





# Contents

2015 Highlights	02
Message from Chairman & CEO	04
CSR Committee	06
Scope of the Report	07
About Melco	08
Managing Our Impacts	09
Our CSR Strategy	11
Stakeholder Engagement	12
Materiality Analysis	13
Social Responsibility	14
Environmental Responsibility	21
Corporate Governance	30
Investor Relations	31
Staff Training and Development	31
Equal Opportunity Employer	32
Our CSR Journey Continues	33
Report Verification	34
Tables	35

## Melco International Development Limited

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

For inquiries, please contact

Tel: (852) 3151 3777 | Email: [csr@melco-group.com](mailto:csr@melco-group.com)



Hang Seng Corporate  
Sustainability Index  
Series Member 2015-2016



Diamond Member  
鑽石會員 2015/16

HONG KONG

Signatory member  
of the Copenhagen  
Communiqué



# 2015 Highlights

## GOAL

In 2015, close to **182,000** children, youth, the physically challenged and families benefited from our programmes

19



Melco Volunteers take part in the Green Council – International Coastal Cleanup

18

## Youth

**47** youths with special education needs graduated from Hong Kong PHAB's Enhancing Resilience of Youth project, an inspiring programme to enhance trainees' self-confidence through camping, DJ training and community service.  
Read more on page 16.

17

16

15



Fun for all at the Playright Children's Play Association – Environmental Play and Forest School

11

## Environment

Hong Kong Green Day – Green School Program trained the first **400** Captain Green graduates to pass the torch in promoting waste reduction, environmental conservation and sustainable use of resources.  
Read more on page 25.

13

Attained **20** Awards & Recognitions  
Go one step forward

14

9



Christian Action Qinghai Education Grant Program for the Children from Huangnan Children's Home

8

7

Supported **30** Projects/ Events  
Go one step forward

6



Playright Children's Play Association - Hospital Play Services at Caritas Medical Centre

5

## Education

Children from Huangnan Children's Home continued to benefit from Christian Action's Education Grant Program supported by Melco over the past four years. Since 2012, a total of **40** students have received a tertiary education and **7** graduated from the programme in 2015.  
Read more on page 18.

GO

1

2



Getting ready for the WWF-HK Run For Change

3

**22** NGOs Partnered  
Go one step forward

4



Hong Kong PHAB Enhancing Resilience of Youth Project Training Day Camp and Kick-off Ceremony



## Message from Chairman & CEO

The year 2015 continued to be challenging for the leisure and gaming industry in Macau, including Melco International Development Limited (“Melco” or the “Group”).

Despite these challenges, we continued to make progress on our exciting development pipeline, moving ahead with our commitment to deliver unprecedented new levels of entertainment-driven offerings in Macau and overseas. During the year, through our core associates we succeeded in diversifying our operations with the grand opening of the new cinematically-themed entertainment and leisure destination, Studio City. Beyond Macau, the Group continued to evaluate development opportunities and expand its property portfolio, including expansion into the Philippines with the launch of City of Dreams Manila and an integrated resort in Russia, while maintaining our strong commitment to social responsibility.



**Lawrence Ho**  
Chairman and Chief Executive Officer

For 2015, the theme of our CSR report, our ninth since we began publishing in 2007, is “GO. Helping Youth Reach their GOALS”.

This theme reflects our ongoing focus on Youth Development and the related programmes we offered during the year. Through our efforts to help the disadvantaged in Hong Kong, Macau and Mainland China during the year, we benefited close to 182,000 children, youths, their families and the physically challenged.

An important objective of our CSR programmes is not only to help people and organisations in need but to make these programmes self-sufficient and viable over the long term. The paediatric eye care project with Orbis Hong Kong in Linyi, Shandong, is an excellent example of this, as it is now operating on its own following the initial support received from Melco.

We also continued to make progress with our efforts to reduce the impacts of our operations on the environment, and I am especially pleased with the environmental features built into our City of Dreams and Studio City properties, such as their advanced air conditioning and indoor air purifying systems.

We also made progress conserving resources, minimising waste and reducing our carbon footprint. In 2015 we achieved the Gold Label for the fifth consecutive year in the WWF Low Carbon Operation Programme (“LOOP”) and achieved the Class of Excellence in the Wastewi\$e Label Scheme by The Hong Kong Awards for Environmental Excellence (HKAEE).

Apart from the environmental initiatives we undertook in our own operations, we are planting the seeds in young people’s minds about the importance of conserving resources. Through the Hong Kong Green Day – Green School Programme, in 2015 we helped to raise awareness of environmental responsibility with activities attended by 60,000 students.

Recognising the importance of communicating with our stakeholders, we continued to engage them through a comprehensive stakeholder exercise, which for the second year included an online staff survey on our CSR performance and expectations. The recommendations of our entrusted consultant who organised this exercise, Business Environment Council (“BEC”), will be used to guide our CSR planning and reporting in the year ahead.

I am also pleased that, for the first time, this Report has been prepared according to the “core” option of the internationally-recognised Global Reporting Initiative (GRI) G4 reporting guidelines, and with reference made to the Hong Kong Exchanges and Clearing Limited (HKEx) ESG Reporting Guide and the core subject areas of the ISO 26000 Guidance on Social Responsibility. This is a reflection of our commitment to provide an even more comprehensive and transparent account of our CSR activities during the year.

I am indebted to everyone at Melco as well as our NGO partners and stakeholders in the community who helped to make this Report possible and contributed to the success of our CSR activities and programmes during the year. Together, we are working to open up new possibilities and create a better future for young people. I thank you for your support and look forward to working with you in the year ahead.

**Lawrence Ho**  
Chairman and Chief Executive Officer





Since 2008, the Melco Corporate Social Responsibility Committee (the “CSR Committee”) has been defining best CSR practices for the Group, overseeing their development and implementing them in our operations.

The Group’s core charity pillars continued to be Youth Development, Environment and Education in Hong Kong, Macau and China.



The committee comprises the following members:

- Mr Edward Chow, Independent Non-executive Director and Chairman of the CSR Committee
- Mr Lawrence Ho, Chairman and Chief Executive Officer
- Mr Frank Tsui, Executive Director
- Mr Clarence Chung, Executive Director
- Ms Maggie Ma, Senior Vice President, Group Corporate Communications



# Scope of the Report

Melco was one of the first leisure and entertainment companies in Macau to disclose details of its sustainability performance, with the publication of its inaugural CSR report in 2007. Since then, we have published a total of nine reports on an annual basis. Melco's previous CSR Report covering the year 2014 was published in April 2015.

This Report covering the 2015 calendar year has been prepared in accordance with the "core" option of the internationally-recognised Global Reporting Initiative (GRI) G4 reporting guidelines, making reference to the Hong Kong Exchanges and Clearing Limited (HKEx) ESG Reporting Guide and the core subject areas of the ISO 26000 Guidance on Social Responsibility.

In the following pages, we examine the significant economic, environmental and social impacts arising from our activities at the Melco head office in Central, Hong Kong and our operations in Macau during the 2015 calendar year. This Report also takes into account feedback from our stakeholders, both external and internal, whose views on our sustainability performance and previous year's CSR report were solicited during a series of stakeholder engagement exercises. There were no significant changes in scope and aspect boundaries from the previous reporting period.

In this Report, we do not disclose economic, environmental and social performance data from Melco's associate companies (Entertainment Gaming Asia Inc., Melco Crown Entertainment) and subsidiaries (Jumbo Kingdom, MelcoLot) as these companies make use of different data collection systems. We have, however, included any sustainability initiatives, practices or measures undertaken by them if they are relevant to Melco's sustainability activities.

It should be noted that some quantitative data covering our environmental performance is from 1 June 2014 to 31 May 2015 in order to correspond with the data collected from our participation in the WWF Low Carbon Operation Programme ("LOOP").

Note: "Melco", "the Company", "we", "us" and "our" all refer to Melco International Development Limited.





## About MELCO

Founded in 1910 and listed on the Hong Kong Stock Exchange in 1927, Melco is a company with a long history and a bright future. Today, under the leadership of

Chairman and Chief Executive Officer Lawrence Ho, Melco has found new energy and direction as a dynamic company that leads the field in the leisure and entertainment sector in Asia.

Melco was a founding signatory of the Hong Kong Corporate Governance Charter launched by The Chamber of Hong Kong Listed Companies. The aim of the Charter is to strengthen and foster a corporate governance culture among listed companies in Hong Kong. Melco is also the first-ever entertainment company to receive the Hong Kong Corporate Governance Excellence Awards by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy at Hong Kong Baptist University.

In 2015, Melco received the Corporate Governance Asia Annual Recognition Award for the 10th consecutive year (since 2006) and the Icon of Corporate Governance, Best CSR and Best Corporate Communications Team in the Asian Excellence Awards from *Corporate Governance Asia* Magazine. In addition, we received the Best Corporate Governance and Best Corporate Social Responsibility award from *FinanceAsia* magazine.

Melco Crown Entertainment also won the Best Environmental Responsibility Asian Excellence Awards from *Corporate Governance Asia* magazine.

## Corporate Structure and Business Development

Based in Hong Kong, the Melco Group comprises our major associate company Melco Crown Entertainment ("MCE"; NASDAQ: MPEL); associate company Entertainment Gaming Asia Inc. ("EGT"; NASDAQ: EGT); and two subsidiaries, MelcoLot (SEHK: 8198) and Jumbo Kingdom. The Group's core business is operated through its major associate Melco Crown Entertainment, including its flagship property in Macau, City of Dreams, the newly-launched Studio City and City of Dreams Manila in the Philippines. Entertainment Gaming Asia Inc. ("EGT"), a company listed on the NASDAQ Capital Market, has an established presence in the gaming markets of Cambodia and the Philippines through its slot operations business. MelcoLot, in which the Group holds a 40.65% equity interest, is engaged in the provision of lottery-related technologies, systems and solutions. For details of our financial and economic performance, please refer to the 2015 Melco Annual Report at [www.melco-group.com](http://www.melco-group.com)





We recognise that our operations have major economic, social and environmental impacts on our stakeholders. To understand these impacts better, we commissioned Business Environment Council Limited (“BEC”), an independent charitable membership organisation in Hong Kong, to carry out a stakeholder engagement exercise during the year.

