



RISE
to go

MELCO

SUSTAINABILITY
REPORT 2021

ABOVE &
BEYOND

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About this Report

Introduction

Melco Resorts & Entertainment Limited's (MRE, Melco or the Company) fourth annual Sustainability Report presents an overview of our sustainability performance for the calendar year ended December 31st, 2021. This and our previous Sustainability Reports are available online.

Reporting Scope and Boundary

This report comprises all entities covered in our financial statements, including our properties in Macau, Manila and Cyprus, and our site in Japan. Our report presents performance and progress data in implementing our sustainability strategy and where possible information and updates on the development of our ongoing plans (refer to Forward-looking Statements below for details). Financial information is presented in United States Dollars (US\$) unless otherwise stated.

Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option. The Global Reporting Initiative (GRI) is an independent, international organization that developed the first and most widely-adopted global standards for sustainability reporting.

The data and information detailed in this report have been compiled through industry research, peer benchmarking, internal data collection systems and extensive, multifaceted engagement with internal and external stakeholders. The results of these essential steps contribute to both the identification of the material environmental, social and governance (ESG) topics that are central to our business and the evolution of our "Above & Beyond" sustainability strategy. Recognizing the importance of global cooperation in addressing ESG challenges and opportunities, our strategy aligns with the United National Sustainable Development Goals (SDGs).

UN SDGs



We welcome your feedback on this report, our strategy and goals. Please email: sustainability@melco-resorts.com with your comments.

Forward-looking Statements

This report contains certain forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995), including statements regarding our financial condition, results of operations, businesses, plans, expectations, continuation or future execution of initiatives, programs, activities, policies or disclosures, strategies, goals, targets, intentions, commitments and other statements that are not historical in nature.

Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks, uncertainties and other factors beyond our control that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. These factors include, but are not limited to Melco Resorts & Entertainment's ability to successfully implement ESG initiatives under expected time frames and the Company's ability to achieve its announced ESG goals, targets and commitments.

Moreover, because we operate in a heavily regulated and evolving industry and operate across various geographies including Macau, a market with intense competition and where the Macau Legislative Assembly is currently considering a proposal to amend the key gaming legislation; the Philippines, a market that is expected to experience growth over the next several years; and Cyprus, a new market with significant growth potential, new risk factors may emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of these factors on our business or the extent to which any factor, or combination of factors, may cause actual results, performance or events to differ materially from those expressed or implied in any forward-looking statement. Additional factors are described in the Company's most recent [Annual Report](#) on Form 20-F under Item 3, "Key Information – D. Risk Factors" and subsequent filings with the U.S. Securities and Exchange Commission.

In some cases, forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. All forward-looking statements contained in this Sustainability Report are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. The Company assumes no obligation to update such information.



OUR STRATEGY

Inspiring our guests by showing them a sustainable future is a better future

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Chairman & CEO's Statement

We are determined to emerge from this pivotal moment in time, not as we were before, but more deeply aware of the needs of the world around us, and more purposeful in how business can meet those needs.

Dear Shareholders,

When I reflect on the year that's been, I do so with humility and optimism. We have continued to rise beyond continuing pandemic challenges and in ways that have indeed accelerated our sustainability efforts in 2021. Moreover, I am inspired to witness how our people are empowered by our Above & Beyond commitments. From colleagues to suppliers and partners, we are strengthening actions to address longer-term critical issues, including societal health, climate change and innovation.

Keeping our colleagues and communities safe, healthy and supported has naturally remained central to our operations. From the launch of in-house mental wellness seminars, and supplying our colleagues and guests with healthy and sustainable food options, to the continuing success of our campaigns that support community needs and promote the prosperity of small and medium enterprises (SMEs) — our efforts have profoundly demonstrated the importance of societal wellbeing for business resilience.

Still, progress today demands that we continue to work beyond the boundaries of business. We are proud to be the first and only integrated resort operator to achieve the esteemed responsible gaming (RG) accreditation, RG Check, across our global portfolio. We also continued our successful "Simple Acts of Kindness" initiative, which has been critically important for supporting our communities during these challenging times; we reached out to over 1,300 NGOs, associations, schools, nurseries, governmental departments and SMEs with the help of over 16,000 volunteer participants.

Understanding that developing talent among local youth is an integral part of ensuring our sustainable future, we continue to offer a wide range of educational subsidies and special programs such as Adopt a Micro-Enterprise, an initiative providing mentorship and skill training to



LAWRENCE HO
CHAIRMAN & CEO

young entrepreneurs. And over the past year, our popular Heart-of-House Roadshows generated over US\$950,000 worth of business for local SMEs who received rent-free space to sell directly to our colleagues.

Above all, we are pleased with the results of our 'Get the Jab' immunity incentive program for colleagues, motivating more than 95% of our global workforce to get vaccinated. Initiatives included educational sessions with Macau's Department of Health and two days of additional leave for our colleagues to receive the vaccination. I am grateful for our partnerships with governments, academia and community organizations, as we work together to bolster the health of our communities.

The pandemic has shown us that we live in an increasingly interconnected and fragile world, and nothing jeopardizes that more than climate change. Undeniably, our most significant opportunity to create positive impact at

scale is through our integrated resorts, where we have a chance not just to mitigate the impacts of climate change, but to engage all our stakeholders in restoring our world. From how we design our buildings, and the type of food we purchase from suppliers, to innovations in the hospitality we offer to our guests; all these interlocking initiatives must be delivered in game-changing ways to inspire our guests that a sustainable future is a better future.

At the beginning of 2021, we began a comprehensive review of our operations and supply chain to establish our roadmap to decarbonization. The plan maps out actions to help neutralize greenhouse gas emissions from business activities, combined with a confirmed system to measure and transform data into actionable insights that will empower change throughout our value chain. Achieving carbon-neutral resorts by 2030 will be a challenge and we have made this commitment conscious that not all the answers are in front of us.

Alongside decarbonization, we are also embedding climate resilience and zero waste into our integrated resort portfolio. As both Studio City Phase 2 and City of Dreams Mediterranean edge closer to completion, I am delighted that our sustainable building designs have both been recognized by the trusted mark of sustainability, BREEAM, with Excellent environmental rating awards, and a 'Regional Award, Asia' for Studio City Phase 2.

Our achievements and awards could not have materialized without the help of our partners and suppliers. Some of the most remarkable gains we made last year were across food waste and plastic reduction and elimination. For example, our partnership with Winnow and the London School of Economics and Political Science saw AI technology help reduce food waste by 35% in our employee dining rooms over a five-month study period. And our capacity-building workshops with SMEs helped us communicate and identify opportunities in the supply chain to promote circular economy practices. Now is truly our time to come together—to blur boundaries and unlock insights and innovation across industries.

As we look ahead, we are under no illusions about the hurdles we face. While we have maintained strong cost discipline, sustainability has remained high on the agenda, and I have my colleagues to thank most for this. This decade demands more action from us all, and I am confident that collectively we will rise to the challenge to put sustaining all life on Earth at the center of every action and every decision.

Ho, Lawrence Yau Lung
Chairman & Chief Executive Officer

RISE

Our Above & Beyond sustainability strategy guides us to RISE in achieving our commitment to restore, inspire, sustain and empower our planet, people and communities.

We are driven to be an adaptable and forward-thinking business,
contributing to a climate-fit and equitable future.



ABOVE & BEYOND SUSTAINABILITY STRATEGY

Restoring our World

- Achieving carbon-neutral resorts by 2030
- Achieving zero waste across our resorts by 2030
- Contributing to circular economy leadership in Asia
- Sourcing sustainable goods and services
- Reducing our water footprint

Inspiring our Communities

- Being the company people choose to work for and stay with
- Being best-in-class in safety for our guests, colleagues and community
- Promoting responsible gaming and an attitude of staying in control
- Supporting our communities and strengthening their economic prosperity

Sustaining our Supply Chain

- Procuring locally and creating demand for materials that have sustainability attributes in the supply chain
- Building capacity and awareness of the social, ecological and biodiversity impacts in sourcing
- Enhancing workers' lives and working towards eliminating human trafficking and modern slavery in our industry and supply chains

Empowering our Business

- Being the world's most responsible, ethical and transparent integrated resort
- Minimizing any risk of disruption from data privacy or cybersecurity concerns

SUSTAINABILITY AT MELCO

Performance Highlights

Restoring our World

	Goals (disclosed in 2020)	Progress in 2021	Status
ENERGY & CLIMATE RESILIENCE	Achieving carbon-neutral resorts by 2030	• Roadmap and Action Plan to decarbonize our operations with quantified targets established	✓ ON TRACK
		• 25% energy intensity reduction achieved over 2019	... IN PROGRESS
		• Solar PV at all properties in Macau, Manila and Cyprus with 80 EV charging points in Macau	... IN PROGRESS
		• Energy-efficiency measures since 2018 have resulted in annualized savings of over 46.8 million kWh	✓ ON TRACK
		• BREEAM “Excellent” rating for the design stage of City of Dreams Mediterranean and Studio City Phase 2, with each aiming for the same rating upon completion	✓ ON TRACK
MATERIAL USE & WASTE	Achieving zero waste across our resorts by 2030	• Quantified targets for reducing waste and water consumption established	★ ACHIEVED
		• Eliminating 2.8 million plastic bottles annually with water refilling dispensers across our properties	★ ACHIEVED
		• Replaced all SUP F&B containers and utensils with biodegradable, sustainable alternatives	★ ACHIEVED
	Contributing to circular economy leadership in Asia	• Increased plastic recycling by 2,429%	✓ ON TRACK
		• Waste diversion increase of 433% in composting and 126% in recycling over 2020	... IN PROGRESS
	Sourcing sustainable goods and services	• Cut plate waste in Employee Dining Rooms by up to 35% over a five-month, Winnow Sense trial	... IN PROGRESS
		• Achieved annualized savings of over 432,000 m ³ through water-efficiency measures	✓ ON TRACK
	Reducing our water footprint		

Inspiring our Communities

	Goals (disclosed in 2020)	Progress in 2021	Status
ENGAGING OUR PEOPLE	Being the company people choose to work for and stay with	• Women comprise 27% of our Boards and 38% of senior management, and 73% of our people are hired from within the local community	✓ ON TRACK
		• Overall, 111 average training hours per colleague, a 260% increase over 2019 and 18% over 2020	✓ ON TRACK
SAFETY, HEALTH & WELLBEING	Being best-in-class in safety for our guests, colleagues and community	• Over 95% of colleagues vaccinated through our ‘Get the Jab’ program	★ ACHIEVED
		• 4% reduction in work-related injury cases reported	... IN PROGRESS
RESPONSIBLE GAMING	Promoting responsible gaming and an attitude of staying in control	• First and only integrated resort operator globally to be recognized by RG Check in all jurisdictions	★ ACHIEVED
COMMUNITY ENGAGEMENT & INVESTMENT	Supporting our communities and strengthening their economic prosperity	• Awarded ‘Outstanding Corporate for Volunteerism’ (2019-2021) by the Association of Volunteers Social Service Macao	★ ACHIEVED
		• Heart-of-House Roadshows generated over US\$950,000 worth of business for more than 140 local SMEs	✓ ON TRACK

Sustaining our Supply Chain

	Goals (disclosed in 2020)	Progress in 2021	Status
ETHICAL & SUSTAINABLE SUPPLY CHAIN	Procuring locally and creating demand for materials that have sustainability attributes in the supply chain	<ul style="list-style-type: none"> 94%, 86% and 80% of our purchasing was from local companies in Macau, Manila and Cyprus, respectively Sourced 100% of our bed and bath linen to be OEKO-TEX®-certified, ahead of our 2030 target Sourced 92% of all chemicals in the Green and Amber categories, ahead of our 2025 target 	<div>★ ACHIEVED</div> <div>★ ACHIEVED</div> <div>★ ACHIEVED</div>
	Building capacity and awareness of the social, ecological and biodiversity impacts in sourcing	<ul style="list-style-type: none"> For sustainable seafood, more than 57 options on menus, representing 16% of our total seafood by weight in 2021, up 73% over the previous year. We are in progress towards our target of 20% sustainable seafood by 2025 	<div>... IN PROGRESS</div>
	Enhancing workers' lives and working towards eliminating human trafficking and modern slavery in our industry and supply chains	<ul style="list-style-type: none"> 40 suppliers in Macau promoted items with sustainability attributes at our Supplier Showcase and icons for these products were added to our procurement system 16 capacity-building workshops held for suppliers with 113 attendees, including 93 SMEs 83 colleagues attended in-depth training on modern slavery with online training to be rolled out with The Mekong Club Training conducted for Security Department on identifying underage persons and possible sexual exploitation 	<div>... IN PROGRESS</div> <div>... IN PROGRESS</div> <div>★ ACHIEVED</div> <div>... IN PROGRESS</div>

