cybersecurity experts were shared with the Group's Board and some Board directors joined the in-depth cybersecurity training of our Group. Two in-person sessions (each over three hours) were held, equipping participants with a better appreciation of the nature of cybersecurity risk and an enhanced ability to critically assess the Group's risk management approach and contingency plans. Refer to the Case Study on Cybersecurity Vigilance on page 061 for details.

Sustainability Risk Management

Risks continue to be increasingly interconnected and widespread across our business and the societies in which we operate. Details about our sustainability risk management approach in relation to the Group's major operations can be found on page 022 of Melco Resorts' Report.

Board of Directors

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

Chairman & CEO

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

Nomination and Corporate Governance Committee

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

ESG Taskforce

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

ESG/CSR Committees of Subsidiaries

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

EMPOWERING OUR BUSINESS

Ethics & Integrity

OUR COMMITMENT

Being ethical and operating with integrity are non-negotiable expectations that are essential for the successful, sustainable governance and evolution of our business. This is critical for us to maintain not only our license to operate, but the trust of all our stakeholders. Our guests, investors, regulators, suppliers, colleagues and community partners expect us to uphold and often surpass legal and regulatory standards. Strict adherence to laws, codes of conduct and policies also minimises risk across our value chain, cementing our commitment to the highest ethical and corporate governance standards.

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 MANAGE IT

Codes of Business Conduct and Ethics

The Codes of the Group and our subsidiaries regulate every aspect of the Group's activities. The Codes outline our expectations for ethical conduct: how we expect people to be treated respectfully and to behave ethically, including not engaging in any form of corrupt practices. Adherence to our Codes provides our people and our guests with the confidence that all interactions with the Group along our value chain are fair and in compliance with laws and regulations. Regularly reviewed by the NCGC and relevant board committees of our subsidiaries, our Codes include guidelines relating to:

→ Compliance with laws, rules and regulations

→ Employment practices to maintain fair, inclusive, respectful and safe workplaces

→ Fair competition

→ Conflicts of interest

→ Anti-bribery and corruption

→ Confidential, proprietary information

→ Anti-money laundering and counter-terrorist financing

→ Gifts and entertainment

→ Sponsorship and donations

→ Reporting and communications

→ Reporting violations of the Codes

→ Policy against retaliation

To ensure that our colleagues have a full understanding of and remain up to date with their contents, they are sent the Codes and informed of any changes or updates. In 2023, there were no material incidents of corruption, anti-competitive behaviour or monopolistic practices reported within the Group.

Ethical Business Practices Programme

Our Ethical Business Practices Programme is tailored to tackle specific risks in our sector, including money laundering, bribery, fraud and other forms of corruption. Integral to our Group-wide operational controls, it offers comprehensive guidance on relevant local laws, anti-corruption regulations and Group policies. The programme emphasises the importance of reporting any suspected or confirmed bribery or corruption, prioritising the protection of our people and business.

Do-The-Right-Thing ("DTRT") Training
Completing the DTRT online training programme ensures that our entire team, from Board directors and senior management to the frontline, remains acutely aware of bribery and corruption risks. This mandatory annual training, which culminates in a compulsory assessment, includes assessments covering relevant laws and regulations, Group guidance towards potential corruption situations, typical red flags and case studies to reinforce expected behaviours. Details on initiatives implemented for our supply chain can be found in the Ethical & Sustainable Supply Chain section of this report on page 054.

Ethical Business Advisor and Liaison Officers
To provide additional oversight of and clarity on code implementation, and to reinforce a culture of excellence in ethical business practices beyond training, we appoint an Ethical Business Advisor as well as Ethical Business Liaison Officers across the Group. They provide another substantive line of defence in our compliance efforts by engaging directly with colleagues to support them in interpreting and understanding the Codes and discussing any queries they may have on practical implementation.

Whistleblowing

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

At the subsidiary level, Melco Resorts has numerous channels for colleagues to raise concerns anonymously, including a dedicated toll-free hotline and email operated by an independent third party. Details of the various options for raising concerns are available on our intranet and at physical locations at our properties. We encourage our suppliers to confidentially raise any potential concerns or breaches via our whistleblower hotline. We have strict procedures to ensure all matters pertaining to whistleblowing are handled confidentially and professionally. In 2023, we received approximately 70 matters raised via the hotline/email, including allegations of misappropriation of company assets and non-compliance with our SOPs. Matters reported have resulted in disciplinary action and the implementation of new/amended policies to strengthen the communication of SOP expectations, as well as the monitoring and achievement of compliance.

2023 Key Initiatives

Training on Anti-bribery, Cybersecurity and Data Privacy
- Refreshed DTRT online training to align with the latest Ethical Business Practices Programme
- Implemented new, mandatory cybersecurity training for relevant colleagues, with specialised sessions for Board members and senior management across the Group in Q4 2023
- A new training module on data privacy is planned for implementation in 2024

Continued Ethics Training for Suppliers
- From 2023, required all suppliers to sign and accept our Supplier Code
- SME suppliers received training focusing on ethical business practices, particularly during onboarding
- While initial focus has been on Macau SME suppliers, we are working to standardise these practices globally

Policy Updates
- Adapted to emerging global legislation, including updates to AML/CTF regulations and guidance
- Audits conducted by local regulatory authorities in Macau, Manila and Cyprus, leading to policy updates
- Formed a Cybersecurity Disclosure Subcommittee under the Disclosure Committee for Melco Resorts to meet U.S. SEC requirements and established relevant guidelines at our corporate office

Compliance and Cybersecurity Reporting
- Quarterly reports on compliance shared with Melco Resorts' Audit and Risk Committee focused on significant employee misconduct cases, AML suspicious transaction reports filed, regulatory audits undertaken, data privacy reviews, compliance training statistics, and approved sponsorships and donations
- Quarterly cybersecurity reporting to the Melco Resorts' Audit and Risk Committee focused on industry trends, global incidents, risk management strategies, results of employee awareness and phishing exercises, and security assessments

EMPOWERING OUR BUSINESS

Privacy & Cybersecurity

OUR COMMITMENT

Our guests, colleagues, suppliers, partners, regulators and other stakeholders entrust us with their personal and corporate data. In an era where technology is integral to operations, we are vigilant in maintaining stringent controls and systems. This vigilance is reinforced by training to prevent and respond to the increasing risk of cybersecurity and data privacy breaches that may impact our stakeholders and our operations.

OUR TARGETS

- Maintaining zero incidents of leaks, theft or loss of data

- Responding to any incidents of unauthorised access to systems and data by containing the negative potential impact to our stakeholders and business, and continually reviewing to ensure we have appropriately stringent safeguarding controls

- Ensuring our Board and all relevant colleagues are trained on information security and data protection

HOW WE MANAGE IT

The exponential and widespread adoption of technology, digital platforms, data management systems and internet-driven business practices has been unfortunately matched by an increase in the likelihood and severity of cybersecurity threats and attacks. Ensuring that we have the right talent, awareness and knowledge, supported by robust controls, systems and response strategies, is critical for safeguarding data privacy. Our Board, senior management, colleagues, suppliers and other business partners receive frequent training on evolving cyber risks and how to detect, prevent and respond to threats.

We regularly conduct deep dives to assess potential impacts of attacks and ensure robust procedures are in place to respond. This covers mitigative measures as well as being prepared to run our operations manually if needed, in the event of a prolonged loss of systems. For example, we performed a 'lessons learned' exercise on the cybersecurity attacks against two major gaming companies in Las Vegas in 2023, and our CRO and Chief Information Security Officer presented the outcomes of the exercise to members of the Group's boards and senior leadership teams in December 2023.