In general, feedback from stakeholders was positive with regard to Melco and our community and environmental initiatives. They also commented favourably on our 2014 CSR Report, saying it was a vast improvement over the 2013 Report.

However, many expressed concerns over economic and policy conditions in Hong Kong and Macau, tightening regulation, and slower economic growth. From internal stakeholders, i.e. our staff, we also heard their thoughts on working conditions at Melco and issues such as work-life balance and staff training and development.

The feedback we have received will guide us in how we address these and other sustainability issues raised during the stakeholder engagement process, as well as how to mitigate them through our environmental and sustainability initiatives in the future.

## IMPACTS ON OUR ORGANISATION

The business environment has been challenging in recent years. Looking ahead, some of the unfavourable factors for the gaming industry in Macau are anticipated to remain.

Another issue that was raised by stakeholders concerned tightening local government legislation on indoor air quality, such as requiring designated smoking areas in gaming areas, which may be viewed negatively by VIP patrons.

Despite these issues, stakeholders felt that Melco, through its leisure and gaming facilities, is able to offer an enjoyable tourist experience for families, especially with the launch of Studio City, our cinematically-themed integrated entertainment, retail and gaming resort in Cotai, Macau.

In addition to diversifying our operations in Macau, we have diversified into other markets, including Cambodia, Manila in the Philippines, and Vladivostok in Russia. The company has also carefully evaluated opportunities in other countries.



# IMPACTS on our STAKEHOLDERS

## Community Engagement



Overall, we were commended by stakeholders for our community service initiatives, and some staff indicated that they took pride in working for an organisation with such a strong spirit of community service.

However, stakeholders noted we might consider adding other vulnerable groups for our community initiatives, such as the elderly and ethnic minorities, and should aim to create greater social value through our CSR programmes.

In a similar vein, it was suggested that we give thought to creating targets for our community initiatives in order to gauge their effectiveness.

## Staff Engagement



The labour shortage continued to be a challenge for the industry during the year. In addition to providing a safe and healthy working environment, we have put in place programmes and policies designed to attract and retain talent. We will also look into issues raised by internal stakeholders with regard to work-life balance, working hours and the provision of other staff facilities, as well as standardising human resources policies across subsidiaries.

Among the activities offered during the year, staff outings were cited as being particularly helpful for raising morale, and we will consider adding more of these activities in future.

## Responsible Gaming



Stakeholders suggested that we continue to promote responsible gaming as recognition builds about the problem of compulsive gambling. In addition to our existing Responsible Gaming (RG) policies, stakeholders believed we could extend our efforts in this area by partnering with relevant NGOs.

## Impacts on the Environment

Stakeholders commended our efforts towards improving our environmental performance. However, they also suggested that these efforts might be further improved through the implementation of a long-term environmental strategy and group-wide sustainable procurement policy.

In particular, they felt we could be doing more to recycle the plastic bottles containing the water we provide to our patrons, as well as paper and other waste in our head office. In light of the COP 21 climate change discussions in Paris in December 2015 Melco understands that China, Macau and Hong Kong have pledged to combat global warming over the long-run. In line with these commitments we will continue to step up our use of LEDs in our signage to reduce energy consumption. Additionally, the application of solar film on the windows of our offices can help to reduce electricity consumption.

To a large extent, we have already undertaken the adoption of best industry practices in our office and business operations. These include our participation in WWF's LOOP programme and the WastewiSe Label Scheme at our corporate office, as well as the achievement of ISO 14064 Greenhouse Gas (GHG) Emissions Inventories and Verification certification and ISO 14001:2004 certification for City of Dreams in Macau. For details of Melco's environmental engagement, please refer to the page 20 of this report.





# Our CSR STRATEGY

Melco's CSR strategy is based on our vision of creating value for the communities we serve, and inspiring hope and happiness in people across the world for a better future.

Our CSR strategy has three core pillars: Youth Development, the Environment and Education.

In Youth Development, we provide programmes that help young people to become fully contributing members of society regardless of their socioeconomic background, life circumstances or personal challenges.

For the Environment, we take action to mitigate the impacts of our operations by making the most effective use of the resources we consume, reducing the waste we generate and decreasing the amount of carbon we emit.

In Education, we support the aspirations of young people to a higher education by providing scholarships, internships and other forms of assistance. We are also an industry leader in Responsible Gaming as demonstrated by our initiatives to educate staff and customers about compulsive gambling.

Furthermore, we take into account the needs of our staff by providing them with training opportunities that enable them to reach their full potential. As an equal opportunity employer, we treat all staff with the fairness, dignity and respect they deserve.

While our day-to-day purchases are mainly office related, in view of rising concerns over responsible supply chain management we are considering the development of a comprehensive, long-term Supplier Code of Conduct. This is to ensure the highest ethical standards as well as full compliance with all applicable laws and regulations. The majority of our supplies are purchased in Hong Kong.

Our CSR strategy is not static but constantly evolving in order to meet our long-term objectives and create a greater, more sustainable impact for our stakeholders, including staff, customers, suppliers and members of the community. In adjusting our CSR strategy, we also make reference every year to the results of our stakeholder engagement exercise and measure progress against our objectives.

In 2015, we achieved our 2014 CSR goals in respect of Youth Development, The Environment, Education, Corporate Governance and Stakeholder & Staff Engagement.





# STAKEHOLDER Engagement

We undertake an annual stakeholder engagement exercise in order to understand and respond to the views of our stakeholders so that our CSR programmes are aligned with the issues they have identified as being of material interest.

For this year's CSR report, we once again commissioned BEC to conduct a stakeholder exercise comprising focus groups with external and internal stakeholders. Feedback was also obtained through a phone interview and an online survey of Melco's head office staff in Hong Kong. Stakeholders were selected based on their relevance to and understanding of our business and sustainable performance.

We then compared the feedback we received against the sustainability practices of our industry peers in Macau.

## Online Survey

An online survey of targeted staff was conducted at Melco's Head Office, MelcoLot, Entertainment Gaming Asia Inc. and Jumbo Kingdom.



### External and Internal Focus Groups

#### QC/Environmental Management

- EGT Quality Control/ Environment Management
- Sino Estate Management
- Intertek Testing Services

#### NGOs

- Sunshine Lutheran Centre (Counselling and Treatment Centre for Problem and Pathological Gamblers)
- HKPHAB
- ORBIS Hong Kong
- Green Council
- WWF – Hong Kong

#### Service Provider

- Strategic Public Relations Group (Phone interview)

#### Employees

- Melco - Legal
- Melco - HR
- EGT - HR
- Jumbo Kingdom - Marketing
- Melcolot - Finance
- Melco Volunteers

#### Senior Management

- Chairman & CEO, Mr Lawrence Ho
- CSR Committee Members (Feedback collected from regular CSR Committee meetings)



# MATERIALITY Analysis

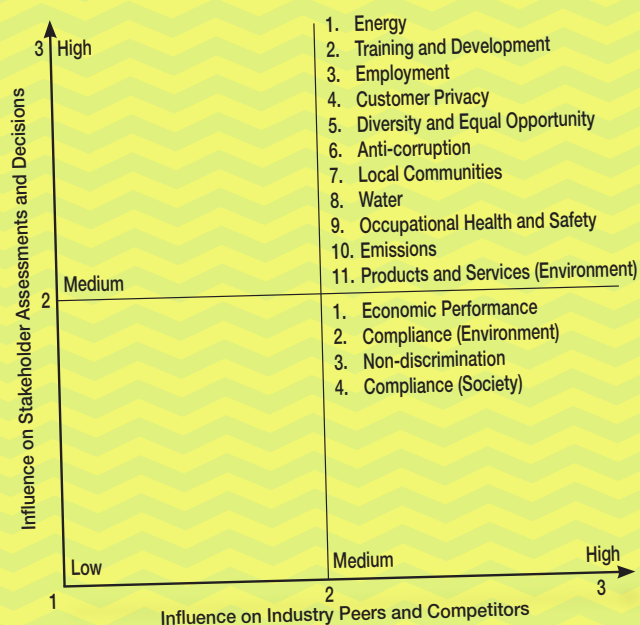
We carry out a materiality analysis in order to identify the topics that are most relevant to our economic, environmental and social impacts or those that influence the decisions of our stakeholders. This is especially important for an organisation such as Melco, given the size and scope of our operations.

To determine which issues were most important in this year's report, we examined the CSR issues most often covered by our industry peers and compared these with the feedback we received from our stakeholder engagement exercise.

For this report we identified 11 highly material aspects, which are shown on the matrix in the order of their importance. As advised by BEC, we also included 4 materiality aspects of medium importance considered material in the previous year's report: 1. Economic Performance, 2. Compliance (Environment), 3. Non-discrimination and 4. Compliance (Society).

The assessment results from our industry peers are shown on the horizontal axis of the Materiality Index, while those from the stakeholder engagement exercise and online survey are shown on the vertical axis. Topics considered to be of greatest importance to stakeholders are shown in the top-right hand quadrant of the graph shown here.

For more details on the impact of material issues, please refer to the table on p.38.





# SOCIAL Responsibility

We believe that every child should have the same opportunities in life and, in 2015, Melco continued to engage in a wide range of activities that benefited the community, particularly in the area of Youth Development.