Empowering our Business

	Goals (disclosed in 2020)	Progress in 2021	Status
ETHICS & INTEGRITY	Being the world's most responsible, ethical and transparent integrated resort	<ul style="list-style-type: none"> All colleagues received training on Melco's anti-corruption policies and procedures No incidents of corruption, or legal actions taken for anti-competitive behavior or monopolistic practices 	<div>★ ACHIEVED</div> <div>★ ACHIEVED</div>
PRIVACY & CYBERSECURITY	Minimizing any risk of disruption from data privacy or cybersecurity concerns	<ul style="list-style-type: none"> Engaged experts to benchmark and enhance our processes and preparedness for the National Institute of Standards and Technology (NIST) Framework and to run our Cyber Security Operation Centre (CSOC) 	<div>★ ACHIEVED</div>

SUSTAINABILITY AT MELCO

Understanding What Matters Most

Maintaining an open dialogue with our key stakeholders empowers us to understand and act upon evolving expectations and concerns. Insights borne from continuous stakeholder engagement provide focus on the issues that materially impact our capacity to create shared value for our stakeholders and our business. Our stakeholder groups¹, their influence over Melco, methods of engagement, as well as priorities and key concerns raised during our 2020 materiality assessment process, were reviewed in 2021 and are outlined in the table below.

Board Members

Provide strategic direction for our long-term success.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Board meetings

PRIORITIES / KEY CONCERNS

- Ensuring sound procedures and policies to tackle key risks and opportunities such as money laundering and online gaming, and climate-related performance
- Aligning business strategies with governmental initiatives
- Assuring license renewal in operating environments
- Implementing a concise reporting mechanism
- Maintaining stringent health and safety procedures against COVID-19
- Improving and promoting engagement with local SMEs and communities through workshops and training
- Promoting staff interest in sustainability and encouraging participation as part of corporate culture
- Investing in technology to achieve successful climate change mitigation
- Enriching guest experiences

1. Our identification of key stakeholder groups is guided by the AA1000 Stakeholder Engagement Standard (2015).

Guests

Patronize our integrated resorts, providing the driver for business success.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Online
- Social media
- Mystery guests
- Focus groups

PRIORITIES / KEY CONCERNS

- Maintaining strict health and safety measures against COVID-19
- Raising awareness on responsible gaming and environmental protection
- Ensuring customer data protection
- Increasing leisure and entertainment facilities specifically for families
- Ensuring service excellence from staff
- Supplying and offering healthier and organic food options

Governments

Provide access to operating licenses and administer regulatory measures.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Industry forums

PRIORITIES / KEY CONCERNS

- Maintaining stable and sustainable economic contributions
- Promoting opportunities for job creation and socioeconomic development
- Managing diversification of Melco's businesses in the long run
- Ongoing, transparent and transformative engagement with government to align goals and build sustainable economies
- Protecting customers' interests on service quality and privacy
- Supporting local and rural communities through persistent efforts in community investment and SME engagement
- Managing environmental impacts such as greenhouse gas (GHG) emissions and climate change
- Addressing culture and heritage preservation

Investors

Provide financial capital for long-term business success.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- Briefings and meetings
- Annual General Meeting
- Property tours
- Investor presentations
- Roadshows
- Conferences

PRIORITIES / KEY CONCERNS

- Ensuring sustained financial growth
- Improving transparency of sustainability performance (i.e. license renewal, succession planning, human capital development, corruption and money laundering)
- Sound corporate governance practices
- Embedding more quantitative metrics in reporting
- Providing industry and peer data for easy comparisons
- Advocating for regulations against modern slavery and human trafficking
- Providing direct access to the board of directors of Melco Resorts & Entertainment (the "Board") for understanding Board dynamics and engagement over ESG performance

SUSTAINABILITY AT MELCO

UNDERSTANDING WHAT MATTERS MOST

Colleagues (Employees & Management)

Contribute skills and productivity to develop and execute our strategy.

ONGOING ENGAGEMENT

- Colleague surveys and virtual interviews
- Workshops
- Training
- Various online platforms
- Hotline
- Events: townhall, family days, volunteering and wellness activities

PRIORITIES / KEY CONCERNS

- Maintaining a culture of excellence where colleagues are supported to provide exceptional guest services
- Providing internal career opportunities
- Ensuring the leadership team makes it a priority to protect and support people across operations (i.e. monitoring of safety and hygiene)
- Maintaining a robust and resilient governance structure to further sustainability goals
- Fostering a diverse and inclusive working environment
- Championing SME outreach and supporting local communities through volunteering and capacity building

Suppliers

Enable us to effectively provide our products and services.

ONGOING ENGAGEMENT

- Surveys and training
- One-on-one interviews
- Supplier events and forums
- Meetings
- Assessment against our Code of Business Conduct and Ethics

PRIORITIES / KEY CONCERNS

- Following a clear and effective sustainability strategy in delivering positive environmental, social and economic impact
- Ensuring ethical sourcing and expanding the incorporation of sustainable items into Melco's operations to minimize waste and reduce unnecessary material usage (e.g. biodegradable products)
- Implementing strict health and safety measures against COVID-19
- Contributing to local communities and publicizing information on international events in relation to culture and heritage
- Protecting consumer data and ensuring a high level of security and integrity for data management to avoid money laundering

NGOs

Provide socioeconomic support in the communities where we operate.

ONGOING ENGAGEMENT

- Surveys
- One-on-one interviews
- NGO participation in industry meetings
- Collaboration on community projects
- Staff volunteering

PRIORITIES / KEY CONCERNS

- Increasing the frequency of local community outreach and initiatives
- Enhancing communication channels and planning regular engagement opportunities between community and Board members
- Raising sustainability awareness through increased communication about Melco's sustainability initiatives
- Increasing transparency on sustainability performance

SUSTAINABILITY AT MELCO

Assessing Materiality

Through a combined data-driven and human-led approach to ongoing stakeholder engagement, and based on the results of the materiality assessment process conducted in 2020² that is outlined in the table below, we identify nine material topics that guide our business and evolving approach to sustainability.

STAKEHOLDER ENGAGEMENT AND MATERIALITY PROCESS

1 Identification of Topics	2 Evaluation & Validation	3 Outcomes	4 Next Steps
<p>Melco based the identification of topics on:</p> <ul style="list-style-type: none"> • Industry research • Peer benchmarking • Stakeholder engagement • Media coverage <p>Stakeholder groups include, but are not limited to:</p> <ul style="list-style-type: none"> • Board members • Customers/Guests • Current Melco employees and contractors • Government representatives • Investors • Suppliers • Non-governmental organizations (NGOs) • Academic institutions <p>Stakeholders were engaged through a variety of channels:</p> <ul style="list-style-type: none"> • 34 one-on-one interviews with internal and external stakeholders • Online survey to all stakeholder groups with 2,987 respondents • Guest satisfaction surveys 	<p>Based on the results and data gathered in Step 1, senior management gathered during a workshop to evaluate and confirm the material topics identified by stakeholders</p> <p>The assessment was based on:</p> <ul style="list-style-type: none"> • Concerns expressed directly by stakeholders • What Melco deemed as important to the business and its longer-term success in light of key risks and opportunities • Melco's influence on upstream entities, such as suppliers, and downstream entities, such as customers/guests • Broader societal expectations 	<ul style="list-style-type: none"> • Refined our stakeholder engagement process • Refined framework for materiality based on nine confirmed topics • Designed sustainability report content and structure according to the assessment • Improved the communication of our strategic approach to sustainability 	<ul style="list-style-type: none"> • Review and refine the stakeholder engagement process to continuously capture evolving expectations and priorities • Continue to review and evaluate risks and opportunities • Continue to evolve Melco's sustainability strategy

MATERIAL TOPICS

R estoring our World	I nspiring our Communities	S ustaining our Supply Chain	E mpowering our Business
<ul style="list-style-type: none"> • Energy & Climate Resilience • Material Use & Waste 	<ul style="list-style-type: none"> • Engaging our People • Safety, Health & Wellbeing • Responsible Gaming • Community Engagement & Investment 	<ul style="list-style-type: none"> • Ethical & Sustainable Supply Chain 	<ul style="list-style-type: none"> • Ethics & Integrity • Privacy & Cybersecurity

2. For more details of the stakeholder engagement and materiality assessment process conducted in 2020, refer to our Sustainability Report 2020 at https://www.melco-resorts.com/sustainability2020/doc/Melco_SustainabilityReport_2020.pdf.

Sustainability Risk Management

Risks are becoming increasingly interconnected and widespread across our business and the societies in which we operate. Despite the headwinds of 2021, we took the opportunity to further collaborate with governments, institutions and partners, deepening our actions to build a more resilient business and supply chain for the benefit of our stakeholders, the community and the planet.

In ensuring a united response to business and systemic risks, our Enterprise Risk Management (ERM) framework is informed by the industry-standard ISO 31000:2018. It provides the process and principles for managing risks that impact our strategic and operational objectives, and our ability to create shared value.

The Board oversees the ERM process through the Audit and Risk Committee, and while our Chief Risk Officer (CRO) is operationally responsible for the process, all colleagues are supported to participate in the identification and mitigation of existing, new and emerging risks.

Existing and emerging risks, and their potential impacts and mitigation measures, are regularly discussed with the Executive Management team. The conclusion of those discussions is presented to the Audit and Risk Committee every quarter, alongside a risk register that is informed by the 4Ts: Treat, Tolerate, Transfer or Terminate. Monthly risk management meetings at each property provide an

opportunity to confirm new mitigating measures when necessary. In addition, Melco will circulate new or revised policies and procedures through email, the intranet and other management meetings where appropriate.

The 4Ts Risk Management

Treat
Tolerate
Transfer
Terminate

SUSTAINABILITY AT MELCO

Evolving Risks and Opportunities

The risks that we have recently identified as changing most rapidly, our Evolving Risks, as well as our robust mitigation efforts and the inherent opportunities, are detailed below.

Financial Sustainability

The COVID-19 pandemic has significantly impacted our financial performance and liquidity. The impact is expected to persist whilst government-imposed travel/border restrictions and quarantine requirements remain in place, particularly in Macau, Hong Kong and China. However, longer-term impacts may also be encountered once customers can travel freely, due to potential declines in income/wealth levels, affecting discretionary spending and travel. Ongoing disruptions to our business caused by the pandemic could worsen, and servicing ongoing financial obligations could become untenable.

MITIGATING MEASURES

- Employing cost-containment and financing measures to manage our financial sustainability
- Evolving and diversifying our business model through the development of future-fit integrated resorts

OPPORTUNITY

We have maintained a strong cost discipline throughout the pandemic. After border restrictions are lifted and operations return to normal, continuing to apply such discipline should improve profitability margins beyond past performance. In addition, we have worked closely with governments to encourage vaccination and with our colleagues to ensure our integrated resorts embody best-in-class health and safety standards now and into the future.

License to Operate

The Company's Macau Subconcession Contract expires on June 26, 2022. While the Macau Government has put forward to the Macau Legislative Assembly a proposed law amending the gaming law for the granting of new concessions, and has announced that the current concessions/subconcessions may be extended to December 31, 2022, the process of the award of new concessions is uncertain. Inability to extend the current subconcession and/or to secure a new concession would negatively impact the Company's ongoing viability.