No complaints or instances of data or customer privacy breaches were reported in 2023. Examples of the controls that we have in place to manage data and information security risks are outlined below.

Cybersecurity and Data Privacy Initiatives

→ Enhancing our global data privacy framework with the appointment of the Group Coordinating Data Protection Officer, jurisdiction-specific Data Protection Officers and issuance of new data privacy policies

→ Establishing a Cybersecurity Technical Incident Response Team comprising our Information Security and Information Technology ("IT") Department representatives, responsible for the technical response and resolution of a cyber incident

→ Partnering with external specialised firms including IT technical and forensic experts, cyber incident response manager, legal counsel and a public relations agency to allow the Group access to timely support in the event we are exposed to a cyberattack

→ Discussing lessons learnt from significant cyber incidents impacting companies in our sector at risk management meetings at the Macau, Manila and Cyprus properties, and incorporating these into updates to crisis management documentation and the development of specific cyber incident preparedness procedures

→ Delivering a presentation on data privacy to members of our boards and senior management teams across the Group in December 2023, covering our approach to managing cybersecurity threats and the lessons learnt from the significant cyber incidents affecting companies in our sector

→ Maintaining certification of our Information Security Management System ("ISMS") for our Macau operations under ISO 27001 since 2009, and requiring all 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 legal and regulatory requirements, including but not limited to those prescribed by Hong Kong's Personal Data (Privacy) Ordinance, Macau's Personal Data Protection Act, China's Personal Information Protection Law, Singapore's Personal Data Protection Act, the Philippine's Data Privacy Act and the EU's GDPR

→ Engaging an independent third-party expert to assist in running 'tabletop' cyber crisis drills, simulating an attack on our Macau and Manila properties in Q1 2024

Training and Capacity Building

Ongoing, comprehensive training is provided to colleagues, Board members and other stakeholders to ensure they adapt to the rapid changes in IT and evolving challenges of the cybersecurity landscape. Our colleagues across all levels of the organisation are systematically trained on our information security and data protection guidelines, and receive training at least annually. Topics covered include the management and detection of phishing, spear-phishing and whaling, the risks of malware and spyware, and other threats to information security and data privacy. We also perform regular exercises to test colleagues' real-life responses to a simulated cyberattack.

In 2023, a new, mandatory, online training on cybersecurity was implemented to raise awareness of cyber risks and typical cyber events that may be faced by our Group. We also engaged an independent third-party expert to deliver two in-person training sessions for members of our boards and senior management teams on cybersecurity; for details please refer to the .

APPENDICES

Performance Metrics

PEOPLE

The progress of our People strategy is revealed through several indicators. These encompass: inclusion and diversity, including closing the gender gap and empowering local community colleagues; attraction and retention rates; building capacity through training; and safety and health performance. All these areas work toward our goals, of which a strategic update can be reviewed in the Inspiring our Communities section on page 034.

Our Workforce

TOTAL WORKFORCE[62] BY GENDER

	2023	2022	2021	2020
Female	**9,504**	8,115	8,643	9,600
Male	**10,716**	8,796	9,254	10,169
Total	**20,220**	16,911	17,897	19,769

62. Figures reflect permanent employees. We do not have temporary employees. Globally, we have around 1,241 non-employee workers to augment existing functions, including construction, F&B, IT, security and administrative functions.

OUR WORKFORCE BY GENDER AND GEOGRAPHIC LOCATION[63]

	2023[64]	2022	2021
Corporate and Centralised Services (Including Hong Kong, Macau and Other Locations)			
Female	**267**	250	281
Male	**300**	283	366
Total	**567**	533	647
% of Employees in Corporate and Centralised Services (Including Hong Kong, Macau and Other Locations)	**3%**	3%	4%
Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)			
Female	**6,949**	5,920	6,499
Male	**7,268**	5,772	6,261
Total	**14,217**	11,692	12,760
% of Employees in Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)	**70%**	69%	71%
Manila Property			
Female	**1,552**	1,540	1,559
Male	**2,147**	2,173	2,171
Total	**3,699**	3,713	3,730
% of Employees in Manila Property	**18%**	22%	21%
Cyprus Property			
Female	**736**	405	304
Male	**1,001**	568	456
Total	**1,737**	973	760
% of Employees in Cyprus Property	**9%**	6%	4%

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

64. 'Other locations' comprise Beijing and Singapore in 2023.

Senior Management[65] Representation from Local Communities

Local	2023	2022	2021
Hong Kong	81%	81%	73%
Singapore	25%	25%	–
Macau	85%	78%	77%
Manila	57%	57%	67%
Cyprus	35%	25%	57%
Total	**67%**	69%	73%
Non-local			
Hong Kong	19%	19%	27%
Singapore	75%	75%	–
Macau	15%	23%	23%
Manila	43%	43%	33%
Cyprus	65%	75%	43%
Total	**33%**	31%	27%

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

New Employee Hires and Turnover by Gender, Age and Location

	2023		2022		2021	
	Number	**Rate**	Number	Rate	Number	Rate
New Hires by Gender						
Female	2,345	24.67%	535	6.60%	286	3.31%
Male	3,062	28.57%	652	7.41%	500	5.41%
New Hires by Age						
Under 30 years of age	2,060	60.82%	503	21.60%	369	12.30%
Between the age of 30 and 50	3,131	23.54%	621	5.40%	358	3.08%
Over 50 years of age	216	6.11%	64	2.08%	59	1.82%
New Hires by Location						
Hong Kong	26	13.00%	27	14.59%	28	13.53%
Singapore	0	0%	1	20.00%	–	–
Macau	3,871	26.56%	479	3.98%	505	3.84%
Manila	507	13.71%	351	9.45%	50	1.34%
Cyprus	1,003	57.74%	327	34.03%	–	–
Other locations	0	0%	3	60.00%	203	25.47%
Employee Turnover by Gender						
Female	1,428	15.02%	1,051	12.94%	1,291	14.95%
Male	1,693	15.80%	1,087	12.37%	1,522	16.47%
Employee Turnover by Age						
Under 30 years of age	932	27.52%	423	18.16%	763	25.43%
Between the age of 30 and 50	1,800	13.53%	1,166	10.14%	1,537	13.21%
Over 50 years of age	389	11.01%	549	17.84%	513	15.84%
Employee Turnover by Location						
Hong Kong	20	10.00%	67	35.26%	73	35.27%
Singapore	0	0%	0	0%	–	–
Macau	1,889	12.96%	1,575	13.08%	1,691	12.87%
Manila	496	13.41%	366	9.85%	898	24.08%
Cyprus	716	41.22%	129	13.42%	–	–
Other Locations	0	0%	1	20.00%	151	18.90%

Average Training Hours Completed per Employee by Employee Category and Gender

	2023	2022	2021
Management			
Female	**19.88**	20.03	24.50
Male	**16.07**	15.33	20.14
Non Management			
Female	**67.15**	204.82	131.50
Male	**70.96**	161.64	105.01

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

	Change 2022/2023		**2023**	2022	2021
	Rate	**%**			
Total Recordable Injury Rate					
40-hour work week/total cases[66]	**0.08**	**3.96%**	**2.10**	2.02	1.69
48-hour work week/total cases[67]	**0.06**	**3.55%**	**1.75**	1.69	1.41
Average	**0.07**	**3.77%**	**1.93**	1.86	1.55
Total Lost-time Injury Frequency Rate					
40-hour work week/total cases[68]	**0.39**	**3.86%**	**10.50**	10.11	8.45
48-hour work week/total cases[69]	**0.32**	**3.80%**	**8.75**	8.43	7.04
Average	**0**	**3.83%**	**9.63**	9.27	7.75

66. Total case x 200,000 / 40 hours.
67. Total case x 200,000 / 48 hours.
68. Total case x 1,000,000 / 40 hours.
69. Total case x 1,000,000 / 48 hours.

