Sands

LOW-CARBON TRANSITION PLAN

Published July 2024

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ABOUT THIS REPORT

This low-carbon transition plan defines the time-bound actions we are undertaking to achieve an emissions-reduction trajectory aligned with the latest climate science on limiting global warming to 1.5°C.

SCOPE

The transition plan covers the full scope of global operations under our financial control, including majority-owned subsidiary Sands China Ltd. and our Marina Bay Sands®, Sands Aviation, Fortis and Sands Digital Services businesses.

In 2023, we opened our new corporate headquarters in Las Vegas, Nevada. Operational data for this property is included in data for this report. In June 2023, we purchased certain rights relating to the Nassau Veterans Memorial Coliseum in connection with our ongoing efforts to obtain a casino license in the State of New York to develop and operate an integrated resort. This property was excluded from this report based on its de minimis contribution to our total inventory.

Performance data included in this plan is representative of calendar year 2023 and reflects cumulative or year-end data, unless otherwise stated. The Task Force on Climate-related Financial Disclosures (TCFD) Index and other performance data included is consistent with our 2023 ESG Report, unless otherwise stated.

ASSURANCE

LRQA has provided independent assurance of our 2023 ESG Report according to a limited level of assurance and materiality of the professional judgment of the verifier. Scope 1 and 2 GHG emissions, energy, water and waste data have been verified by LRQA to a reasonable level. Scope 3 GHG emissions and suppliers supported in corrective action have been verified by LRQA based on a limited level of assurance. We believe the data in the 2023 ESG Report and its appendix fairly represents our global ESG performance and have not sought external assurance of all report data. LRQA's verification procedure is based on current best practice and is in accordance with ISAE 3000 and ISAE 3410. Assurance statements, which include additional details, are available on our website at sands.com/resources/reports.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding our plans, expectations, continuation or future execution of initiatives, programs, activities, policies or disclosures, strategies, goals, targets, intentions, commitments and other statements that are not historical in nature. In certain portions included in this report, the words "may," "will," "anticipate," "believe," "estimate," "seek," "expect," "plan," "aim," "intend," "work," "strive" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve a number of risks, uncertainties or other factors beyond our control, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, but are not limited to, our ability to successfully implement ESG initiatives under expected time frames and achieve announced ESG goals, targets and commitments. Additional factors are described in our most recent annual report on Form 10-K under Item 1A, Risk Factors, and in subsequent reports, including quarterly reports on Form 10-Q, among others. Readers are cautioned not to place undue reliance on these forward-looking statements, which reference information only as of the date they are published. We assume no obligation to update such information.

LOW-CARBON TRANSITION PLAN

We are the world's leading developer of integrated resorts with a portfolio of iconic properties in renowned global travel destinations, and our commitment to the environment is integral to our business. We have reported on our environmental performance since 2011 and established our first Science Based Targets initiative (SBTi)-validated carbon emissions-reduction target in 2016. Our low-carbon transition plan addresses our ongoing ambitions and actions to achieve global low-carbon needs **consistent with the 1.5°C temperature goal of the Paris Agreement**.

Through the Planet pillar of our corporate responsibility platform, we work to minimize our impact on the environment with a deep commitment to diligent stewardship of natural resources and preservation of our regions' ecosystems.

LOW-CARBON TRANSITION

Energy Efficiency
Design buildings that conserve electricity and deploy new technologies to reduce energy consumption during ongoing operations

Renewable Energy
Seek out renewable energy solutions, including on-site solar thermal and solar photovoltaic systems and renewable energy certificates

Transportation
Transition guest shuttle buses to electric and clean-fuel sources and leverage carbon offsets for hard-to-decarbonize air and ferry travel

WASTE

Food Waste
Tackle one of our largest waste streams through prevention, donation and diversion

Construction Waste
Responsibly handle construction waste from new developments, remodels and renovations

Operational Waste
Recycle whenever possible and find opportunities to reduce waste generation

MATERIALS AND RESOURCES

Responsible Sourcing
Integrate sustainability into our properties' total life cycles by using environmentally preferred materials, products and services

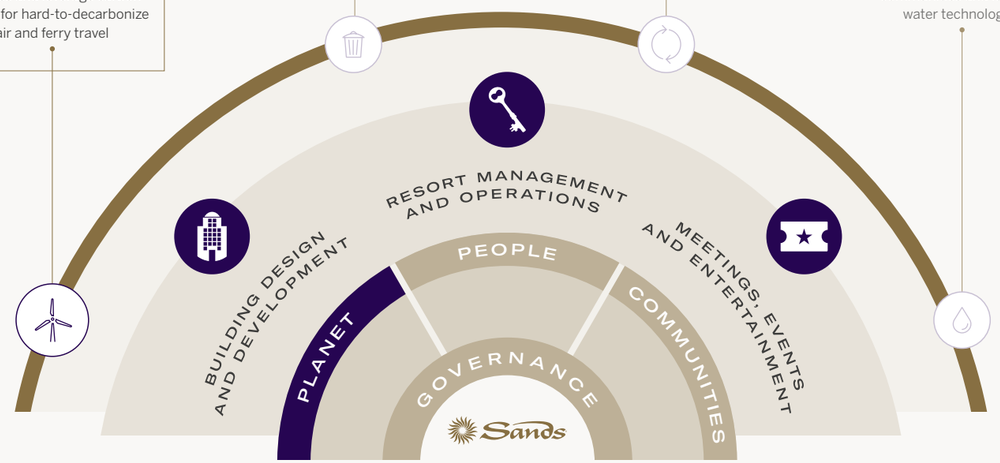
Plastic and Packaging
Replace single-use products and packaging with sustainable alternatives and transition to reuse models where possible

WATER STEWARDSHIP

Water Efficiency
Upgrade fixtures and systems, enact water-conservation policies and encourage sensible water usage