MITIGATING MEASURES

- Operating responsibly
- Consistently adhering to government policies and regulations
- Using our business expertise, resources and partnerships to support government initiatives and societal needs

OPPORTUNITY

We believe the leadership we have demonstrated when it comes to sustainability, business continuity and supporting our suppliers and communities, differentiates us in our bid for a new concession.

SUSTAINABILITY AT MELCO

EVOLVING RISKS AND OPPORTUNITIES

Data Privacy

Data privacy laws continue to tighten globally. Along with the increasing cost of compliance, privacy breaches may adversely impact our ability to interact with our customers. There is limited precedence on newly enacted laws affecting the Company, such as the European Union's General Data Protection Regulation, which became effective in May 2018. The PRC Personal Information Protection Law also took effect in November 2021, covering the processing of personal information within mainland China and certain personal information processing activities outside the country. Although we do not process any personal information in mainland China, there remain uncertainties regarding the interpretation and implementation of the law, and it could be deemed to be applicable to companies operating in Macau, like us.

MITIGATING MEASURES

- Appointing Data Protection Officers in each jurisdiction
- Protecting the data subject rights of our customers, employees and other stakeholders by keeping the consent forms, privacy policies and operational procedures up to date with the legislative requirements
- Maintaining an Information Security Incident Management Policy, covering detailed procedures to manage a security incident and to minimize any resulting impact

OPPORTUNITY

The enactment of laws in certain jurisdictions has seen Melco heighten our approach to data privacy across all jurisdictions.

Cybersecurity

With increased reliance on technology during the pandemic, cyber risk has intensified globally with cyber criminals employing increasingly sophisticated methods of attack. Coupled with rapid changes in related technology, regulations and standards, there is a risk that we could be subject to a cyberattack and/or we may be ineffective in managing a data breach incident. This could result in significant damage to our reputation and relationships with stakeholders, financial loss and regulatory fines.

MITIGATING MEASURES

- Protecting Melco's IT infrastructure and systems by a comprehensive Information Security Management System certified to ISO 27001
- Engaging an independent third-party expert in 2021 to assess Melco's processes and preparedness against the National Institute of Standards and Technology (NIST) Framework
- Partnering with an external highly-regarded firm to further enhance information security posture against security breaches and mitigate cybersecurity threats
- Regularly performing cybersecurity drills with business stakeholders, and conducting mandatory online and face-to-face training on cybersecurity

OPPORTUNITY

Partnership with industry leaders in data and cybersecurity enables Melco to significantly increase in-house capacity, without impacting resources and cost, all while employing the industry's most advanced detection and response solutions.

Climate Action Failure

While Melco remains committed to carbon neutrality by 2030, achieving our goal requires a systematic, united approach within our business ecosystems, including working with infrastructure developments and governments. In certain jurisdictions where Melco operates, access to renewable energy sources is limited, and new pricing schemes could further slow action to address climate change and thereby present increasing physical and transition risks over the short, medium and long-term.

MITIGATING MEASURES

- Oversight of the Carbon Neutral Working Group to continually evolve our approach to GHG emission reduction and to mitigating and adapting to climate risk
- Conducting GHG accounting and verification in compliance with the ISO 14064 standard
- Incorporating environmental features into building design and facilities, and adopting energy-efficiency practices
- Offsetting by purchasing Energy Attribute Certificates (EACs) issued according to i-REC Standard³ requirements

OPPORTUNITY

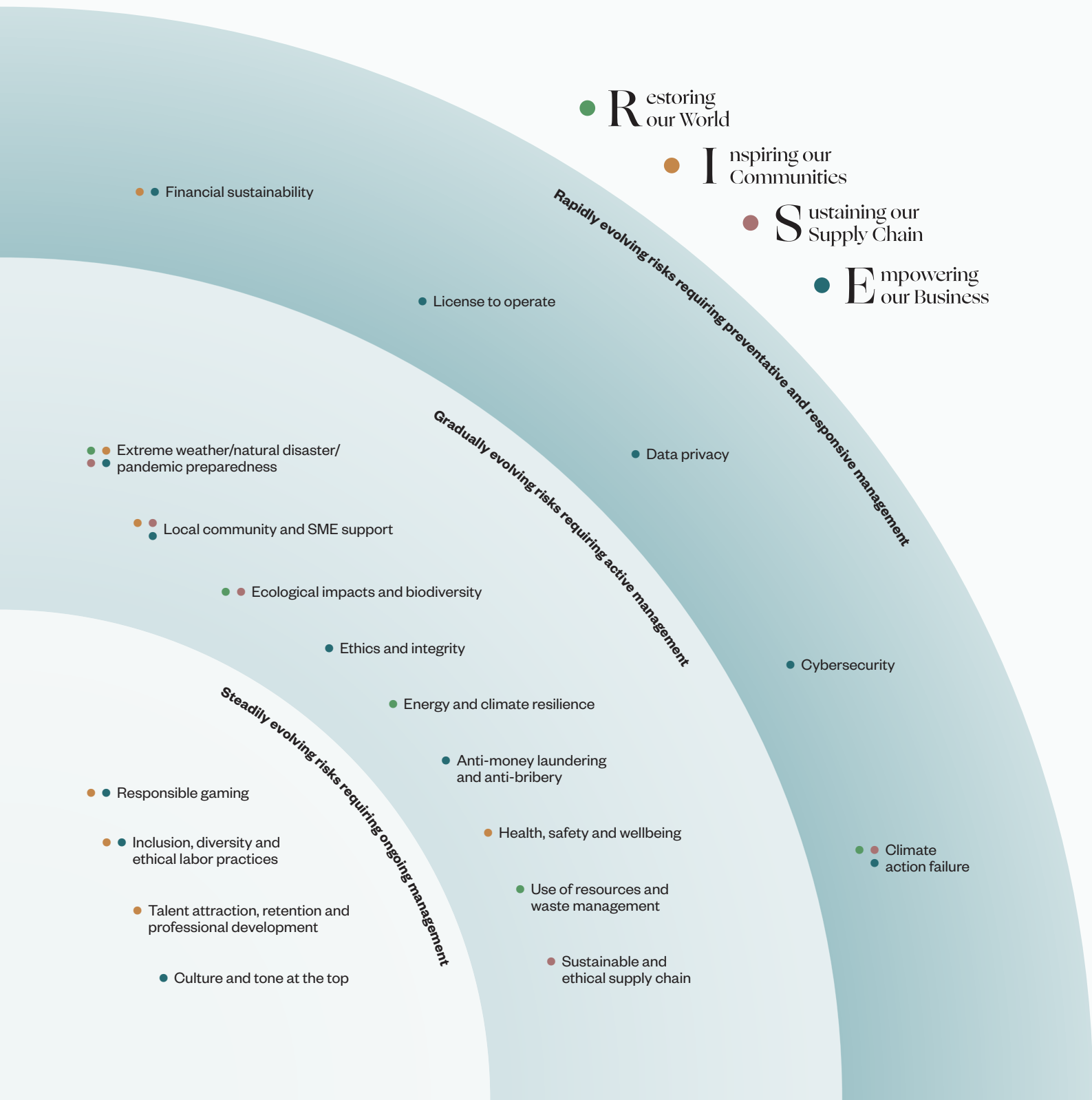
Our commitment to carbon neutrality by 2030, which steadfastly drives us to uncover innovative technologies and approaches to operate more efficiently and sequester our GHG emissions, alongside our proactiveness in addressing climate resilience across our value chain, can provide a genuine first-mover advantage.

3. International Renewable Energy Certificate Standard

SUSTAINABILITY AT MELCO

Our Risk Universe

Melco operates in a dynamic environment in which the risks affecting our business are constantly changing. We continually assess our risk universe to understand the rate at which the nature of each risk is changing. Risks that are rapidly changing require a preventative, responsive risk management approach, while risks with a more gradual rate of change remain subject to our active and ongoing management efforts.



SUSTAINABILITY AT MELCO

Awards, Recognition and Certifications

Melco continually assesses and aligns sustainability performance in the context of global sustainable development goals and recognized sectoral, regional and global benchmarks. Our performance against these is indicated by the below awards, recognition and certifications.

AWARDS

- 'Sustainable Resort of the Year' 2021 – International Gaming Awards (IGA)
- WeCare™ HR Asia Most Caring Companies Award 2021 – HR Asia magazine
- "Best Companies to Work for in Asia" – HR Asia magazine (2019-2021)
- Excellence in Practice Award: Customer Service Training (Morpheus Hotel) – Association of Talent Development 2022
- Silver for Best Graduate Recruitment Programme – HR Asia Recruitment Awards 2021
- Melco International was awarded the "15 Years Plus Caring Company Logo" in 2021
- 97 Forbes Travel Guide Awards, including 17 five-star and three four-star awards, and seven Michelin Stars across our restaurants in 2021
- Studio City Phase 2 recognized with the 'Regional Award, Asia' at the BREEAM Awards 2021
- Gold Awards 2021 of the 'Climate Change Initiative' category - sustainability strategy 'Above & Beyond' – Pacific Asia Travel Association (PATA)

- Green Key International Environment Award 2021 for our Studio City Hotel, Altira Macau, and Morpheus, The Countdown and NÜWA at City of Dreams, with City of Dreams Manila in progress, meeting the stringent standards set by the Foundation for Environmental Education (FEE)
- ASEAN Tourism Standards Awards 2021 – ASEAN Green Hotel for all City Of Dreams Manila hotels - Nobu Hotel, NÜWA Hotel and Hyatt Regency
- Hong Kong Sustainability Award 2021 – Certificate of Excellence

CERTIFICATIONS⁴

- "RG Check" accreditation by international third-party Responsible Gambling Council, across our global portfolio in 2021
- Melco's integrated resorts in Macau and the Philippines were among the first in the world to achieve the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification
- BREEAM "Excellent" rating for the design stage for both Studio City Phase 2 and City of Dreams Mediterranean, with each aiming for the same rating upon completion

RECOGNITION

- Attained high scores in the Dow Jones Sustainability Index (DJSI), putting us in the 80th percentile for the environment category and in the 77th percentile of our industry group overall
- In 2019, Melco Resorts was named the Best First Time Performer by the globally-renowned Carbon Disclosure Project (CDP) and, in 2021, received an A- score for our climate-related supplier engagement strategy and an overall score of B
- Outstanding Corporate for Volunteerism (2019-2021) from the Association of Volunteers Social Service Macao

4. Other certifications related to environmental and health and safety management are referenced in relevant report sections.



Restoring our World

CONSERVING RESOURCES, ENHANCING
CLIMATE RESILIENCE AND RESTORING OUR ECOSYSTEMS



QUICK ACCESS TO MATERIAL TOPICS

Energy & Climate Resilience.....	024
Material Use & Waste.....	032

CASE STUDY

Integrating Sustainability into F&B Operations

From chefs in our Michelin-star restaurants and Heart-of-House to our procurement colleagues, our food and beverage (F&B) teams are united in avoiding food waste, reducing plate waste and furthering the consumption of healthy and sustainably sourced items. This is fundamental for reducing our environmental impact, by taking action on climate change, biodiversity conservation and ecosystem restoration, and for enhancing wellbeing.

In addition to increasing local sourcing, key initiatives and progress in 2021 included:

- Progressively enhancing our procurement system to include the sustainability attributes of each product using easily recognizable icons
- Adding icons on our menus to highlight vegetarian and sustainable seafood, alongside 16 of our restaurants, representing 38% of our owned and operated restaurants in Macau, incorporating plant-based alternatives on guest menus, with more to come
- Increasing sustainable seafood options with 57 varieties available in Macau, comprising 16% of total seafood procured by weight, compared to 26 varieties and 8% in 2020
 - Bringing 20 different sustainable products every other month to the Chef's Table for experiments by chefs and 54 suppliers
 - Continuing our Green Monday initiative to promote vegetarian and vegan dishes to our colleagues and guests
- Cutting plate waste by up to 35% during a five-month, trial monitoring period
- Diverting over 190 tonnes of food waste from disposal through composting and vermiculture, an increase of 433% over the previous year

We are buoyed by the success and support of our F&B teams, colleagues and guests on our journey towards sustainable consumption. By 2025, we aim to procure 20% of our seafood from sustainable, local and/or globally-recognized certification schemes.