Total Lost Days due to Work Injury

	2023	2022	2021
Lost days due to work injury	**2,388**	1,390	1,339

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

Profile of Governance Bodies, Corporate Executive Committees and Employees

	2023	2022	2021
Board Members by Gender			
Female	**17%**	24%	24%
Male	**83%**	76%	76%
Board Members by Age			
Under 30 years of age	**0%**	0%	0%
Between the age of 30 and 50	**33%**	29%	30%
Over 50 years of age	**67%**	71%	70%
Corporate Executive Committees by Gender			
Female	**12%**	19%	19%
Male	**88%**	81%	81%
Corporate Executive Committees by Age			
Under 30 years of age	**0%**	0%	0%
Between the age of 30 and 50	**44%**	38%	44%
Over 50 years of age	**56%**	63%	56%
Management by Gender			
Female	**41%**	41%	40%
Male	**59%**	59%	60%
Management by Age			
Under 30 years of age	**3%**	1%	1%
Between the age of 30 and 50	**77%**	79%[70]	80%[70]
Over 50 years of age	**20%**	20%	19%
Non-management by Gender			
Female	**48%**	49%	49%
Male	**52%**	51%	51%
Non-management by Age			
Under 30 years of age	**18%**	15%	18%
Between the age of 30 and 50	**65%**	67%	64%
Over 50 years of age	**17%**	18%	18%

70. Data restated to allow for accurate rounding.

ENVIRONMENT

Our environmental impact and performance is managed and reported against a number of indicators. These include our GHG emissions, energy consumption, waste management, including recycling and composting, and water consumption and reuse. All data cover the Group's sustainability performance for the year ended 31 December 2023, 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 018.

GHG Emissions

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

	2023	2022	2021
Scope 1 emissions	**20,392**	17,152	14,842
Emissions from stationary fuel combustion	**6,776**	4,972	5,237
Emissions from mobile fuel combustion	**7,412**	7,467	5,095
Fugitive emissions from refrigerants	**6,204**	4,713	4,510
Biogenic emissions	**368**	212	264
Scope 2 emissions (location-based)	**252,165**	210,353	212,111
Scope 2 emissions (market-based)[71]	**10**	112	280
Total Scope 1 and 2 emissions (location-based)	**272,557**	227,929	227,217
Total Scope 1 and 2 emission (market-based) intensity by floor area (in metric tonnes of CO_2e/m^2)	**0.012**	0.012[72]	0.011[72]

71. Melco Resorts' Scope 2, market-based emissions are offset through renewable energy instruments that are RE100 compliant. Refer to the section on Cleaner Energy and Renewables for details.
72. Rounded to third decimal place for consistency.

	2023	2022	2021[73]
Scope 3 emissions			
Category 1: Purchased goods and services[74, 75]	**167,148**	81,164	–
Category 2: Capital goods[76]	**77,461**	200,438	–
Category 3: Fuel and energy-related activity ("FERA")[77]	**68,529**	56,034	56,882
Category 4: Upstream transportation[78]	**723**	414	–
Category 5: Waste[79, 80]	**1,162**	1,181	–
Category 6: Business travel[81]	**1,909**	612	–
Category 7: Employee commuting[82, 83]	**11,023**	6,412	–
Category 8: Upstream leased assets[84]	**548**	195	–
Category 13: Downstream leased assets	**44,246**	31,175	32,697
Total Scope 3 emissions	**372,748**	377,625	89,579
Total Scope 3 emission intensity by floor area (in metric tonnes of CO_2e/m^2)[85]	**0.21**	0.27	–

73. In 2021, only Scope 3 Categories 3 and 13 were available for disclosure.
74. 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.
75. Items that do not have their weight stated in Melco Resorts' purchasing system or do not have lifecycle assessment emission factors attributable for the emission calculations have been excluded.
76. Definition of "capital goods" is in line with the Melco Resorts' financial accounting.
77. Electricity consumption for fuel and energy-related activity is calculated using the most recent set of emission factors for overseas electricity based on the Department for Environment, Food and Rural Affairs of the United Kingdom (Defra) 2022 data.
78. This category includes emissions from the transportation and distribution of goods and services purchased by Melco Resorts.
79. This category includes emissions from the disposal of waste generated within Melco Resorts' business operations only.
80. Recycling of "household residual waste" (e.g. soap, used waste oil) has been excluded in the calculation.
81. Calculation of air travel only.
82. Includes emissions from transportation carriers that arise during employees' commute to and from work in vehicles not owned or operated by Melco Resorts.
83. Employees in Singapore account for less than 1% of our full-time employees and are excluded from this calculation.
84. Includes emissions from the operations of assets that are leased by Melco Resorts (acting as lessee), that are not included in Scope 1 and Scope 2. As upstream leased assets are not under Melco Resorts' operational control, it may need to request data from lessors in order to calculate emissions. In the current inventory, upstream leased vehicles for shuttle buses in the Philippines and Macau have been included.
85. Scope 3 GHG emission intensity by floor area was disclosed in 2022, marking the first year of disclosing Scope 3 emission data for all categories that are relevant to the Group's business

Energy

CALCULATED kWh SAVINGS BASED ON ANNUALISED EEMs (IN kWh)

	2023	2022	2021
City of Dreams Macau	**22,375,715**	21,758,934	19,559,473
Studio City	**26,118,730**	21,116,985	16,300,899
Altira Macau	**6,101,535**	5,964,319	5,428,746
City of Dreams Manila	**2,453,062**	2,492,435	2,340,704
City of Dreams Mediterranean	**302,004**	–	–
Total	**57,351,046**	51,332,673	43,629,822

ENERGY CONSUMPTION BY SOURCE AND INTENSITY, AND GENERATED ONSITE (IN MWh)

	2023	2022	2021
Fuel consumption from non-renewable sources	67,159	58,416	47,770
Electricity consumption from non-renewable sources	401,317	330,337	334,380
Electricity consumption from renewable sources[86]	1,555	1,525	1,478
Total energy consumption	**470,030**	390,278	383,628
Energy intensity (in MWh/m^2)	**0.27**	0.28	0.27
Total renewable energy generated[87]	**1,761**	1,525	1,478

86. PV panel systems were installed at our properties in Macau and Manila in 2019, and in Cyprus in 2023. Renewable energy consumed at City of Dreams Manila has been generated onsite since 2019. Data for 2023 consumption also includes renewable energy generated onsite at City of Dreams Mediterranean.

87. The renewable energy generated by PV panels at properties in Macau and Cyprus was recorded from October to December 2023. The renewable energy generated at both City of Dreams Manila and City of Dreams Mediterranean is consumed onsite and in Macau, it feeds into the electricity grid.