Water Reuse
Increase use of non-potable water for landscaping, restrooms, cooling towers and other uses

Ecosystems
Partner with regional water champions to reinvigorate biodiverse ecosystems, increase resiliency, engage communities and leverage water technologies



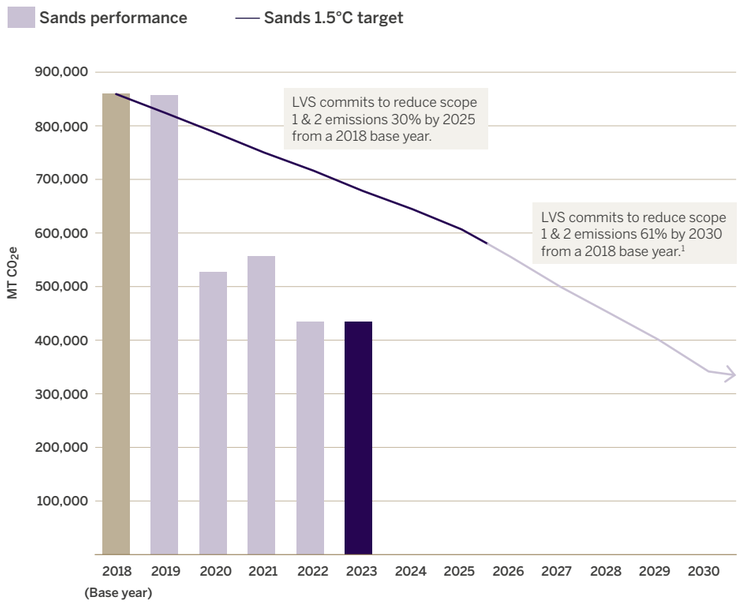
OVERSIGHT AND RESPONSIBILITIES

The nominating and governance committee of our board of directors ultimately oversees ESG-related issues. Our executive officers sponsor related goals, targets and programs and have defined ESG-related performance incentives. Our chief sustainability officer (CSO) oversees and directs the Sands ECO360 global sustainability program, which encompasses our low-carbon transition initiative, and reports to the president and chief operations officer (COO). Regional sustainability departments are responsible for managing and implementing low-carbon transition initiatives at the property level, working closely with other departments as needed. Additional details on management of climate risk and opportunities can be found in the TCFD Index, which starts on page 9.

POLICIES

- Environmental Responsibility Policy
- Sands Engineering and Sustainable Development Standards
- Supplier Code of Conduct
- Sustainable Procurement Policy

Sands Scope 1 & 2 Emissions Target



TARGETS AND COMMITMENTS

We set internal and external qualitative and quantitative targets for emissions and energy reduction, which include our verified science-based target of reducing scope 1 and 2 emissions by 17.5% from a 2018 base year by 2025. Internal energy reduction targets are set annually for each business in alignment with our science-based target. Our program supports UN SDG 7: Affordable and Clean Energy. We are committed to transparency by disclosing our low-carbon transition performance through annual ESG reporting, the S&P Global Corporate Sustainability Assessment (CSA), CDP Climate and the TCFD Index.

14 Performance data can be found on page 14.

EMISSIONS-REDUCTION TARGETS

Well-below 2°C Validated Target

In 2016, we were the first integrated resort company to set an emissions-reduction target validated by SBTi. In 2020, we validated our SBTi target for our new 2021–2025 reporting cycle in alignment to a well-below 2°C pathway, committing to reducing scope 1 and 2 emissions by 17.5% from a 2018 base year by 2025. In 2022, we re-validated our science-based target to reflect the significant change in our company structure with the divestiture of The Venetian Resort Las Vegas.

1.5°C Ambition

While we maintain our SBTi-validated target for 2025, we recognize the Intergovernmental Panel on Climate Change (IPCC) has warned that global emissions must reach net zero by 2050 to avoid the most severe impacts of climate change. Using SBTi's near-term target-setting tool, we have determined that a 30% reduction in scope 1 and 2 emissions by 2025 from a 2018 base year is essential to align with the 1.5°C pathway needed to reach net zero. We have adjusted our internal qualitative and quantitative targets and strategy to not only comply with the well-below 2°C pathway, but also to meet the 1.5°C pathway expectations as we complete our 2021–2025 cycle. We plan to validate this readjusted science-based target with SBTi for our upcoming 2026–2030 cycle.

[1] We estimated our 2030 reduction target using SBTi's near-term target-setting tool with our 2023 scope 1 and 2 emissions performance data, which is the most recent year for data collection. The actual 2030 science-based target we establish after SBTi verification may change based on updated performance data and any SBTi guidance updates.

Scope 3 Emissions

Scope 3 emissions in the 2018 base year were below 40% of our aggregated scope 1, 2 and 3 emissions. Working with an external consultancy in 2022, we developed an updated scope 3 emissions model, which improved the accuracy of our scope 3 emissions calculations. We gained better understanding of the emissions impact of our value chain, especially in our upstream supply chain. Our 2023 scope 3 emissions comprised 75% of our total carbon footprint. More information and data can be found in the Performance section on page 14.

In 2023, we obtained third-party verification of our scope 3 emissions data for the first time. The verification process highlighted several areas of data quality and methodology adjustments that can increase the accuracy of our scope 3 emissions measurements. We are continuing to work with internal departments across the organization to improve primary data quality and further refine calculation methodologies in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. In 2025, we plan to set and verify our first science-based scope 3 emissions target consistent with SBTi's guidelines for the 2026–2030 cycle.

OTHER CLIMATE-RELATED TARGETS

Led by the Sands ECO360 global sustainability program, we have developed a series of sustainability initiatives to address key environmental topics, many of which have climate-related impacts.

1. Waste

We have set internal and external qualitative and quantitative targets for waste, including a **25% reduction in food waste and a 5% increase in operational waste diversion**.