RESTORING OUR WORLD

Strategy and Management Approach

STRATEGY AND MANAGEMENT APPROACH

Our Above and Beyond sustainability strategy is built upon a deep sense of responsibility to protect the natural capital upon which we depend. With our bold commitments to achieve carbon neutrality and zero-waste resorts by 2030, and new ambitious Group targets, we consistently seek innovative ways to reduce our impact. Our comprehensive roadmap outlines initiatives for climate resilience, clean energy, waste elimination, water management and biodiversity conservation. To effect meaningful change, we are dedicated to collaborating with our stakeholders to bring our colleagues, suppliers, tenants and guests along on our journey.

Oversight of our actions falls under the purview of three Working Groups, the Carbon Neutral Working Group, Zero Waste Working Group and Sustainable Sourcing Working Group, which report to our Executive Sustainability Committee. The Working Groups meet on a monthly basis to map and measure our progress while evaluating our policies and systems with a view towards continual improvement. This year, the emphasis has been on capacity building for colleagues and partners alike. Internally, sustainability training has been incorporated in the Melco Learning Academy courses and sustainability content is included in general briefing sessions and other sessions tailored for specific teams. Similarly, various initiatives have been put into place to engage tenants and suppliers as we seek to spur action across our value chain.

KEY GOALS

- Achieving carbon-neutral resorts⁵ by 2030⁶

- Achieving zero waste⁷ across our resorts by 2030
- Contributing to circular economy leadership in Asia
- Sourcing sustainable goods and services
- Reducing our water footprint

KEY TARGETS

We have set intensity targets to inspire action to achieve our bold goals. To do so, we conducted extensive research and detailed assessments of our baselines and what more can be achieved with existing technology as well as feasibility assessments to determine what could be achieved with new technology and instruments. Our conservative, base targets therefore reflect what can be achieved based on known, available measures, while achieving our ambitious targets is linked to an accelerated replacement cycle of equipment, grid decarbonization and access to offsite renewable energy options.

In support of these established, Group-level goals and targets⁸, we have set aligned targets for our properties, all based on our baseline year of 2019.

- 5% tCO₂e/m² intensity reduction in Scope 1 and 2 GHG emissions⁹ by 2030, with ambitions for 22% reduction
- 3% kWh/m² intensity reduction in fuel and electricity consumption by 2030, with ambitions to achieve between 22% to 28% reduction at the property level
- 19% m³/m² intensity reduction in water consumption by 2030
- 5% tonnes/m² intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction

MATERIAL TOPICS

Energy & Climate Resilience	024
Material Use & Waste	032

HIGHLIGHTS

Organizational Change

The Group-wide culture has undergone a distinct change, with colleagues now regarding sustainability efforts as a normal part of everyday operations. With unwavering support from our Chairman & CEO, Lawrence Ho, momentum is growing from the bottom up as more colleagues seek to understand how they can be involved in our many initiatives. This makes our organization nimble, allowing us to adopt new practices quickly to effect change internally and influence partners to join our efforts.

Decarbonization

A foundational step in our journey has been to establish our Roadmap and Action Plan to decarbonize our operations. The plan maps out actions to be taken towards 2030 that will reduce and decarbonize our energy consumption, alongside the establishment of systems to measure, track and validate results.

Single-use Plastic (SUP)

With the installation of our NORDAQ 2000 water filtration system, one of only two in the world at the same scale, in January 2021, we have begun to replace SUP bottles with refillable glass bottles. We will gradually eliminate 14.8 million SUP bottles annually during regular operations in Macau alone and extend the system to our properties in Manila and Cyprus.

Food Waste

Our collaboration with Winnow and the London School of Economics and Political Science utilized cutting edge Artificial Intelligence (AI) technology and behavioral science to reduce food waste in colleague dining rooms by as much as 35% over the five-month trial. Qualitative feedback from colleagues showed a shift in behavior both at work and at home.

5. As defined by The Carbon Neutral Protocol: The global standard for carbon neutral programs. January 2018, Natural Capital Partners. https://assets.naturalcapitalpartners.com/downloads/The_CarbonNeutral_Protocol_Jan_2018.pdf.

6. To achieve our goal of carbon neutrality, we are focused on first increasing energy consumed from renewable sources, which may be generated onsite or obtained through power purchasing agreements, and then purchasing Energy Attribute Certificates or other market instruments, in quantities equivalent to the amount of energy that is consumed through non-renewable sources.

7. Achieving zero waste means avoiding the disposal of all waste materials to landfill or other treatment or disposal methods that do not involve the recovery, reuse, recycling or repurposing of the material or the generation of energy.

8. Data for compiling our intensity targets and the baseline year of 2019, have been externally verified.

9. Biogenic emissions are not included in the target boundary.

AWARDS

- **Green Key International Environment Award 2021** for our Studio City Hotel, Altira Macau, and Morpheus, The Countdown and NÜWA at City of Dreams
- **Hong Kong Sustainability Award 2021** – Certificate of Excellence
- **Gold Awards 2021** of the 'Climate Change Initiative' category - sustainability strategy 'Above & Beyond' – PATA
- **ASEAN Tourism Standards Awards 2021** – ASEAN Green Hotel for all City Of Dreams Manila hotels - Nobu Hotel, NÜWA Hotel and Hyatt Regency
- **Studio City Phase 2** recognized with the 'Regional Award, Asia' at the BREEAM Awards 2021

CHALLENGES

As the COVID-19 pandemic continues, we must balance health and hygiene concerns with the drive to achieve our 2030 environmental goals. Despite the resulting increase in the use of disposables and cleaning chemicals, we redoubled our reduction, reuse and recycling efforts, as well as our engagement with suppliers to reduce waste and the use of packaging.

We also recognize that there is more work to be done in adopting new technologies, sourcing renewable energy and, in particular, bringing colleagues and partners up to speed on our efforts to achieve carbon-neutral resorts as this goal is less tangible in terms of everyday actions.

2022 & BEYOND

To work towards climate resilience and meet our carbon-neutral goal, we are in the process of conducting a comprehensive climate risk assessment with the aim of setting specific actions for enhancing our mitigation and adaptation measures. As part of this effort, we will increasingly disclose information aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are also seeking innovative technology-based solutions for achieving decarbonization and will continue to seek out viable renewable options and support the demand for renewable energy markets through power purchasing agreements (PPAs) and other mechanisms. As we move towards our zero-waste goal, our onsite KAIZEN review has outlined concrete actions we must pursue to enhance our waste diversion strategy.

RESTORING OUR WORLD

Energy & Climate Resilience

OUR COMMITMENT

With climate action failure, extreme weather and biodiversity loss identified as the top three most severe global risks¹⁰, Melco is compelled to lead our industry in building resilience in every aspect of our integrated resort portfolio. We are committed to investing in energy-efficient processes and equipment, renewable power options, sustainable materials and design features to reduce our footprint. As we seek to improve our performance, we are dedicated to working together with our guests, colleagues, partners and communities to ensure a sustainable future for all.

OUR TARGETS

- Achieving carbon-neutral resorts by 2030
- Minimizing the impact of our business on ecology and biodiversity
- Improving the operational performance of our resorts year-on-year
- 5% tCO₂e/m² intensity reduction in Scope 1 and 2 GHG emissions¹¹ by 2030, with ambitions for 22% reduction

- 3% kWh/m² intensity reduction in fuel and electricity consumption by 2030

IMPACT ALONG THE VALUE CHAIN



Upstream

- Procuring cleaner and renewable energy to create demand and reduce impact along the supply chain
- Encouraging resilient and robust supply chains that reduce impacts on biodiversity and support local economies



In-house

- Adopting energy-efficiency measures and renewable energy while mitigating climate-related impacts to reduce risk
- Minimizing the environmental footprint of our buildings and sites
- Improving the operational performance of our resorts



Downstream

- Setting an example to further collective action on climate change and clean energy
- Setting benchmarks in sustainable building, reducing environmental impact and supporting enhancements in local infrastructure

10. World Economic Forum, The Global Risks Report 2022.
https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf

11. Biogenic emissions are not included in the target boundary.

HOW WE ARE MANAGING IT

Despite the difficulties posed by the COVID-19 pandemic, Melco has not wavered in progressing towards our target of carbon-neutral resorts by 2030. Our efforts are focused on managing both our operations and our supply chain to reduce our GHG emissions and decarbonize our portfolio. We also analyze climate-related risks and opportunities on a regular basis across our portfolio with interim targets as part of our overall 2030 sustainability goals.

The Board has general oversight of the Company's approach to climate change and receives quarterly reports on climate-related risks and opportunities. Our Chairman & CEO, who sits on the Board, oversees the Company's climate risk strategy and management of climate-related risks and opportunities. The Audit & Risk Committee supports the Board in the management of risk and is responsible for reviewing the effectiveness of the risk management and internal control processes during the year. Ongoing oversight of climate-related issues is carried out by the Executive Sustainability Committee, which includes Executive Committee members. The Committee meets quarterly, and is the senior forum for developing and implementing the sustainability strategy and commitments, assessing and managing climate-related risks and opportunities, and reviewing performance. The Working Groups focusing on Carbon Neutrality, Zero Waste and Sustainable Sourcing drive climate-related initiatives. The Working Groups meet on a monthly basis and report to the Executive Sustainability Committee.

Melco's strategy for achieving our goal of carbon neutrality for our resorts is directly overseen by our Carbon Neutral Working Group. This Group follows industry best practice and implements emerging technologies to strive for both energy consumption and GHG emission reductions, while working to engage colleagues and external stakeholders in our efforts. The Group is also responsible for managing the sustainability and financial impacts of our carbon-neutral goal, ensuring that the appropriate measurement processes are in place to verify progress.

We have established a Roadmap and Action Plan that includes specific actions to be taken within defined time periods towards 2030 to reduce and decarbonize our energy consumption and address GHG emissions along our value chain. Starting with the measurement of consumption sources to establish an inventory list of assets to target for energy efficiency measures, plans include the ongoing identification of new technologies as well as system configuration and integration to manage performance and to track and validate results.

In addition to reducing our impact, a key concern continues to be building up our climate resilience. With extreme weather events, such as storm surges, flooding, extreme heat and fires, occurring more frequently, our integrated resorts and supply chain must be ready. Accordingly, we are focused on conducting a comprehensive climate risk assessment, including scenario planning with the aim of setting specific actions for enhancing our mitigation measures. As part of our efforts, we will increasingly disclose information aligned with the TCFD's recommendations; refer to the [summary of our assessment on page 026](#). As part of an ongoing assessment, we are working with our finance, risk, compliance, investor relations, supply chain, operations and property presidents and other internal stakeholders to prioritize our risks and opportunities and incorporate our climate change response actions into our core business activities across all business units.

We also continue to engage our suppliers and offer capacity-building programs to enhance their abilities to both reduce energy consumption and GHG emissions, and respond to potential climate impacts. Understanding that collaboration is vital for long-term sustainability, we work closely with partners, including government and community organizations, to meet our goals. In support of this, we organize SME workshops to share best practices, engage in ongoing dialogue and work with our suppliers to identify sustainable alternatives. We are further exploring sustainable sourcing categories to include items such as cage-free eggs, responsibly sourced coffee, tea, vanilla and cocoa, and organic rice.

ENERGY & CLIMATE RESILIENCE

HOW WE ARE MANAGING IT

Climate-risk Assessment: Summary of Findings

We have begun to assess climate-related risks and opportunities across our portfolio and are committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). A summary of our initial assessment is detailed below.

Extreme weather events

- Although likely to manifest at a slower rate than transition risks, the increase in frequency and intensity of extreme weather events (such as typhoons) could pose considerable impact to Melco.
- Melco has resorts located in island regions that are in close proximity to coastal waters. The resorts in Macau and Manila are both subject to typhoons, which leaves the resorts exposed to potential impacts including: damage to property and loss of revenues as a result of service disruption.
- Melco obtains insurance coverage for such events, however, as an enhanced warming climate change scenario could lead to increased severity and frequency of these, this could leave Melco vulnerable to increased insurance costs or inability to obtain sufficient cover.