Waste

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

	2023	2022	2021
Composting	272	262	192
Recycling	1,486	735	720
Total materials diverted	**1,758**	997	912
Incineration	11,956	5,657	7,624
Landfill	1,919	1,026	1,163
Total waste generated	**13,875**	6,683	8,787
Total materials diverted and waste generated	**15,633**	7,680	9,699
Intensity of materials diverted and waste generated (in metric tonnes/m^2)	**0.009**	0.005[88]	0.007[88]

88. Rounded to third decimal place for consistency.

MATERIAL DIVERSION BY TYPE (IN METRIC TONNES)

	2023	2022	2021
Composting			
Food waste	271.60	262.06	191.93
Recycling			
Paper	1,025.99	310.13	326.3
Metal	42.00	63.49	42.26
Used cooking oil	49.32	73.52	55.01
Glass bottles	207.74	152.08	66.33
Batteries	30.36	9.62	1.58
Plastic	45.63	80.29	102.08
Soap	1.31	1.56	3.21
Others (e.g. e-waste, ink toners, light fixtures and coffee capsules)	83.69	44.36	122.87

HAZARDOUS AND NON-HAZARDOUS WASTE GENERATION WITH INTENSITY (IN METRIC TONNES)[89]

	2023	2022	2021
Hazardous waste by category			
Batteries	30	10	N/A
Ink toners	0.75	0.35	N/A
Light fixtures	3.00	0.07	N/A
E-waste	23	17	N/A
Contaminated containers	–	2	N/A
Total hazardous waste	**57**	30[90]	110
Hazardous waste by intensity (in metric tonnes/m^2)	**0.00003**	0.00002	0.00008
Total non-hazardous waste	**15,576**	7,650	9,585
Non-hazardous waste by intensity (in metric tonnes/m^2)	**0.009**	0.005	0.007
Total waste	**15,633**	7,680	9,695

89. Figures have been rounded.

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

Water

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

	2023	2022	2021
Municipal water	2,853,711	2,104,523	2,119,732
Recycled water	218,225	217,714	147,549
Total water consumption	**3,071,936**	2,322,237	2,267,281
Water intensity by floor area (in m^3/m^2)	**1.74**	1.65	1.60

APPENDICES

HKEX ESG Reporting Guide Index

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	STATUS OF COMPLIANCE	LOCATION	REMARKS
ENVIRONMENTAL			
Aspect A1: Emissions			
General disclosure information on: Policies and compliance relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Full	Energy & Climate Resilience Material Use & Waste Empowering our Business / Strategy & Management Approach / Our Policies and Statements	The Group's approach to environmental management is discussed throughout the ESG Report. The Group's environmental policies are also reflected in its ISO management systems for environmental management (ISO 14001:2015), facilities management (ISO 41001:2018) and energy management (ISO 50001:2018). In 2023, the Group was in compliance with all applicable environmental laws and regulations.
KPI A1.1: The types of emissions and respective emissions data.	Full	Energy & Climate Resilience / GHG Emissions	Air emissions other than GHG emissions are not material.
KPI A1.2: Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Full	Energy & Climate Resilience / GHG Emissions Performance Metrics	
KPI A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Full	Material Use & Waste / Waste and Diversion Performance Metrics	

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	STATUS OF COMPLIANCE	LOCATION	REMARKS
KPI A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Full	Material Use & Waste / Waste and Diversion Performance Metrics	
KPI A.1.5: Description of emission target(s) set and steps taken to achieve them.	Full	Energy & Climate Resilience	
KPI A1.6: Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Full	Material Use & Waste / Waste and Diversion	The Group has set the goal of zero waste by 2030 and an intensity reduction target for non-hazardous waste.
Aspect A2: Use of Resources			
General disclosure information on: Policies on the efficient use of resources, including energy, water and other raw materials.	Full	Restoring our World Empowering our Business / Strategy & Management Approach / Our Policies and Statements	The Group's approach to environmental management is discussed throughout the ESG Report. The Group's environmental policies are also reflected in its ISO management systems for environmental management (ISO 14001:2015), facilities management (ISO 41001:2018) and energy management (ISO 50001:2018).
KPI A2.1: Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Full	Energy & Climate Resilience / Energy-efficiency Measures Performance Metrics	
KPI A2.2: Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Full	Material Use & Waste / Water Performance Metrics	
KPI A2.3: Description of energy use efficiency target(s) set and steps taken to achieve them.	Full	Energy & Climate Resilience	
KPI A2.4: Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Full	Material Use & Waste / Water	In 2023, the Group had no issues sourcing water that is fit for purpose.
KPI A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Directly Relevant	Material Use & Waste / Eliminating Plastic	While the Group does not produce products, refer to page 029 of this report for details about our work within our operations and with suppliers to eliminate packaging that is not reusable, recyclable or compostable.

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

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	STATUS OF COMPLIANCE	LOCATION	REMARKS
SOCIAL			
EMPLOYMENT AND LABOUR PRACTICES			
Aspect B1: Employment			
General disclosure information on: Policies and compliance relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Full	Inspiring our Communities Empowering our Business / Strategy & Management Approach / Our Policies and Statements	
KPI B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Full	Engaging our People Performance Metrics	
KPI B1.2: Employee turnover rate by gender, age group and geographical region.	Full	Engaging our People Performance Metrics	
Aspect B2: Health and Safety			
General disclosure information on: Policies and compliance relating to providing a safe working environment and protecting employees from occupational hazards.	Full	Safety, Health & Wellbeing	
KPI B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Full		There were no work-related fatalities across the Group in the years 2021, 2022 and 2023.
KPI B2.2: Lost days due to work injury.	Full	Safety, Health & Wellbeing / How We Manage It Performance Metrics	In 2023, 2,388 days were lost due to work-related injuries across the Group.
KPI B2.3: Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Full	Safety, Health & Wellbeing / How We Manage It	

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect B3: Development and Training			
General disclosure information on: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Full	Engaging our People / Career Development Opportunities	
KPI B3.1: The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Full	Engaging our People / Career Development Opportunities Performance Metrics	93.3% of employees received training in 2023, comprising 92.5% of management and 92.2% of non-management. In total, 93% of female employees and 93% of male employees received training during the reporting year.
KPI B3.2: The average training hours completed per employee by gender and employee category.	Full	Engaging our People / Career Development Opportunities Performance Metrics	
Aspect B4: Labour Standards			
General disclosure information on: Policies and compliance relating to preventing child and forced labour.	Full	Engaging our People / How We Manage It Ethical & Sustainable Supply Chain / How We Manage It / Human Trafficking and Modern Slavery	Outlined in the Supplier Code.
KPI B4.1: Description of measures to review employment practices to avoid child and forced labour.	Full	Engaging our People / How We Manage It Ethical & Sustainable Supply Chain / How We Manage It / Human Trafficking and Modern Slavery	The Group reviews its recruitment and workplace operations, and engagements with its suppliers, to monitor compliance with the Codes, as well as the Supplier Code.
KPI B4.2: Description of steps taken to eliminate such practices when discovered.	Full	Ethics & Integrity Ethical & Sustainable Supply Chain / How We Manage It / Human Trafficking and Modern Slavery	The Group did not identify any cases of child or forced labour in 2023.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	STATUS OF COMPLIANCE	LOCATION	REMARKS
OPERATING PRACTICES			
Aspect B5: Supply Chain Management			
General disclosure information on: Policies on managing environmental and social risks of the supply chain.	Full	Engaging our People / How We Manage It Ethical & Sustainable Supply Chain	Outlined in the Supplier Code.
KPI B5.1: Number of suppliers by geographical region.	Full		In 2023, the Group procured goods and services from over 5,000 global suppliers and over 3,500 suppliers in Macau (59%), Philippines (11%), Hong Kong (10%), Cyprus (10%), UK (2%), USA (1%), Mainland China (1%), Singapore (1%), Taiwan (1%), and other locations (4%).
KPI B5.2: Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Full	Ethical & Sustainable Supply Chain / How We Manage It / Supplier Engagement and Capacity Building	The Group engages with all of its suppliers in local markets to monitor compliance with its Supplier Code and to build capacity for meeting its sustainable sourcing goals.
KPI B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Full	Ethical & Sustainable Supply Chain	The Group identifies environmental and social risks along the supply chain and engages with all of its suppliers in local markets to monitor compliance with its Supplier Code and to build capacity for meeting its sustainable sourcing goals.
KPI B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Full	Restoring our World Ethical & Sustainable Supply Chain	

