



ENVIRONMENTAL  
SOCIAL AND  
GOVERNANCE  
REPORT

2022

Addendum and  
Supplemental  
Information





## INTRODUCTION

Sands China annually publishes an Environmental, Social and Governance (ESG) Report to provide a single source of information to key stakeholders regarding the management of our ESG material topics. Since the time of publishing in March 2023, additional requests for public disclosure have been received, most notably due to changes to the S&P Global Corporate Sustainability Assessment (CSA). This report serves to amend and supplement the information published in our 2022 ESG Report.

This report is applicable to our five properties in Macao, namely The Venetian® Macao, Sands® Macao, The Plaza® Macao, The Londoner Macao® and The Parisian Macao®, as well as select data from our land and sea transportation services. Data reflects calendar year 2022, unless otherwise stated.

## CONTENTS

- 3 Low-Carbon Transition
- 4 Plastic and Packaging
- 4 Biodiversity
- 4 Workforce Development
- 5 Health, Safety and Well-Being
- 5 Privacy and Cybersecurity
- 6 Supply Chain Management
- 7 Policy Engagement

## MANAGEMENT APPROACH

# LOW-CARBON TRANSITION

### Strategy (Addendum to Page 57)

Our low-carbon transition strategy is underpinned by scenario analysis as detailed in our TCFD Index (see 2022 ESG Report page 110). Guided by the Science Based Targets initiative (SBTi), we have focused our low-carbon transition strategy on reducing climate impact through energy efficiency, renewable energy and transportation. Our resorts leverage cutting-edge building technology for energy savings, and our Sands ECOTracker program provides a framework for financial planning of our capital expenditures and managing of our conservation initiatives.

### 1.5°C Ambition Analysis (Supplemental to Page 57)

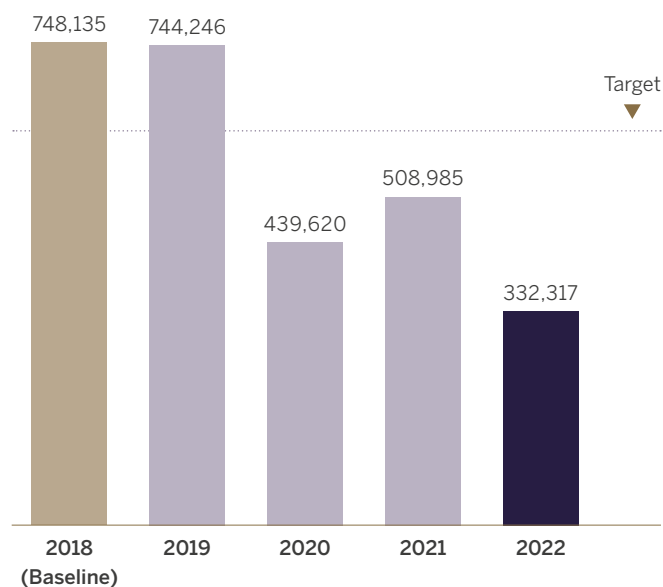
Sands China recognizes the Intergovernmental Panel on Climate Change warning that global emissions must reach net zero by 2050 to avoid the most severe impacts of climate change. As we continue to implement our low-carbon transition strategy across our operations, we have also analyzed the gap between our current science-based emissions reduction target and what is needed to reach net zero emissions across our value chain by 2050 in alignment to the SBTi's updated Corporate Net-Zero Standard.

We have determined that a 29.4% reduction in Scope 1 and 2 emissions by 2025 from our 2018 baseline is essential to align with the 1.5°C ambition pathway needed to reach net zero. This is in contrast with our current target of a 17.5% reduction in Scope 1 and 2 emissions by 2025 as verified by the SBTi to align with a well-below 2°C ambition. In addition to the continued identification and implementation of energy efficiency opportunities within our operations, we believe the further application of renewable energy is necessary to close this gap. The three ways we are prioritizing to increase our renewable energy usage are (a) to maximize on-site renewable generation where feasible at our existing properties and any new developments, (b) execute power purchase agreements (PPAs) in regions where we operate and (c) purchase renewable energy credits (RECs) to support the broader transition to zero-carbon grids.

