



TOGETHER WE CAN



CORPORATE SOCIAL RESPONSIBILITY REPORT 2016
MELCO INTERNATIONAL DEVELOPMENT LIMITED

A Hong Kong Listed Company (Stock Code: 200)

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Hang Seng Corporate
Sustainability Index
Series Member 2016-2017



Signatory member
of the Copenhagen
Communiqué

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HIGHLIGHTS OF THE YEAR

In 2016, **86,153** children, youth,
the physically challenged and families benefited
from our programmes:

Youth

Over **19,600** children benefited from the Orbis's Project, Strengthen the Pediatric Eye Care Network in Linyi, Shangdong Province, funded by Melco International. The project started in July 2016 and is designed to create greater social impacts through sustainable development in Lunan Eye Hospital and four branch hospitals. Read more on page 19.

Environment

Hong Kong Green Day - Green School Program involved over **48,000** participating students and **450** Captain Green graduates further promoted waste reduction, environmental conservation and sustainable use of resources among their peers. Read more on page 25.

Education

Children from Huangnan Children's Home continued to benefit from Christian Action's Education Grant Program supported by Melco International over the past five years. Since 2012, a total of **49** students have received tertiary education and **28** graduated from the programme as of year-end 2015. Read the graduate's story on page 23.



Hong Kong PHAB Association's Training Day Camp of Career Navigation 360: Youth Life Plan Supportive Scheme for the Young with Special Education Needs Program



Playright's Children Play Association - Hospital Play Service and Outing for Hospitalized Children at Hong Kong Wetland Park

**WWF-HK
Run For Change**



**WWF-HK
Hoi Ha Wan Visit**



**Green Council's Green School Program
Closing Ceremony cum
Joint-school Sharing Session**



Greening for the Chest



**Hong Kong Green Council
International Coastal Cleanup**



**Green KIND Nutrition Talk
and Cooking Workshop**

Message from Group Chairman & CEO



The year 2016 was one of significant challenge, change and opportunity for Melco International Development (“Melco International”) and Melco Resorts & Entertainment (“Melco”).

In May 2016, Melco International became Melco’s single largest shareholder. The acquisition evidences my positive outlook on Macau’s long term prospect and also my faith in the strength and quality of Melco. Taking a majority ownership in Melco will enable both Melco International and Melco to effectively capture growth opportunities in Macau, Asia and around the world.

We also continued to make substantial progress in our CSR programmes, including the number of beneficiaries served, programmes assisting disadvantaged young people, and ongoing initiatives to green our operations and raise awareness of sustainability.

Being a pioneer to launch a sustainability report for transparent disclosure to our stakeholders, this year we are pleased to present our tenth report with our commitment to social and environmental responsibility will remain as strong as ever. Ahead of the implementation of related listing requirements, this year’s Report will also be the second that we have prepared according to the “Core” option of the Global Reporting Initiative (GRI) G4 and

HKEx ESG Reporting Guidelines as well as the core subject areas of the ISO 26000 Guidance on Social Responsibility.

What’s more, now that we are closer to assuming a majority ownership, for this year’s CSR Report we have expanded our reporting scope to cover the ESG performances of Melco in addition to our corporate business.

As in previous years, our three CSR pillars of Youth Development, Education and the Environment remain unchanged, as has our particular focus on Youth Development. Correspondingly, we have selected “Together We Can” as our theme for this year’s report, our tenth since we began reporting our CSR performance in 2007.

I hope that you enjoy reading our CSR Report for 2016 and would like to take this opportunity to thank everyone at Melco International and Melco, our NGO partners and our stakeholders in the community who contributed to this Report and the success of our CSR activities during the year.

I look forward to the continuing support of our stakeholders in helping us to realise our vision of becoming a leader in the global leisure and entertainment industry.

Lawrence Ho
Chairman and Chief Executive Officer

CSR Committee

The Melco International Corporate Responsibility Committee (the “CSR Committee”) has responsibility for defining and developing best CSR practices for the Group, as well as overseeing their implementation in our operations. The CSR Committee was established in 2008.

Our core charity pillars in 2016 continued to be Youth Development, the 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 Evan Winkler**, Managing Director
- **Mr Frank Tsui**, Executive Director
- **Mr Clarence Chung**, Executive Director
- **Ms Maggie Ma**, Chief Corporate Communications & Corporate Affairs Officer

Scope of the Report

Melco International published its inaugural CSR Report in 2007, making it one of the first companies in the leisure and entertainment industry in Macau to disclose its sustainability performance. Since then, we have published a total of 10 reports on an annual basis. Melco International's previous CSR Report covering the year 2015 was published in April 2016.

This Report covers the 2016 calendar year and has been prepared in accordance with the "core" option of the internationally-recognised Global Reporting Initiative (GRI) G4 reporting guidelines and the Hong Kong Exchanges and Clearing Limited (HKEx) ESG Reporting Guide, with reference to the core subject areas of the ISO 26000 Guidance on Social Responsibility.

With the acquisition by Melco International of the majority of shares in Melco (the core business and revenue driver of Melco International), the scope of our 2016 CSR Report has been widened to include Melco's human resources and environmental performance during the year.

The broader scope of this Report is also in response to suggestions by our stakeholders that we include more coverage of these areas. Our improved data collection systems also contributed to the increased coverage contained within this Report.

The following pages examine the significant economic, environmental and social impacts arising from our activities at the Melco International head office in Central, Hong Kong and our operations in Macau during the 2016 calendar year. In the preparation of this Report, we have also taken into consideration the views of our internal and external stakeholders during a series of stakeholder engagement exercises and an online survey.

As in past years, this Report does not disclose economic, environmental and social performance data of Melco International's associate company, Entertainment Gaming Asia Inc., or subsidiaries Aberdeen Restaurant Enterprises Limited and MelcoLot Limited, 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 International's sustainability activities.

Please note that some quantitative data covering our environmental performance is from 1 July 2015 to 30 June 2016 in order to correspond with the data collected from our participation in the WWF Low Carbon Operation Programme* ("LOOP").

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

About Melco International

Founded in 1910 and listed on the Hong Kong Stock Exchange in 1927, Melco International is a company with a long history and a bright future. Today, under the leadership of Chairman and Chief Executive Officer Lawrence Ho, Melco International has found new energy and direction as a dynamic company that leads the field in the leisure and entertainment sector in Asia.

Melco International 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 International 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 2016, Melco International received the Corporate Governance Asia Annual Recognition Award for the 11th consecutive year (since 2006) in the Asian Excellence Awards by Corporate Governance Asia magazine and the Best Corporate Governance and Best Corporate Social Responsibility from Finance Asia magazine; Melco Resorts & Entertainment was also named Outstanding Company on Corporate Governance by Corporate Governance Asia magazine and the Best Environmental Responsibility award in the Asian Excellence Awards by Corporate Governance Asia magazine.

Corporate Structure and Business Development

Based in Hong Kong, Melco International Group comprises certain major subsidiaries, such as Melco Resorts & Entertainment Limited (“Melco Resorts & Entertainment” or “Melco”; NASDAQ: MLCO), MelcoLot Limited (“MelcoLot”; SEHK: 8198), Entertainment Gaming Asia Inc. (“EGT”; NASDAQ: EGT) and Aberdeen Restaurant Enterprises Limited (currently operates the Jumbo Kingdom). The Group’s core gaming business is operated through its subsidiary Melco Resorts & Entertainment, which operates its flagship property in Macau, City of Dreams, the newly-launched Studio City and City of Dreams Manila in the Philippines. EGT has an established presence in the gaming market of the Philippines through its slot operations business. MelcoLot is engaged in the provision of lottery-related technologies, systems and solutions. For details of our financial and economic performance, please refer to the Company’s 2016 Annual Report at <http://www.melco-group.com/eng/index.html>.