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect B6: Product Responsibility			
General disclosure information on: Policies and compliance relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Full	Responsible Gaming Safety, Health & Wellbeing Ethics & Integrity Privacy & Cybersecurity Empowering our Business / Strategy & Management Approach / Our Policies and Statements	The Group does not produce products. Suppliers of branded merchandise produced for the Group must adhere to product responsibility requirements in the Supplier Code.
KPI B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Full		No recalls related to branded merchandise produced for the Group occurred in 2023.
KPI B6.2: Number of products and service related complaints received and how they are dealt with.	Full		No complaints related to branded merchandise produced for the Group, or substantiated complaints related to services provided, occurred in 2023.
KPI B6.3: Description of practices relating to observing and protecting intellectual property rights.	Full	Privacy & Cybersecurity	The Group takes appropriate legal measures, including registering trademarks and domain names in relevant jurisdictions, and implements robust data and information management protocols, systems and initiatives, to protect its intellectual property.
KPI B6.4: Description of quality assurance process and recall procedures.	Full	Safety, Health & Wellbeing / Healthy Air Safety, Health & Wellbeing / Eating Safely, Healthily and Sustainably	
KPI B6.5: Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Full	Privacy & Cybersecurity	In 2023, the Group did not experience any significant data breaches or receive any substantiated complaints.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	STATUS OF COMPLIANCE	LOCATION	REMARKS
Aspect B7: Anti-corruption			
General disclosure information on: Policies and compliance relating to bribery, extortion, fraud and money laundering.	Full	Ethics & Integrity Empowering our Business / Strategy & Management Approach / Our Policies and Statements	
KPI B7.1: Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Full		In 2023, there were no material incidents of corruption, anti-competitive behaviour or of anti-trust or monopolistic practices within the Group.
KPI B7.2: Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Full	Ethics & Integrity / How We Manage It / Whistleblowing	
KPI B7.3: Description of anti-corruption training provided to directors and staff.	Full	Ethics & Integrity / How We Manage It / Ethical Business Practices Programme	
COMMUNITY			
Aspect B6: Community Investment			
General disclosure information on: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Full	Community Investment & Engagement	
KPI B8.1: Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Full	Inspiring our Communities / Strategy and Management Approach Community Investment & Engagement / How We Manage It	
KPI B8.2: Resources contributed (e.g. money or time) to the focus area.	Full	Inspiring our Communities / Strategy and Management Approach Community Investment & Engagement / How We Manage It	

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 Us The Company's registered office address is at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.	
2-2	Entities included in the organization's sustainability reporting	About this Report	
2-3	Reporting period, frequency and contact point	About this Report This report was published on 29 April 2024.	
2-4	Restatements of information	The 2021 and 2022 figures for Management percentage by age, between the age of 30 and 50, have been restated to allow for accurate rounding.	
2-5	External assurance	ISO 14064-3:2019 A third-party assurance provider verified the Scope 1, 2 and 3 GHG emission inventory of Melco Resorts, our major subsidiary, for the year 2023 against ISO 14064-3:2019. The Board reviewed and approved the Company's ESG Report.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
		GRI 2: General Disclosures 2021	
		2. Activities and Workers	
2-6	Activities, value chain and other business relationships	About Us About this Report Our Impact along the Value Chain Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business Melco International's Annual Report 2023 – Corporate Structure, P.19 Melco International's subsidiary, Melco Resorts & Entertainment Limited, is a global, premium-focused integrated resort operator primarily targeting the Asian premium mass as well as the mass gaming segments, by leveraging its differentiated, award-winning non-gaming entertainment attractions. Melco Resorts' business is focused in Macau, Manila and Cyprus. There were no significant changes in the Group's value chain compared to the previous reporting period. Operating within global gaming and hospitality industries, our supply chain is unsurprisingly vast; embracing over 5,000 global upstream vendors who support the delivery of services and products necessary to deliver a premium guest experience within our resorts. Our goods and services are too numerous to list but include fresh food and beverages, furniture and in-room technology systems, responsible gaming and security systems, furniture, fixtures and equipment, communications, gaming, sport and spa equipment, as well as operational, logistics and professional services, to name but a few. We continuously endeavour to engage and support our local supply base; collaborating to find new ways to differentiate our guest experience and in turn create inclusive business opportunities. In 2023, the Group procured goods and services from over 5,000 global suppliers and over 3,500 suppliers in Macau (59%), Philippines (11%), Hong Kong (10%), Cyprus (10%), UK (2%), USA (1%), Mainland China (1%), Singapore (1%), Taiwan (1%), and other locations (4%). The Company's downstream activities range from engaging with and providing experiences for guests to contracting or collaborating with stakeholders in our jurisdictions of operations. Examples of these interactions include companies that undertake the recycling of valuable materials from our operations, educational institutions that organise capacity-building programmes for our colleagues and NGOs that work with us on community engagement activities.	
2-7	Employees	Performance Metrics Melco International's Annual Report 2023 – Management Discussion and Analysis – Human Resources, P.39 The Company employed 20,220 people in 2023 compared to 16,911 in 2022; representing a 20% increase in the workforce as business volume also increased. In 2023, there was an uptick in property visitation and hotel room occupancy by 139% and 165%, respectively over 2022.	
2-8	Workers who are not employees	Performance Metrics There were no significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
GRI 2: General Disclosures 2021			
3. Governance			
2-9	Governance structure and composition	Corporate Governance Structure Melco International's Annual Report 2023 – Board of Directors and Senior Management, Corporate Governance Report, P.40-55	
2-10	Nomination and selection of the highest governance body	Corporate Governance Structure Melco International's Annual Report 2023 – Board of Directors and Senior Management, Corporate Governance Report – The Board of Directors and Diversity, P.40-52 Board Diversity Policy	
2-11	Chair of the highest governance body	Corporate Governance Structure Melco International's Annual Report 2023 – Board of Directors and Senior Management, P.40, Corporate Governance Report – The Board of Directors, P.45 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 Group 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 Group considers that such roles should be assumed by different persons.	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure Understanding What Matters Most Assessing Materiality Melco International's Annual Report 2023 – Corporate Governance Report – Diversity, Delegation by the Board, Risk Management and Internal Controls, P.43-58, Report of the Directors, P.61-65 Melco Resorts' Report – Sustainability Risk Management and Evolving Risks and Opportunities, P.022-026	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Structure Melco International's Annual Report 2023 – Corporate Governance Report – Diversity, Delegation by the Board, Risk Management and Internal Controls, P.43-58, Report of the Directors, P.61-65	
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Structure The Board approved the Company's ESG Report on 28 March 2024.	
2-15	Conflicts of interest	Melco International's Annual Report 2023 – Board of Directors and Senior Management, P.40-42, Corporate Governance Report, P.43-48 and 55-58, Report of the Directors, P.65 and 68 Conflicts of interest also covered in the Code of Business Conduct and Ethics on Melco Resorts' website.	
2-16	Communication of critical concerns	Ethics & Integrity – Ethical Business Advisor and Liaison Officers, Whistleblowing The Group did not have any critical concerns raised in 2023.	
2-17	Collective knowledge of the highest governance body	Corporate Governance Structure Melco International's Annual Report 2023 – Board of Directors and Senior Management, P.40-42	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
GRI 2: General Disclosures 2021			
3. Governance			
2-18	Evaluation of the performance of the highest governance body	Melco International's Annual Report 2023 – Corporate Governance Report, P.48-49	
2-19	Remuneration policies	Melco International's Annual Report 2023 – Corporate Governance Report, P.54, Report of the Directors, P.96	
2-20	Process to determine remuneration	Melco International's Annual Report 2023 – Corporate Governance Report, P.54	
2-21	Annual total compensation ratio		Confidentiality constraints. Information is considered private.
4. Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Melco Resorts' Report – Chairman & CEO's Statement, P.004-005 Melco International's Annual Report 2023 – Chairman & CEO's Statement, P.20-21	
2-23	Policy commitments	Sustainability Risk Management Restoring our World Inspiring our Communities Sustaining our Supply Chain Our Policies and Statements Ethics & Integrity The precautionary principle informs the Group's risk assessment, property design, construction and operations and planning processes.	
2-24	Embedding policy commitments	Restoring our World Inspiring our Communities Sustaining our Supply Chain Our Policies and Statements Ethics & Integrity	
2-25	Processes to remediate negative impacts	Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business	
2-26	Mechanisms for seeking advice and raising concerns	Ethics & Integrity Our Policies and Statements	
2-27	Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations occurred during the reporting period.	