### Absolute Emissions, Scope 1 and 2 (MT CO<sub>2</sub>e) (Addendum to Page 58)

**2025 Target:** 17.5% decrease in emissions from 2018<sup>1</sup>

**Performance % from baseline<sup>2,3</sup>:** -56%



<sup>1</sup> A 29.4% reduction in Scope 1 and 2 emissions by 2025 from our 2018 baseline is essential to align with the 1.5°C ambition pathway needed to reach net zero.

<sup>2</sup> The operational downturn associated with the global pandemic impacted this result.

<sup>3</sup> Our 2022 performance remains well below the necessary reduction to align with the 1.5°C ambition.

## MANAGEMENT APPROACH

# PLASTIC AND PACKAGING

(Supplemental to Page 62)

### Plastic Packaging<sup>4</sup>

	Plastic
Percent Recycled Content <sup>5</sup>	7%
Percent Recyclable	65%
Percent Compostable	32%

<sup>4</sup> Plastic packaging materials assessed include disposable Sands-branded water bottles, liquid guest room amenity containers, disposable cups, cutlery, straws and stirrers, takeaway containers and shopping bags.

<sup>5</sup> Includes post-industrial and post-consumer recycled content.

# BIODIVERSITY

### Evaluation and Adjustments (Supplemental to Page 66)

Sands China conducts a biodiversity-related risk assessment as part of our management of environmental risk and in coordination with the enterprise risk management process. We assess the biodiversity impacts of our own operations and in areas adjacent to our integrated resorts and other significant sites. Impact is evaluated by location using the Integrated Biodiversity Assessment Tool (IBAT) to determine proximity to areas designated as ecologically important or critical areas for biodiversity. Further examination is performed on areas within two kilometers our properties. We also review threatened species that potentially exist within 50 kilometers of our sites. Within our supply chain, we monitor our procurement spend for biodiversity-related impacts and have identified risks to deforestation and ocean health.

# WORKFORCE DEVELOPMENT

### Evaluation and Adjustments (Addendum to Page 69)

We evaluate our performance on an ongoing basis, leveraging regional human resource information systems. Data tracking, visualizations and pulse surveys on various topics inform our people management programs and processes. Team members have multiple avenues for reporting grievances directly to management or through an anonymous ethics portal. We employ a robust and confidential fact-finding process to review reported issues and determine if remedial measures are needed. We also maintain an open and ongoing dialogue with local labor unions to address opportunities, emerging topics and areas of concern.

Sands China manages, reviews and recognizes team members, as well as helping plan career pathways, through a three-part performance appraisal program. This approach allows managers to provide ongoing measurement, feedback and coaching related to job performance and career progression. The program includes setting goals, providing feedback and reviewing performance results. Individual goals are set in alignment with key areas of the team member's responsibility and Company objectives, which includes our commitment to service and responsible business practices. Performance appraisals are also utilized with non-managerial team members and focus on technical competencies and skills.

### Team Member Upskill Program (Addendum to Page 23)

The Company also welcomed a new cohort into its Integrated Talent Development Program, which nurtures future leaders through a comprehensive management development program in partnership with the Macau University of Science and Technology. Participating team members develop innovative management strategies, which they then implement at the end of the program. 83% of proposed strategies were approved for execution, resulting in improved operational efficiency, enriched team member engagement and enhanced customer service.