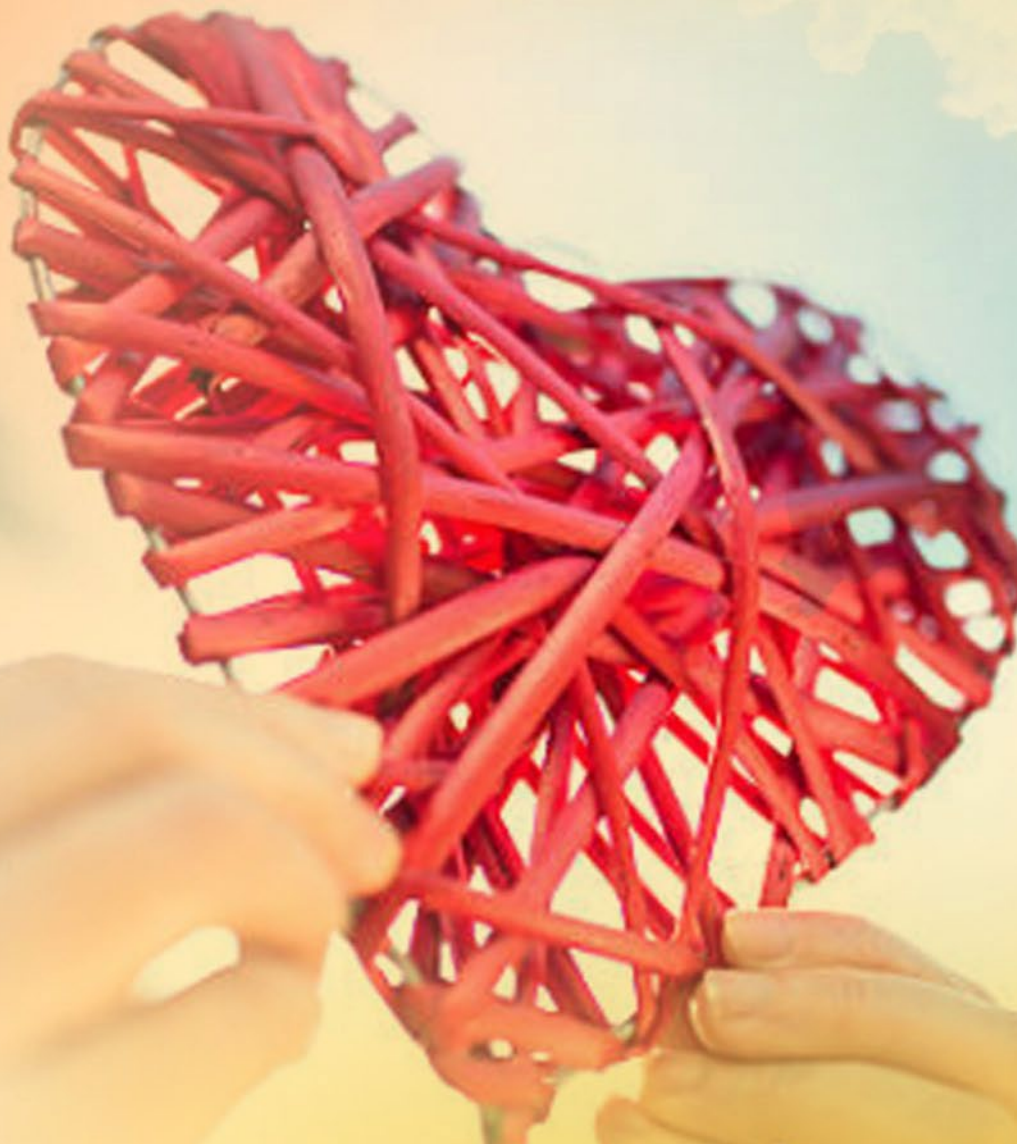
Managing Our Impacts

For this year's Report, we commissioned Business Environment Council Limited ("BEC"), an independent charitable membership organisation, to conduct a stakeholder engagement exercise. The findings of this exercise enabled us to address issues of concern to our stakeholders with regard to our sustainability performance and provided insights on how to improve our reporting in the future.

From the feedback we received, we learned that stakeholders held a positive view of Melco International and our community and environmental initiatives. Stakeholders also had a favourable impression of our

2015 CSR Report, particularly with regard to its style, content and presentation.

Additionally, stakeholders indicated that certain aspects should be included in this Report in order to provide a more comprehensive picture of our sustainability performance. These included Responsible Business Practices and Occupational Health and Safety, as well as Labour/Management Relations, Waste Management, Diversity & Equal Opportunity and Community Contribution. More case studies were also requested by a majority of those surveyed.



Impacts on our organisation

In 2016, among the main challenges faced by Melco International were the fluctuations of gaming demand and fierce competition from other industry players in the Cotai Strip. Some members of Melco International's staff believed that to ensure sustainable business growth, Melco International should continue to investigate opportunities in overseas markets such as Japan.

Despite the challenging business environment faced by the gaming industry in Macau, Melco International has continued to expedite its international expansion guided by its vision to seize opportunities in order to ensure longer-term success. In May 2016, Melco International became the single largest shareholder of Melco, further bolstering the Group's financial position through incorporation of the accounting subsidiary's full financial contributions.

Other external factors that posed a threat included the depreciation of some currencies, notably the Japanese Yen and Korean Won, as well as the decline in visitors to Macau and Hong Kong from mainland China. Fewer visitor arrivals had an adverse effect on Melco International's operations in Macau and Jumbo Kingdom in Hong Kong. Stakeholders suggested that increased promotional and marketing efforts should be undertaken targeting short-haul tourists to diversify the customer base.



Impacts on our stakeholders

Indirect Economic Impacts

As a major employer in Hong Kong, Macau and other markets, Melco International inevitably has a positive indirect economic impact on the communities in which we operate. We not only support the local economy through the people we employ (20,970 as of June 2016) and the tourism opportunities we create, but also through the training and development programmes we provide that help build up capacity in the markets we serve.

Additionally, we have many community investment initiatives that contribute to the well-being of the local community and assist those in need.

Community Engagement

Our CSR initiatives were highly commended by stakeholders, including our employees who noted that our community programmes made them proud to work

for us and the staff volunteer programmes helped to cultivate a sense of belonging.

In order to improve our community initiatives, some of our stakeholders felt that Melco International could also consider initiating mentorship programmes for promoting entrepreneurship among young adults and that we could also act as angel investors for start-ups by young entrepreneurs.

What's more, it was said that Melco International could consider working with school children and teenagers recovering from drug addictions through environmental activities such as beach clean-ups or through internship opportunities and workplace exposure programmes.

At the same time, it was recommended that Melco International make a greater effort to communicate its CSR contributions through channels such as social media, as awareness of these contributions was not widespread in the community.



Staff Engagement

Based on last year's stakeholder recommendations, we conducted more staff related activities in 2016. These included initiatives to encourage communication among employees, build trust across departments, and raise staff morale, all of which have been beneficial for Melco International's operations.

It was also noted that while remuneration and staff turnover were significant concerns last year (especially at EGT), this was not a concern this year.

Staff also indicated that they were happy with our sponsorships for external training and were generally satisfied with the current staff training arrangements. However, many also said they wanted better work-life balance. Moreover, our employees at Jumbo Kingdom commented that participating in community activities was difficult as they work on Saturdays when most of these activities are held.

Another suggestion by staff was that we should consider developing different kinds of communication channels as usage of the hotline currently designated for employee feedback and complaints has remained low.

Responsible Gaming

According to the feedback from stakeholders, Melco International should continue to promote Responsible Gaming by collaborating with NGOs. It was also suggested that we consider holding anti-gaming addiction workshops for youth and develop financial literacy programmes for them.

Impacts on the Environment

Our stakeholders commended us for our environmental performance, particularly for our achievement of attaining the GOLD label in the LOOP Program. The awarding of the GOLD label meant that Melco International reached an above-average environmental performance level in Hong Kong.

There were, however, a number of opportunities such as waste reduction that could be improved upon as this might pose a sustainability risk for Melco International in future. Stakeholders also suggested that we implement targets on energy consumption and emissions reduction, especially at our hotels.

At the same time, it was acknowledged that curtailing our electricity consumption for lighting could make our casinos less attractive to patrons. As a solution, stakeholders recommended that we work with a consultancy to invest in efficient air conditioning and lighting systems that reduce energy usage and costs while maintaining our standards. They also suggested that since our head office has already implemented successful carbon and energy initiatives these could be applied in our hotels and casinos.

Another recommendation was that we develop a five-year plan over a number of energy reduction phases.

Additional details of our environmental activities can be found on page 25 of this Report.



Our CSR Strategy

Melco International'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.

We also take into account the needs of our staff by providing training opportunities that enable them to reach their full potential.

In 2016, we introduced a new environmental policy under which we have pledged to comply with all applicable requirements with regard to our environmental impacts, including pollution, waste reduction, our consumption of resources and recycling.

The majority of our day-to-day purchases are mainly office related and are sourced in Hong Kong. Melco International has adopted a Supplier Code of Conduct in the Melco International Operational Policy Guidebook which served as an internal corporate policy to all staff, contractors and suppliers. Our operational staff constantly communicate and engage with our suppliers to ensure they uphold the highest ethical standards. In view of rising concerns over responsible supply chain management we are considering the development of a long-term standalone Supplier Code of Conduct. This Code will ensure the highest ethical standards as well as full compliance with all applicable laws and regulations among our suppliers.

In response to changes in the operating and regulatory environment, we will periodically review our CSR strategy so that it remains relevant and capable of meeting our long-term CSR objectives. We also take into consideration the feedback we receive during our stakeholder engagement exercises and measure progress against our objectives.

In 2016, we achieved our 2015 CSR goals for the year 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 International'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.



Materiality Analysis

The materiality analysis we carried out in the preparation of this Report helps us 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 exercise involved examining the CSR issues most commonly reported by our industry peers and comparing these with the feedback received from our stakeholders.

