



Board Statement on

Environmental, Social and Governance (ESG) Oversight

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1. BOARD STATEMENT

This board statement is based on the Hong Kong Stock Exchange (HKEx) 's requirements stated in Appendix 27 – The ESG Reporting Guide, under mandatory disclosure requirements, the Company must disclose information about the Board of Directors' (the "Board") oversight of the issuer's ESG strategy and reporting.

1.1 Board Oversight of ESG

In Sands China Ltd (SCL), our Board of Directors (the "**Board**") has overall responsibility for the SCL's Environmental, Social and Governance (ESG) Program and reporting. In this regard, the Board established an ESG Committee (the "**ESG Committee**") on April 16, 2021. The ESG Committee assists the Board with fulfilling its oversight responsibilities with respect to SCL's ESG issues, goals, strategy and reporting. The ESG Committee, with assistance from the ESG Executive Sponsors, provides oversight for the execution of ESG-related policies and implementation. The Audit Committee of the Board retains oversight and responsibility for risk management and internal control systems on an ongoing basis. As shown in the diagram below, ESG governance has been integrated into the Company's existing corporate governance structure.

Chart 1.1: SCL ESG Governance Structure



The ESG Committee and the Board have primary responsibility of overseeing the management of the ESG Program and are accountable for its effectiveness. The responsibilities include:

- approving the ESG material topics identified in the Company as a result of the ESG risk assessment, stakeholder engagement, and ESG materiality assessment;
- approving the five-year ESG ambitions ("2021 - 2025 **ESG Targets**") as well as reviewing the progress made against these ESG Targets;
- ensuring that the ESG Steering Committee's plans drive progress towards meeting the ESG Targets across the Company. The ESG Steering Committee also reviews the findings of the materiality assessment and raises selected material topics for discussion with the ESG Executive Sponsors and, where necessary, the ESG Committee for discussion with the Board; and
- periodically review the effectiveness of the Company's management of the ESG Program and report the results and findings to the Board twice every year.

The ESG Committee also has the responsibility of reviewing the annual ESG Report, prepared by the Head of ESG Program and Sustainability Department, who is accountable for the alignment of the ESG Report to Global Reporting Initiative (GRI) and Hong Kong Stock Exchange (HKEx) requirements.

The ESG Executive Sponsors, comprising the President, Chief Operating Officer (COO), General Counsel and Company Secretary, and Senior Vice President of Resort Operations have the responsibility of management oversight.

The ESG Steering Committee is responsible for ESG related communications, including the annual ESG Report, as well as reviewing findings of the materiality assessment every two years and raising selected material topics for discussion with the ESG Executive Sponsors and, where necessary, the ESG Committee.

A full breakdown of the roles and responsibilities of the ESG Committee can be found in the Terms of Reference of the ESG Committee available online [here](#).

As a part of the Las Vegas Sands (LVS) Group, SCL is covered by global group level policies on ESG-related topics, owned by the Executive Committee and the Chairman of the Board, such as:

- [Code of Business Conduct and Ethics](#)
- [Anti-Corruption Policy](#)
- [Global Human Trafficking Prevention Policy](#)
- [Preventing Discrimination and Harassment Policy](#)
- [Las Vegas Sands Human Rights Statement](#)
- [Reporting and Non-Retaliatio](#)n Policy
- [Sustainable Procurement Policy](#)

1.2 Board Composition

At SCL, we consider a wide range of factors in determining the composition of our Board, including but not limited to professional experience, skills, education, training, and background.

The Audit Committee is composed entirely of Independent Non-Executive Directors, while the Remuneration Committee, Nomination Committee, and ESG Committee are composed of a majority of Independent Non-Executive Directors. The Board of Directors is constituted of half independent and half non-independent directors, with an average age of 65 and an average tenure of seven years. One female director is present on the Board. The Board is also constituted of members of several nationalities.

The Board regularly receives training and information updates about ESG issues and trends. For example, in 2021, the Board received updates on the HKEx's ESG reporting requirements and related listing rules. Several ESG research reports and ESG management guidelines were also socialized amongst the Board in 2021. The Board has undergone ESG-related training regularly with updated market trends and regulations.

Please refer to the Governance chapter of the latest annual ESG Report for more details about ESG-related training the Board has received.

1.3 ESG Risk Management

The ESG Steering Committee is responsible for determining the approach for identifying and reviewing material ESG issues, highlighting material ESG risks, as well as reviewing and approving the global ESG risk assessment. The ESG Steering Committee reports on these identified ESG risks to ensure that the ESG Executive Sponsors and the Company's Enterprise Risk Management ("ERM") Committee are made aware of their significance to the business. The ESG risks are also reviewed by the ESG Committee.

One example is supply chain management, which is at the core of SCL's business. Third-party due diligence and annual risk assessments are conducted for all suppliers. ESG protocols and standards are fully integrated into this risk management process.

For more details regarding the Board's oversight of ESG risk management, please refer to the Governance chapter of the Company's annual ESG Report.

1.4 Recent Board Activities

This year (i.e. 2021-22), the focus of the ESG Committee has been on the establishment and composition of the ESG Steering Committee, with a particular emphasis on reviewing and approving the ESG Steering Committee Charter. The ESG Committee has also had ongoing discussions concerning the environmental initiatives and projects conducted within SCL, leading SCL to achieve the new 2025 targets across our People, Community and Planet pillars.

1.4.1 Climate as a Key Material Issue

One of SCL's key focus topics is how the business is impacted by, and contributes to, climate change. In SCL's 2021 materiality assessment (presented in the annual ESG Report), climate change was considered to be a material topic. The ESG Committee discussed and reported to the Board that SCL has produced a disclosure in the annual ESG Report about its climate-related risks and opportunities management, aligned with the recommendations of the HKEx Guidance on Climate Disclosures (and the Taskforce on Climate-related Financial Disclosures (TCFD)).

In response, the Board will use this disclosure to inform relevant stakeholders (such as the business, finance, and regulatory community) as to how SCL is responding to risks and opportunities arising from climate change.

1.4.2 Sustainability Risk Assessment

SCL's ERM framework identified sustainability risks as a key aspect and consequently incorporated these risks into the risk inventory. A risk assessment completed by the Sustainability team has recently identified two key sustainability-related risks:

1. increasing investor, consumer, and regulatory expectations regarding ESG reporting, including completeness and transparency of ESG related disclosures; and,
2. climate change impacts, including weather patterns, utility pricing volatility and mandatory energy and water conservation measures. The sustainability risks assessed through the ERM process are integrated into the Company's ESG materiality assessment for further management of low-level risks and development of strategies within the People, Community and Planet pillars of the SCL corporate responsibility platform.

1.4.3 ESG Target Setting

This past year was the first year of our new five-year ESG reporting cycle. In line with LVS, we have also set up our own ESG Targets in line with our business operations. We have rolled out new ESG Targets with the ambition to enhance our performance in the areas of:

Environment Targets

- Emissions reduction,
- Food waste,
- Increase in the operational diversion rate,
- Reduction in potable water and
- Plastic and packaging

Social Targets

- Workforce development,
- DEI- gender parity,
- Responsible gaming and
- Human rights

Governance Target

- Ethical conduct

We will continue to track and address emerging sustainability issues and drive towards an emissions reduction commitment approved by the Science-Based Targets initiative and aligned with the path to net zero.

We will continue to invest in, and support the local community. Strong emphasis has been placed on accelerating our volunteer initiatives to build a positive work environment and contribute where we can to our local community.

More details about these ESG targets can be found in the annual ESG Report.