181,576, a drop of 71.1% from the year before. This decline occurred as the result of the conclusion of our long-term project with Orbis in Linyi, Shandong to establish a paediatric eye care network. It is now operating on its own following the initial support received from Melco. Despite the decreased number of beneficiaries, Melco has extended the scope of this programme by partnering with more NGOs and supporting more projects to create social value in the community.

In the pages immediately following, we present some of the highlights of our key CSR programmes as well as a full summary of our external and internal CSR initiatives on pages 34 to 35.

No. of children, youth, the physically challenged and families benefitting from our programmes

**181,576**



No. of NGOs Partnered

**22**

No. of Projects / Events Supported

**30**







Youth Development continued to take priority during the year. In 2015, we organised or sponsored programmes that helped children to learn more about themselves and the environment as well as to cope with difficulties they may be facing in their lives. We offer these programmes as part of our commitment so that children of all backgrounds can develop into mature adults and fully contributing members of society.



## Hospital Play Program by Playright Children's Play Association

Our ongoing Playright Hospital Play Program helps children deal with the stress and anxiety of a stay in hospital, primarily through therapeutic play services that help young patients and their families.

During the year, we helped a total of 2,587 beneficiaries through the provision of orientation play packages in preparation for MRIs and medical treatments; playful environment activities such as birthday parties and outings; and activities for the parents of young patients and hospital volunteers.

The Melco volunteer team also supported a children's outing with Playright's specialists at Ma Wan Park Noah's Ark on 10 January, and Project Sunshine's Play Day for 10 mentally and physically challenged children of Caritas Medical Centre.

Playright Children's Play Association website:  
[www.playright.org.hk](http://www.playright.org.hk)

"I appreciated the MRI Play Intervention that helped my daughter become psychologically prepared so that she did not feel nervous and could understand the procedures of an MRI."

*The parent of a teenage patient undergoing rehabilitation*

"It was my first time to have a birthday party in my life. I was very happy and enjoyed the time very much. My birthday wish came true (a chocolate cake). I also found that playing group games was much more fun than playing the games on my phone."

*A teenage patient undergoing rehabilitation*





## Establish a Paediatric Eye Care Network in Linyi, Shangdong

by Orbis Hong Kong

For the past four years, we have been supporting the Paediatric Eye Care project in Linyi, Shandong province, operated by Orbis Hong Kong.

Dedicated to fighting global blindness, Orbis organised training for medical staff and rural health workers during the year, provided eye care treatments and spectacles for children, and held professional conferences and a media campaign for blindness prevention.

This programme is now operating on a self-sustaining basis, in line with our objective of having programmes such as this operating on their own.

Melco will continue its support of Orbis in Mainland China with a new paediatric eye care project in Linyi and Jinan starting in July 2016.

Orbis website: [www.orbis.org](http://www.orbis.org)



## The Joyful Rhythm Music Therapy Project and Impacting Life of our Youth-enrichment Vocational Programme by SARDA

In 2015, Melco supported the work of the Society for the Aid and Rehabilitation of Drug Abusers (SARDA), an organisation that provides a residential living environment for drug-addicted youth, as well as training and opportunities to reintegrate these young people into society.

Two programmes were sponsored during the year: the Joyful Rhythm Music Therapy Project for Handling Emotions of Rehabilitating Young Drug Abusers at Au Tau Youth Centre and Sister Aquinas Memorial Women's Treatment Centre and Impacting Life of our Youth-enrichment Vocational Programme for the Youth at Au Tau Youth Centre.

A total of 431 trainees benefited from these programmes, including 12 trainees who attained recognised certificates/diplomas in coffee making during the year and have now embarked on a career in this field.

SARDA website: [www.sarda.org.hk](http://www.sarda.org.hk)





# Me to We: Project on Enhancing Resilience of Youth

by Hong Kong PHAB

The concept behind PHAB (Physically Handicapped and Able-Bodied) was introduced in Hong Kong in 1972 to promote social integration of people with and without disabilities.

For this year's Me to We: Project on Enhancing Resilience of Youth, Melco helped to support this organisation in its mission of unleashing the potential of young trainees and empowering them with self-confidence through a series of training and community services. As a result of this programmes, several youth with learning disabilities were able to learn about life planning — an opportunity not available anywhere else in Hong Kong.

Funding from Melco for Hong Kong PHAB in 2015 benefited a total of 11,167 youths.

Hong Kong PHAB website: [www.hkphab.org.hk](http://www.hkphab.org.hk)

"I found the DJ workshop was the most unforgettable experience in the programme. It was very inspiring and I had so much to learn from others' life stories."

*Michael, graduate of the programme*

"By attending different programme activities like bakery classes, hiking and volunteer services, I have enriched my life experience."

*Katherin, graduate of the programme*



## Daddy Daughter Ball 2015

by The Child Development Centre

Melco once again sponsored the Child Development Centre's annual Daddy Daughter Ball on 6 June 2015. With the support of over 460 dads and daughters, over HK\$1.8 million was raised from the Ball to help children with special educational needs.

Since the new home of the Child Development Centre in Wanchai came into service, we have served 277 students and their families.

The Child Development Centre website: [www.cdchk.org](http://www.cdchk.org)





## Christmas Celebration with the Elderly by Operation Santa Claus

Melco once again donated to the Operation Santa Claus (OSC) annual charity campaign, organised together with South China Morning Post and Radio Television Hong Kong (RTHK). Funding for OSC goes towards projects for children and youth, the elderly, people with medical, physical and mental disabilities, the environment and social enterprises.

As a major donor of the programme, Melco supported the International Church of the Foursquare Gospel – Hong Kong District, including a Christmas party organised by our volunteer team at Jumbo Kingdom for the elderly, who would otherwise not have had the opportunity to visit this landmark attraction.

Operation Santa Claus website: [osc.scmp.com](http://osc.scmp.com)



"We had a wonderful time with the seniors. We enjoyed the interaction we had and hoped that we brightened their day."

*Diana Tai, Melco volunteer*



"Thank you for bringing us a wonderful festive celebration and delicious signature dim sum dishes in the city!"

*Participant in the Christmas party for the elderly*

## Caring for our Kids 2 Rebuilding Child-parent Relationships for Families with Gambling Problems and Prevention Project by Hong Kong Social Service, LC-HKS, Sunshine Lutheran Centre

Through the Hong Kong Lutheran Centre, we support projects that help families with gambling problems. In 2015, we contributed to the extension of the Caring for our Kids programme, which provides child-centred counselling, parent-child activities and an educational campaign in partnership with schools to educate the next generation on the prevention of gambling problems. This programme is the only one of its kind currently available in Hong Kong.

The Caring for our Kids 2 programme benefited a total of 68 parents and children in 2015 and has been extended into 2016.

Hong Kong Social Service website: [www.hklss.hk](http://www.hklss.hk)





# EDUCATION

We are committed to the idea that each child should be given every opportunity to reach his or her full potential in life. In order to provide young people with this opportunity, we have made education one of our core charity pillars. The assistance we offer comes in the form of scholarships, grants and youth enrichment programmes.

## Lawrence Ho Scholarship Fund

Established in 2009, The Lawrence Ho Scholarship Fund provides scholarships and work placements, internships and travel bursaries, student prizes and course development and research funding for students from mainland China, Macau and Hong Kong studying overseas.

"Words cannot entirely express how thankful I am for receiving the Lawrence Ho scholarship. It has not only enabled me to fulfil my lifelong dream of studying overseas, but also given me an internship to work at MCE, as well as an opportunity to become a part of the HR team of the Hong Kong Corporate Office after the internship. I will do my best and work hard to honour the generous contribution of Mr Ho. His generosity truly makes a difference."

*Rachel Wu, MCE HR department, scholarship recipient 2013-2014,  
internship from November 2014 – March 2015 and March 2015 – June 2015*



## Education Grant Programme for Children from Huangnan Children's Home by Christian Action

Christian Action, a non-profit organisation in Hong Kong, supports disadvantaged, marginalised, displaced or abandoned children by providing them with opportunities to gain an education for a better future.

During the year, Melco provided support to an education grant programme for orphans from Huangnan Children's Home (HUNCH) in Qinghai province, including grants for tertiary education.

For the 2015-16 school year, 122 education grants were given out, of which 34 were tertiary education grants and 24 high school education grants for the students from Huangnan Children's Home.

Christian Action website: [www.christian-action.org.hk](http://www.christian-action.org.hk)

"I feel very fortunate that I did not need to give up pursuing tertiary studies because of my financial problems. Besides obtaining basic professional knowledge and skills from my courses, campus life has played a big role in developing my interpersonal skills and strengthening my ability to face challenges."

*Sangjie, Year 1 student in Automobile Repair and Maintenance Skills at Tianjin Transportation Vocational College*

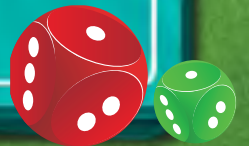
"I am very grateful to Melco Group for supporting my expensive tertiary tuition fees and living allowances. I am now able to focus entirely on my studies and complete my courses. I want to contribute to the community in the future."

*Pengmao, Year 1 student in Tibetan Language Course at Qinghai Nationalities University*



# RESPONSIBLE Gaming

Under the leadership of Chairman and CEO Lawrence Ho, Melco Crown Entertainment (MCE) has played a pioneering role in bringing the concept of Responsible Gaming (RG) to the fore in Macau.



Internally, we train new employees in Responsible Gaming during their orientation and provide refresher training for all staff biannually and our RG Ambassadors once a year. We have also produced a video promoting Responsible Gaming, which is aired on MCE's internal TV channel, MCE TV, and the employee intranet. What's more, we supported Responsible Gaming Awareness Week organised by the Government of Macau.

To reinforce and promote Responsible Gaming among our staff, MCE launched a company-wide online quiz and set up game booths in our Heart of House employee facilities to increase their knowledge of Responsible Gaming. A total of 9,600 Melco Crown Entertainment employees participated in the quiz.