For this Report we identified 12 highly material aspects, which are shown on the Materiality Matrix in the order of their importance. As advised by BEC, we also included 6 materiality aspects of medium importance considered material in the previous year's report:

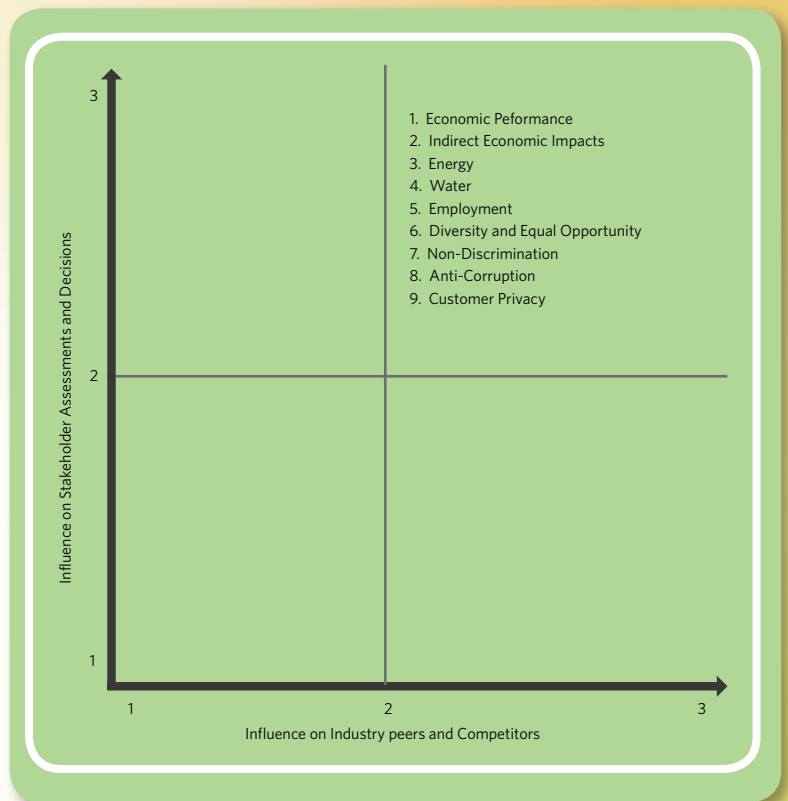
1. Emissions, 2. Products and Services 3. Compliance (Environment), 4. Training and Education 5. Local Communities and 6. Compliance (Society).

A new aspect - Indirect Economic Impacts. will also be included to report on the extent of impacts in areas such as our support of local communities.

In addition, BEC recommended that Melco International disclose two new disclosures under the Aspects of Emissions: 1) Greenhouse gas (GHG) emissions intensity (GHG emissions per full-time employee) and 2) percentage reduction of GHG emissions from one reporting year to another.

The assessment results from our industry peers are shown on the vertical axis of the Materiality Index, while those from the online survey are shown on the horizontal axis. The nine 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.48.



Social Responsibility

In 2016, Youth Development continued to be one of our three core pillars along with the Environment and Education. This is based on our conviction that every child regardless of their circumstances in life deserves the same opportunities to learn, grow and reach their full potential. Our efforts to give all youth in society an equal chance to succeed are reflected in the variety of programmes we offered during the year.

The total number of beneficiaries supported by our programmes during the year was 86,153.



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

86,153



No. of NGOs Partnered

20



No. of Projects /
Events Supported

37

Youth Development:

SARDA: Career Navigation Project

In 2016, we continued to support the Society for the Aid and Rehabilitation of Drug Abusers (SARDA), which helps drug-addicted youth reintegrate into society.

Our support for SARDA was centred on the Career Navigation Project, which was launched in September 2016 and will run until August 2018. Designed to unleash the potential of youth, the project offers training and the opportunity to gain vocational skills as well as good working habits and positive life goals.

Some of the courses included Coffee Brewing, Milk Tea making, Thai-Boxing, Haircutting, and Dessert Training as a way for trainees to explore their interests and a vocational path. Among the trainees taking certificate and diploma course programmes, two became qualified baristas in the City and Guilds International Barista Certificate course.

www.sarda.org.hk

"In addition to giving me a feeling of success in coffee, the course also improved my character, helping me to learn to endure and accept frustration or failure."

- Lun, a participant in the Coffee Brewing course

"After completing the Muay Thai Coach Certificate course, in addition to getting a certificate I sharpened my ability to observe and gain new knowledge."

- A participant in the Muay Thai boxing course

PHAB — Career Navigation 360: Young Life Plan Supportive Scheme

The PHAB (Physically Handicapped and Able-Bodied) organisation has been helping people with and without disabilities in Hong Kong to integrate into society since 1972. Through its Career Navigation 360 programme, PHAB is improving the confidence and communication and problem-solving skills of youth with special education needs, such as those with dyslexia, delayed development or hyperactive-attention deficit.

The career planning, counselling and practical vocational training offered by PHAB in 2016 benefited 45 youths aged 15 to 29 as well as 9,864 secondary beneficiaries, including volunteers and members of the public.

www.hkphab.org.hk

Orbis International - Strengthen the Paediatric Eyecare Network in Linyi, Shandong Province

After five years of supporting ORBIS International's Paediatric Eye Care project in Linyi, Shandong province, we continued our assistance for this worthwhile organisation as it embarked on a new phase of its paediatric eye care project in July 2016.

Although still in the early stages, the project to strengthen the paediatric network in Linyi has already made substantial progress. New equipment has been provided to the Lunan Eye Hospital and three branch centres, training for doctors, optometrists and nurses increased, and 19,564 children screened or treated.

Additional training, screenings and treatments as well as the provision of free spectacles and education in eye care are planned for the next three years.

www.orbis.org



Playright - Hospital Play Services @ Caritas Medical Centre



In 2016, we supported a new project of Playright to provide therapeutic play interventions in a child-friendly hospital environment for meeting the different needs of child patients in paediatric wards and a developmental disabilities unit at Caritas Medical Centre. The two-year project, which began on 1 June, will help to promote the Holistic Hospital Play Services and Hospital Play Specialists of Playright. To date, the total number of beneficiaries has been 1,276 child patients and special needs children and teenagers.

Activities included drawing, painting and arts and crafts as well as preparation for children about to undergo surgery.

In addition to providing financial support, the Melco International volunteer team took seven children from the Caritas Medical Centre on a visit to Wetland Park on 26 November.



"I felt very happy since there were many fun of games when I stayed in hospital."

- A boy patient suffering from a head injury

"I think the hospital play service is really good. Unlike in private hospitals, having hospital play specialist explain the procedures of the eye surgery helped my son know what's happening and was less nervous."

- Parent of a young patient

Child Development Center: Daddy Daughter Ball 2016

The seventh Daddy Daughter Ball was held in 2016 under a Wild West theme, attracting the support of over 479 dads and daughters. Over HK\$1.8million was raised from the ball for sustaining the professional services of the Child Development Center for children with special educational needs. Melco International was once again one of the major sponsors of this special event.

www.cdchk.org

Hong Kong Lutheran Centre — Caring for our Kids 3

In the next phase of the Caring for our Kids programme, Hong Kong Lutheran Centre is helping to rebuild child-parent relationships for families with gambling problems. Using a games and child-centred counselling model, the programme assists these families to rebuild the child-parent relationship, overcome negative emotions, establish a sense of security and self-esteem, and promote personal growth.

A total of 246 parents and children have been benefited from the program during the reporting year.

www.hklss.hk

"My daughter used to lock herself in her bedroom and we had no idea what she was doing. By joining the programme activities, I have a deeper understanding of her thinking, her needs and artistic potential."

- Participant in the Caring for our Kids 3 programme

Operation Santa Claus - Sharing the Warmth with Children in Need

During the 2016 Christmas season, the Melco International volunteer team joined with Hong Kong PHAB Association (PHAB) for the annual fund-raising programme of Operation Santa Claus. On 10 December, the volunteers took 50 children with speech development challenges and their parents from Benji's Centre to a child-oriented Christmas party at Jumbo Kingdom. Christmas carols, interactive games, dim-sum and colourful balloon sculptures and gifts added to the fun-filled atmosphere of this event.

osc.scmp.com



"It was a worthy cause that enabled all of us to catch the true spirit of the holidays and put smiles on the faces of needy children during Christmas."

- Patrick Yip, Corporate Communication and Development Manager of the Hong Kong PHAB Association

Volunteerism

Beyond focusing on the Group's core CSR pillars, Melco serves vulnerable groups during festive seasons by encouraging its staff to participate in volunteer activities. By donating their time, top volunteers are entitled to rewards such as volunteer compensation leave (VCL), dining vouchers and certificates of appreciation.