Our resorts generate a variety of waste items, with food representing a large portion of our waste stream. Developing and renovating properties also generates large amounts of waste, which can be challenging to recycle. We decrease our waste streams by reducing consumption when possible and reusing and recycling more, which in turn lowers our upstream emissions.

2. Materials and Resources

We have set internal and external qualitative and quantitative targets to **employ sustainable solutions[1] for 100% of Sands-branded water bottles by 2025**.

We are committed to optimizing materials and resources by eliminating unnecessary forms of consumption, moving to reuse models where feasible, replacing single-use materials with renewable and sustainable alternatives and recycling as much as possible. We identify sustainable materials using life cycle assessments to quantify and compare environmental impacts, including emissions impacts, of different materials across all stages of a product's life cycle.

3. Water

We set internal and external qualitative and quantitative targets for water stewardship, including a **3% reduction in potable water use per square foot**.

Climate change is negatively impacting the demand, quantity, quality and accessibility of fresh water. Water is a core component in our resorts as it is essential to pools, spas, fountains, hotel rooms, cooling systems, and food and beverage operations. Many of our resorts are located near coastlines and rivers, making protection of these waterways a priority for our company. Our strategy focuses on conserving water through efficiency, increasing water reuse and recycling, and protecting water ecosystems that benefit the local environment.


Rain Oculus, ArtScience Museum, Marina Bay Sands

[1] We consider recycled polyethylene terephthalate (rPET) a sustainable material, as its life cycle global warming potential is lower than non-rPET or other assessed alternatives.

STRATEGY

Scenario analysis underpins our 2021–2025 low-carbon transition plan, as detailed in our TCFD Index, which can be found starting on page 9. Guided by our SBTi target, we are executing on three strategies to reduce climate impact through time-bound operational plans in the areas of energy efficiency, renewable energy and transportation.

OUR OPERATIONS

AT A GLANCE

PILLAR

Planet

APPROACH

Low-Carbon Transition

- **Energy Efficiency**
  Deploy energy conservation projects and innovative technologies
- **Renewable Energy**
  Utilize on-site and off-site renewable energy generation and renewable energy certificates (RECs)
- **Transportation**
  Transition to low-emission vehicles and expand electric vehicle charging infrastructure

2025 TARGETS

30%
1.5°C aligned

17.5%
SBTi-validated

Scope 1 and 2 emissions reduction from a 2018 base year

Energy Efficiency

Reducing energy consumption is our foundational strategy to decrease GHG emissions. We aim to design buildings that conserve electricity and deploy new technologies to reduce energy consumption during ongoing operations.

Within our properties, we regularly conduct energy audits and employ building management systems to manage performance of individual systems that maintain airflow, electricity, plumbing and lighting. By integrating these systems into one central control unit and incorporating intelligence capabilities through building performance and diagnostic systems, we can increase energy efficiency and optimize resource use, while ensuring our guests' comfort.

Our energy efficiency initiatives are coordinated through the Sands ECOTracker program, which provides the framework for planning capital expenditures, managing energy efficiency projects and defining pathways for investments in innovative solutions.

Metric

Energy-efficiency initiatives (GJ)

14 Performance data can be found on page 14.

Renewable Energy

We pursue both on-site and off-site renewable solutions to increase the percentage of renewable energy in our total energy mix. We utilize on-site solar thermal and solar photovoltaic systems when feasible at our properties. Currently, we cannot execute power purchase agreements due to regional regulations where we operate. As such, we purchase RECs within the market boundaries defined by CDP and RE100 and in regions near our properties to support the transition to zero-carbon grids. We actively monitor regional energy market policy developments and engage with policymakers and local utilities on renewable energy policies when appropriate. Additionally, we monitor and aim to align our strategy to the most up-to-date global guidelines on the use of energy attribute certificates from organizations such as SBTi, CDP and RE100.

Metric

Renewable energy (MWh)

Renewable energy (% of total energy)

14 Performance data can be found on page 14.

Transportation

We are focused on electrifying our equipment and transitioning guest shuttle and Team Member commuter buses to electric and alternative fuel sources, while leveraging carbon offsets to address hard-to-decarbonize air and ferry travel and lessen our transportation footprint. In addition, we continue to expand the electric vehicle charging infrastructure at our resorts and corporate campus for our guests and Team Members to further support adoption of electric vehicles.

VALUE CHAIN

Recognizing the importance of our supply chain as a factor in the health of our business and the responsible performance of our company, we fully integrate ESG protocols and standards into our supply chain management approach.

Expectations and Monitoring

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 includes expectations for ESG factors such as climate-related disclosure requirements. All supplier contractual agreements are linked to our Supplier Code of Conduct, which is aligned with international best practices to protect human rights, labor rights, worker health and safety, environmental compliance and responsibility, and overall ethics and compliance. We also encourage suppliers to promote our Supplier Code of Conduct or a similar code of conduct with their vendors. We provide training on the code of conduct for suppliers with higher-risk categorizations.

Risk Assessment

As part of our Supplier Risk Evaluation Framework, we annually perform risk assessments for suppliers that conducted business with us in the prior 12 months. Suppliers are categorized into low, medium and critical risk levels. Critical suppliers are those determined to have the ability to significantly impact business operations. These suppliers may be non-substitutable, provide critical services, be sourced at a high volume or have specific ESG risk factors. All critical suppliers are further assessed for physical climate-related risks at their primary operating locations.

Responsible Sourcing

We consider the social and environmental characteristics of the products and services we procure. We leverage our Sustainable Procurement Policy to source products and services that minimize environmental impact. Our Sands Engineering and Sustainable Development Standards provide guidance for integration of renewable energy and energy efficiency measures into building design. We also focus on sustainable procurement and set internal targets to purchase sustainable products in categories such as eggs, seafood, vegetables, coffee, tea, lighting, paints, adhesives and other categories that meet our business needs.