For our external stakeholders, we displayed posters and brochures on Responsible Gaming in all of our properties and provided support to customers who have gambling problems. MCE also supports the Self-Exclusion and Third-party Exclusion Applications initiative launched by Macau's Gaming Inspection and Coordination Bureau (DICJ). On our City of Dreams' website, we include links and contact details for free counselling services.

"I first encountered Responsible Gaming on my first day of work here, and full training in Responsible Gaming was part of the orientation. Later, I gained more knowledge through watching the Company's internal TV channel during my meal breaks or my wait for the staff shuttle and, at times, through various responsible gaming activities held in the company."

Chao Lai Wa,  
dealer at City of Dreams and champion of the online quiz





# ENVIRONMENTAL Responsibility

As a significant consumer of natural resources, we are committed to mitigating the impacts of our operations on the environment. Accordingly, we closely monitor our use of resources and the carbon we emit, while taking steps to minimise or recycle the waste we generate. We also look for innovative ways to make better use of the electricity we consume by installing more energy-efficient substitutes such as LED lighting, wherever feasible.

## Carbon Reduction Charter

Melco is a signatory to the Carbon Reduction Charter and a Green Partner of the Environmental Protection Department's Carbon Audit•Green Partner campaign. We are also a signatory member of the Copenhagen Communiqué.

## At the Corporate Office:

### WWF – Low-carbon Office Operation Programme (LOOP)

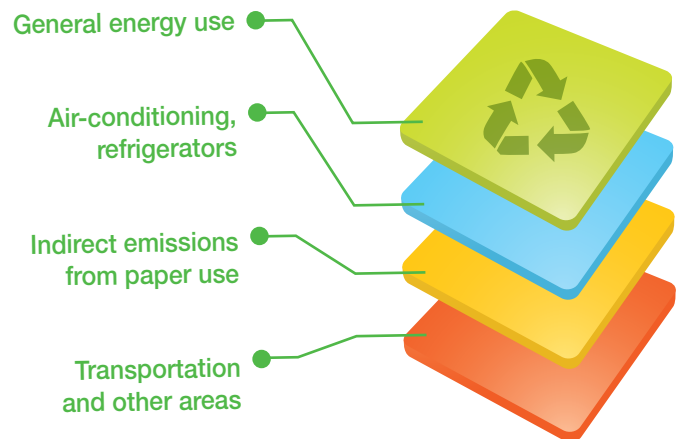


We have been participating in WWF's Low-carbon Office Operation Programme ("LOOP") at our head office in Hong Kong every year since 2010 in order to reduce our carbon footprint.

For 2015, we collected data on our greenhouse gas emissions using a calculation tool provided by WWF on its website (<https://loop.wwf.org.hk/>) and interviewed our staff on low carbon practices. We assessed our carbon emissions in the areas indicated on the right.

Although there was a slight increase in total carbon emissions (1.16%), total carbon emissions per staff improved (-7.56%). Our overall score was 80%, higher than 84.1% of participating companies, which put us in the Gold Label category. The rating was based on data collected using the LOOP methodology for a minimum of nine months. A third-party verifier made on-site visits and validated the data on 19 August 2015.

We also continued to encourage recycling at our head office by providing collection facilities for paper, mooncake containers, Chinese red packets, plastic bottles, ink cartridges and IT equipment. Paper and other stationery items in selected office areas were sent to qualified recycling services.





## Result of the LOOP Labelling Assessment CO2 Emission Summary (tonnes)

	2014*	2015#
Total CO2 emissions	423.26	428.17
Average CO2 emissions per staff	7.99	7.38
Total CO2 emissions from electricity consumption	304.83	314.02
Total CO2 emissions from electricity consumption per staff member	5.75	5.9
Fresh water & sewage	0.32	0.28
Total printing paper consumption	1.869	2.0828
Energy consumption in KWh	410831	423201

Note: As the data collected did not include the correction factor, this data does not reflect the actual increase in carbon emissions by staff commuting. Melco does not own a corporate fleet nor does it consume any Towngas. As a result there are no emissions from these sources

\*01/06/2013 – 31/05/2014 #01/06/2014 – 31/05/2015

## Office Waste Reduction and Recycling Summary\*



✓  
Total plastic bottles recycled

**6.75kg**



✓  
Total printing paper recycled

**1,739.8kg**



✓  
Total toner and ink cartridges recycled

**43**

\*01/01/2015 - 31/12/2015





## Energy-saving Charter

In support of the Government's Energy-saving Charter on Indoor Temperatures, Melco pledged to maintain an average indoor temperature of between 24°C and 26°C from June to September 2015 at the corporate office.

## The Hong Kong Awards for Environmental Excellence (HKAEE) – Wastewi\$e Label



For the eighth consecutive year, we achieved the Class of Excellence in the Wastewi\$e Label Scheme for our Corporate Office by reducing the amount of waste we generate and making greater use of recycled content.

We achieved our recycling goal of increasing our collection of exhausted toner and ink cartridges and outdated IT equipment accessories but did not meet our goals for collecting waste paper and plastic containers for recycling.

During the year, we printed 1,200 copies of corporate newsletters using FSC paper with 60% recycled content, falling short of our goal of 70% recycled content. For our annual report, however, we met our target with 1,700 copies printed using 100% recycled cocoon offset paper.

For 2016, we will continue to encourage recycling of these materials in order to meet our objectives in all categories.



## In our Operations:

### Energy Efficient Systems

Operating resort hotels such as ours requires a substantial investment in energy every year. To manage our costs and minimise the carbon we emit, we have undertaken a number of measures to make more efficient use of the energy we consume.

At City of Dreams and our new Studio City property, we have one of the largest centralised cooling systems in the South China hospitality industry, giving us energy savings of around 20% to 35% over traditional air-conditioning systems. Further energy savings of more than 20% have also been made possible at Studio City with the installation of a chilled ceiling air-conditioning system and a DC motor FCU that helps to reduce carbon emissions.

The advanced indoor air purification system we have installed at City of Dreams and Studio City conserves energy by reducing the need for fresh air from outside. This, along with our highly advanced Building Management System, has enabled us to convert heat generated from the air-conditioning system to heat the water used for taps and showers.

As LED lights offer significant energy savings, we have installed LED lamps at City of Dreams, both on the façade and for interior illumination. Specifically, we have selected T5 tubes, the most energy efficient option in the market, for the Heart of the House, which can control the outdoor light fixtures through the use of photo sensors.

Extensive use of LED lighting has also been made at our other properties for the façade and interior areas as it is much more energy-efficient than conventional halogen lamps.



#### Energy savings of LEDs vs halogen lamps

##### Façade

Halogen Bulb  
10W



LED  
1.5W

Savings  
**85%**



##### Interior

Conventional Lighting  
30W



LED  
6.5W

Savings  
**78%**



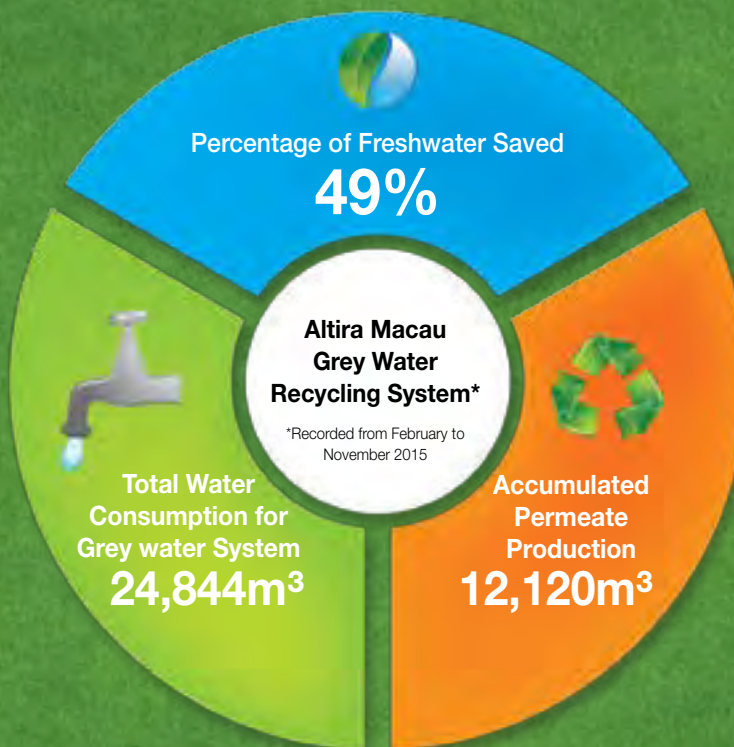


## Conserving Water

We have taken a number of measures to conserve water at our properties in Macau. These include an advanced filtration system for our popular attraction, The House of Dancing Water, which enables indefinite reuse of water in the pool.

We also make use of automatic sensors in faucets and a rainwater recovery system to store rainwater for irrigation. At Altira Macau, we have a grey water system for recycling treated guestroom sink, shower and bath water as flush water — a saving of more than half of the freshwater normally consumed for flushing.

For guestrooms and public areas, we ask our cleaning staff to reduce the amount of water they use and to consider alternative cleaning methods.