Macau Holy House of Mercy Welfare Shop

On 7 May, Melco made a donation of MOP300,000 to the Macau Holy House of Mercy's Welfare Shop project, which funds the distribution of food hampers to 340 low income families. A team of 40 staff from the Melco volunteer team assisted with the distribution of the hampers, which included a \$100 supermarket voucher as a special gift to each family.



Rice donation for Chinese New Year

In the days leading up to the Chinese New Year in 2016, a total of 234 Melco volunteers organised a series of activities to bring joy and festive blessings to the local community. Activities included donations of rice and bedding to the under-resourced, home cleaning for the elderly and a Chinese New Year Party for the Concordia School for Special Education.

In just one week, our volunteers collected over 23,200 kg of rice from over 2,400 Melco employees for this meaningful cause.



Blood Donation Drive

From 6 to 8 July 2016, our annual blood donation drive received an overwhelming response from 200 of our employees. Since the first blood drive in 2013, more than 1,300 staff members have participated in this activity. On hand to help with the drive were practice nurses from the Macau Blood Transfusion Services Center, who set up a temporary blood donation station at the Heart of the House in Studio City and City of Dreams.



Mooncake donation

For four years, our employees have been donating the mooncakes given by the Company to the Macau community before the Mid-Autumn Festival. In 2016, with increasing support from the staff of Melco, a record number of more than 1,500 boxes of mooncakes were donated and distributed by over 100 Melco volunteers to 16 organisations serving the elderly and under-resourced in the community. To date, the annual campaign has donated over 5,800 boxes of mooncakes to the community.



Education

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.

Christian Action: Education Grant for Children from Huangnan Children's Home

Christian Action: Education Grant for Children from Huangnan Children's Home

Christian Action set up the Education Grant Programme for Qinghai Children in 2008 to help them continue their education and become self-reliant. With the support of Melco International and other donors, children in the area are able to develop skills through education and training. Christian Action also organises volunteer activities for the students so they can learn about serving society and giving back to the community.

As of December 2016, we had provided 1,640 education grants for deprived children from the Huangnan Tibetan Autonomous Prefecture and Xining City of Qinghai and 118 education grants for 42 Tibetan children from HUNCH over the past five years.

www.christian-action.org.hk

An impossible dream fulfilled

After her father died, little Zhuo Ma Cai Rang was left to live with her grandfather. But when her grandfather became too frail to care for her, she moved to Huangnan Children's Home. Her goal there was to attend university and eventually become a policewoman to fight crime and protect her community. But this was a distant dream for her as she could not afford a higher education.

Thanks to an Education Grant from Christian Action, however, Zhuo Ma was able to attend school and, in 2012, performed well in the public examination. She was then able to enrol in the police college from which she graduated in July 2015 with excellent grades. Today, after much persistence, she has been appointed to join her local police station and is now undergoing pre-employment training. We hope to see her proudly clothed in her police uniform soon!



Responsible Gaming

Under the direction of Chairman and CEO Lawrence Ho, Melco has played a pioneering role in raising awareness of Responsible Gaming (RG) to staff and the general public in Macau. Activities include training in RG and the airing of a video promoting Responsible Gaming on our internal TV channel, Melco TV, as well as the employee intranet.

Recent RG initiatives have included a series of activities across our properties to reinforce employees' knowledge and raise their awareness of the importance of Responsible Gaming, including activity booths and a story composing competition held in early August.

The activity booths were set up during the period from 5 to 14 September in the Heart of the House at City of Dreams, Studio City, Altira Macau, and Mocha Clubs. Featuring games that challenged employees' knowledge of Responsible Gaming, the booths attracted a total of 6,030 employees. Another RG initiative during this period was Melco's first Four-Frame Story Composing Competition, in which participants used four photos to form a story on Responsible Gaming. Three stories were shortlisted and displayed at the game booths for voting.



Environmental Responsibility

The Company is a signatory member of the Copenhagen Communiqué and the Carbon Reduction Charter and a Green Partner of the Environmental Protection Department's Carbon Audit Green Partner campaign that committed to protecting the environment of the Earth.

We are committed to the continual improvement of our Company's environmental performance. As indicated in our 2015 CSR report, in 2016 we reinforced this commitment by establishing a long-term environmental policy.

Under our policy, we have pledged to comply with all applicable legal requirements and other requirements relating to our environmental impacts. We will also strive to prevent pollution, reduce waste, minimise our consumption of resources and maximise recycling. In addition to these pledges, we will educate, train and motivate employees to carry out their tasks in an environmentally-responsible manner while promoting environmental protection among our suppliers and subcontractors.

At the Corporate Office:

LOOP labelling assessment

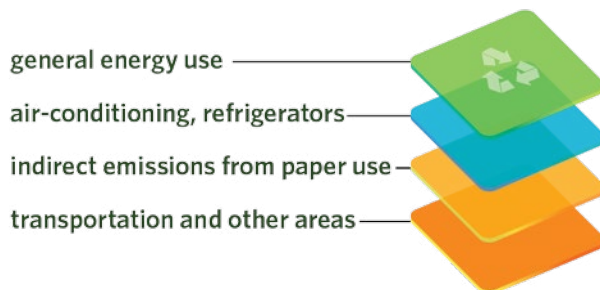


Since 2010, we have participated in WWF's Low-carbon Office Operation Programme ("LOOP") at our head office in Hong Kong in order to reduce our carbon footprint.

For 2016, we collected data using a calculation tool provided by WWF (<https://loop.wwf.org.hk/>) to assess our carbon emissions in the following areas over a period of nine months:

A third-party verifier (Intertek Testing Services Hong Kong Limited) made on-site visits on 18 August 2016 and validated the data. As a result of this exercise, we attained a performance score of 71%, which qualified us for a Gold Label in the 2016 Labelling Scheme.

Although we achieved significant carbon reduction improvements in staff commuting, paper use, and fresh water & sewage, our performance score was lower than the one achieved in 2015 (80%) due primarily to a 47.46% increase in overseas business travel. As Melco International continued to pursue new expansion opportunities in other emerging gaming jurisdictions such as Spain and Cyprus, this additional travel was unavoidable. However, we will continue to look for alternative ways to reduce future travel whenever possible.



Environmental Data

Melco International

Result of the LOOP labelling assessment CO2 Emission Summary (tonnes):

	2013 [~]	2014 [*]	2015 [#]	2016 ⁺
Total CO2 emissions	465.75	423.26	428.17	460.53
Average CO2 emissions per staff	7.76	7.99	7.38	8.08
Total CO2 emissions from electricity consumption	350.6	304.84	314.02	319.91
Total CO2 emissions from electricity consumption per staff member	5.84	5.75	5.41	5.61
Fresh water & sewage	0.22	0.32	0.28	0.23
Total printing paper consumption	1.765	1.869	2.083	1.918
Energy consumption in KWh	472503	410831	423201	431150

Note: Melco International does not own a corporate fleet nor does it consume any Towngas. As a result, there are no emissions from these sources

[~]01/06/2012 - 31/05/2013 ^{*}01/06/2013 - 31/05/2014 [#]01/06/2014 - 31/05/2015 +01/06/2015 - 31/05/2016

Office Recycling Summary during the reporting year*:



*01/01/2016 - 31/12/2016



Melco Resorts & Entertainment

	2016 ⁺
Total GHG emissions (scope 1,2 and 3) in tonnes of CO2e	418,556.92
Average GHG emissions per staff in tonnes of CO2e/full-time employees (FTE)	21.57
Total indirect GHG emissions from electricity consumption and freshwater consumption (scope 2 and 3) - in tonnes of CO2e	398,876.35
Total GHG emissions from electricity consumption per staff member - in tonnes of CO2e/FTE	20.56
Energy consumption in KWh	445,124,309
% of energy saved	11.2%

Energy Saving Charter

Once again, we supported the Government's Energy-saving Charter on Indoor Temperatures by maintaining an average indoor temperature of between 24°C and 26°C from June to September 2016 at our corporate office.

Hong Kong Awards for Environmental Excellence – Wastewi\$e Label



In 2016, 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. This was our ninth year of participation in the scheme and to achieve this rating.

We reached our waste reduction goals for collecting exhausted toner, ink cartridges and outdated IT equipment and accessories for recycling. We also met our targets for raising awareness of waste recycling by affixing reminders, signs and programme posters at collection points and prominent areas around the office. Other activities during the year included promotions on proper waste management, recycling and resource conservation, especially during the festive season.

During the year, we printed 1,300 copies of our corporate newsletters using FSC paper with 100% recycled content, which met our goal. For our annual report, we met our target by printing 1,450 copies using 100% recycled cocoon offset paper.

Although we did not meet our targets for plastic bottles and waste paper recycling, we will continue recycling these materials so that we can achieve our objectives in these categories.

Operation green practices

During the year, we launched an environmental awareness programme — Operation Green Practices — encouraging all staff to contribute to a sustainable future. Among the publicity materials produced for this campaign was a colourful poster on how to “go green at work” with tips on reducing our carbon footprint and recycling waste paper and plastic bottles, as well as our goals for the 2016 Wastewi\$e Label Scheme.