Carbon hotspots – resource procurement and carbon pricing

- Melco's resorts are energy intensive and therefore Scope 2 emissions make up a significant portion of the Company's footprint.
- Scope 3 categories 1 & 2 (Purchased Goods and Services and Capital Goods, respectively) are also material contributions to emissions as a result of the embodied carbon associated with energy intensive goods and construction materials and activities.

- The Company therefore has high exposure to potential net-zero transition-related commodity and energy inflationary pressures and carbon prices. For example, the Emissions Trading Schemes in mainland China and the EU could result in an increased cost to our business that would also impact our suppliers.

Energy-efficiency improvement requirements

- Net-zero transition plans will likely result in the introduction of further building efficiency standards and emissions regulations.
- Capital expenditure to replace or retrofit older equipment to ensure that Melco's operations are compliant with the latest regulations may be required.

Renewable energy and onsite energy generation opportunities

- Sourcing renewable energy and also expanding onsite solar generation presents an opportunity for Melco to decarbonize its operations as well as mitigate the risks relating to rising fossil-fuel based energy prices and disrupted energy supply from severe weather events.

Capital flow opportunities

- There are increasing opportunities for Melco to reduce the cost of capital through instruments such as green bonds, which would be linked to the implementation of carbon reduction/ green energy initiatives.

Moving forward, we will be conducting a scenario analysis, using the TCFD recommendations as a guide, and expanding our efforts to address climate mitigation and adaptation measures.

DECARBONIZING OUR PORTFOLIO

Melco is focused on managing our impact by integrating sustainability measures into our properties, reducing electricity consumption, improving energy efficiency and transitioning to renewable energy.

Sustainable Design

Melco's integrated resorts feature unique structures that are designed for both aesthetics and resilience. We are committed to ensuring our buildings are resource efficient and climate ready to be able to withstand any changes to come. As such, we work with architects, engineers, suppliers and other partners to prioritize resource-conserving, resilient design features and materials throughout all stages of the building and operational phases.

Our City of Dreams Mediterranean property in Cyprus has already achieved a BREEAM "Excellent" rating for the design stage and is aiming for a further "Excellent" rating upon completion. The property has comprehensively adopted extensive environmental features including:

Materials

- Responsibly sourced construction materials – at least 80% of these materials come from manufacturers with Environmental Management System certifications (i.e. ISO 14001)
- Legally harvested and traded timber-based materials
- Paints, coatings, adhesives, sealants, insulation materials, etc., with low volatile organic compound (VOC) content

Energy

- BREEAM standard, energy-efficient equipment for all categories of systems, from lighting to lifts and escalators to chillers
- Installation of six electric vehicle (EV) charging ports in the parking area
- Refrigerant systems with a zero-ozone depleting potential and a low Direct Effect Lifecycle CO₂ equivalent emissions indicator
- Over 4,000 photovoltaic (PV) panels on casino, Meetings, Incentives, Conferences and Exhibitions (MICE) and EXPO roofs with installed capacity of 1.2 MW for generation of renewable energy
- Passive design measures including thermal insulation, building façade shading and glass with low-shading coefficients that result in reduced energy consumption

- Heating over two thirds of domestic water through heat recovery
- Energy sub-metering for major energy consuming systems – sub-meters connected to Building Management Systems (BMS) for better monitoring and identifying inefficient areas for improvement

Water

- System for collecting greywater from showers, hand wash basins and condensate water from air handling and fan coil units, with treated water reused for toilet flushing and irrigating landscaped areas
- Utility-pulsed water meter for the main water supply and water sub-meters, all connected to BMS for water monitoring and leak detection
- Water-efficient sanitaryware items and systems for the swimming pool and the "Waverider" and spa facilities

Studio City Phase 2 is Macau's first BREEAM-certified hotel entertainment development in its design stage, and the winner of the 'Regional Award, Asia' at the BREEAM Awards 2021. Key features of this property include:

- Ground floors with class B engineered bricks, water-proof mortar and internal lining, as well as sustainable urban drainage strategies
- External shading on the building façade to limit sun exposure on habitable spaces
- Reinforced concrete structures against high-wind speeds and flooding, and non-oxidizing/corrosive resistant materials such as stainless steel, to withstand seawater inundation
- Extensive planting to reduce the urban heat island effect and internal finishes such as light-colored surfaces and blinds to provide shading and high reflectance that limit and reflect solar heat
- Bracing and anchoring of internal and external elements to avoid the generation of projectiles and falling objects
- Emergency procedures and access and egress routes for building occupants and emergency services to use during a disaster
- Earthquake resistant design, flood-proofing of exterior walls and flood gates for door openings

ENERGY & CLIMATE RESILIENCE

DECARBONIZING OUR PORTFOLIO

Our Studio City Phase 2 property provides yet another example of how we conserve resources and embed climate resilience in our buildings. Circular economy principles were important in the design process of this structure, improving functional adaptability over the building's lifecycle with features such as:

- Modular external walls, facilitating maintenance and replacement
- Equipment and workspaces that can be efficiently disassembled
- Versatile glazing system that enables the flexible incorporation of louvers/opaque paneling
- Internal walls designed to accommodate a range of finishes and lighting
- Mechanical services that are accessible and have versatile metering on commercial unit distribution boards, allowing for flexible usage in the future

Our sustainable designs also focus on biodiversity conservation. From the initial stages of site development, we take into account the impact of construction on the surrounding natural ecosystems. An example of this is our Studio City property, the site of which was carefully chosen so as not to encroach upon the protected 15-hectare wetland designated as the Macau Cotai Ecological Zone. This project was designed to protect the natural surroundings — conserving the wetland and underground water sources for migratory birds and positioning tower blocks to create a 'sky-stream' that accounts for migratory pathways for the birds. In addition, an ecologist was consulted to preserve flora and implement habitat-compatible compensatory planting for the site. To take this further, all timber sourced for the building of Phase 2 of the project was sourced from Forest Stewardship Council® (FSC®)– (or equivalent)-certified suppliers.

Likewise at the City of Dreams Mediterranean, ecological considerations are top of mind as we adapt the landscape plan to remove invasive foreign species and grow native plants that are well-suited to the climate in Cyprus and have a low water demand. We focus on maintaining the existing mature Eucalyptus trees, installing appropriate habitats for birds, bats and insects to support the site's ecological food chain, exploring off-site conservation measures for

endangered species, such as the *Lotus cytisoides*, and carefully applying ecologically accepted means for integrated pest management to effectively protect and eliminate pests while maintaining the already over-bundled sensitive area. In addition, we have adopted soil and water protection and dust emission mitigation measures during the building phase.

Energy-efficiency Measures

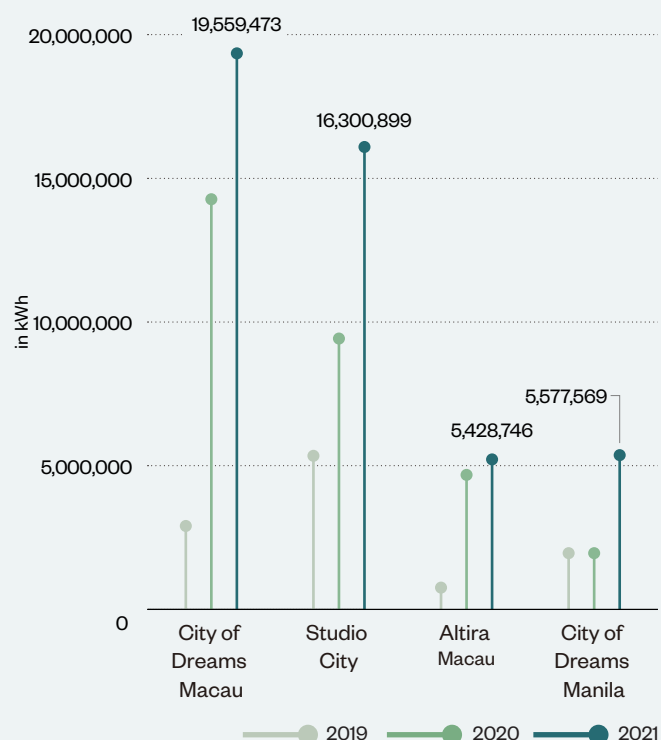
As the first integrated resort and hotel operator in Macau and Hong Kong to achieve ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications in 2018, as well as ISO 41001 for Facilities Management Systems in 2019, Melco has robust systems in place that cover our portfolio of properties in Macau and Hong Kong, including City of Dreams Macau, Studio City, Altira Macau, Mocha Clubs and Melco's Macau and Hong Kong corporate headquarter offices. We are exploring similar management systems for our other properties.

We continue to implement efficiency measures with the aim of reducing energy consumption across our operations and encouraging suppliers to do the same. In the spirit of continual improvement, each of our project teams provide monthly updates on measures in place with a view towards what more can be done to improve efficiency and adopt renewable energy options.

In 2021, we saw a slight overall increase of 1% in energy consumption, compared to the previous year, due to the resumption of business activities. Nonetheless, our overall efficiencies continued to improve. Some ongoing measures include delamping, adjusting ventilation flow rates, retrofitting plant and equipment, and replacing sensors for car park extractions. New efficiency measures in 2021 include installing more variable speed drives (VSD) in podium areas and hotels to improve air balance and save energy and variable frequency drives (VFD) in kitchens for condensing water pump speed controls, as well as ongoing motor and lighting efficiency improvements.

Calculated kWh Savings based on Annualized Energy-efficiency Measures (EEMs)

(in kWh)



Energy-efficiency measures progressively adopted at our properties in Macau and Manila since 2018 have resulted in annualized savings of over 46.8 million kWh.

With the 14% increase in visitation in 2021 as COVID-19 restrictions eased in Macau and Manila, total energy consumption increased by only 1% and intensity remained similar to 2020. Electricity consumption from non-renewable sources increased by 2% but an overall energy intensity reduction of 25% was achieved over 2019. Fuel consumption from non-renewables reduced by 6% as a result of our prioritizing EVs over diesel-powered shuttle buses.

12. Solar PV systems were installed across Macau and Manila properties in 2019. Electricity generated from the PV panels installed at City of Dreams Manila was consumed onsite.

13. The reduction in electricity consumption at Altira Macau is attributed to the temporary closure of five gaming floors as a result of reduced visitation during the pandemic.

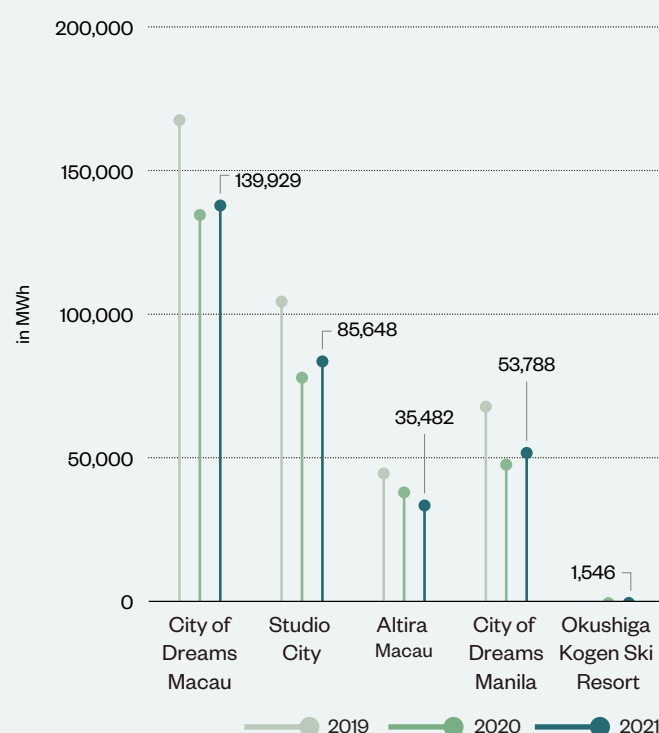
Energy Consumption by Source and Intensity

(in MWh)

	2021	2020	2019
Fuel consumption from non-renewable sources	47,770	50,738	97,387
Electricity consumption from non-renewable sources	333,985	326,116	414,314
Electricity consumption from renewable sources ¹²	1,478	1,555	-
Total energy consumption	383,233	378,409	511,701
Energy intensity (in MWh/m ²)	0.27	0.27	0.36

Total Resort-level Purchased Electricity Consumption

(in MWh)¹³



ENERGY & CLIMATE RESILIENCE

DECARBONIZING OUR PORTFOLIO

Renewables

An important aspect of our energy management effort is the transition to cleaner alternatives. In 2021, we expanded our EV program, increasing the number of vehicles and the number of charging bays. In Macau and with our partner Zhengzhou Yutong Bus Company, we utilize e-coaches that are both comfortable and efficient, providing increased standing capacity and warranting fewer trips. We continued to reduce our dependence on diesel by prioritizing the use of an EV shuttle fleet over diesel-powered vehicles. In addition to our six EV passenger vehicles, in 2021, we had a total of 50 shuttle buses on the road, of which 30 were EVs, representing 66% of our active fleet, with the remaining 20 being diesel-powered.