## Energy Efficiency

- One of the largest centralised cooling systems in the South China hospitality industry, at least 20 to 35% more energy-efficient than traditional air-conditioning
- State-of-the-art indoor air purification system conserves energy by reducing the need for outdoor fresh air
- Building Management System monitors air-con temperature 24/7
- Heat converted from air-conditioning to heat tap and shower water
- LED lights for the façade are at least 80% more energy-efficient compared to traditional halogen lamps
- LED lights for interiors are at least 70% more energy-efficient compared to conventional lighting
- T5 tubes, the most energy efficient option in the market, in the Heart of the House
- Outdoor light fixtures controlled by outdoor photo sensors and time schedule
- Motion sensors turn off lights at the Heart of the House when an area is not occupied
- Air Handling Units equipped with Enthalpy Wheel for energy exchange between exhaust air and intake air
- CO & CO<sub>2</sub>-controlled ventilation in car parks
- Motion-activated escalator operations
- Water-cooled high-efficiency kitchen freezer reduces energy consumption
- Automatic sensors in all faucets within the properties
- Water feature used as water reserve for fire-fighting
- Rainwater Recovery System stores rainwater for irrigation
- Employee education to reduce water use when cleaning guestrooms and public areas

## Reognitions And Achievements

- Melco Crown Entertainment was accredited with ISO 14001:2004 Certification by SGS Hong Kong
- City of Dreams earned an Indoor Environmental Quality Certificate as accredited by SGS Hong Kong
- The MCE exhibition booth won a Green Booth Award in the 2015 Macao International Environmental Co-operation Forum and Exhibition (MIECF)
- City of Dreams, the first integrated resort in Macau, received ISO 14064 Greenhouse Gas (GHG) Emissions Inventories and Verification accreditation from SGS Hong Kong Limited

## Other Conservation Measures

- The Property Services Department and Housekeeping Department use a paperless work order system to reduce paper consumption
- We encourage colleagues to use staircases instead of elevators
- We compress all carton boxes collected for recycling
- Since 2013, two biodegradable food waste decomposers have been installed in City of Dreams to reduce food waste via the use of microorganisms. The food decomposers handle 200kg of food waste daily, which is equivalent to 73 tons a year, to achieve a 96% reduction of CO<sub>2</sub> emissions per 10 tons of food waste. Residuals can be recycled into useful organic fertiliser after six months



## In the Community:

### Hong Kong Green Day: Green School Program by Green Council

For the 2014/15 school year, Melco sponsored the Green Council's Hong Kong Green Day - Captain Green Program, which encourages primary and secondary school students to make sustainable use of resources in daily life. Activities included environmental exhibitions, uniform recycling, green talks and video production competitions. The highlight of the year's programme was a graduation ceremony for 400 Captain Green graduates on 2 May 2015 at the Zero Carbon Building in Kowloon Bay.

Green Council website: [www.greencouncil.org](http://www.greencouncil.org)



"Thanks to the Captain Green Project, I know how serious the environmental problems are in our city."

*Lau, a student at St. John The Baptist Catholic Primary School*

"Not only did I learn how to recognise waste recycling bins but also gained a better understanding of Hong Kong's environment after participating in the environmental garden activity."

*Cheung, a student at Sau Mau Ping Catholic Primary School*

### Environmental Play Project and Forest School by Playright

In 2015, we kicked off a two-year programme — Hong Kong Forest Kindergarten — designed to encourage spontaneity and independence. Based on the "Playwork" concept that originated in the UK, children are brought out into nature to explore and learn about the environment.

During the year, this Melco-sponsored programme organised 4 family trips for 185 parents and children to outdoor destinations in Clear Water Bay Country Park and 59 Forest School sessions in Yuen Long Park and Jordan Valley Park near Kowloon Bay for 1,742 kindergarten-aged children.



Playright website: [www.playright.org.hk](http://www.playright.org.hk)

School teachers and parents who participated in the programme made the following comments:

"The innovative free play allowed children to make use of different natural resources in the outdoors."

"The programme broadened our horizons as the forest school concept and the learning process through child-led play are different experiences from the school curriculum."



## Earth Hour 2015 by WWF

At 8:30pm on 28 March 2015, Melco switched off the lights at several of our buildings in a show of support for WWF Earth hour together with 3,900 other companies across Hong Kong. This was the seventh consecutive year that Melco provided support for this global environmental event — the biggest in the world — that reminds people how small changes can create a big impact.

As an associate sponsor of Earth Hour, we turned off our lights at the corporate head office in Central, our EGT offices in Shatin and the decorative lighting on the façades of Jumbo Kingdom in Hong Kong as well as City of Dreams and Altira in Macau.

Earth Hour website: [earthhour.wwf.org.hk](http://earthhour.wwf.org.hk)



## Run for Change by WWF

In addition to Earth Hour, on the same day Melco also sent a corporate team to participate in a 6km race, Run for Change, and raise funds in support of WWF's conservation efforts. The event kicked off at the Hong Kong Cultural Centre in Tsim Sha Tsui, where more than 2,600 participants gathered to show their support of this organisation's work.

Run for Change website:

[www.wwf.org.hk/en/getinvolved/runforchange](http://www.wwf.org.hk/en/getinvolved/runforchange)





## International Coastal Cleanup

by Green Council

On 10 October, a group of 26 Melco staff, friends and family took part in the International Coastal Cleanup (ICC) organised by Ocean Conservancy. The volunteer team gathered at Starfish Bay, Ma On Shan, to collect 53.3kg of trash and identify their sources. The annual event is promoted by the Green Council with funding contributions by Melco.

According to the data collected, plastic bags and food wrappers were the most common types of marine debris found along the waterfront.

Green Council website: [www.greencouncil.org/eng/community/icc.asp](http://www.greencouncil.org/eng/community/icc.asp)



*"The event was very meaningful to me. I was very surprised how the beach was fully occupied by a variety of rubbish. We tried to collect as much as possible."*

*Amy Wee, Melco volunteer*

*"We could never imagine how much rubbish is piled up on the beach until we came close to the coastline. Our acts show an example to my child that there is so much we can do to tackle marine pollution and protect our environment."*

*Rachel Wong, Melco volunteer*

## Green Monday

Studies have shown that substituting meat and seafood with a green alternative can have a significant impact on carbon reduction. In collaboration with Green Monday, a social enterprise group that promotes vegetarianism and food rescue, we encouraged our staff to kick off their week with a green luncheon on 9 February. A highlight of the event was a talk by a nutritionist from Green Monday, who shared tips on how to enjoy a more sustainable diet.

Green Monday website: [greenmonday.org](http://greenmonday.org)



## Marine Conservation Talk and Green Lunch

On 18 June, staff attended a green talk organised by WWF on the importance of marine conservation. The representative of WWF gave an interesting presentation for this very popular event, covering topics such as local marine biodiversity, the ban on trawling, conservation of the Chinese white dolphin and the location of Hong Kong's marine parks. As part of the sustainability theme of this event, a green lunch was served.

WWF website: [www.wwf.org.hk/en/whatwedo/conservation/marine](http://www.wwf.org.hk/en/whatwedo/conservation/marine)



## Eco Tour of Mai Po Nature Reserve by WWF



On 22 August, 21 staff from Melco, their families and friends went on an eco-tour of the Mai Po Nature Reserve, visited the education centre and enjoyed fun activities such as a DIY plant souvenir workshop. All proceeds from the day went to WWF for environmental conservation and education works.

Mai Po Nature Reserve website:  
[www.wwf.org.hk/en/getinvolved/gomaipo](http://www.wwf.org.hk/en/getinvolved/gomaipo)

"I have visited Mai Po three times through the Company's CSR events in three different seasons with different activities, and I learned new things every time."

*Mr Yung, Jumbo Kingdom*

## Chinese Red Packets and Mooncake Box Recycling Campaign



One of the most popular activities of the Chinese New year is the giving of lai see packets filled with money to wish family, friends and colleagues good luck in the year ahead. But this practice can be wasteful — in 2013, more than 320 million of these distinctive red packets (equivalent to 16,300 trees) were distributed and discarded in Hong Kong.

In an effort to reduce the impact on Hong Kong's rapidly diminishing landfill sites and encourage recycling, Melco took part in the first Red Packets Recycling Campaign for the Year of the Goat, organised by Greeners Action. More than 1,000 packets were collected from Melco staff for recycling or reuse next year.

For the Mid-Autumn Festival, Melco also encouraged the recycling of mooncake boxes, of which more than one million were thrown away in 2014.

\*Source from Greeners Action's research - [www.greenpower.org.hk/cuw/waste\\_p1.html](http://www.greenpower.org.hk/cuw/waste_p1.html)

## Computer Recycling Programme by Caritas Computer Workshop

When computer technology advances to the next stage, many of us simply discard our old computers and replace them with the latest models. Yet these computers often have years of serviceable life left and could greatly benefit less privileged people in society as well as NGOs with limited budgets.

During the year, we again joined Caritas to recycle older computer equipment, which not only benefits this organisation's clients but also reduces our carbon footprint and minimises e-waste. As part of this programme, we donated a total of 9 desktops, 1 notebook, 2 printers, 15 hard drives, 4 servers, 2 LCD monitors, 5 keyboards and 2 routers.

Caritas Computer Workshop website: [www.ccw.org.hk/eng/crs-01.html](http://www.ccw.org.hk/eng/crs-01.html)





## Company Code

In 2005, the Group adopted its Code on Corporate Governance (“Company Code”). The Code not only formalises the Group’s existing corporate governance principles and practices, but also serves to assimilate practices with benchmarks prescribed by the Hong Kong Stock Exchange, ultimately ensuring that the Group runs a highly transparent operation and is accountable to its shareholders.

Melco was a founding signatory of the Hong Kong Corporate Governance Charter launched by The Chamber of Hong Kong Listed Companies. By adopting the Charter, we are widely acknowledged for following a high standard of corporate governance in line with international best practices.