Greening for the Chest

As part of our commitment towards a sustainable future, we participated in Greening for the Chest, a green educational programme organised by the Community Chest and supported by the Leisure and Cultural Services Department to improve our parks and raise funds for children and youth services. This year, on 12 March 2016, the Greening the Chest event took place at Fa Hui Park, Mong Kok, where 24 staff, their friends and families planted 200 garden croton shrubs.



Green Cooking Workshop

On the evening of 29 July, 11 of our staff visited the KIND Kitchen, a modern cooking studio operated by Green Monday Solution in Central, for the first-ever culinary team building activity by Melco International. During the workshop, our staff learned about sustainable foods and healthy plant-based cooking techniques. The chef instructor also demonstrated how to prepare two vegan dishes, which the participants completed as part of the cooking assignment.

Green Monday website: <http://greenmonday.org>

Green Council - Green School Program

World Environmental Day has been organised by Green Council-Hong Kong Green Day every year since 2013. For the 2016 event on 5 June, we acted as sponsor for the Green School Program for conducting activities on different environmental-related topics. These included green talks and a green visit as part of the Captain Green Scheme, during which student representatives received a Captain Green certificate.

For the 2015/16 school year, Melco International once again 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. This year, the program was extended to kindergarten students and a total of 80,000 students have participated in the programme. The highlight of the year's programme was a graduation ceremony for 650 Captain Green graduates on 7 May 2016 at Zero Carbon Building in Kowloon Bay.



Green Council - Hong Kong Green Day: International Coastal Cleanup

On 5 November, our volunteer team of 28 staff, friends and family helped out in the International Coastal Cleanup (ICC) organised by Ocean Conservancy. This year, the cleanup was held at Rocky Bay Beach at Shek O, where the volunteers collected a total of 107.1kg of rubbish (double the amount collected last year). The most common type of marine debris collected was plastic and food wrappers. In addition to contributing to a cleaner marine environment, the event allowed volunteers to learn more about the problems of ocean pollution.



WWF Earth Hour

WWF's Earth Hour 2016, the world's largest collective environmental action, was held on 19 March under the theme Sustainable Lifestyle for the Future. Our staff joined many thousands of people across the city in support of the event by switching off their lights for one hour at the appointed time (8:30pm) and pledging to change their lifestyles for a sustainable future. This was the eighth consecutive year that Melco International has supported this important activity.

Earth Hour website: earthhour.wwf.org.hk



Run for Change

On the evening of 21 May, Melco International sent a corporate team of 7 runners for a second year to participate in the 3km Run for Change, a night race that raises funds for WWF's conservation efforts. The race kicked off at Shatin Science Park along the Pak Shek Kok waterfront in the New Territories, where more than 2,000 runners took part to raise more than HK\$1 million.

Run for Change website:

http://www.wwf.org.hk/en/your_support/join_our_events/runforchange



Reusable Goods Donation Program

From late October to mid-November, Melco International held its first-ever reusable goods donation event in support of the Green Collection Program by Christian Action Social Enterprise. A total of 14 boxes of good-to-new household items were collected during the event, which will either be sold in Christian Action Social Enterprise's community sales outlets or distributed to orphans and disabled children in Hong Kong and Qinghai. Other beneficiaries included new arrivals and ethnic minorities in Hong Kong, refugees and students from poor families.



Eco-tour at Hoi Ha Wan

On 3 December, we partnered with WWF HK to organise an eco-tour for staff, their friends and families to Hoi Ha Wan, the first Marine Park in Hong Kong. During the sea-based tour, participants could explore the underwater world through a glass-bottomed boat and observe local coral species. They also had the chance to observe marine organisms and plankton via microscope at the Hoi Ha Marine Life Centre and learn about sustainable development and conservation biodiversity through a series of interactive games.



Caritas Computer Recycling Program

The Caritas Computer Recycling Program is an event for recycling older computer equipment that benefits students and the elderly as well as helping to reduce our carbon footprint and minimise e-waste.

In the 2016 programme, we refurbished 5 LCD monitors, 4 servers, 2 printers, 23 telephones, 2 switches, 10 keyboards and 10 computer mice for a total of 56 items. Parts that could not be repaired will be sold to a recycler and the income used for the operating expenses of the workshop.



Mooncake and red packet recycling campaigns

A 2015 survey by Green Power showed that Hong Kong people discarded over 1.85 million uneaten mooncakes and more than 1 million mooncake boxes that year. To combat this wastefulness, we urged staff to donate surplus mooncakes at our collection points for the NGO Food Angel, as well as their metal mooncake containers for recycling.



Earlier in the year, we held another charity programme in support of Greener's Action and the Children's Heart Foundation in which we encouraged staff to donate leftover lai see packets for recycling. We received a total of 1,692 red packets and 27 donations of cash that went towards children suffering from congenital heart disease at Queen Mary Hospital.

In our Operations

Energy Efficient Systems

Inevitably, large resort hotels such as those operated by Melco Resorts & Entertainment require enormous amounts of energy. Recognising that we have an obligation to make the most efficient use of the energy we consume, we have adopted some of the most technologically advanced systems for our properties that not only save energy costs but also reduce our carbon footprint.

Our properties in Macau, City of Dreams and Studio City, are prime examples of how we effectively manage our energy consumption. City of Dreams, which received a Macau Green Hotel Gold Award in 2016, has one of the largest centralised cooling systems in the South China hospitality industry, allowing us to enjoy energy savings of around 20% over traditional air-conditioning systems.

A similar system is in place at Studio City, giving us energy savings of 35%. This property has achieved additional energy savings of more than 20% from a chilled ceiling air-conditioning system and DC motor FCU that reduces carbon emissions.

Both properties also have advanced indoor air purification systems that reduce the need for fresh air from outside as well as a highly advanced Building Management System that converts heat generated from the air-conditioning system for use by taps and showers.

Since lighting represents a significant portion of hotel's electricity costs, there are huge opportunities to save energy through more efficient lighting such as LEDs. At City of Dreams, we have installed LED lamps both on the façade of the building and for the interiors. These make use of T5 tubes, the most energy efficient option in the market, for the Heart of the House to control outdoor light fixtures through the use of photo sensors. We have also made extensive use of LED lighting at our other properties, as they are more energy-efficient than conventional halogen lamps.



Energy saving of LEDs vs halogen lamps



Facade Led

Halogen Bulb
10W

Led
1.5W

saving
85%



Interior Led

Halogen Bulb
30W

Led
6.5W

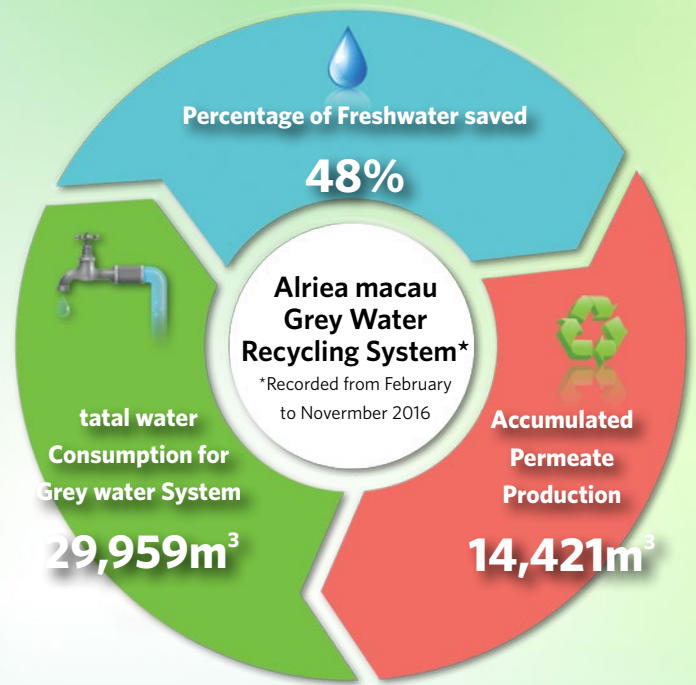
saving
78%



Conserving Water

Development in Macau over the past 15 years has made water an increasingly valuable resource that must be properly conserved. Accordingly, we have adopted a number of water conservation measures at our properties. These include an advanced filtration system for The House of Dancing Water at City of Dreams, which allows for the reuse of water in the pool, automatic sensors in faucets, and a rainwater recovery system to store rainwater for irrigation.

At Altira Macau we save more than half of the freshwater normally consumed for flushing through a grey water system that recycles treated guestroom sink, shower and bath water as flush water. We also ask our cleaning staff to make the most effective use of water for cleaning guestrooms and public areas, or 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 and 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 than traditional halogen lamps.
- LED lights for interiors are at least 70% more energy-efficient than 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.