Capacity Building and Supplier Engagement

We host business reviews with key suppliers and our executives to review future roadmaps, evaluate performance and define improvement action plans. We provide supplier scorecards, including performance on cross-functional areas such as service, cost management, quality, culture and sustainability. Our annual Sands Supplier Excellence Awards recognize top-performing suppliers across seven categories, including sustainability performance. When appropriate, we collaborate with suppliers on innovations in their products and services to reduce environmental impacts.

POLICY ENGAGEMENT

We have a responsibility to advance policies that support the health of our business, our host communities around the world, and our Team Members, contractors and suppliers. In this regard, we engage in the political process. Our political contributions and expenditures are made to support our company's interests and not the personal political interests of our officers and directors. As such, these transactions are subject to formal approval guidelines, which include approvals from our chairman and CEO and president and COO in advance of their execution. In addition, our board of directors compliance committee reviews these contributions, which are disclosed annually on our investor relations website in line with our Political Contributions and Expenditures Policy.

We also have processes in place to review any direct lobbying activities deemed to impact the climate in accordance with our People, Communities and Planet commitment and low-carbon transition plan, and we do not take opposing positions on these policies. Additionally, we review contributions to certain trade associations with lobbying positions that are not aligned with the Paris Agreement.

We engage directly and indirectly with industry groups in our operating regions to understand and address climate-related policy and regulation when appropriate. Our engagements range from communication about renewable energy matters with utility providers to participation in industry working groups with local government environmental bureaus.

RISK ASSESSMENT AND MANAGEMENT

CLIMATE RISKS AND OPPORTUNITIES

We conduct climate-related risk evaluation as part of our management of environmental risk and in coordination with the enterprise risk management (ERM) process. We assess climate-related risks by identifying risk likelihood and potential impact in various time frames and climate scenarios. In 2021, we undertook an initial internal climate risk assessment that considered the most commonly disclosed climate-related risks. We validate this initial assessment annually through publicly available climate risk assessment tools. Since 2022, we have augmented our qualitative evaluation with a third-party climate risk assessment model to prioritize climate-related physical risks, as well as refined our quantitative carbon price estimation methodology to improve our assessment of transition risks. Additional information can be found in the TCFD Index on page 9.

Assessment: Our climate-related risk evaluation process uses multiple methods to identify risks, including background research, third-party climate risk modeling tools, ongoing risk monitoring and stakeholder engagement.

The intent of our physical risk assessment approach is to identify impacts across multiple time horizons and potential climate outcomes in alignment with TCFD guidance. We incorporate climate scenarios with varying levels of emission controls and predicted temperature increases of 4°C to below 2°C (RCP 2.6, RCP 4.5 and RCP 8.5). We utilize alternative time horizons (present day, 2030 and 2050) alongside the proposed climate scenarios to highlight emerging risk patterns and facilities at risk. Our physical risk assessment is consistent with the TCFD's recommendations for categorization of climate-related risks:

Acute Risks: Extreme weather events such as cyclones or river floods

Chronic Risks: Gradual changes in key climate variables such as temperature, humidity and precipitation

Our climate risk assessment references well-established and recognized indices, research and studies such as the Intergovernmental Panel on Climate Change, Munich RE (Standardized Precipitation Evapotranspiration Index, Fire Weather Index, Heat Stress Index), High-Resolution Forecast-Oriented Low Ocean Resolution (HiFLOR) model as shared by the NOAA Geophysical Fluid Dynamics Laboratory, Saffir-Simpson scale for tropical cyclones and JBA flood maps, WWF Risk Filter, World Resources Institute (WRI) Aqueduct Water Risk Atlas and Climate Central Coastal Flood Screening tool.

We use a quantitative scenario assessment to evaluate transition risks related to policy and legal changes, specifically carbon pricing. The International Energy Agency's Global Energy and Climate Model and Singapore's carbon pricing scheme provided the foundation for this assessment with stated policies scenarios (STEPS) and net zero emissions by 2050 scenarios (NZE) at varying time horizons (2030, 2050) included. Other transition risks such as new technologies, updated market requirements, emerging reputation considerations and supply chain issues are identified in a qualitative manner.

Identification and Mitigation: Our assessment takes into consideration the most commonly disclosed climate-related risks. Identified physical and transition risks include increased severity of extreme weather events, precipitation, heat stress and rising mean temperatures, sea level risk, coastal and river flooding, water stress, carbon tax schemes and climate regulations, changes in consumer preferences, reputational risk and inability to meet our ESG commitments. We believe these risks are relevant to our organization but may not be material at this time.

As we continue to review and reassess the most appropriate risk management strategy (mitigation, adaptation or acceptance), we have put in place a number of measures to address climate risk, including development of business continuity plans and acquisition of insurance policies to address severe weather events. Systems within our properties, such as water removal infrastructure, air conditioning infrastructure and entrance berms, are designed for scenarios beyond those predicted within our assessment. In addition, energy- and water-efficiency projects, along with our approved science-based emissions-reduction goal and renewable energy strategy, help lower utility consumption and offset costs related to potential increases in temperature.

We also identified climate-related opportunities with respect to operating costs and sustainable service options. We continually seek energy- and water-efficient alternatives and initiatives to implement throughout our resort portfolio and expand sustainable options primarily for our meetings, incentives, conferences and exhibitions (MICE) and food and beverage customers.

TRAINING AND COMMUNICATIONS

We provide training and communications on topics such as energy efficiency, renewable energy procurement and innovative trends in building and design to relevant departments, including facilities, engineering, procurement, and design and development. This input helps departments understand their connection to our low-carbon transition strategy and how their efforts can impact achievement of our goals.

Further, we update our board of directors on low-carbon transition trends, such as climate regulation and provide information about our progress on science-based targets and climate risk assessments at least annually. We also periodically apprise the board of our performance on investor-related questionnaires that contain climate-specific information.