## Governance and Organisation

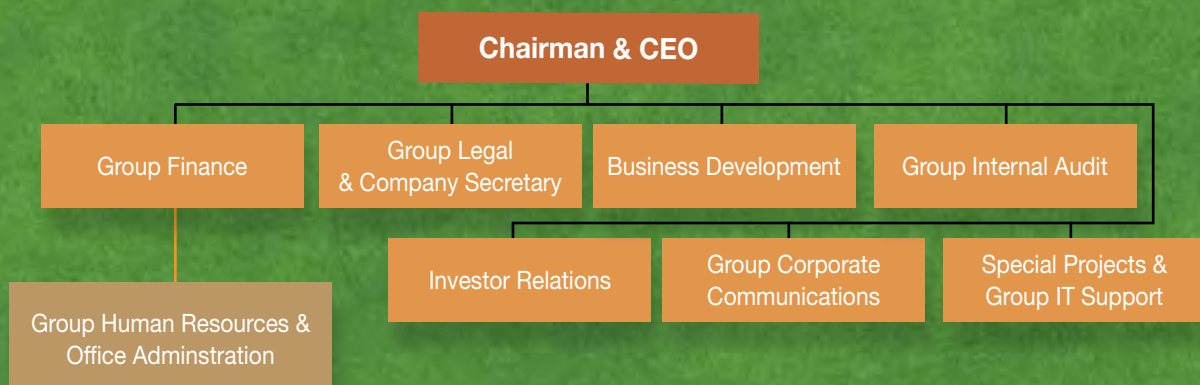
Today, under the leadership of Chairman and CEO Mr Lawrence Ho, Melco has found new energy and direction as a leading company in Asia’s leisure and entertainment sector and regards CSR as a core value of the Group. He is supported by six directors on the Board. A detailed Corporate Governance Report can be found in our 2015 Annual Report available on our corporate website.

Melco is supervised by eight board committees, namely, the Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, Finance Committee, Regulatory Compliance Committee and Corporate Social Responsibility Committee. The number of committees on our board is five more than that required and recommended by the Code of Corporate Governance Practices issued by the Hong Kong Stock Exchange.

The Nomination Committee regularly reviews the structure, size and composition (including the skills, knowledge and experience) of the Board to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship.

To avoid conflicts of interest, company policy and procedures are in place according to the Code of Corporate Governance. The company’s Code of Business Conduct & Ethics handbook, which covers the aspects of anti-corruption, discrimination, conflicts of interest, whistle-blowing, and compliance with laws and regulations, is distributed to all new staff members when they join the company. The precautionary approach has been adopted, which authorises our Audit Committee to investigate any activities within its terms of reference.

## Organisational Structure of Melco International Development





## INVESTOR Relations

Melco values the relationships we have with our investors, whose support we seek for the Group's long-term stable development. Correspondingly, the Group proactively and regularly reaches out to its investors, updating them on Melco's latest business developments and plans, as well as the overall outlook for the gaming industry in Macau and overseas, through investor conferences and public announcements.

## STAFF Training & Development

Melco is an equal opportunity employer, committed to diversity in the workplace and in our hiring practices.

All employees are given equal opportunities for advancement and personal growth, as well as the skills required to help them perform effectively, deliver value and contribute to our growth.

We have also adopted a systematic approach in the design of our training programmes with a special focus on individual and corporate needs. Training objectives and the desired outcomes are first established, and the subsequent results from any training are continually reviewed.

Our training programmes cover a broad range of subjects, including management and technical skills. Opportunities to pursue further education are also available, such as sponsorships for attaining degrees at educational institutions or specific training and development courses by external training companies.

Compensation packages are based on job responsibilities, performance and contributions by staff to business results as well as their professional and managerial competencies. Staff undergo annual appraisals and are rewarded appropriately according to their performance and contributions to the Group's development, as outlined in our remuneration policy.

In all of our workplaces, we have taken steps to ensure the physical well-being of our staff and provide regular training in occupational health and safety.





# EQUAL Opportunity Employer

Melco is an equal opportunity employer and believes in fair treatment of all staff. Our recruitment and employment practices comply with local government legislation and regulations wherever we do business, including all relevant human rights related legislation and regulations.

All applications for employment with Melco are considered based on applicants' qualifications, work experience and education, as well as special professional knowledge and abilities, regardless of their race, colour, religion, sex, marital status, age, national origin, and any other considerations deemed inappropriate by local labour laws.

Available positions within the company will be filled, whenever possible, with qualified internal candidates prior to recruiting from external sources.

## Staff age and gender distribution

	Total No.	By Gender		By Age	
		Male	Female	Below 40	Over 40
Managerial (e.g. CEO, Directors, Manager)	16	11	5	4	12
Officer Level (i.e., non-managerial staff members work at office base, e.g. Secretary, HR Officer, Designer, Admin, Coordinator, etc.)	21	2	19	15	6
Frontline Operations (e.g. F&B waitress, courier persons, cleaners/housekeepers, drivers, etc.)	6	5	1	2	4
Total: 43					

Note: All are full-time and permanent staff of Melco Corporate Office in Hong Kong.





## Our CSR Journey Continues

In 2015, we achieved many of the CSR objectives we set out in our 2014 CSR report. However, we are constantly seeking to better our CSR performance and understand that there is always room for improvement.

In 2015, we took the first steps to improve our CSR performance and reporting by broadening our stakeholder engagement exercise, and we are now acting on the recommendations gained from the feedback we received.

Based on this feedback, we will investigate the feasibility of extending our CSR initiatives and programmes in the following areas:

### Economic



- Continuing the expansion and diversification of our leisure and tourism offerings for visitors to Macau and evaluating other opportunities throughout Asia

### Environmental



- Developing a long-term environmental policy
- Building a greener workplace and business operation by monitoring carbon emissions

### Social



- Extending our engagement with strategic NGO partners to address community needs and achieve sustainable impacts
- Continuing the implementation of a comprehensive Responsible Gaming strategy and providing additional support to those with gambling addictions

### Staff engagement



- Continuing staff training and promoting of occupational safety and health and employee diversity
- Offering more opportunities to build staff morale such as through more group charities and shared activities
- Listening to our staff through the online survey in order to solicit their feedback on our CSR activities

We also intend to continue implementing the following activities in order to improve our CSR performance further:

- Continuing stakeholder engagement exercises to formulate long-term CSR strategies relevant to our business
- Engaging external and internal stakeholders to identify further energy reduction opportunities
- Creating synergies among our business units in order to improve our CSR performance



# Report Verification

## Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Melco International Development Limited ("Melco") to conduct an independent verification of its Corporate Social Responsibility ("CSR") Report 2015 ("the Report"). The Report states Melco's performance and efforts towards sustainable development for the period from 1st January 2015 to 31st December 2015. Since Melco participated in the Low Carbon Operation Programme ("LOOP") organized by WWF, the environmental performance data is reported from 1st June 2014 to 31st May 2015 which is in line with the timeframe of LOOP.

The aim of this verification was to provide a reasonable assurance on the completeness and accuracy of the information stated in the Report. The Report is prepared 'in accordance' with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines - Core Option and the Key Performance Indicators that defined in the Environmental, Social and Governance (ESG) Reporting Guide of the Stock Exchange of Hong Kong Limited ("SEHK").

## Methodology

The process used in this verification was based on current best practices such as:

- International Standard on Assurance Engagement 3000 (ISAE 3000) – "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board;
- The Global Reporting Initiative (GRI) G4 Guidelines; and
- ESG Reporting Guide of SEHK

The verification process included reviewing of relevant documentation, interviewing responsible personnel and verifying the supporting evidence of the selected samples of data and information presented in the Report. Other references such as Annual Report and publications from external sources were cross examined.

## Independence

HKQAA was not involved in collecting and calculating data, or in the development of the Report. HKQAA's activities are independent from Melco. There is no relationship between Melco and HKQAA beyond the agreement for providing the verification service.

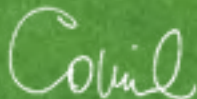
## Conclusion

Based on the results of the verification process, it is confirmed that the Report has been prepared 'in accordance' with the GRI G4 Sustainability Reporting Guidelines - Core Option and covers the Key Performance Indicators of the ESG Reporting Guide.

The Report content was determined through a structured and systematic materiality assessment process in which various stakeholder groups were directly engaged. Feedbacks were collected for the development of this report in which material issues are addressed transparently. The most material issues are consolidated and presented in the Report. The report articulates Melco's accountability and commitments towards integrating CSR in its operations based on its guiding CSR core pillars. The contents of the Report reflect the accomplishment of the internal and external CSR initiatives which brings along great contribution to a sustainable society.

As a result of the verification process, the verification team is appreciated to confirm that the information contained in the Report is accurate and reliable. It is a fair and honest disclosure in all material aspects of Melco's CSR initiatives, targets, progress and performance.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham  
Head of Audit  
February 2016





## 2015 Group Awards & Accolades

Awarded to	Award Name	Organiser / Judge Panel
Melco International Development	Constituent member of Hang Seng Corporate Sustainability Benchmark Index Series (since 2013)	Hang Seng Indexes Company Limited
Melco International Development	Gold Label, Low-carbon Office Operation Programme	WWF Hong Kong
Melco International Development	Logo Award, 6 <sup>th</sup> Hong Kong Corporate Citizenship Awards (since 2012)	Hong Kong Productivity Council
Melco International Development	Certificate of Excellence, Wastewi\$e Label Scheme (since 2009)	Hong Kong Awards for Environmental Excellence
Melco International Development	President Award (since 2006)	The Community Chest of Hong Kong
Melco International Development	10 Years Plus Caring Company	Hong Kong Council of Social Service
Melco International Development	10th Consecutive Year of Corporate Governance Asia Annual Recognition Award (since 2006): Icon of Corporate Governance Best CSR Best Corporate Communications Team	Asian Excellence Awards by <i>Corporate Governance Asia Magazine</i>
Melco International Development	Best Corporate Governance Best Corporate Social Responsibility	<i>FinanceAsia Magazine</i>
Melco International Development	Gold Award, Specialized Annual Report and Interior Design - CSR Report Honours Award, Interactive Annual Report - CSR Report	International ARC Awards
Jumbo Kingdom	Good MPF Employer	
Melco Crown Entertainment	Best Environmental Responsibility	Asian Excellence Awards by <i>Corporate Governance Asia Magazine</i>
Melco Crown Entertainment	Green Booth Award in the 2015 Macao International Environmental Co-operation Forum and Exhibition (MIECF)	Macao Trade and Investment Promotion Institute (IPIM)
Melco Crown Entertainment	ISO 14001 Environmental Management Certification (since 2012)	British Standards Institution
City of Dreams	ISO 14001 Environmental Management Certification (since 2012)	British Standards Institution
City of Dreams	Indoor Environmental Quality Inspection Certificate	British Standards Institution
City of Dreams	OHSAS 18001 Occupational Health and Safety Management Certification	British Standards Institution