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 installed at City of Dreams 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 CO2 emissions per 10 tons of food waste. Residuals can be recycled into useful organic fertiliser after six months
- Motion sensors turn off lights at the Heart of the House when an area is not occupied.
- Air Handling Units are equipped with an Enthalpy Wheel for energy exchange between exhaust air and intake air.
- CO & CO2-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.



Recognitions And Achievements

- Three City of Dreams hotels (Crown Towers, Hard Rock Hotel and Grand Hyatt Macau) received the highest honour in the 2015 Macao Green Hotel Gold Award for our commitment to environmental protection.
- The three City of Dreams hotels were among only five in Macao to receive the gold award; the award is valid for 3 years starting from 2015.
- Melco 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 Melco 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.

Corporate Governance

Company Code

In 2005, the Group adopted its Code on Corporate Governance (“Company Code”), which formalises the Group’s existing corporate governance principles and practices. It also serves to assimilate practices with benchmarks prescribed by the Hong Kong Stock Exchange, ensuring that the Group runs a highly transparent operation and is accountable to its shareholders.

Melco International 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 International 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 seven directors on the Board. A detailed Corporate Governance Report can be found in our 2016 Annual Report available on our corporate website.

Melco International 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, 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



Investor Relations

Melco International 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 International’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.

Equal Opportunity Employer

We are an equal opportunity employer committed to the fair and equitable treatment of all our staff.

As an equal opportunity employer, diversity in the workplace and in our hiring practices is important to us. We do not tolerate discrimination based on race, colour, religion, sex, marital status, age, national origin, or any other considerations deemed inappropriate by local labour laws.

We treat all employment applications for positions in our company based on applicants' qualifications, work experience and education, as well as special professional knowledge and abilities.

We provide all employees 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. When positions need to be filled within our company, we give priority to qualified internal candidates prior to recruiting from external sources, whenever possible.

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.

All of our recruitment and employment practices comply with local government legislation and regulations wherever we do business, including relevant human rights related legislation and regulations.

Melco International: Staff age and gender distribution*

	Total	By Gender		By Age	
		M	F	M	F
Managerial (e.g. CEO, Directors, Manager)	21	12	9	7	14
Officer (i.e., non-managerial staff members working at head office, e.g. Secretary, HR Officer, Designer, Admin, Coordinator, etc.)	20	2	18	14	6
Frontline Operations (e.g. F&B waitress, courier persons, cleaners/housekeepers, drivers, etc.)	8	7	1	2	6
Total: 49					

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

Melco Resorts & Entertainment: Staff age and gender distribution

	Total	By Gender		By Age	
		M	F	M	F
Managerial (e.g. CEO, Directors, Manager)	1369	866	503	763	606
Officer (i.e., non-managerial staff members working at head office, e.g. Secretary, HR Officer, Designer, Admin, Coordinator, etc.)	2314	1083	1231	1904	410
Frontline Operations (e.g. F&B waitress, courier persons, cleaners/housekeepers, drivers, etc.)	15721	8226	7495	10810	4911
Total: 19404					

Staff Training and Development

Melco International

We provide training opportunities in a wide range of subjects within our Company, including management and technical skills.

As part of our Training and Development Sponsorship Policy, we support the enhancement of employees' skills and competencies. When determining the training needs of individual staff, we set objectives and desired outcomes and continually review the subsequent results of any training received.

Outside our Company, we provide opportunities to pursue further education at external educational institutions or arrange specific training and development courses by external training companies. In addition, we make training sponsorships available to any staff who wish to pursue their professional development.

Melco Resorts & Entertainment

Melco is committed to developing local talent through its innovative people programmes and according to our whole person development philosophy of life-long learning.

Whole person development is not limited to classroom knowledge but an entire spectrum of exposure and experience with the aim of transforming employees' lives.

Training within the Company is provided by our Learning Academy, which offers over 200 courses every year. In 2010, the Learning Academy began providing Macau's first in-house Back to School high school diploma programme for employees in partnership with Escola Secundária Luso-Chinesa de Luís Gonzaga Gomes and the Education and Youth Affairs Bureau.

Another in-house programme was established in 2015. In collaboration with the University of Macau, Melco You-niversity offers an in-house bachelor degree programme, the Diploma in Casino Management Diploma. The first class of 43 local employees have already successfully completed two modules in this programme. During the current reporting year, Melco You-niversity added its first non-gaming diploma programme — the Diploma in Hospitality Management.

Both programmes are made possible by the Education and Youth Affairs Bureau, the University of Macau, Institute for Tourism Studies, and the instructors of the Learning Academy.



Average hours of staff training (per staff)



Melco International
128.75



Melco Resorts & Entertainment
5.88

Staff Welfare

We continued to hold a wide range of staff related activities during the year designed to encourage communication among employees, build trust across departments, and enhance staff morale.

We also provided regular training in occupational health and safety in all of our workplaces to ensure the physical well-being of our staff.

Lactation Rooms

In order to assist nursing mothers returning to work, Melco opened fully-equipped lactation rooms at four properties in Macau, including City of Dreams, Studio City, Altira Macau and the Company's office at Flower City.

Located in the Heart of the House, these spacious lactation rooms have been decorated to provide a warm and relaxing ambience and come equipped with lounge chairs, cleaning facilities and a refrigerator for storing breast milk.



Our CSR journey continues

Although we achieved many of the CSR targets set out in our 2015 CSR report, we recognise that it is important to continuously review and improve our CSR performance.

In the year ahead, we will undertake to carry out the recommendations made by our stakeholders during our stakeholder engagement sessions as well as investigating the best practices of our peers in the industry. We will also look for opportunities to incorporate the recommendations of BEC with regard to expanding the scope of our CSR reporting as more data become available.

Accordingly, we will investigate the feasibility of extending our CSR initiatives and programmes in the following areas:

Economic



- In light of the increasing competition in Macau, continue exploring opportunities for the expansion and diversification of our leisure and tourism offerings in Macau and evaluating other opportunities throughout Asia.

Social



- Broaden our engagement with strategic NGO partners to address community needs and achieve sustainable impacts.
- Build on our pioneering Responsible Gaming strategy and provide additional support to those with gambling addictions.

Environmental



- Continue to build a greener workplace at both Melco International and Melco Resorts & Entertainment by monitoring carbon emissions.
- Investigate expansion of our use of LEDs in our operations and application of solar film on the windows of our office buildings to reduce electricity consumption.
- Reduce our overseas business travel as far as practicable through measures such as holding more video and voice conference calls.
- Continue our recycling programmes in our operations and at our corporate office.

Staff Engagement



- Build on our staff training and promotion of occupational safety and health and employee diversity.
- Offer more opportunities to build staff morale, through more shared volunteer activities.
- Investigate measures to increase work-life balance, the provision of additional staff facilities and standardise our human resource policies across subsidiaries of the Company.
- 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:

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

Awards & Accolades

Awardee	Award	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	Outstanding Contribution Award, Certificate of Appreciation	Social Welfare Department
Melco International Development	Gold Label, Low-carbon Office Operation Programme (since 2010)	WWF Hong Kong
Melco International Development	Logo Award, 7th Hong Kong Corporate Citizenship Awards – Enterprise (since 2012)	Hong Kong Productivity Council
Melco International Development	Class of Excellence, Wastewise Certificate (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 (since 2015)	Hong Kong Council of Social Service
Melco International Development	11th Consecutive Year of Corporate Governance Asia Annual Recognition Award (since 2006): Icon of Corporate Governance Best CSR (since 2013)	Asian Excellence Awards by Corporate Governance Asia Magazine
Melco International Development	Best Corporate Governance and Best Corporate Social Responsibility	FinanceAsia Magazine
Melco International Development	Bronze Award in Corporate Social Responsibility – Interior Design: Specialized Annual Report	International ARC Awards
Jumbo Kingdom	Good MPF Employer	The Mandatory Provident Fund Schemes Authority
Melco Resorts & Entertainment	Best Environmental Responsibility (since 2011)	Asian Excellence Awards by Corporate Governance Asia Magazine
Melco Resorts & Entertainment	Green Booth Award in the 2015 Macao International Environmental Co-operation Forum and Exhibition (MIECF)	Macao Trade and Investment Promotion Institute (IPIM)
Melco Resorts & Entertainment	Outstanding Company on Corporate Governance	Corporate Governance Asia Magazine
Melco Resorts & Entertainment	ISO 14001 Environmental Management Certification (since 2012)	SGS Hong Kong Limited
Melco Resorts & Entertainment	Hazard Analysis and Critical Control Points (HACCP) certification	Société Générale de Surveillance Limited
City of Dreams	OHSAS 18001 Occupational Health and Safety Management Certification	British Standards Institution
City of Dreams	ISO 14064 Greenhouse Gas (GHG) Emissions Inventories and Verification	British Standards Institution
City of Dreams	Indoor Environmental Quality Inspection Certificate	SGS Hong Kong Limited
City of Dreams	Macao Green Hotel Gold Awards	Environmental Protection Bureau and the Macau Government Tourist Office
City of Dreams	Gold (Dragages Macau) and silver (Hung Yip) awards in Best Occupational Safety and Health Construction Site in the Hotel and Casino Industry	Macao Construction Safety Award Scheme
City of Dreams	Gold (Dragages Macau) and silver (Hung Yip) awards in Best Safety Management System	Macao Construction Safety Award Scheme
City of Dreams	Gold (Dragages Macau) award in Best Safety Improvement Project	Macao Construction Safety Award Scheme
City of Dreams	Gold (Dragages Macau) and silver (Dragages Macau) awards in Best Safety Management Personnel	Macao Construction Safety Award Scheme
City of Dreams	Gold Award - Food Traceability Scheme 2016	Hong Kong chapter of GS1
Altira Macau	Gold Award - Food Traceability Scheme 2016	Hong Kong chapter of GS1
Hard Rock Hotel	Gold Medal	Macao Green Hotel Awards
Crown Towers	Gold Medal	Macao Green Hotel Awards
Grand Hyatt Macau	Gold Medal	Macao Green Hotel Awards
Melco Resorts & Entertainment	Caridade Social Award 2016	Macao Association of Chinese Young Entrepreneurs and Youth Committee of the Macao Chamber of Commerce