Through our built-in-load-sharing program, we added 10 more EV chargers to the 70 we had in 2020, bringing our total number of charging points to 80 across all three of our properties in Macau. We operated four EV golf carts for internal transportation in housekeeping areas and plan to install six EV charging ports at our property in Cyprus. City of Dreams Mediterranean has provisions for at least 60 EV charging stations, as well as extensions on its existing bicycle network.

Another aspect of our renewable energy strategy is the utilization of onsite solar PV technology. Our 30,000 square meter, 18,000 PV panel project on the roof of the City of Dreams Macau and Studio City generates over 7,000 MWh at full capacity. As the largest solar project in Macau, this has the capacity to reduce 5,100 tCO₂e annually, equivalent to taking 12.6 million passenger cars off the road for a year. City of Dreams Manila also has a 3,120 PV solar panel project capable of generating 1.2 MWh at full capacity. On an annual basis, the panels can generate over 1,600 MWh, which is equivalent to charging over 139 million smartphones in a year¹⁴. City of Dreams Mediterranean has over 4,000 PV solar panels capable of generating 1.2 MW at full capacity.

We also support clean energy by stimulating renewable energy markets in the region. This is done through collaboration with local networks and pursuing creative options for purchasing renewable energy through PPAs and other instruments. Our electricity consumption in Macau, Manila, Hong Kong and Taiwan is offset by purchasing Energy Attribute Certificates (EACs) issued according to the i-REC Standard requirements. Similarly in Cyprus we purchase EACs with Guarantees of Origin in Europe to cover all our GHG emissions arising from electricity consumption. In Japan, we match our electricity consumption from our operations with local EACs generated through a scheme called PowerPlus™. The scheme follows a verified and validated J-Credit Standard and offers third-party assurance of electricity generation and emission reductions achieved.

Greenhouse Gas Emissions

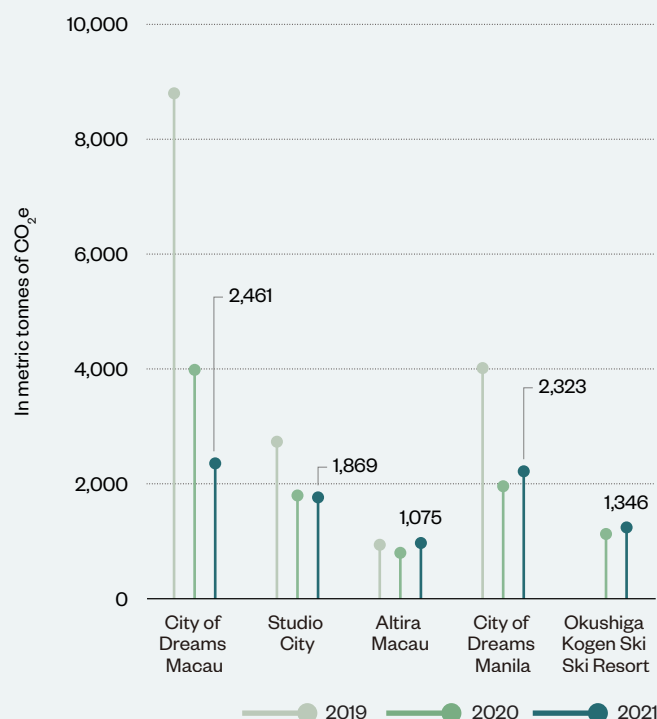
Our energy efficiency measures and renewable energy utilization through our solar projects and EV program help to reduce GHG emissions. In addition, we continue to explore new solutions to achieve our 2030 carbon neutrality target. We understand the importance of transparency and accountability and thus continue to put resources towards thorough verification of our data. Accordingly, this year we have been focused on enhancing the rigor of our data collection process to meet the ISO 14064 standard and expanding our disclosure of emissions.

This year, we also disclose Scope 3 emissions from two categories, downstream leased assets and fuel- and energy-related activities (FERA), adopting 2019 as the baseline year to align with our Scope 1 and 2 GHG emission disclosures. We are continuing our assessment to identify and quantify significant indirect emissions and will be disclosing Scope 3 emissions from additional sources going forward.

In 2021, our Group-wide, Scope 1 and 2 market-based GHG emissions¹⁵ and intensity both decreased by 7% and 8%, respectively. At the property level, there were some increases in emissions, primarily due to the uptake in visitation across our properties¹⁶.

Total Resort-level Scope 1 and 2 (market-based) GHG Emissions

(In metric tonnes of CO₂e)



Absolute GHG Emissions by Scope and Intensity(in metric tonnes of CO₂e)

	2021	2020	2019 ¹⁷
Scope 1 emissions	14,842	16,011	29,315
Emissions from stationary fuel combustion	5,237	4,962	7,755
Emissions from mobile fuel combustion	5,095	5,955	12,883
Fugitive emissions from refrigerants	4,510	5,095	8,677
Biogenic emissions	264	150	310
Scope 2 emissions (location-based)	211,787	206,420	263,130
Scope 2 emissions (market-based) ¹⁸	-	-	-
Total Scope 1 and 2 emissions (market based)	14,842	16,011	29,315
Total Scope 1 and 2 emissions (market based) intensity by floor area (in metric tonnes of CO ₂ e / m ²) ¹⁹	0.011	0.011	0.021

Scope 3 GHG Emissions(in metric tonnes of CO₂e)

	2021	2020	2019
Downstream leased assets (tenants)	32,697	30,579	33,405
Fuel and energy-related activity ²⁰	56,882	35,588	49,516

As our Scope 3 emissions comprise a significant portion of our impact, we are actively working to standardize and improve our calculation methodology for Scope 3 data and to identify opportunities to reduce emissions from our purchased goods and services from suppliers and contractors.

Meat and produce have been identified as significant contributors to our Scope 3 emissions based on spend and the quantity we purchase each year. We are working with our culinary teams to adopt options that are less carbon intensive, alongside a substantive effort to incorporate plant-based alternatives on the guest menus of 16 of our restaurants, representing 38% of our owned and operated restaurants in Macau, with more to come.

14. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

15. Scope 1 emissions include stationary fuel combustion (LPG, natural gas, diesel, fuel gel, coal, wood, charcoal, kerosene and cassette gas), mobile fuel combustion (from diesel, petrol and other fuels consumed for light and heavy vehicles, buses and other forms of transport) and fugitive emissions (refrigerants). Biogenic emissions are excluded and reported separately as per the Greenhouse Gas Protocol Corporate Accounting Standard ("GHG Protocol") published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Scope 2 emissions arise indirectly from purchased electricity consumption.

16. Property-level data includes our six properties: City of Dreams Macau, Studio City, Altira Macau, City of Dreams Manila, Mocha Clubs and Cyprus Satellite casinos.

17. 2019 emission data adjusted based on further review of previously disclosed data.

18. Scope 2, market-based emissions are offset through purchasing renewable energy through PPAs and other instruments. Refer to the [Renewables section on page 030](#) for details.

19. 2019 and 2020 Scope 1 and 2 GHG emission intensity adjusted to reflect revised gross floor area at facilities in Cyprus.

20. Fuel and energy-related activities arising from Scope 1 stationary and mobile combustion and Scope 2 purchased electricity.

RESTORING OUR WORLD

Material Use & Waste

OUR COMMITMENT

The consumption of resources and materials and production of waste are inevitable when running a global business in our industry. How we approach our consumption and waste management, however, defines our position as a responsible, forward-thinking organization. At Melco, we are determined to do our part in shaping a sustainable future for all. This means bold action is required to ensure our natural capital is safeguarded for generations to come. Whether it be management of construction, selection of products and packaging, or conservation of food and water, sustainability is at the center of our decision making. Our focus on lifecycle management and circularity is imperative if we are to achieve zero waste by 2030.

OUR TARGETS

- Achieving zero waste across our resorts by 2030
- 19% m³/m² intensity reduction in water consumption by 2030
- Increasing our capacity for greywater recycling across all our properties
- 5% tonnes/m² intensity reduction in non-hazardous waste generation by 2030, with ambitions for 24% reduction, against our baseline year of 2019²¹

IMPACT ALONG THE VALUE CHAIN



Upstream

- Sourcing lower impact products from responsible suppliers to reduce Melco's footprint and impact on biodiversity
- Championing responsible consumption as well as best practices in material and waste management in the supply chain
- Encouraging local government bodies and communities to protect and restore ecosystems
- Promoting water conservation and adherence to Supplier Code requirements to further suppliers' environmental performance



In-house

- Adopting circular economy models to further responsible consumption, the repurposing of materials and waste diversion
- Increasing awareness and appreciation of the importance of local species and ecosystems to promote sustainable sourcing, wellbeing and business resilience
- Minimizing water consumption and increasing the reuse, recycling and proper treatment of wastewater



Downstream

- Demonstrating leadership in sustainable building projects to set new benchmarks for others to improve upon, while reducing environmental impact and supporting improvements in local infrastructure
- Paving the way for collective action to establish circular economic models
- Maintaining the richness and variety of local species and habitats
- Championing water stewardship to conserve scarce water resources, further aquatic ecosystem health, and ultimately ensure safe and affordable access to clean water for all stakeholders

HOW WE ARE MANAGING IT

As we continue to take bold steps to achieve our zero-waste goal by 2030, a robust system to oversee materials and waste is required. Our initiatives utilize a myriad of innovative technologies and forward thinking. Whether it be sourcing or consumption practices, we are constantly looking at better ways to manage our footprint through the creation of circular models. Our Zero Waste Working Group manages all aspects of our efforts, evaluating initiatives and measuring progress. The Group is also dedicated to engaging colleagues and partners in our quest to conserve, reuse and recycle. This is accomplished through a variety of training programs and briefing sessions designed to build awareness and inspire action.

Materials

Sustainable Buildings

Our integrated resorts utilize materials that have sustainability attributes and support environmentally sound operations. Whether designing brand new structures or planning retrofits to existing ones, meeting high environmental standards is top of mind for our team. For example, we ensure all chemicals used including paints, coatings, sealants and adhesives contain little or no VOC content wherever possible, and that all timber is legally-harvested, traded and sourced in accordance with FSC® (or equivalent) certification standards.

To encourage the use of materials that meet our sustainability specifications, we have drawn up comprehensive sourcing guidelines that cover options for various products. Our contractors are urged to utilize these guidelines for all building projects across our markets.

Managing Key Product Categories

Our sourcing guidelines help us to ensure that product choices are as safe and sustainable as possible. These guidelines cover the use of chemicals, not only for construction and design, but also for use in day-to-day operations. They also cover the cotton used in our towels and bed linen and quality seafood served in our F&B outlets. Looking ahead, we aim to add more products to our sourcing guidelines. Detail on our sourcing practices can be found in the [Ethical & Sustainable Supply Chain section of this report on page 064](#).