## External CSR Initiatives

NGO	Project	No. of Beneficiary in 2015
1. AIDS Concern	• 25 <sup>th</sup> Anniversary Gala Dinner Sponsorship	Fund-raising to support HIV prevention works
2. Caritas-HK Computer Workshop	• Computer Refurbish Project: 40 items: 9 computers, 1 notebook, 4, servers, 15 hard disks, 2 printers, 2 LCD Monitors, 5 keyboards and 2 routers	N/A
3. Child Development Centre	• Daddy-Daughter Ball 2015 Sponsorship	Fund-raising to support children's therapy service
4. Christian Action	• Comprehensive Education Grant for Students at Huangnan Children's Home, Qinghai China <since 2013 > • 30 <sup>th</sup> Anniversary Charity Dinner Sponsorship	371 students & 7 elderly and 40 HUNCH staff Fund-raising to support education
5. Covenant Heart Social Service	• Mooncake donation	96 persons of 50 underprivileged families
6. Food Angel, Bo Charity Foundation	• Mooncake donation	11 pieces
7. Hong Kong Asia Art Archive	• 15 <sup>th</sup> Anniversary Dinner Sponsorship	Fund-raising to support contemporary art development
8. Hong Kong Awards for Environmental Excellence	• Wastewi\$e Label Scheme	Waste Reduction
9. Hong Kong Green Council	• Hong Kong Green Day- Green School Program < since 2014> • International Coastal Cleanup 2014 • Hong Kong Green Awards 2014 Presentation Dinner Gala Sponsorship	43,625 students (Beach Cleanup Service) N/A
10. Hong Kong Lutheran Centre	• Caring for our Kids 2 - Supporting and Counselling Project for Families with Gambling Problems 2015 – 2016 <since 2015>	68 parents and children
11. Hong Kong PHAB Association	• Me to We: Project on Enhancing Resilience of Youth	11,167 trainees, students and public audience
12. Little Sisters of the Poor	• General Donation	N/A
13. ORBIS Hong Kong	• Establish a Network of Paediatric Eye Care in Linyi, Shandong <since 2012>	118,952 children screened, medically treated, received surgery and education about eye-care school/ local health staff trained in sight protection
14. Playright Children's Play Association	• Hospital Play Service for Child Patients of Caritas Medical Centre < since 2014> • Environmental Play Project <since 2012 >	2,587 hospitalised children and parents 3,929 children, families and professionals
15. South China Morning Post and Radio Television Hong Kong	• Operation Santa Claus 2015 sponsorship	Charity fund for 22 charity programmes 51 elderly of International Church of the Foursquare Gospel – HK District 8 youths of Hong Kong PHAB Association
16. The Chinese University of Hong Kong	• EMBA Annual Conference and Reunion Dinner 2015 Sponsorship	Fund-raising to support local education
17. The Community Chest Hong Kong	• Wine for Millions 2015	(Children & Youth Services)
18. The Society for the Aid and Rehabilitation of Drug Abusers	• Coffee Life – Impacting Life of our Youth-enrichment vocational program for the Youth <since 2014 > • Joyful Rhythm Music Therapy Project for Handling Emotions of Rehabilitating Young Drug Abusers • Mooncake donation	36 youths 395 trainees, family members and students 160 members
19. The University of Toronto (HK) Foundation	• 20 <sup>th</sup> Anniversary Celebration Gala Dinner Sponsorship	Fund-raising to support oversea education
20. WWF-HK	• Earth Hour 2015 – 7 <sup>th</sup> consecutive year of participation <since 2009> • Run for Change 2015 • Gold Award, LOOP Labelling Scheme 2014/15 <since 2011>	(Climate Change and Nature Conservation) 7 participants
21. Youth Diabetes Action	• Spring Fling 2015 Sponsorship	Fund-raising to support children with diabetes and their families



# Internal CSR Initiatives

Project	Participation / remarks
Green office promotion: Regular green messages in newsletter Earth Hour Festival donation eDM	17 mooncake metal boxes and 1,094 red packets recycled
Green Lifestyle: Green Talk and Green Monday Luncheon Marine Conservation Talk Nature Appreciation Tour	No. of participants: 30 staff No. of participants: 26 staff No. of participants: 21 staff, family members and friends
Melco CSR Wish Fund	Donation: HK\$ 19,600 No. of applications: 24
Melco Volunteer Incentive Scheme	Total no. of volunteer hours: 346 (194.5 by staff, 151.5 by friends of staff)

## GRI G4, HKEx ESG and ISO 26000: 2010 Content Index

General Standard Disclosure	HKEx ESG Reporting Guide Reference	ISO 26000: 2010 Clauses	Detail	Page	Section/ Remarks
<b>Strategy and Analysis</b>					
G4-1	--	6.2 Organisational governance 7.4.2 Setting the direction of an organisation for social responsibility	Chairman's Statement	p.4	Message from Group Chairman & CEO
<b>Organisational Profile</b>					
G4-3	--		Name of organisation	p.1	-
G4-4	--		Primary brands, products, and services	p.8	Corporate Structure and Business Development
G4-5	--		Location of headquarters	p.1	-
G4-6	--		Countries of operation	p.8	Corporate Structure and Business Development
G4-7	--		Nature of ownership and legal form	p.8	Corporate Structure and Business Development
G4-8	--		Markets served	p.9	Impacts on our organisation
G4-9	--		Scale of the organisation	p.8	Corporate Structure and Business Development
G4-10	KPI A1.1	6.4.3 Employment and employment relationships	Employee statistics	p.31	Staff Training and Development
G4-11	--	6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.4.5 Social dialogue	Percentage of employees covered by collective bargaining agreements	p.37	Commentary Table
G4-12	GD C1		Supply chain description	p.11	Our CSR Strategy
G4-13	--		Significant changes during the reporting period	p.37	Commentary Table
G4-14	--	6.2 Organisational governance	Report how the precautionary approach is addressed	p.29	Governance and Organisation
G4-15	--	6.2 Organisational governance	Charters	p.8	About Melco
G4-16	--	6.2 Organisational governance	Memberships	p.1	-
<b>Identified Material Aspects and Boundaries</b>					
G4-17	Reporting guidance 15	6.2 Organisational governance 7.3.2 Determining relevance and significance of core subjects and issues to an organisation 7.3.3 An organisation's sphere of influence 7.3.4 Establishing priorities for addressing issues	List entities included in financial statements; mention those not covered by this report	p.7	Scope of the Report
G4-18	General Approach 9, 10, 11		Process for defining report content and aspect boundaries	p.12	Materiality Analysis
G4-19	General Approach 9, 10, 11		List material aspects	p.13	Materiality Analysis
G4-20	--		Aspect boundaries within the organisation	p.12 p.38	Materiality Analysis Table
G4-21	--		Aspect boundaries outside the organisation	p.12 p.38	Materiality Analysis Table
G4-22	Reporting Guidance 18		Effect of any restatements in previous reports	p.37	Commentary Table
G4-23	--		Significant changes in scope and aspect boundaries from previous reporting period	p.32	Our CSR journey continues
<b>Stakeholder Engagement</b>					
G4-24	General Approach 12, 13	6.2 Organisational governance 5.3 Stakeholder identification and engagement	List of stakeholders engaged by the organisation	p.12	Stakeholder Engagement
G4-25	General Approach 12, 13		Report basis for identification and selection of stakeholders	p.12	Stakeholder Engagement
G4-26	General Approach 13, 14		Stakeholder engagement approach and frequency	p.12	Stakeholder Engagement
G4-27	General Approach 13		Report any key topics and concerns raised by stakeholders	p.9 p.10	Managing Our Impacts Impacts on our stakeholders



General Standard Disclosure	HKEx ESG Reporting Guide Reference	ISO 26000: 2010 Clauses	Detail	Page	Section/ Remarks
Report Profile					
G4-28	Reporting Guidance 16	7.5.3 Types of communication on social responsibility 7.6.2 Enhancing the credibility of reports and claims about social responsibility	Reporting period	p.7	Scope of the Report
G4-29	Reporting Guidance 16		Date of most recent report	p.7	Scope of the Report
G4-30	Reporting Guidance 16		Reporting cycle	p.7	Scope of the Report
G4-31	General Approach 14		Contact point for questions regarding the report and its contents	p.1	-
G4-32	--		GRI “in accordance” option chosen; GRI Content Index	p.7	Scope of the Report
G4-33	--		External assurance	p.33	Report Verification
Governance					
G4-34	--	6.2 Organisational governance	Governance structure of the organisation	p.29	Governance and Organisation
Ethics and Integrity					
G4-56		4.4 Ethical behaviour	Describe the organisation's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics	p.29	Governance and Organisation