Report Verification

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) has been commissioned by Melco International Development Limited (“Melco International”) to conduct an independent verification of its Corporate Social Responsibility (“CSR”) Report 2016 (“the Report”). The Report articulates Melco International’s CSR performance and efforts towards sustainable development of 1st January 2016 to 31st December 2016. Melco International has participated in the Low Carbon Operation Programme (“LOOP”) organized by WWF, the environmental performance data is reported from 1st June 2015 to 31st May 2016 which is in line with the timeframe of LOOP.

The aim of this verification is 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 specified in the Environmental, Social and Governance (ESG) Reporting Guide of the Stock Exchange of Hong Kong Limited (“SEHK”), also with reference to ISO 26000 Guidance on Social Responsibility.

Methodology

HKQAA has conducted the verification of the Report with reference to the International Standard on Assurance Engagements 3000 (Revised) - “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board.

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.

Independence

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

Conclusion

HKQAA confirms that the Report has been prepared in accordance with the Core Option of the GRI G4 Guidelines and covers the Key Performance Indicators of the ESG Reporting Guide as well as ISO 26000.

A systematic stakeholder engagement and materiality assessment process has been maintained as input for compiling a responsive and meaningful report of Melco International. Issues of relevance and importance to the Melco International and stakeholders are carefully determined and being appropriately disclosed in the Report. The Report outlines the progress of Melco International’s CSR initiatives and achievement in 2016. Besides, the Report also highlights Melco International’s perpetuating commitments and stewardship towards sustainable development with special emphasis on youth development, education, environmental responsibility and being a caring employer.

We conclude that the information presented in the Report is accurate and reliable. It is a fair and truthful disclosure of the overall CSR performance of Melco International.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham
Head of Audit
March 2017

External CSR Initiatives

NGO	Project	No. of Beneficiaries in 2016
1.AIDS Concern	Gala Dinner Sponsorship	Fund-raising to support the HIV prevention works
2.Caritas-HK Computer Workshop	Computer Refurbish Project: 56 items: 5 LCD Monitors, 4 servers, 2 printers, 23 telephone, 2 switches, 10 keyboards and 10 computer mice	N/A
3.Child Development Centre	Daddy-Daughter Ball 2016 Sponsorship	Fund-raising to support children therapy service
4.Children's Heart Foundation	Chinese New Year fund raising campaign: Lucky Money Wishes 2016	27 red packets are donated to support the Foundation's service
5.Christian Action	Comprehensive Education Grant for Students at Huangnan Children's Home, Qinghai China Reusable Goods Recycling Campaign: Green Collection Program	21 students, 86 elderly and 230 persons 14 boxes good-condition-to-new household items are donated
6.Food Angel, Bo Charity Foundation	Mooncake donation	22 pieces
7.Hong Kong Awards for Environmental Excellence	Wastewi\$e Label Scheme	(Waste Reduction)
8.Hong Kong Green Council	Hong Kong Green Day - Green School Program International Coastal Cleanup 2016 Hong Kong Green Awards 2016 Presentation Dinner Gala Sponsorship	48,011 students (Beach Cleanup Service) N/A
9.Hong Kong Lutheran Centre	Caring for our Kids - Supporting and Counselling Project for Families with Gambling Problems" <since 2013>	246 parents and children
10.Hong Kong PHAB Association	"Career Navigation Scheme for the Young with Special Education Needs" Program Training Day Camp	9,909 trainees, students and public audience 30 youths with special learning disability
11.Operation Santa Claus Benji's Centre	Operation Santa Claus 2016 sponsorship	Charity fund for 23 charity programs 50 children and parent members of Benji's Centre 15 youths and staff volunteers of Hong Kong PHAB Association
12.ORBIS International	Establish a Network of Pediatric Eye Care in Linyi, Shandong (since Jul 2016)	19,564 children screened, medically treated, received surgery and education about eye-care and school/ local health staff trained in sight protection
13.Playright Children's Play Association	Hospital Play Service for Child Patients of Caritas Medical Centre Happy Bear Hospital 2016 Sponsorship Outing for hospitalized children at Hong Kong Wetland Park Environmental Play Project (since Apr 2015)	2,262 hospitalized children and parents Fund-raising to support children play therapy 16 hospitalised children and their parents 5,411 children, families and professionals
14.The Community Chest Hong Kong	Wine for Millions 2016 Greening for the Chest Charity Golf Day 2016	Fund-raising to support 158 member social welfare agencies of Community Chest to benefit over 2.1 million local needy Fund-raising to support the Chest's Children and youth services; 24 staff volunteers Fund-raising to support mental health services by the Chest's agencies
15.The Society for the Aid and Rehabilitation of Drug Abusers	Career Navigation - Impacting Life of our Youth-enrichment vocational program for the Youth	116 youths
16.Tung Wah Group of Hospitals	145th Charity Concert & Charity Carnival Day	Fund-raising to support children, youth and low income families services
17.Wan Chai Methodist Centre for the Seniors	Rice dumpling donation	60 elderly
18.WWF-HK	Earth Hour 2016 - 8th consecutive year of participation Run for Change 2016 Gold Award, LOOP Labelling Scheme 2015/16 < since 2011>	(Climate Change and Nature Conservation) 7 participants
19.Youth Diabetes Action	Spring Fling 2016 Sponsorship	Fund-raising to support children with diabetes and their families

Internal CSR Initiatives

Project	Participation / remarks
Green office promotion: regular Green Messages on newsletter, Earth Hour Festival donation eDM Green Life Style: Green KIND of Cooking and Nutrition Workshop Green Experience Tour Nature Appreciation Tour: Hoi Ha Wan Visit	19 mooncake metal boxes and 1,692pcs of red packets are recycled No. of participants: 11 staff No. of participants: 25 staff, family members and friends No. of participants: 18 staff
Melco International CSR Wish Fund	Donation: HK\$19,530 No. of applications: 18
Melco International Volunteer Incentive Scheme	Total no. of volunteer hours: 425.5 (143.5 by staff, 282 by friends of staff)