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	
2-28	Membership associations	Melco Resorts joined the Sustainable Hospitality Alliance in November 2023.	
		The Mekong Club, a not-for-profit organisation that inspires and engages the private sector to collaborate and lead in the fight against modern slavery. Melco Resorts joined the membership-based business association in 2021.	
		Melco Resorts joined the Global Tourism Plastics Initiative in 2020.	
		Melco Resorts has been a member of the European Casino Association since 2019.	
		5. Stakeholder Engagement	
2-29	Approach to stakeholder engagement	Understanding What Matters Most	
		Assessing Materiality	
		As part of identifying its stakeholders, the Group applied the GRI Reporting Principle of stakeholder inclusiveness.	
2-30	Collective bargaining agreements	Other than the rank-and-file employees of the table games division of City of Dreams Manila, representing 4.7% of the Group's workforce, none of our employees are members of any labour union and we are not party to any collective bargaining or similar agreement with our employees.	
		GRI 3: Material Topics 2021	
3-1	Process to determine material topics	Understanding What Matters Most	
		Assessing Materiality	
3-2	List of material topics	Assessing Materiality	
		There have been no significant changes from previous reporting periods in the list of material topics and topic boundaries. To begin alignment with IFRS S1 – *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 – *Climate-related Disclosures*, we evolved our assessment process to address both the GRI and IFRS approaches to determine our material topics through a double materiality lens.	
		Report Section: Restoring our World	
		Material Topic: Energy & Climate Resilience	
		GRI 3: Material Topics 2021	
3-3	Management of material topics	Assessing Materiality	
		Our Impact along the Value Chain	
		Sustainability Risk Management	
		Restoring our World – Strategy and Management Approach	
		Energy & Climate Resilience	
		Our Policies and Statements	
		Melco Resorts' TCFD Content Index	

GRI 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 302: Energy 2016	
302-1	Energy consumption within the organization	Energy & Climate Resilience	
		Performance Metrics	
302-3	Energy intensity	Energy & Climate Resilience	
		Performance Metrics	
		The ratio uses energy consumption within the organisation.	
302-4	Reduction of energy consumption	Restoring our World – Strategy and Management Approach	
		Energy & Climate Resilience	
		Performance Metrics	
		GRI 305: Emissions 2016	
305-1	Direct (Scope 1) GHG emissions	Energy & Climate Resilience	
		Performance Metrics	
		Scope 1 emissions arise from stationary fuel combustion (LPG, natural gas, diesel, fuel gel 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, R23, R32, R141b and R417a).	
		2019 is the base year for target setting as that was the first year that third-party verification was undertaken of the Group's Scope 1 inventory. GHG inventory is calculated using an operational control approach. The inventory aligns with the 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 ("AR6") of the Intergovernmental Panel on Climate Change ("IPCC").	
305-2	Energy indirect (Scope 2) GHG emissions	Energy & Climate Resilience	
		Performance Metrics	
		Scope 2 emissions arise indirectly from purchased electricity consumption. Scope 2 emissions are reported with both the location-based and market-based methods, in alignment with reporting requirements from the GRI Standards and the GHG Protocol.	
		2019 is the base year for target setting as that was the first year that third-party verification was undertaken of the Group's Scope 2 inventory. Our Scope 2 market-based emissions are neutral since 2018 from the purchase of Energy Attributes Certificates for 100% of our global electricity consumption. The Group's GHG inventory is calculated using an operational control approach. The inventory aligns with the GHG Protocol published by WBCSD and WRI, and refers to the GWPs of the AR6 of the IPCC.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
		Report Section: Restoring our World	
		Material Topic: Energy & Climate Resilience	
		GRI 305: Emissions 2016	
305-3	Other indirect (Scope 3) GHG emissions	Energy & Climate Resilience Performance Metrics In 2023, Scope 3 emissions disclosed arose from downstream leased assets (i.e. tenants) and fuel and energy-related activity. Emissions arising from these categories, which were disclosed for the years 2020 and 2021, adopted an updated methodology in 2022. Scope 3 emissions have been tracked against nine categories that are relevant to our business since 2022, which was adopted as the base year for tracking these emissions. The inventory aligns with the GHG Protocol published by WBCSD and WRI, and refers to the GWPs of the AR6 of the IPCC.	
305-4	GHG emissions intensity	Energy & Climate Resilience Performance Metrics	
305-5	Reduction of GHG emissions	Energy & Climate Resilience Performance Metrics	
		Material Topics: Energy & Climate Resilience / Material Use & Waste	
		GRI 304: Biodiversity 2016[91]	
304-2	Significant impacts of activities, products and services on biodiversity	Energy & 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 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 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 303: Water and Effluents 2018	
303-1	Interactions with water as a shared resource	Material Use & Waste	
303-2	Management of water discharge-related impacts	Material Use & Waste All wastewater discharges to municipal treatment systems are in compliance with applicable legal requirements. Data are not available on quantities discharged.	
303-3	Water withdrawal	Material Use & Waste	
303-4	Water discharge	Material Use & Waste	Not applicable. All wastewater discharges to municipal treatment systems are in compliance with applicable legal requirements. Data are not available on quantities discharged.
303-5	Water consumption	Material Use & Waste Performance Metrics	
		GRI 306: Waste 2020	
306-1	Waste generation and significant waste-related impacts	Material Use & Waste	
306-2	Management of significant waste-related impacts	Material Use & Waste	
306-3	Waste generated	Material Use & Waste Performance Metrics	
306-4	Waste diverted from disposal	Material Use & Waste Performance Metrics	
306-5	Waste directed to disposal	Material Use & Waste Performance Metrics	