Material Issues	GRI G4 Indicator	ESG Reporting Guide Reference	ISO 26000: 2010 Clauses	Detail	Page	Section/ Remarks
Economic performance	DMA G4-EC1	--	6.8.1-6.8.2 Community involvement and development 6.8.3 Community involvement 6.8.7 Wealth and income creation 6.8.9 Social investment	Direct economic value generated and distributed	p.8	Corporate Structure and Business Development  Melco annual report 2015: <a href="http://www.melco-group.com/doc/english/report/2015AnnualReport.pdf">www.melco-group.com/doc/english/report/2015AnnualReport.pdf</a>
Energy	DMA G4-EN3 G4-EN6	GD B2 KPI B2.1 KPI B2.3	6.5.4 Sustainable resource use 6.5.5 Climate change mitigation and adaptation	Energy consumption within the organisation Reduction of energy consumption	p.20 p.21 p.22 p.23	Environmental Responsibility WWF – Low-carbon Office Operation Programme (LOOP) Energy-saving Charter Energy Efficiency
Water	DMA G4-EN8 G4-EN10	KPI B2.2 KPI B2.4	6.5.4 Sustainable resource use	Total water withdrawal by source Percentage and total volume of water recycled and reused	p.20 p.24 p.37	Environmental Responsibility Conserving water  Commentary Table
Emissions	DMA G4-EN15 G4-EN16	GD B1 KPI B1.2	6.5.5 Climate change mitigation and adaptation 6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	Direct greenhouse gas (GHG) emissions (scope 1) Direct greenhouse gas (GHG) emissions (scope 2)	p.20 p.21	Environmental Responsibility WWF – Low-carbon Office Operation Programme (LOOP)
Products & Services	DMA G4-EN27	GD B3 KPI B3.1	6.5.3 Prevention of pollution 6.5.4 Sustainable resource use 6.5.5 Climate change mitigation and adaptation 6.7.5 Sustainable consumption	Extent of impact mitigation or environmental impacts of products and services	p.10 p.21 p.21 p.24	Impacts on the Environment WWF – Low-carbon Office Operation Programme (LOOP) Energy efficient systems Conserving water
Compliance	DMA G4-EN29	GD B1 GD B2 GD B3	4.6 Respect for the rule of law	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	p.37	Commentary Table
Employment	DMA G4-LA1 G4-LA2	GD A1 KPI A1.1 KPI A1.2	6.4.1-6.4.2 Labour practices 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.8.7 Wealth and income creation	Total number and rates of new employee hires and employee turnover by age group, gender, and region  Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	p.12 p.37	Staff Engagement Commentary Table
Training and education	DMA G4-LA9 G4-LA11	GD A3 KPI A3.2	6.4.7 Human development and training in the workplace	Average hours of training per year per employees, by gender, and by employee category Programmes for skills management and lifelong learning	p.30 p.37	Staff Training and Development Commentary Table
Diversity and equal opportunity	DMA G4-LA12	GD A1	6.2.3 Decision-making processes and structures 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership and other indicators of diversity	p.30 p.37	Staff Training and Development Commentary Table
Non-discrimination	DMA G4-HR3	GD A1	6.3.6 Resolving grievances 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships	Total number of incidents of discrimination and corrective actions taken	p.31 p.37	Equal Opportunity Employer Commentary Table
Local communities	DMA G4-SO1 G4-SO2	GD D1 KPI D1.1 & D1.2	6.3.9 Economic, social and cultural rights 6.5.1 Overview of the environment 6.5.2 Principles and considerations 6.5.3 Prevention of pollution 6.8 Community involvement and development	Percentage of operations with implemented local community engagement, impact assessments, and development programme  Operations with significant potential or actual negative impacts on local communities	p.19 p.11 p.12-19 p.14-17 p.25-28 p.37	Responsible Gaming Our CSR Strategy Social Responsibility Youth Development In the Community Commentary Table
Anti-corruption	DMA G4-SO4	GD C3	6.6.1 Overview of fair operating practices 6.6.2 Principles and considerations 6.6.3 Anti-corruption 6.6.6 Promoting social responsibility in the value chain	Communication and training on anti-corruption policies and procedures	p.37	Commentary Table
Compliance	DMA G4-SO8		4.6 Respect for the rule of law	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	p.37	Commentary Table
Customer Privacy	DMA G4-PR8	GD C2	6.7.1 Overview of consumer issues 6.7.2 Principles and considerations 6.7.7 Consumer data protection and privacy	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	p.37	Commentary Table



# GRI G4, HKEx ESG and ISO 26000: 2010 Commentary Table

General Standard Disclosure	HKEx ESG Reporting Guide Reference	ISO 26000: 2010 Clauses	Detail	Comments
G4-11	--	6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.4.5 Social dialogue	Percentage of employees covered by collective bargaining agreements	No formal collective bargaining agreement is in place, as it is not required under Hong Kong law. However, channels for communicating grievances are in place.
G4-13	--		Significant changes during the reporting period	There were no significant changes during the reporting period
G4-22	Reporting Guidance 18		Effect of any restatements in previous reports	There were no restatements of content or data for this reporting period

Material Issues	GRI G4 Indicator	ESG Reporting Guide Reference	ISO 26000: 2010 Clauses	Detail	Comments
Water	DMA G4-EN8 G4-EN10	KPI B2.2 KPI B2.4	6.5.4 Sustainable resource use	Total water withdrawal by source  Percentage and total volume of water recycled and reused	WWF – Low-carbon Office Operation Programme (LOOP):  Total water consumption from municipal water supplies: 389m <sup>3</sup> (recorded from 01/01/2015 – 31/12/2015)
Compliance	DMA G4-EN29	GD B1 GD B2 GD B3	4.6 Respect for the rule of law	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting year.
Employment	DMA G4-LA1 G4-LA2	GD A1 KPI A1.2	6.4.1-6.4.2 Labour practices 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.8.7 Wealth and income creation	Total number and rates of new employee hires and employee turnover by age group, gender, and region  Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Refer to Staff Age and Gender Distribution Section  10 new employees: 5 males and 5 females. 9 of them aged 40 or below; 1 aged over 40  44.7% of staff turnover: 3 males and 7 females. All are aged 40 or below.  Medical and Life Insurance Scheme; in addition to annual and sick leave, we also provide compassionate leave, marriage leave and jury service leave
Training and education	DMA G4-LA9 G4-LA11	GD A3 KPI A3.2	6.4.7 Human development and training in the workplace	Average hours of training per year per employees, by gender, and by employee category  Programmes for skills management and lifelong learning	Average hours of training per year by Position Level: 38.25 staff at managerial level, in which 25.75 are males and 12.5 are female. 90 officers of which 39.5 are males and 50.5 are females.  Percentage of employees receiving regular performance and career development reviews: Managerial level: 68.75% male and 31.25% female Officer: 9.5% male and 90.5% female Frontline Operations: 83.3% male and 16.7% female
Diversity and equal opportunity	DMA G4-LA12	GD A1	6.2.3 Decision-making processes and structures 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership and other indicators of diversity	Corporate Governance Practices Code on Corporate Governance: <a href="http://www.melco-group.com/doc/governance/CodeonCorporateGovernance.pdf">www.melco-group.com/doc/governance/CodeonCorporateGovernance.pdf</a>
Non-discrimination	DMA G4-HR3	GD A1	6.3.6 Resolving grievances 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships	Total number of incidents of discrimination and corrective actions taken	There were no incidents of discrimination in the reporting year.
Local communities	DMA G4-SO1 G4-SO2	GD D1	6.3.9 Economic, social and cultural rights 6.5.1 Overview of the environment 6.5.2 Principles and considerations 6.5.3 Prevention of pollution 6.8 Community involvement and development	Percentage of operations with implemented local community engagement, impact assessments, and development programme  Operations with significant potential or actual negative impacts on local communities	In 2015, Melco's donation efficiency was HK\$20.9.  In 2014, <ul style="list-style-type: none"> <li>Melco partnered with 15 NGOs and supported 25 projects/ events.</li> <li>630,221 children, youth, the physically challenged and families benefited from our programmes.</li> <li>Donation Efficiency was HK\$5.7</li> </ul> Note: Donation Efficiency is calculated by dividing total donations in the year by the total number of beneficiaries. When the average cost per beneficiary drops, donation efficiency increases.
Anti-corruption	DMA G4-SO4	GD C3	6.6.1 Overview of fair operating practices 6.6.2 Principles and considerations 6.6.3 Anti-corruption 6.6.6 Promoting social responsibility in the value chain	Communication and training on anti-corruption policies and procedures	100% of employees were trained in Melco's anti-corruption policies and procedures. The anti-corruption policies are included in the code of conduct in induction training to all new staff.
Compliance	DMA G4-SO8		4.6 Respect for the rule of law	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no significant fines or non-monetary sanctions against non-compliance with laws and regulations during the reporting period.
Customer Privacy	DMA G4-PR8	GD C2	6.7.1 Overview of consumer issues 6.7.2 Principles and considerations 6.7.7 Consumer data protection and privacy	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints regarding breaches of customer privacy and losses of customer data during the reporting year.  Melco has adopted a policy on shareholder privacy : <a href="http://www.melco-group.com/doc/governance/Shareholders-Communication-Policy.pdf">www.melco-group.com/doc/governance/Shareholders-Communication-Policy.pdf</a>



The table below presents issues material to our business and their impact within and outside of our organisation. Material issues are represented by their corresponding GRI Material Aspects.

		Impact Location (Inside/ outside of the Group)		
		G4 Indicator	Within	Outside
Economic (EC)				
Economic Performance	EC1	✓	✓	
Environmental (EN)				
Energy	EN3 & EN6	✓	✓	
Water	EN8 & EN10	✓	✓	
Emissions	EN15 & EN16	✓	✓	
Products & Services	EN27	✓	✓	
Compliance	EN29	✓		
Labour Practices and Decent Work (LA)				
Employment	LA1 & LA2	✓		
Training and Education	LA9 & LA11	✓		
Diversity and equal opportunity	LA12	✓	✓	
Human Rights (HR)				
Non-discrimination	HR3	✓	✓	
Society (SO)				
Local Communities	SO1 & SO2	✓	✓	
Anti-Corruption	SO4	✓	✓	
Compliance	SO8	✓	✓	
Product Responsibility (PR)				
Customer Privacy	PR8	✓	✓	