GRI G4, HKEEx and ISO 26000:2010 Content Index

General Standard Disclosure	HKEEx ESG Reporting Guide Reference	ISO 26000: 2010 Clauses	Detail	Page	Section/ Remarks
Strategy and Analysis					
G4-1	--	6.2 Organizational governance 7.4.2 Setting the direction of an organization for social responsibility	Chairman's Statement	p.6	Message from Group Chairman & CEO
Organisational Profile					
G4-3	--		Name of organisation	p.1	-
G4-4	--		Primary brands, products, and services	p.9	Corporate Structure and Business Development
G4-5	--		Location of headquarters	p.2	-
G4-6	--		Countries of operation	p.9	Corporate Structure and Business Development
G4-7	--		Nature of ownership and legal form	p.9	Corporate Structure and Business Development
G4-8	--		Markets served	p.11	Impacts on our organisation
G4-9	--		Scale of the organisation	p.9	Corporate Structure and Business Development
G4-10	KPI B1.1	6.4.3 Employment and employment relationships	Employee statistics	p.37	Staff age and gender distribution
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.47	Commentary Table
G4-12	GD B5 KPI B5.2		Supply chain description	p.14	Our CSR Strategy
G4-13	--		Significant changes during the reporting period	p.8	Scope of the Report
G4-14	--	6.2 Organizational governance	Report how the precautionary approach is addressed	p.36	Governance and Organisation
G4-15	--	6.2 Organizational governance	Charters	p.9	About Melco International
G4-16	--	6.2 Organizational governance	Memberships	p.2	-
Identified Material Aspects and Boundaries					
G4-17	--	6.2 Organizational governance 7.3.2 Determining relevance and significance of core subjects and issues to an organization	List entities included in financial statements; mention those not covered by this report	p.8	Scope of the Report
G4-18	--	7.3.3 An organization's sphere of influence 7.3.4 Establishing priorities for addressing issues	Process for defining report content and aspect boundaries	p.16	Materiality Analysis
G4-19	--		List material aspects	p.48	Materiality Analysis Table
G4-20	--		Aspect boundaries within the organisation	p.48	Materiality Analysis Table
G4-21	--		Aspect boundaries outside the organisation	p.48	Materiality Analysis Table
G4-22	--		Effect of any restatements in previous reports	p.47	Commentary Tabl
G4-23	--		Significant changes in scope and aspect boundaries from previous reporting period	p.8 p.40	Scope of the Report Our CSR journey continues
Stakeholder Engagement					
G4-24	--	6.2 Organizational governance	List of stakeholders engaged by the organisation	p.15	Stakeholder Engagement
G4-25	--	5.3 Stakeholder identification and engagement	Report basis for identification and selection of stakeholders	p.15	Stakeholder Engagement
G4-26	--		Stakeholder engagement approach and frequency	p.15	Stakeholder Engagement
G4-27	--		Report any key topics and concerns raised by stakeholders	p.10 p.11	Managing Our Impacts Impacts on our stakeholders
Report Profile					
G4-28	--	7.5.3 Types of communication on social responsibility	Reporting period	p.8	Scope of the Report
G4-29	--	7.6.2 Enhancing the credibility of reports and claims about social responsibility	Date of most recent report	p.8	Scope of the Report
G4-30	--		Reporting cycle	p.8	Scope of the Report
G4-31	--		Contact point for questions regarding the report and its contents	p.2	-
G4-32	--		GRI "in accordance" option chosen; GRI Content Index	p.8	Scope of the Report
G4-33	--		External assurance	p.42	Report Verification
Governance					
G4-34	--	6.2 Organizational governance	Governance structure of the organisation	p.36	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.36	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	--	6.81-6.8.2 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.9	Corporate Structure and Business Development (annual report)
Indirect Economic Performance	DMA G4-EC8	--	6.3.9 Economic, social and cultural rights 6.6.6 Promoting social responsibility in the value chain 6.6.7 Respect for property rights 6.7.8 Access to essential services 6.8.1-6.8.2 Community involvement and development 6.8.5 Employment creation and skills development 6.8.7 Wealth and income creation 6.8.9 Social investment	Significant indirect economic impacts, including the extent of impacts	p.12	Indirect Economic Impact
Energy	DMA G4-EN3 G4-EN6	GD A2 KPI A2.1 KPI A2.3	6.5.4 Sustainable resource use 6.5.5 Climate change mitigation and adaptation	Energy consumption within the organisation Reduction of energy consumption	p.25 p.27 p.33	Environmental Responsibility LOOP labelling assessment Energy-saving Charter Energy Efficiency System
Water	DMA G4-EN8 G4-EN10	GD A2 KPI A2.2 KPI A2.4	6.5.4 Sustainable resource use	Total water withdrawal by source Percentage and total volume of water recycled and reused	p.34 p.47	Conserving water Commentary Table
Emissions	DMA G4-EN15 G4-EN16 G4-EN18 G4-EN19	GD A1 KPI A1.1 KPI A1.2 KPI A1.5	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) Greenhouse gas emissions intensity Reduction of greenhouse gas emissions	p.25	Environmental Responsibility LOOP labelling assessment
Products & Services	DMA G4-EN27	GD A3 KPI A3.1	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 for environmental impacts of products and services	p.25 p.34	Impacts on the Environment LOOP labelling assessment Energy efficient systems Conserving water
Compliance	DMA G4-EN29	GD A1 GD A2 GD A3	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.47	Commentary Table
Employment	DMA G4-LA1 G4-LA2	GD B1 KPI B1.1 KPI B1.2	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.47	Commentary Table
Training and education	DMA G4-LA9 G4-LA11	GD B3 KPI B3.2	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.38 p.47	Staff Training and Development Commentary Table
Diversity and equal opportunity	DMA G4-LA12	GD B1.1	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.37 p.47	Staff age and gender distribution Commentary Table
Non-discrimination	DMA G4-HR3	GD B1	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.33 p.47	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.17 p.47	Social Responsibility Commentary Table
Anti-corruption	DMA G4-SO4	--	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.47	Commentary Table
Compliance	DMA G4-SO8	GD B1 GD B2 GD B4 GD B7	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.47	Commentary Table
Customer Privacy	DMA G4-PR8	GD B6 KPI B6.2	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.47	Commentary Table

GRI G4, HKEx and ISO 26000 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 not required under Hong Kong law. However, channels for communicating grievances are in place.
G4-22	--		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 ¹	DMA G4-EN8 G4-EN10	GD A2 KPI A2.2 KPI A2.4	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: 386m3 (recorded from 01/06/2015 - 31/05/2016)
Compliance	DMA G4-EN29	GD A1	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 and non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting year.
Employment	DMA G4-LA1 G4-LA2	GD B1 KPI B1.2	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 New Employees Hires (Melco International): 16 new employees: 7 males and 9 females. 10 of them aged 40 or below; 6 aged over 40 New Employees Hires (Melco Resorts & Entertainment): 1,798 new employees: 900 males and 898 females. 1,674 of them aged 40 or below; 124 aged over 40 Turnover Rate (Melco International): 20.4% of staff turnover: 19.0% staff turnover for male 21.4% staff turnover for female 34.8% staff turnover for staff aged below 40 7.7% staff turnover for staff aged over 40 Turnover Rate (Melco Resorts & Entertainment): 14.9% of staff turnover: 15.0% staff turnover for male 14.7% staff turnover for female 17.3% staff turnover for staff aged below 40 9.4% staff turnover for staff aged over 40. Medical and Life Insurance Scheme; despite Annual and Sick leave, we also provide Compassionate leave, Marriage leave and Jury Service Leave
Training and education	DMA G4-LA9 G4-LA11	GD B3 KPI B3.2	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	<ul style="list-style-type: none"> Melco International Average hours of training per year by Position Level: 52.25 hours at managerial level; 76.5 hours at officers' level. Average hours of training per year by Gender: 28.25 hours for Male; 100.5 hours for Female. Overall average hours of training: 128.75 hours. Melco Resorts & Entertainment Average hours of training per year by Position Level: 9.81 hours at managerial level; 6.27 hours at officers' level; 5.49 hours at frontline operations' level Average hours of training per year by Gender: 6.1 hours for Male; 5.63 hours for Female. Overall average hours of training: 5.88 hours. <p>Percentage of employees receiving regular performance and career development reviews: Managerial level: 100% male and 100% female Officer: 100% male and 100% female Frontline Operations: 100% male and 100% female</p>
Diversity and equal opportunity	DMA G4-LA12	GD B1 KPI B1.1	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: http://www.melco-group.com/doc/governance/CodeonCorporateGovernance.pdf

Non-discrimination	DMA G4-HR3	GD B1	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 B8	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	<ul style="list-style-type: none"> Melco International partnered with 20 NGOs and supported 37 projects/events. 86,153 children, youth, the physically challenged and families were benefited from our programs in 2016. Donation Efficiency was \$40.0
Anti-corruption	DMA G4-SO4	--	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 International'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	GD B1 GD B2 GD B4 GD B7	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 and non-monetary sanctions against non-compliance with laws and regulations during the reporting period.
Customer Privacy	DMA G4-PR8	GD B6 KPI B6.2	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 International has adopted a policy on shareholder privacy : www.melco-group.com/doc/governance/Shareholders-Communication-Policy.pdf

Materiality Analysis Table

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

	G4 Indicator	Level of Materiality	Impact Location (Inside/ outside of the Group)	
			Within	Outside
Economic (EC)				
Economic Performance	EC1	HIGH	✓	✓
Indirect Economic Impacts	EC8	HIGH		✓
Environmental (EN)				
Energy	EN3 & EN6	HIGH	✓	✓
Water	EN8 & EN10	HIGH	✓	✓
Emissions	EN15 & EN16 & EN18 & EN19	MEDIUM	✓	✓
Products & Services	EN27	MEDIUM	✓	✓
Compliance	EN29	MEDIUM	✓	
Labour Practices and Decent Work (LA)				
Employment	LA1 & LA2	HIGH	✓	
Training and Education	LA9 & LA11	MEDIUM	✓	
Diversity and equal opportunity	LA12	HIGH	✓	✓
Human Rights (HR)				
Non-discrimination	HR3	HIGH	✓	✓
Society (SO)				
Local Communities	SO1 & SO2	MEDIUM	✓	✓
Anti-Corruption	SO4	HIGH	✓	✓
Compliance	SO8	MEDIUM	✓	✓
Product Responsibility (PR)				
Customer Privacy	PR8	HIGH	✓	✓