Eliminating Plastic

Melco remains a signatory to the Global Tourism Plastics Initiative (GTPI)²² led by the UN Environment Programme and the World Tourism Organization, in collaboration with the

Ellen MacArthur Foundation. As such, we are committed to a roadmap to address the causes of plastic pollution by 2025 and report on our achievements on a yearly basis²³. To meet our targets, we continue our work to reduce plastic in our operations and across our value chain. Our action plan to eliminate packaging that is not reusable, recyclable or compostable covers:

Internal operations:

- Eliminating SUP bottles, shoe mitts, razors, toothbrushes and toothpaste, with plans to recycle and/or replace these with alternatives in all guest areas
- Replacing all SUP F&B containers and utensils with biodegradable, sustainable alternatives including items made from cornstarch, bamboo fiber or paper, which was completed in 2021
- Implementing a reuse and recycle model through water refilling stations, as well as establishing bottling plants across our properties to provide water for guests in refillable glass bottles (see details on our [NORDAQ implementation on page 034](#))
- Phasing in large-sized, refillable dispensers for shampoo and other amenities in guest rooms and spas
- Redesigning and standardizing plastic bottles in existing operations across properties in Macau to support recycling streams, and sourcing bottles made with recycled polyethylene terephthalate (rPET), as interim measures along our path to zero waste

Suppliers:

- Proactively engaging with suppliers to avoid disposable packaging, particularly SUP plastic, in favor of reusable and/or lower-impact alternatives
- Encouraging our suppliers to develop and incorporate specifications into tenders, purchase orders and other agreements to increase demand for reduced-impact products, packaging and services based on circular economy principles

21. Data for compiling our intensity targets and the baseline year of 2019, have been externally verified.

22. Formerly known as the New Plastics Economy Global Commitment, which Melco became a signatory to in 2019.

23. <https://www.unwto.org/sustainable-development/global-tourism-plastics-initiative>

MATERIAL USE & WASTE

HOW WE ARE MANAGING IT

Building Awareness

Colleague Awareness: We collaborated with A Plastic Ocean Foundation to screen the NGO's award-winning documentary about plastic pollution for two months in colleague dining areas across our three markets; over 17,000 colleagues or 80% of our workforce viewed the film. We also created an internal "say no to SUP" campaign utilizing a video with David Sisk, COO of our resorts in Macau who was joined by a marine biologist from the NGO. The video featured a pledge initiative to build further awareness and spur action.

Tenant awareness: To manage our overall waste impact, we updated all tenant contracts to stipulate the removal of SUP for F&B and request that sustainable and environmentally responsible practices be adopted at outlets as advised. We also organized two extremely well-attended workshops

to brief 100% of our F&B tenants on legislative changes, including the regulatory ban of certain SUP in Macau. In addition, we improved our standardized bin system to increase tenant awareness and action on recycling, and shared our experience and tips in internal Zero Waste Working Group meetings for all our properties to implement similar initiatives.

Train-the-trainer sessions were launched in September for colleagues, including culinary teams, to establish procedures for waste separation and recycling practices. This approach will be rolled out to tenants in 2022.

Progress with NORDAQ

In 2020, Melco became the first integrated resort to commit to globally rollout the NORDAQ 2000 water purification and bottling solution, aiming to eliminate the production, transportation and disposal of plastic bottles and significantly reduce our GHG footprint. Once fully operational at all of our properties in Macau, we will eliminate approximately 14.8 million plastic bottles annually. Our property services team has also made further enhancements to NORDAQ equipment and sanitization processes to ensure the safety and satisfaction of our guests. While we will fully implement the solution across our properties globally, COVID-19 restrictions have delayed the ability of technical experts to complete the installations as quickly as we had planned.

In addition to the NORDAQ solution, we have installed refilling dispensers at our properties in Macau, Manila and Cyprus²⁴, enabling us to avoid an additional 2.8 million plastic bottles annually. We are also utilizing rPET bottles, containing recycled plastic, for instances when disposable bottles are unavoidable such as in limousines and at pool-side areas. The new bottle type that is used in conjunction with Recycling Vending Machines also helps us to meet GTPI commitments and our internal requirements regarding SUP use.

Actions implemented to reduce SUP across our properties include switching out single-use, disposable, wet amenity bottles (shampoo, conditioner, shower gel) with refillable dispensers and providing less-frequently used guest room amenities such as shoeshine accessories and stationary sets only upon request. Our hotels across Macau and Manila have also replaced or are due to replace unnecessary packaging,

It is a pleasurable collaboration between A Plastic Ocean Foundation and Melco. Thank you for raising the awareness we need for the recovery of our ocean, and taking stewardship of it.

Willy Kwong,
Executive Director,
A Plastic Ocean Foundation

such as plastic bands on slippers with paper alternatives. Water filter stations are in place at spas and fitness centers with water served in glasses.

The switch to refillable dispensers in our hotel rooms resulted in the avoidance of 2.9 million small SUP bottles in 2020. Across our F&B operations alternative disposables with sustainability attributes were adopted. Overall, our capture of plastic for recycling increased from over 4 tonnes in 2020 to 102 tonnes, an increase of 2,429% over the previous year. We are working on enhancing our measurement of specific plastic items and reporting our progress in line with the upcoming GTPI format.

In Manila, biodegradable alternatives include bagasse packaging materials for take away items, biodegradable paper resealable pouches for chocolates, cardboard boxes replacing acetate boxes and greaseproof papers for sandwiches.

Waste

Reducing waste generation is a priority for Melco as we move towards our 2030 goal. For the waste we cannot avoid, we have enhanced our systems to reuse, recycle, compost or properly treat it for safe disposal. We work with all our stakeholders from government to suppliers and industry partners to seek innovative options in this field. Comprehensive waste audits enable us to understand waste types and pinpoint areas that need the most attention. Building awareness among colleagues also remains a key focus for our Sustainability Champions. In 2021, Melco generated close to 8,800 tonnes of waste, an increase of 11% over 2020 due to the uptake in business activity as pandemic restrictions eased. Valuable materials diverted from disposal comprised 192 tonnes through onsite composting and 720 tonnes to recycling, representing increases over 2020 of 433% and 126%, respectively.

Food Waste

Food wastage and the management of food waste have profound effects on the climate, ecosystems and global food security. With food waste comprising over 40% of the waste we generate, this a major challenge for colleague dining rooms, our Michelin-star restaurants, and more than 115 restaurants,

cafés and bars, to address²⁵. To adequately tackle this challenge, we require accurate demand forecasting and data collection. By utilizing the cutting-edge Artificial Intelligence (AI) system, Winnow Vision, we have been moving towards more efficient food service in colleague dining rooms.

Plate Waste

Tracking detailed food waste data enabled us to identify post-consumer waste (i.e. plate waste) as the main source of food wastage in our colleague dining rooms. To address this, we collaborated with Winnow and the London School of Economics and Political Science (LSE) to trial communication campaigns to change colleagues' behavior. The initiative combined Winnow's new post-consumer waste measurement product, Winnow Sense – a touchless system designed to measure plate waste - with a study to monitor consumer behavior. The study carried out at our colleague dining facilities at City of Dreams Macau, Studio City and Altira Macau resorts, where over 11,000 colleague meals are served a day, concluded that communications containing anthropomorphized food (i.e. pictures that depicted happy and sad food) had significant impact on behavior leading to reduced levels of food waste. We were able to cut plate waste by up to 35% over the five-month intervention and qualitative feedback from colleagues showed a shift in behavior both at work and at home.

In addition, we have continued to run internal awareness efforts, including our ongoing Clean Plate Challenge campaign where colleagues are encouraged to only take what they can consume. A 'Deliciously Clean Plates' campaign was also introduced for our guests in 2021.

24. Dispensers have also been installed at Celebrity Tower since January 2020, at NÚWA Macau, Star Tower, NÚWA and Nobu in Manila in 2021 and at Altira Macau as of January 2022. Work is underway to roll out the system at the new Studio City Phase 2, City of Dreams Mediterranean, Morpheus and Hyatt Regency.

25. The volume of food waste and its portion of our total waste stream was determined based on an audit conducted in 2019 that included an assessment of waste arising from our colleague dining areas and associated kitchens, restaurants operated by Melco and our tenants, guest rooms and onsite facilities.

MATERIAL USE & WASTE

HOW WE ARE MANAGING IT

Composting

Composting and dewatering are also important in our waste management strategy, as well as the use of waste pulpers to enhance the composting process. Our Zero Waste Working Group has been focused on increasing food composting at various sites. Our properties at City of Dreams Macau, Studio City and City of Dreams Manila are now able to compost both raw and plate waste onsite. In 2021, our efforts led to 192 tonnes of food waste being composted onsite, an increase of 433% over the previous year.

Another key initiative at City of Dreams Manila is producing 100% organic fertilizer from biodegradable kitchen waste with the aid of earthworms, through a process called vermicomposting. In 2021, 4,731 kg of vermicast and 2,684 liters of vermitea was harvested that was used for the property's onsite herb garden and surrounding plants.

Construction Waste and Optimized Building Infrastructure

Our principal contractor is required to implement a plan for the reuse, recycling and recovery of materials throughout the construction process. Accordingly, City of Dreams Mediterranean is committed to the following targets:

- Reducing construction waste by ≥ 12.5 tonnes per 100 m² generated. Procedures are in place to minimize waste, including wastage of raw materials by ordering construction materials Just In Time (JIT) and through their proper handling and storage
- Diversion of $\geq 70\%$ by weight or 60% by volume of construction waste from landfill

In addition, 28% of the total volume of material required for sub-bases and building foundations, as well as for gravel landscaping uses, comprises recycled material captured from site excavation during the construction phase.

Our buildings are equipped with the infrastructure to ensure waste reduction is maximized. Capacity for the collection, sorting, recovery and storage of recyclable materials was considered in the planning of Studio City Phase 2 in Macau. Likewise, the City of Dreams Mediterranean property is designed to accommodate the segregation and management of recyclable and compostable waste streams. In addition to prioritizing this at new properties, we continue to seek ways to enhance waste systems across existing properties. Details can be found in the section on Waste Diversion below.

Waste Diversion

We are focused on reducing the amount of waste sent to landfill or incineration, through innovative methods of recycling and composting. We have set a waste diversion target for non-hazardous waste as a stepping stone to meeting our 2030 zero-waste goal. In 2021, over 9% of our

waste stream was diverted from disposal through composting and recycling, an increase of 5% over the previous year. For each type of material diverted, substantive increases were achieved. We hope to continue to enhance and expand our diversion efforts, particularly as restrictions to access available recycling facilities imposed during the COVID-19 pandemic are eased.