EVALUATION AND ADJUSTMENTS

Our properties are equipped with building management systems and submeters to track various energy-related key performance indicators (KPIs). We track and perform monthly trend analyses of electricity, natural gas and fuel use for our buildings and transportation services. We also conduct internal trend analyses to understand how weather, efficiency projects and business performance contribute to progress against our targets.

Additionally, we assess and monitor our climate-related risks through qualitative and quantitative analysis. Details are available in the TCFD Index on page 9.

TCFD INDEX

We conducted an initial internal climate risk assessment in 2021. The assessment concluded that the following risks are relevant, but not material, to our company at this time. We validate this initial assessment annually through publicly available climate risk assessment tools. Since 2022, we have also utilized a third-party climate scenario modeling tool to assess our climate risk. Our TCFD Index is updated annually to reflect results from climate risk assessment tools.

Governance

Board Responsibilities

Board of directors	The board has delegated authority on ESG-related issues to its nominating and governance committee, which provides updates to the board on pertinent issues as needed.
Nominating and governance committee	The nominating and governance committee oversees ESG risk by reviewing and assessing the company's ESG goals, policies and programs, and assists the board in overseeing succession plans for senior management.
Audit committee	The audit committee oversees enterprise risk management, among other responsibilities. It reviews the company's major financial risk exposure and discusses with management the steps taken to monitor, control and manage these exposures, including the company's risk assessment and risk management guidelines and policies.
Compensation committee	The compensation committee oversees the company's compensation policies to determine whether they create risks that would reasonably or likely have an adverse material effect on the company. A portion of performance-related compensation for our executive officers is linked to strategic ESG goals for the company.
Compliance committee	The compliance committee assists the board in overseeing the company's compliance program, including compliance with the laws and regulations applicable to our business, the company's Code of Business Conduct and Ethics and other policies.

Executive Leadership

Chief executive officer and chief operating officer	The company's chief executive officer (CEO) and president and chief operating officer (COO) provide overall direction for our People, Communities and Planet corporate responsibility pillars and oversee our performance in these areas. Working with the board, the most senior members of our executive team are responsible for implementing our ESG policies and programs.
Chief financial officer	The company's ERM program, which includes ESG-related risks, is the responsibility of our chief financial officer (CFO).
Chief sustainability officer	Our chief sustainability officer is responsible for sustainability and climate-related topics, projects and initiatives, and leads the global sustainability team.

Management Level

ERM committee	The ERM committee comprises senior leaders across the organization, including property CFOs, compliance officers, operational leaders and audit services group leaders. The committee meets quarterly in advance of the audit committee meeting and company earnings announcement to discuss the ERM program. In these meetings, the committee addresses ESG risks, such as fraud, that may represent material impact to the company and our financial reporting.
Disclosure committee	The disclosure committee is composed of members from our audit services group, corporate accounting, tax, legal, investor relations and property CFOs. The committee meets in advance of earnings announcements and financial statement filings each quarter to discuss items that may impact required disclosures for the company, including ESG disclosures.

TCFD INDEX CONTINUED

Strategy

During our climate change assessment, we considered the most commonly disclosed climate-related risks. In 2023, we determined that none of our integrated resorts operate in water-stressed regions. Previously, the WRI aqueduct tool assessed one of them as high risk in the mid to long term. While we believe the risks below are relevant to our organization, they may not be material at this time. We continue to refine our qualitative and quantitative analyses while monitoring and managing these risks, regardless of materiality level.

Climate-Related Risks	Impact	Risk Identification	Mitigation Strategy
Physical Risks			
Increased severity of extreme weather events (tropical cyclones)	Reduced revenue from business disruption Increased costs from repairs Increased insurance premiums	We have integrated resort operations in two locations: Macao and Singapore. Singapore is currently outside tropical cyclone formation regions due to its proximity to the equator. Macao is located in the Northwest Pacific basin and, thus, in the tropical cyclone formation region. Sands China's Macao properties are in a tropical cyclone zone with a 100-year return period of 213–251 km/h max wind cyclone based on the Munich Re NATHAN Tropical Cyclone Index. While the severity is not expected to increase under any scenario in the medium or long term, we continue to study available research and trends on the increase in extreme weather severity.	Exposure to business disruption associated with extreme weather events is incorporated into our ERM tracking and management program. We have robust business continuity plans in place to address disasters. Additionally, we continue to identify and expand alternative sources of energy and water to improve resiliency. For example, we implemented an emergency filtration system to reuse lagoon water in the event of a potable water shortage in Macao. Water from the lagoon is treated with a disc filter, carbon filter, ultrafiltration and UV light, and then pumped to the raw water tank or back to the lagoon. We also have standby water trucks ready to deploy in case of water shortage. In addition, we seek to optimize insurance options to ensure adequate coverages can be maintained, and perform annual assessments of potential loss levels against insurance costs to ensure maximum utility of premiums against risk exposure.
Precipitation	Reduced revenue from business reduction Increased costs from repairs Increased utility costs due to increased dehumidification needs Increased insurance premiums	According to the Munich Re NATHAN Precipitation Index, Singapore is expected to go from five to seven days of 30+ mm precipitation to more than seven days by 2030. Macao is already experiencing more than seven days of 30+ mm precipitation annually.	In Macao, our stormwater removal infrastructure is designed for a peak hourly precipitation rate of 160 mm. We actively invest in and implement energy-efficiency projects to reduce heating, ventilation and air conditioning (HVAC) consumption and, thus, exposure to utility cost variability. We also continue to identify alternative sources of energy to reduce reliance on one utility where possible. In Singapore, our integrated resort was designed with a peak hourly precipitation value of 290 mm/hour while the highest measured 60-minute rainfall data was 147 mm/hour, occurring in 1995. Additionally, our integrated resort model offers many different amenities and services within a campus setting that contains one large building or buildings connected via climate-controlled walkways, thus reducing guest exposure to inclement weather.
Heat stress and rising mean temperatures	Increased utility costs due to increased cooling needs	Based on the Munich Re NATHAN Heat Stress Index, Singapore is expected to go from 20–80 days in heat wave to 80–180 days in heat wave (daily max temperature over 30°C for at least three consecutive days) by 2030. Macao is already experiencing 80–180 days in heat wave annually. Additionally, we have been measuring temperature variability and its impact on utility usage for more than five years. The increase in costs due to weather has been immaterial (2.5% of annual utility costs). Based on our existing data, we do not expect the temperature increase to have material short-term impact.	We actively invest in and implement energy-efficiency projects to reduce consumption and, thus, exposure to utility cost variability. We also continue to identify alternative sources of energy to reduce reliance on one utility where possible. Due to energy conservation projects, the existing air conditioning infrastructure at our properties has at least 15% spare air conditioning capacity available as needed for increased temperature and humidity in the future.
Sea level rise, coastal and river flooding	Increased repair costs due to flooding	The IPCC projects a global mean sea level rise of 0.15–0.29 meters by 2050. Marina Bay Sands' defended and undefended flood risks are considered low in all scenarios and time horizons (WTW), even though there is an expected 10–15% increase in floods (WWF Water Risk Filter). Sands China properties are in an area threatened by an extreme flood in a 100-year return period (WTW), and frequency is expected to increase by more than 15% beyond 2030 compared to 1985–present (WWF Water Risk Filter).	Our properties in Singapore and Macao are designed and constructed above the tide line in a manner that significantly reduces flood risk, and/or there is local infrastructure in place to manage long-term flood risk. Entrances to underground areas of our integrated resorts are designed with entrance berms 200 mm higher than the predicted 100-year flood levels to reduce risk of flooding into basement areas.