### Gold Award for Youth Empowerment Initiatives (Addendum to Page 25)

Sands China's City of Gourmet – Youth Development and Integration Programme was awarded the Pacific Asia Travel Association (PATA) Gold Awards 2022 in the Young Empowerment Initiative category. A 20-part series designed to develop skills-based talent, especially in the food and beverage industry, the programme inspires young chefs through awarded and renowned chefs offering master classes, as well as providing support spanning pre-employment, onboarding and post-employment. One track of the programme equips our team members with valuable on-the-job food and beverage skills, helping them gain promotion to assistant managers within 18 months. In 2022, we received 1,638 applications to join our Company in the Food & Beverage department and 156 applicants were recruited as full-time team members. As of December 2022, 43 team members have been promoted to positions such as cook, assistant manager, manager and chief steward within the Food & Beverage department.



## MANAGEMENT APPROACH

## HEALTH, SAFETY AND WELL-BEING

(Addendum to Page 74)

### Strategy

We maintain an emergency response plan, incident response team, emergency drills, incident management system and protective action plan for preventing and managing, emergencies that relate primarily to life safety and physical security incidents.

### Evaluation and Adjustments

We aim to continually improve our performance by tracking key metrics and evaluating our progress in reducing and preventing health issues against internal health and safety objectives. Our Occupational Safety and Health Committee meets regularly to review objectives, performance, training, resources needed and follow-up actions. To monitor safety efforts, we periodically audit, inspect and review departments for compliance with our health and safety policies and procedures. This includes annual internal inspections and audits of the occupations health and safety management system performed by qualified team members who have been trained as internal auditors for ISO 45001. Additionally, we investigate significant incidents that occur and review Company procedures to prevent and respond to these events.

## PRIVACY AND CYBERSECURITY

(Addendum to Page 84)

### Policies

- Global Privacy Policy
- Information Security Program Policy

### Evaluation and Adjustments

We assess, test and monitor the effectiveness and suitability of our information security program's safeguards on a routine basis and adjust these as appropriate to address any changes to the Company's operations and business plans or other circumstances that may have a material impact on the effectiveness and suitability of the program. Risk management safeguards are maintained to identify and assess reasonably foreseeable information security risks and mitigate and monitor these based on our organizational objectives and risk strategy.



The Mews, The Londoner Macao

## MANAGEMENT APPROACH

# SUPPLY CHAIN MANAGEMENT

(Addendum to Page 87)

### Oversight and Responsibilities

Supply chain management is overseen by our Global Chief Procurement Officer. Procurement teams work closely with the Compliance department to conduct supplier due diligence and risk assessment in alignment with our Supplier Code of Conduct. Please see Sourcing on ESG Report page 63 for oversight on sustainable purchasing.

### Policies

- Supplier Code of Conduct
- Sustainable Procurement Policy

### Targets and Commitments

We maintain strict adherence to ethics, compliance and sustainability throughout our supply chain. Suppliers must meet the standards outlined in our Supplier Code of Conduct, which include expectations for ESG factors. We leverage our Sustainable Procurement Policy to source products and services that minimize environmental impact. We prioritize capacity building with our suppliers and working with local businesses, small and medium enterprises (SMEs) and diverse suppliers as a catalyst for business growth in the community we serve.

### Strategy

Our Supply Chain process ensures our standards are met through three phases of supplier engagement: onboarding, supplier screening and performance evaluation and relationship management.

**Onboarding:** Before suppliers are cleared to work with Sands China, we conduct stringent assessments for suitability via our third-party due diligence process. It is Sands China policy to only conduct business with third parties who are committed to honesty and integrity and who are mindful of the many important laws and regulations that govern conduct. Suppliers who are unable to meet our criteria do not proceed into a business relationship with Sands China.

**Supplier Screening:** Through our onboarding process, all third parties respond to questionnaires and are automatically screened and classified into risk levels. A web-based system continuously monitors suppliers, and if unfavorable or adverse information is discovered, the third party may be subjected to a re-check. Re-checks occur at varying frequencies depending on risk classification.

Annually we perform an assessment that thoroughly screens suppliers and determines those deemed critical for performance evaluation. This screening includes consideration from compliance due diligence findings (overall compliance risk and category-specific risk), business disruption risk (business reliance and financial risk), social and environmental risk (health, safety, fair pay, and labor and slave labor risk) and other factors.