91.   The updated Topic Standard, GRI 101: Biodiversity 2024, is effective 1 January 2026.

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

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

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Inspiring our Communities			
Material Topic: Safety, Health & Wellbeing			
GRI 403: Occupational Health & Safety 2018			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety, Health & Wellbeing	
403-8	Workers covered by an occupational safety and health management system	Safety, Health & Wellbeing The Group's operations across Macau and Hong Kong are certified to the ISO 45001 management system standard for occupational safety and health. OSH systems are implemented to comply with all relevant legal requirements, and cover the workplaces of all colleagues across the Group and onsite workers.	
403-9	Work-related injuries	Safety, Health & Wellbeing Performance Metrics There were no cases of high-consequence work-related injuries or of colleague or worker fatalities at the Group's properties in 2023. The main types of injuries included slips, trips and falls, cuts and abrasions, striking against objects or manual handling. The Group's OSH system identifies work-related hazards that pose a risk of high-consequence injury and implements controls to mitigate risk.	Information unavailable. Data on workers outside the organisation have yet to be collected.
GRI 416: Customer Health & Safety 2016			
416-2	Incidents of non-compliance concerning the safety and health impacts of products and services	Ethics & Integrity No significant incidents of non-compliance with regulations concerning safety and health impacts occurred during the reporting period.	
Material Topic: Responsible Gaming			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Inspiring our Communities – Strategy and Management Approach Responsible Gaming	
GRI 417: Marketing & Labeling 2016			
417-1	Requirements for product and service information and labeling	Responsible Gaming The Group has not had any incidents of non-compliance with its procedures related to responsible gaming and safety and health communication materials.	
417-3	Incidents of non-compliance concerning marketing communications	Responsible Gaming Community Investment & Engagement The Group has not had any incidents of non-compliance with requirements or codes concerning marketing communications.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
Report Section: Inspiring our Communities			
Material Topic: Community Investment & Engagement			
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 Investment & Engagement Our Policies and Statements	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community Investment & Engagement	
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, including its environmental requirements. Suppliers' environmental performance is assessed and compliance with the Supplier Code 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, including its social requirements. Suppliers' social performance is assessed and compliance with the Supplier Code is required.	
414-2	Negative social impacts in the supply chain and actions taken	Our Impact along the Value Chain Ethical & Sustainable Supply Chain	Information unavailable/ incomplete. The number and percentage of suppliers assessed have yet to be quantified.
**Report Section: Empowering our Business**		
**Material Topic: Ethics & Integrity**		
**GRI 3: Material Topics 2021**		
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Empowering our Business – Strategy and Management Approach Ethics & Integrity Our Policies and Statements	
**GRI 205: Anti-corruption 2016**		
205-1	Operations assessed for risks related to corruption	Ethics & Integrity All of the Group's operations are regularly assessed for corruption risk.	
205-2	Communication and training about anti-corruption policies and procedures	Ethics & Integrity Members of the Group's governing bodies, including the Board, committees and the ESG Taskforce as well as property-level boards and their committees and Executive Committees have received training on our anti-corruption policies. Colleagues also receive training on the Group's anti-corruption policies and procedures. Our requirements for suppliers and business partners are acknowledged through acceptance of the Group's Supplier Code and related training is provided.	
205-3	Confirmed incidents of corruption and actions taken	Ethics & Integrity No confirmed incidents of corruption in the reporting year.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	REASONS FOR OMISSION
**Report Section: Empowering our Business**		
**Material Topic: Ethics & Integrity**		
**GRI 206: Anti-competitive Behavior 2016**		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics & Integrity No legal actions for anti-competitive behaviour, anti-trust or monopoly practices were identified in the reporting year.	
**Material Topic: Privacy & Cybersecurity**		
**GRI 3: Material Topics 2021**		
3-3	Management of material topics	Assessing Materiality Our Impact along the Value Chain Sustainability Risk Management Sustaining our Supply Chain – Strategy and Management Approach Privacy & Cybersecurity Our Policies and Statements	
**GRI 418: Customer Privacy 2016**		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy & Cybersecurity The Group did not have any substantiated complaints concerning breaches of customer privacy or losses of customer data during the reporting period.	
**Other Disclosure Items**		
**GRI 201: Economic Performance 2016**		
201-1	Direct economic value generated and distributed	Melco Resorts' Report – Performance Metrics, P.104 Melco International's Annual Report 2023 – Management Discussion and Analysis, P.31-39, Consolidated Statement of Financial Position, P.105-106	
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Risk Management Energy & Climate Resilience Melco Resorts' TCFD Content Index	Information unavailable. Financial implications from climate change scenarios based on risk classifications have yet to be assessed.
**GRI 410: Security Practices 2016**		
410-1	Security personnel trained in human rights policies or procedures	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 the Group, local authorities and third-party security experts.	

APPENDICES

Melco Resorts' TCFD Content Index[92]

QUICK ACCESS TO SECTIONS

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

---

92.   All references to the board, committees, working groups and functional leads are those of Melco Resorts.

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 decarbonisation, including GHG emission reduction, and strategy for assessing, mitigating and adapting to climate-related risks and identifying opportunities. Refer to Corporate Governance Structure section on page 064 for more details.

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

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

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

Management Level

Executive Sustainability Committee
The Executive Sustainability Committee comprises the Chairman & CEO, Chief Financial Officer, 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
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.

| GOVERNANCE | **STRATEGY** | RISK MANAGEMENT | METRICS & TARGETS |

| TCFD DESCRIPTION | OUR RESPONSE |

STRATEGY

Climate-related risks and opportunities ("CRROs") were first identified through an in-depth workshop with key stakeholders within the Company, which has been detailed below. Following the risk identification stage, a prioritisation assessment was completed to understand which CRROs are most significant to the business. The CRROs, which are reviewed annually, will be reviewed and updated as needed in the second quarter of 2024. The full table of prioritised CRROs is listed on pages 106 to 108.

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

Risk and Opportunity Identification

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

A comprehensive list of potential CRROs was first developed using information collected from external research, the internal workshop and interviews with stakeholders from across the business. The longlist development considered all risk categories outlined by the TCFD.[93]

Time Horizon

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

➜ Short term – 0-2 years

➜ Medium term – 2-5 years

➜ Long term – 5-11 years and onwards

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

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

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

Prioritisation Analysis

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

CRROs have been assessed on three main criteria:

➜ **Velocity:** the speed of development of the external root cause that is driving the CRRO.

➜ **Likelihood:** the likelihood is considered by consistency of outcome when comparing a Stress Scenario with a Current Policy Scenario for each CRRO, and determining how closely the projections are in alignment with each other. (For more information on the scenarios applied, please refer to disclosure Strategy (c) on the next page)

➜ **Financial Impact:** estimate of the order of magnitude for how the identified CRROs could impact the business.

c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Climate Scenario Selection

As part of the prioritisation analysis, the CRROs were analysed using two scenarios: Current Policy and a Stress Scenario.

The Current Policy Scenario considers temperature increases likely to range between 2.5-3°C, with significant resultant impacts to global climate systems.

The Stress Scenario depends on whether the CRRO is a transition or a physical CRRO. For transition CRROs, a low-carbon pathway aligned to limiting peak global temperatures to at least below 2°C was considered. For physical CRROs, a high-emission pathway is used, aligned to RCP 8.5, where global temperatures increase significantly and reach 4°C above pre-industrial levels.