Transition Risks	Impact	Risk Identification	Mitigation Strategy
Policy and Legal			
Carbon tax schemes and climate regulations	Increased utility and compliance costs due to carbon tax and other regulations	In Singapore, large producers of emissions are subject to a carbon tax. Marina Bay Sands is not considered a large producer under this scheme, but is subject to a carbon tax passed through by its electricity supplier. The government announced future increases for the carbon tax: S$25/$tCO_2e$ in 2024–2025, S$45/$tCO_2e$ in 2026–2027 and S$50–S$80/tCO_2e by 2030. The impact of the current carbon tax tariff on our company has been negligible. The current forecast for 2030 indicates a $23 million impact if 100% of the tariff is passed on to us, impacting electricity, chilled water and hot water consumption, and if no other mitigation measures take place. We also conducted additional simplified preliminary scenario analyses utilizing International Energy Agency (IEA) Global Energy and Climate Model (NZE and STEPS scenarios). While the intent is to align these analyses with the life span of our assets, the IEA carbon pricing forecasts are only available through 2050. We plan to further refine our scenarios based on technological development.	To mitigate exposure, we established stringent efficiency goals in line with the Science Based Targets initiative and continually invest in projects intended to reduce energy consumption.
Market			
Changes in consumer preferences	Reduced revenue from shifts in consumer travel and stay preferences due to climate change	Consumer preferences are relevant to our company. However, we do not believe we are currently experiencing changes in consumer preferences due to climate change. In the hospitality, tourism and gaming sector, consumer preferences tend to be driven primarily by amenities and attractions, customer service and destination desirability. We do not currently have sufficient information to forecast the medium- or long-term impact of changes in customer preferences.	We continue to expand our services to address shifting consumer preferences based on consumer feedback, stakeholder engagement, and market trends and research. Marina Bay Sands has a state-of-the-art studio for hosting hybrid in-person and virtual events. Similarly, The Londoner Macao® has a Smart Stage virtual meeting program. Our green meetings program offers solutions for clients that value sustainability. Many food and beverage outlets offer sustainable menu options for eco-conscious customers.
Reputational risk	Reduced revenue due to missed business opportunities	Reputational risk is relevant to our company. We believe that our low-carbon strategy and Sands ECO360 program reduce our reputational risk as it relates to climate change.	Our corporate responsibility platform encompasses initiatives in three pillars – People, Communities and Planet – supported by our governance practices. We value transparency and share our progress through our annual ESG Report and various other ESG frameworks.
Technology			
Inability to meet our ESG commitments	Increased costs of renewable energy to meet our ESG commitments	Lack of renewable energy availability or the high cost of renewable energy certificates may impact our ability to meet our emissions-reduction target in the future. While the impact on our 2025 ESG commitments is likely insignificant, we are currently assessing renewable energy supply for the 2030 timeframe.	We have created detailed roadmaps to meet our environmental targets and continue to pursue multiple solutions simultaneously. We have dedicated sustainability teams responsible for implementing ESG-related projects and initiatives in each of our regions.

Climate-Related Opportunities	Impact	Opportunity Type	Management Approach
Resource Efficiency			
Building operations efficiency	Reduced operating costs	While relevant to meeting our ESG commitments, the operating cost reduction associated with efficiency projects is not material. Regardless, we plan to continue implementing efficiency projects in the long term.	We continually seek energy- and water-efficient alternatives and initiatives to implement throughout our resort portfolio. We created a low-carbon transition roadmap that outlines our approach to reducing energy consumption. In line with the Science Based Targets initiative, we established stringent efficiency goals that further support our focus on operational efficiency.
Alternative energy and water sources	Reduced operating costs	While relevant to meeting our ESG commitments, the operating cost reduction associated with alternative energy and water sources is not material. Regardless, we plan to continue implementing alternative energy and water sources in the long term.	In line with efforts to address efficiency in building operations, we continue to research, test and implement alternative sources for energy and water. We believe that piloting innovative technologies will allow us to scale solutions when future needs arise.
Service Offerings			
Sustainable options	Better competitive position Customer retention Potential revenue opportunity	While relevant to customer satisfaction and the overall reputation of our company and ESG program, the potential revenue opportunity associated with sustainable options is negligible in the short term.	We continue to extend sustainable options primarily to our MICE and food and beverage customers. We explore and offer sustainable menu options such as plant-based alternatives, local food, sustainable seafood, and organic or other certified items. Our green meetings program for MICE clients has been in place for nearly a decade, and we make ongoing enhancements to meet demand and expectations. We have the only triple-platinum-certified MICE venue in Asia with LEED Platinum, Green Mark Platinum and Events Industry Council certifications for Marina Bay Sands.