**Performance Evaluation and Relationship Management:** To ensure suppliers meet our standards, some suppliers are considered for additional performance evaluations and business reviews. Suppliers in selected regions and categories based on criteria such as type of product or service, region and spend may be required to undergo additional desktop or on-site assessments. Our supplier management team or third-party auditor performs on-site visits to review performance and detect signs of violations. Our quality control team conducts audits of qualifications, on-site facilities, factories and project sites, data security, and other relevant areas for selected business sectors such as construction, furniture, gaming, food supply and technology.

If Sands China or the independent third-party auditor identifies a non-conformity, we share the audit findings and require an action plan to address the issue. All suppliers with corrective action plans are supported as findings are addressed. In rare cases when the supplier is not cooperative on a meaningful corrective action plan or its implementation, we exit the supplier engagement.

### Training and Communications

Our Supplier Code of Conduct is communicated to every supplier and is affirmed through acknowledgment or contractual terms. Annual training on the Code of Conduct is conducted for suppliers with higher risk categorizations. Sands China also hosts periodic business reviews with key suppliers and Sands China executives to review the Company's strategy and future roadmaps, evaluate performance and define improvement action plans. A supplier scorecard, including performance on a cross-functional set of areas (including service, cost management, quality, culture and sustainability), is provided.

Our annual Sands Supplier Excellence Award recognizes top-performing suppliers across six categories. We utilize other supplier communication channels, including internet-based communication, meetings, surveys, suggestion boxes and forums to ensure communication of our standards and expectations.

We place additional focus on supporting small- and micro-sized enterprises, "Made in Macao" businesses and young entrepreneurs. These suppliers may access financial assistance such as advanced payment on purchase orders, participate in invitational matching sessions to promote their products and services for potential buys, and attend training and development programs to gain business knowledge and skills for working with large-scale international companies.

## MANAGEMENT APPROACH

SUPPLY CHAIN  
MANAGEMENT  
CONTINUED

## Evaluation and Adjustments

All Company policies, including the Supplier Code of Conduct and Sustainable Procurement Policy, are routinely reviewed and updated. Our internal audit function periodically audits compliance with established operating procedures. Periodically, we receive feedback and appreciation from suppliers on our engagements with them. Positive feedback is acknowledged and shared with team members. Negative feedback is addressed and rectified.

## Critical Suppliers (Supplement to page 88)

Share of spend from critical suppliers	42%
Critical suppliers utilizing capacity building programs	70

POLICY  
ENGAGEMENT

(Addendum to Page 89)

## Targets and Commitments

We believe the Company has a responsibility to advance policies that support the health of our business, our host community, and our team members, contractors and suppliers. To provide transparency into these activities, the Las Vegas Sands (LVS) Group has adopted a global policy to disclose political contributions and expenditures.

As part of the Group's commitment to business ethics, we comply with the rules, regulations and standards governing our interactions with government officials, including disclosure and accountability of political contributions and expenditures. Any political expenditures made by the Group are to support the Group's interests and not the personal political interests of its officers and directors.

## Strategy

While Sands China does not provide political contributions, the Group has established approval guidelines for corporate political contributions. Those guidelines require that both the LVS Chairman and CEO and the LVS President and COO approve all political contributions in advance of their execution. Processes are in place to review any direct lobbying on activities deemed to impact the climate in accordance with our People, Community and Planet commitment and Low-Carbon Transition Strategy. Additionally, the Group reviews and monitors trade association membership annually and provides stipulations for identified misalignments.

## Political Contributions and Other Spending

Contributions to trade associations or tax-exempt groups (e.g., think tanks) <sup>6</sup>	US\$4,438
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<sup>6</sup> 2022 expenditures included membership fees of the British Chamber of Commerce in Macao, Câmara de Comércio e Indústria Luso-Chinesa and the Macau Association of Environmental Protection Industry. Contributions to these associations do not support lobbying. Instead, we maintain memberships to support multiple topic discussions in Macao.