Scenarios to support the Stress Scenario analysis are based on the following data sources:

➜ **Current Policy Scenario**

• NGFS (Current Policies)
• IEA World Energy Outlook (Stated Policies Scenario)
• Climate Impact Explorer (RCP 4.5)
• KNMI Climate Change Atlas (RCP 4.5)
• WRI Water Risk Atlas (RCP 4.5)
• WRI Aquaduct Floods (RCP 4.5)

➜ **Transition Stress Scenario**

• NGFS (Net Zero 2050)
• IEA World Energy Outlook (Sustainable Development Scenario)

➜ **Physical Stress Scenario (all RCP 8.5)**

• Climate Impact Explorer
• KNMI Climate Change Atlas
• WRI Water Risk Atlas
• WRI Aquaduct Floods

Upon considering different climate scenarios and impact to the business, we have determined what the company's response should be as well as mitigating measures to reducing risks.

Glossary

NGFS	Network for Greening the Financial System
IEA	International Energy Agency
KNMI	The Royal Netherlands Meteorological Institute
WRI	World Resources Institute

---

93. IFRS S2 subsumed TCFD in 2023; Melco Resorts' climate-related disclosures continue to respond to the TCFD recommendations for the 2023 reporting year.

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS

Summary of Key Identified CRROs, Potential Impacts and Mitigating Actions

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

Scope 1 GHG emissions

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

Scope 2 GHG emissions

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

Scope 3 GHG emissions

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

Transition Risk Areas

Regulatory Pressures and Carbon Pricing

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

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

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

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

Melco Resorts' Response and Mitigation Actions

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

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

→ Pursuing our strategy for Carbon Neutral resorts, which will involve implementing further energy-efficiency initiatives and reducing reliance on fossil-fuel-based energy sources through further investment in cleaner energy sources (i.e. PVs, PPAs).

→ Continuing to monitor the introduction of further regulations including building efficiency regulatory requirements.

→ Aligning future developments and retrofits to BREEAM/latest green building standards.

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs and capital expenditure – *low moderate impact*

Resource Procurement

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

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

Melco Resorts' Response and Mitigation Actions

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

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

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

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs and capital expenditure – *insignificant impact*

Physical Risk Areas

Acute

Extreme Weather Events

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

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

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

Melco Resorts' Response and Mitigation Actions

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

→ Invest in resilience, such as onsite energy storage systems and ensuring all integrated resorts are designed to reduce the impact of weather events.

→ Avoid high-risk areas for future developments.

→ Review insurance agreements and consider cost/benefit assessment of investing in resilience versus the increased costs of insurance.

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs and lost revenues – *moderate impact*

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS

Physical Risk Areas

Chronic

Chronic Temperature Increases

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

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs – *insignificant impact*

Water Stress

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

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

Time Horizon

Short — Medium — Long

Value Chain Affected Area (unmitigated impact)

Operational costs – *insignificant impact*

Melco Resorts' Response and Mitigation Actions

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

→ The implementation of planned energy- and water-efficiency measures will help further reduce risk exposure in these areas as well as build further resilience.

Opportunities

Capital Flow Opportunities

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

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

Renewable Energy and Onsite Generation Opportunities

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

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

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS

TCFD DESCRIPTION	OUR RESPONSE

RISK MANAGEMENT

TCFD DESCRIPTION	OUR RESPONSE
a. Describe the organization's processes for identifying and assessing climate-related risks.	The Board oversees our Enterprise Risk Management ("ERM") process through the Audit and Risk Committee, and while our CRO is operationally responsible for the process, all colleagues are supported to participate in the identification and assessment of existing, new and emerging risks, including climate-related risks. Please refer to Sustainability Risk Management section of Melco Resorts' Report for the full disclosure on our risk management processes. In 2023, we expanded our risk assessment approach. To look deeper, we worked with our independent consultant to quantify the financial 'value-at-stake' to our operations in Macau, Manila and Cyprus under climate scenarios based on current policies and stress scenarios. The assessment identified carbon pricing, linked to energy consumption, as the most significant potential impact. Other notable risks include the costs associated with water and energy usage, adapting to adverse climatic events, cooling needs, workforce adaptation, sourcing construction materials, and managing energy and resources. Additionally, risks related to increased insurance and financing costs were identified. We engaged all relevant teams across the business—finance, risk, property service and transportation functions—to contribute to the assumptions and calculations to determine a 'net value-at-stake' and to build ownership for implementing appropriate steps under a targeted risk mitigation plan.
b. Describe the organization's processes for managing climate-related risks.	The Board oversees the ERM process through the Audit and Risk Committee. Existing and emerging risks, including climate-related risks and their potential impacts and mitigation measures, are regularly discussed with the Executive Management team. The conclusion of those discussions is presented to the Audit and Risk Committee every quarter alongside a risk register that is informed by the 4Ts of Risk Management: Treat, Tolerate, Transfer or Terminate. To ensure effective management of the CRRO analysis completed to date, we will additionally regularly monitor and review CRROs with our facility management teams in our monthly Working Group meetings and quarterly Executive Sustainability Committee meetings. Our daily operational risks related to climate change, carbon and energy management are managed through our ISO 14001 Environment Management System and ISO 50001 Energy Management System certified system. Building in the results of the financial 'value-at-stake' assessment conducted in 2023, we will evolve our mitigation plan to ensure compliance with transition-related measures, such as carbon pricing and emission trading scheme regulations, and to mitigate these risks. For example, to prepare for the next stage of the EU's Emission Trading Scheme in 2027, City of Dreams Mediterranean is focused on renewable energy generation, and energy reduction and efficiency measures, to mitigate the potential additional costs to Melco Resorts arising from the consumption of fossil-fuel based energy sources for buildings and vehicles.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The Audit and Risk Committee oversees and monitors the Company's risk management policies, procedures and practices, and internal control systems, including climate-related risks along with financial, operational and compliance controls.

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 076 to see Performance Metrics on energy, water and waste. Where we have not set targets for specific CRROs, we are working to install the required systems to collect and monitor data so we can report progress against these in future disclosures.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Please refer to page 076 of the report to see our disclosure for Scope 1, 2, and 3 GHG emissions.
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**Our Goals and Targets** In preparation for the transition to a low-carbon economy, we have established goals and targets, supported by initiatives for carbon reduction. These will help the organisation minimise exposure to climate-related risks. Please refer to page 020, Restoring our World, for details on our approach and actions taken for energy, water and waste management. Our goals include: → Achieving carbon-neutral resorts by 2030 → Achieving zero waste across our resorts by 2030 → Contributing to circular economy leadership in Asia → Sourcing sustainable goods and services → Reducing our water footprint In support of these Group-level goals, we have set the following aligned targets for our properties, all based on our baseline year of 2019: → 5% tCO_2e/m^2 intensity reduction in Scope 1 and 2 GHG emissions by 2030, with ambitions for 22% reduction → 3% kWh/m^2 intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level → 19% m^3/m^2 intensity reduction in water consumption by 2030 → 5% $tonnes/m^2$ intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction Where we have not set targets for specific CRROs, we are working to install the required systems to collect and monitor data so we can report progress against these in future disclosures. Going forward, we will continue to seek technological innovations and facilitate the transition to a lower-carbon environment by adopting more advanced renewable energy systems and explore the feasibility of adopting SBTi targets.

Contact Details

Hong Kong

38/F, The Centrium, 60 Wyndham Street,
Central, Hong Kong

TEL: +852 3151 3777

Macau

8/F C, 762-840 Avenida da Praia Grande,
China Plaza, Macau

TEL: +853 8296 1777

www.melco-group.com