TCFD INDEX CONTINUED

Tools and Models Utilized	Indicators Assessed
WTW Climate Diagnostic[1]	Drought Fire Heat stress Precipitation River flood (defended) River flood (undefended) Tropical cyclone
WRI Aqueduct Water Risk Atlas	Water stress
WWF Water Risk Filter	Water scarcity
IPCC	Global mean sea-level rise Formation of paths of tropical cyclones
National Oceanic and Atmospheric Administration	Tropical cyclone formation regions
IEA Global Energy and Climate Model	Carbon pricing

Scenarios Assessed	Time Horizons
Physical risk	
Pessimistic (representative concentration pathway, RCP, 8.5)	Current, 2030, 2050
Business-as-usual (RCP 4.5)	Current, 2030, 2050
Optimistic (RCP 2.6)	Current, 2030, 2050
Transition risk: carbon tax	
IEA Stated Policies Scenario (STEPS)	2030, 2050
IEA Net Zero Emissions by 2050 Scenario (NZE)	2030, 2050

Scope Covered	
Integrated resort operations	Included
Upstream and downstream activities	Currently only included in the IEA NZE scenario

Additional References	
CDP Climate Change Response	C2.2–2.4
CDP Water Response	W3.3, W4.1–4.3
2023 Annual Report	p. 25

Risk Management

Enterprise Risk Management

Assessment	Management
Through a comprehensive system of reporting, controls and mitigation procedures, our ERM program allows us to manage the potential for loss as well as reduced opportunities for gains, which may adversely affect achievement of our company's objectives. Our ERM program facilitates identification of priorities through risk assessments conducted in collaboration with operational risk owners throughout the company.	Risks escalated through the ERM process, including ESG-related risks, have formal mitigation plans that are reviewed and approved by appropriate company stakeholders, with periodic updates provided on the progress of their implementation. Business units are then responsible for developing risk mitigation plans. Risks with potential material impact are outlined in our annual report, which can be found at https://investor.sands.com. Nonmaterial risks that are not included in the ERM process are managed and monitored by respective business units.

Environmental Risk

Assessment	Management
We conduct an environmental risk assessment, including climate-related risk evaluation, through processes aligned with best practices from the Committee of Sponsoring Organizations (COSO) ERM and TCFD frameworks. The Sands ECO360 team executes risk assessments every one to three years and often more frequently, depending on emerging developments or changes in our business. The environmental risk assessment process uses multiple methods to identify risks, including background research, ongoing risk monitoring and stakeholder engagement. We use publicly available tools, research-based GHG concentration trajectories and internal analysis to complete the assessment. Potential risks are categorized as transition risks or acute and chronic physical risks. Transition risks include policy and legal changes, new technologies, updated market requirements, emerging reputation considerations and value chain issues. Acute and chronic physical risks include conditions such as extreme weather events or long-term drought. We then assess environmental risks on five-point scales for likelihood and impact.	Identified risks are either included in the ERM process or managed by the Sands ECO360 team, depending on their impact. Results of environmental and social assessments are integrated into our ESG materiality assessment for further management of low-level risks. This process provides a foundation for developing strategies within the People, Communities and Planet pillars of our corporate responsibility platform. Each strategy is supported by a topical brief, action plan, ESG benchmarking and other mitigation tools, as needed. Where appropriate, we also have developed specific goals to address priority issues.

[1] Not all climate-related risk assessments are available for all scenarios or time horizons.

Climate Risk

Assessment	Management
Climate-related risks such as sea level rise, severe weather, temperature fluctuations and flooding are projected on short-, medium- and long-term time horizons (present, 2030 and 2050). We aligned climate risk assessment with the following scenarios: RCP 2.6, RCP 4.5 and RCP 8.5. We utilize publicly available tools and models (e.g., WWF Risk Filter, WRI Aqueduct, IPCC reports, IEA NZE and STEPS scenarios data, and Climate Central) in conjunction with a third-party proprietary model and internal calculations and measurements. The scope of the climate risk assessment covers operations in our two existing regions (Macao and Singapore) with the exception of one carbon-pricing scenario that includes upstream and downstream activities. We have calculated the impact of certain climate-related risks, such as carbon pricing and increases in utility costs due to long-term increases in temperature. The strategic and financial impact of other climate-related risks is still being assessed.	Climate-risk mitigation measures include acquisition of insurance policies to address severe weather events and development of business continuity plans. Business continuity and disaster-recovery plans are updated periodically with the most recent revision currently in progress. In addition, energy- and water-efficiency projects, along with our approved science-based emissions-reduction goal and renewable energy strategy, help lower utility consumption and offset costs related to potential increases in temperature.

Metrics and Targets

Climate-Related Targets	2025	Notes
Reduction in emissions from a 2018 base year	30.0%	This science-based emissions-reduction target is aligned with a 1.5°C pathway. We also have a SBTi validated target to a well-below 2°C pathway.
Increase in operational diversion rate from 2019 base year	5%	Waste generation and diversion impacts the company's scope 3 emissions.
Prevention, rescue or diversion of food waste	25%	Waste generation and diversion impacts the company's scope 3 emissions.
Branded water bottles are reusable or made from sustainable materials	100%	This target indirectly impacts climate change through scope 3 emissions.
Reduction in potable water use per square foot from a 2019 base year	3%	This target indirectly addresses potential water stress associated with climate change.

Climate-Related Metrics and Tools	Reference	Risks and Opportunities
Scope 1, 2 and 3 emissions	ESG Report p. 58	Heat stress Carbon tax schemes and climate regulations Inability to meet our ESG commitments
Energy (consumption, intensity and renewable energy)	ESG Report p. 59	Heat stress Carbon tax schemes and climate regulations Inability to meet our ESG commitments
Efficiency projects	ESG Report p. 59	Building operations efficiency
Operational diversion rate	ESG Report p. 60	Carbon tax schemes and climate regulations Reputational risk
Food waste prevention, rescue and diversion	ESG Report p. 60	Carbon tax schemes and climate regulations Reputational risk
Sustainable branded water bottle use	ESG Report p. 63	Reputational risk
Water (consumption, intensity, withdrawal, discharge and reclaimed)	ESG Report p. 64	Water stress
Energy costs (electricity, chilled water, hot water, natural gas, liquefied petroleum gas and renewable energy)	Internal	Heat stress Carbon tax schemes and climate regulations Inability to meet our ESG commitments Building operations efficiency Alternative energy and water sources
Cooling degree hours	Internal	Heat stress
Efficiency savings	Internal	Building operations efficiency Alternative energy and water sources
WRI Aqueduct Water Risk Atlas	Publicly available	Sea level rise and coastal flooding Water stress
WWF Water Risk Filter	Publicly available	Sea level rise and coastal flooding
WTW Climate Diagnostic Tool	Internal	Physical risks
Insurance costs	Internal	Increased severity of extreme weather events and humidity
Stakeholder engagement	Internal	Changes in consumer preferences Reputational risk Sustainable options
Legal and regulatory registry	Internal	Carbon tax schemes and climate regulations
ESG frameworks (S&P CSA, CDP)	Publicly available	Reputational risk

PERFORMANCE

GHG Emissions Summary

	2018[1]	2020	2021	2022	2023
Scope 1 GHG emissions (MT CO_2e)	228,255	50,500	38,446	58,341	119,588
Scope 2 location-based GHG emissions (MT CO_2e)	644,119	513,089	602,958	443,064	475,129
Scope 2 market-based GHG emissions (MT CO_2e)	631,407	472,501	547,990	373,003	312,144
Scope 3 total GHG emissions (MT CO_2e)	—	306,669	299,062	642,008	1,307,370
GHG intensity (S1 + S2 MB MT CO_2e/1,000 conditioned sq. ft.)	24	15	17	12	12
GHG intensity (S1 + S2 MB MT CO_2e/million $ revenue)	—	150	139	105	42
Approved science-based target	Yes	Yes	Yes	Yes	Yes

Scope 3 Emissions Breakdown (MT CO_2e)[2]

	2023
Category 1: Purchased goods and services	500,397
Category 2: Capital goods	625,690
Category 3: Fuel and energy-related activities	127,906
Category 4: Upstream transportation and distribution	2,092
Category 5: Waste generated in operations[3]	22,939
Category 6: Business travel	15,418
Category 7: Employee commuting	10,656
Category 8: Upstream leased assets	2,267
Category 15: Investments	5

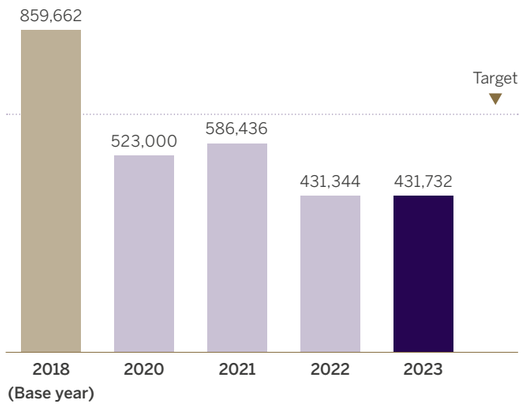
Energy Summary

	2018	2020	2021	2022	2023
Renewable energy (MWh)[4]	156	52,794	76,231	151,235	286,160
Renewable energy (% of total energy)	0%	6%	8%	15%	22%
Energy-efficiency initiatives (GJ)[5]	—	39,934	36,737	11,960	52,997

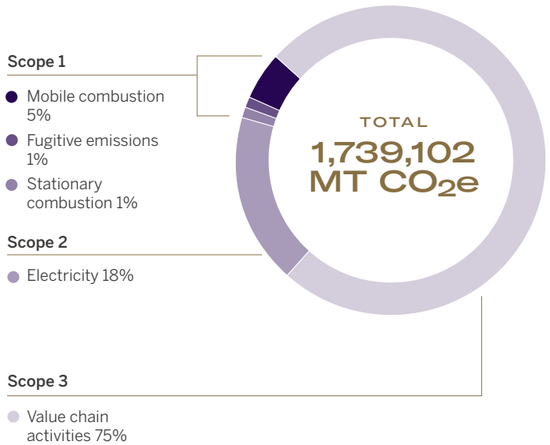
Absolute Emissions, Scope 1 and 2 (MT CO_2e)

2025 1.5°C aligned target: 30% decrease in emissions from 2018[6]

Performance % from base year: -50%



Carbon Footprint (MT CO_2e)



[1] The base year is provided for comparison.
[2] All scope 3 categories have been assessed; only applicable categories are reported. Scope 3 methodology was updated in 2023 for categories 2, 6, 7 and 15.
[3] Data includes waste sent to landfill and waste sent to incineration from operations and construction; emissions from diverted waste have not been included.
[4] Data includes renewable energy consumption and renewable energy certificates.
[5] Internal submeters and models were used to estimate reductions; includes only annualized savings from energy-efficiency initiatives implemented during the current year.
[6] This science-based emissions-reduction target is aligned with a 1.5°C pathway.

Corporate Headquarters
5420 S. Durango Dr.
Las Vegas, NV 89113
702.923.9000
sands.com

On the cover: Herb Garden, Marina Bay Sands