Material Diversion and Waste Generation with Intensity
(in metric tonnes)

	2021	2020	2019
Composting	192	36	88
Recycling	720	319	624
Total materials diverted	912	355	712
Incineration	7,624	6,788	15,415
Landfill	1,160	1,131	2,232
Total waste generated	8,783	7,919	17,647
Total materials diverted and waste generated	9,695	8,274	18,360
Waste generation intensity (in metric tonnes/m ²)	0.007	0.006	0.013

Highlights of diversion initiatives in 2021 included:

Playing Cards

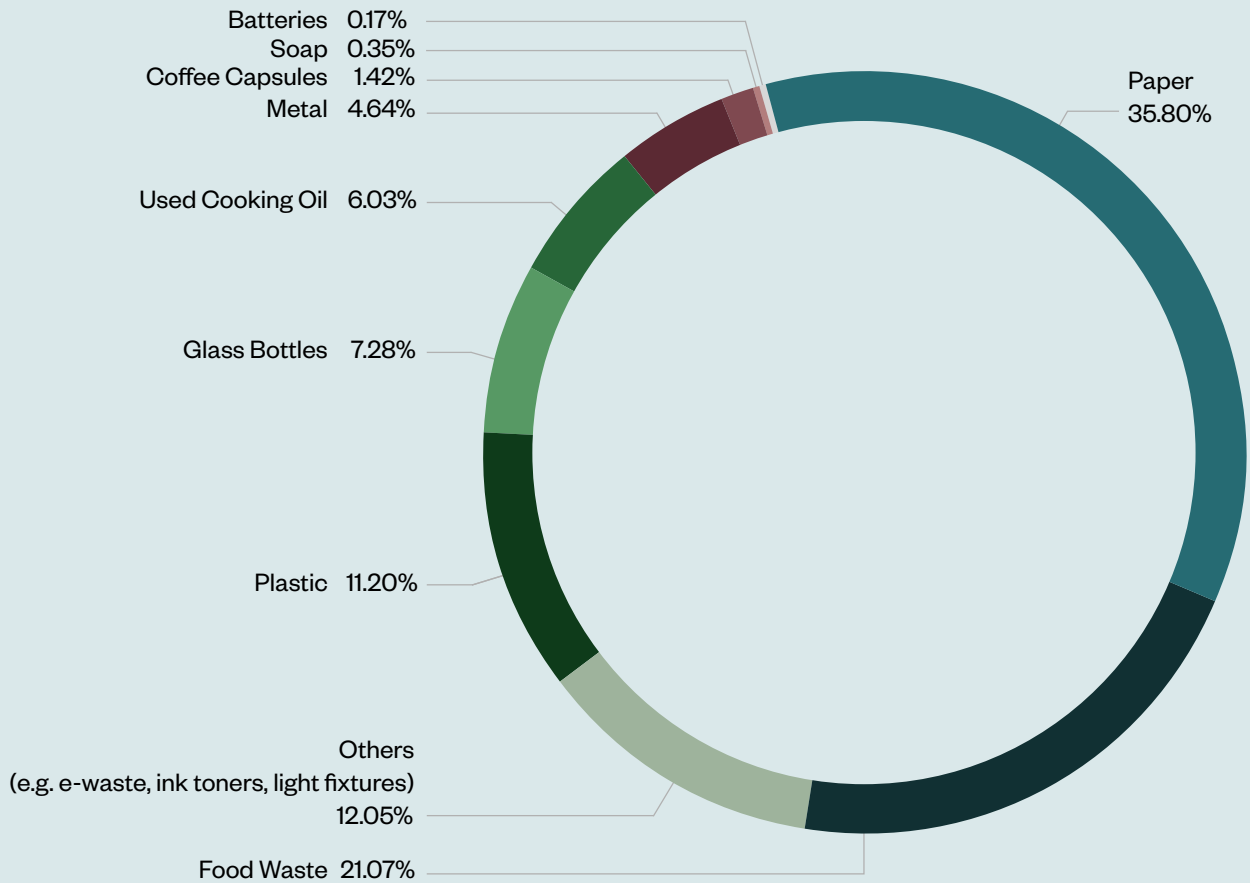
Following the successful completion of a trial with our card supplier in Japan, our properties in Macau recycled 10 tonnes of used playing cards in 2021. We plan to continue to expand such circular economy solutions, including for when our operations commence and partners have been identified in Cyprus.

Linen and Tableware

In 2021, we donated close to 29,000 linen items, as well as plates and glasses, to a number of organizations in need in Macau and over 4,100 kg of linen to a women's correctional facility in the Philippines. Details on these initiatives can be found in our [Community Engagement & Investment section on page 056](#).

MATERIAL DIVERSION BY TYPE IN 2021

912 Metric tonnes
DIVERTED IN 2021



Total Waste Generated (in metric tonnes)

8,783

Composting (in metric tonnes)

192

Waste Generation Intensity (in metric tonnes)

0.0007

Recycling (in metric tonnes)

720

MATERIAL USE & WASTE

HOW WE ARE MANAGING IT

Construction and Renovation Projects

Melco gave away 211 items of furniture, comprising chairs, sofas, tables and TVs, which weighed close to 5,700 kg, to colleagues and others instead of sending it to landfill.

KAIZEN Review

In early 2021, we implemented a KAIZEN review of waste handling processes at our City of Dreams Macau, Studio City and Altira Macau resorts. The objective of the exercise was to review our processes to improve the separation of waste for proper diversion and recycling. The exercise was also designed to identify any gaps in data capture and recording. Procedures reviewed included the handling of prepared and processed food waste, along with waste from hotel guest rooms, as well as receiving, warehouse, retail and gaming areas. A survey was subsequently conducted to assess awareness of the recycling process and system, which was completed by approximately 6,000 respondents. The KAIZEN exercise identified a number of actions that are being progressively rolled out across our properties:

- Setting up appropriate recycling bin locations with proper color-coded signage
- Developing standardized recycling signage
- Briefing colleagues, including chefs and housekeeping teams, on proper recycling
- Providing adequate waste containers for chefs' working stations so waste can be separated
- Reducing jar and bottle waste by sourcing bigger bottles of condiments
- Briefing suppliers to carry out responsible waste segregation and fold carton boxes when delivering onsite
- Encouraging tenants to set up bins and follow proper waste segregation with sustainability requirements added to tenant contracts
- Implementing proper waste lifecycle and segregation training for colleagues, suppliers and tenants

Trash to Cash

Yet another diversion campaign in 2021 involved encouraging colleagues from all departments to segregate recyclables, including paper, plastics and metals, and bring them to our designated collection days. City of Dreams Manila held these twice a week from July to November, offering colleagues cash back for recyclables and recognizing the top 10 performers as "eco warriors".

Water

Management of water is a vital area for Melco. The way we conserve, source and consume water not only impacts our footprint and resource efficiency, but how we dispose of wastewater also has a direct impact on the aquatic ecosystems surrounding our properties. Across all our operations, we have a number of efficiency measures to reduce consumption, including automatic sensors on faucets, and water-saving toilets and showers. We utilize extensive planting at our properties to minimize water loss through wind evaporation from pools and water features, and rainwater recovery systems for onsite irrigation. Examples of property-specific initiatives include:

- A sophisticated filtration system for treating and reusing pool water indefinitely at The House of Dancing Water show at City of Dreams Macau
- Reusing treated wastewater in City of Dreams Manila's cooling tower, saving over 14,000 m³ of water as at the end of 2021
- For City of Dreams Mediterranean, a high-tech 'harvesting system' is being installed to collect greywater to be treated and re-purposed for use in toilets and gardens
- At Studio City Phase 2, a leak detection system exposes water leaks within the building and between the building and utilities' water meters, enabling us to prevent water wastage
- At City of Dreams Mediterranean, adjustments to sanitaryware items, such as water closet tanks as well as hand wash basin and pantry sink mixers, have been made to achieve optimal water-efficient consumption levels set by BREEAM without compromising guest experience
- A utility pulsed water meter connected to the building management system has been installed on the main water supply at City of Dreams Mediterranean to enable water monitoring and water leak detection
- Encouraging our colleagues to be vigilant in their water usage while cleaning guest rooms and public areas
- Ongoing replacement of fixtures with more water-efficient options across our properties, including faucets, nozzles and shower heads

Our total water consumption and water intensity across our properties increased by 4% and 3% compared with 2020, respectively, as a result of increased occupancy and the opening of a water park at Studio City. The reduction at

City of Dreams Macau is attributed to the Countdown Hotel and The House of Dancing Water shows being temporarily closed.

Water efficiency measures progressively adopted at our properties in Macau and Manila since 2019 resulted in annualized savings of over 432,000 m³ in 2021.

Calculated Savings based on Annualized Water-efficiency Measures (WEMs)

(in m³)

Property	Annualized Water Savings (m ³)
City of Dreams Macau	26,758
Studio City	162,753
Altira Macau	27,381
City of Dreams Manila	215,175
Total	432,067

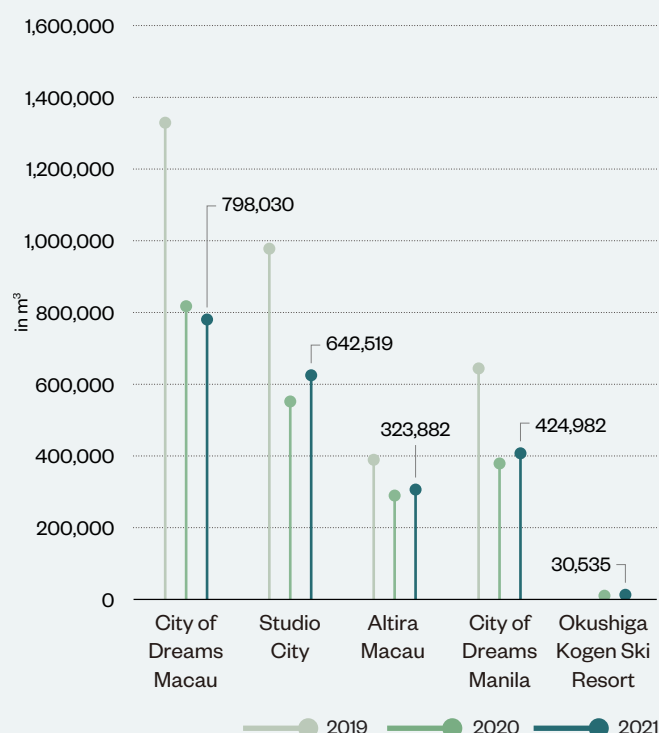
Water Consumption by Source and Intensity

(in m³)

	2021	2020	2019
Municipal water	2,118,259	2,110,619	3,423,319
Recycled water	147,549	63,120	50,718
Total water consumption	2,265,808	2,173,739	3,474,037
Water intensity by floor area (in m³/m²)	1.61	1.56	2.46²⁶

Total Resort-level Water Consumption

(in m³)



In 2021, we launched a new initiative to work towards setting a Group-level target, engaging our property services teams on a monthly basis to track water efficiency measures across properties more closely and conducting a comprehensive review of requirements and best practices. With the identification of high-level reduction potentials for all our properties and based on the results of our target modeling analysis, we set a water intensity reduction target of 19% to be achieved by 2030 against our 2019 baseline year.

26. 2019 water consumption intensity adjusted based on revised GFA at facilities in Cyprus.

Inspiring our Communities

MAKING A MEANINGFUL DIFFERENCE
FOR OUR PEOPLE, GUESTS AND COMMUNITIES



QUICK ACCESS TO MATERIAL TOPICS

Engaging our People	044
Safety, Health & Wellbeing	050
Responsible Gaming	054
Community Engagement & Investment	056

CASE STUDY

‘Get the Jab’ Program for Full Vaccination

A priority for us during the pandemic has been to support our colleagues in getting vaccinated against COVID-19, both for their personal benefit and to work towards continuity of business operations for the reassurance of our guests. We allocated over US\$2 million into our ‘Get the Jab’ immunity incentive program for colleagues in Macau and Hong Kong. In the Philippines, where access to vaccines was initially challenging, we went ahead and purchased vaccines for our colleagues. In Cyprus, we introduced incentives to get vaccinated. Overall, the programs have been immensely successful, with more than 95% of colleagues vaccinated. The program in Macau incorporated a series of measures to motivate our colleagues, including:

- Inviting Macau’s department of health to host information sessions to communicate their expertise and address any concerns colleagues may have
 - Providing shuttle buses to and from governmental vaccination sites
- Hosting an eight-day Melco onsite vaccination drive that successfully administered 4,300 doses to colleagues and their family members
- Granting two days of annual leave to get vaccinations, plus an additional three-days of special leave for colleagues to support their children under 18 years of age and elderly parents who need to be accompanied to get vaccinated
 - Distributing cash incentive of US\$125 to each fully vaccinated colleague, as well as cash lucky draws totaling US\$750,000 for six winners when we reached vaccination milestone rates of 50% and 75%

“Our most important priority is the safety of our colleagues, guests and community. Under the leadership of our Chairman & CEO, more than 95% of our colleagues have been vaccinated; we are proud of the success of this vital initiative.”

AKIKO TAKAHASHI

EXECUTIVE VICE PRESIDENT & CHIEF OF STAFF TO CHAIRMAN & CEO

Strategy and Management Approach

STRATEGY AND MANAGEMENT APPROACH

The societal needs and expectations of the communities where we operate are paramount to Melco. Therefore, an engaged, skilled and empathetic workforce that supports both our Above & Beyond strategy, and the creation of sustained value, is core to delivering on this promise.

Melco strives to be the company talent chooses to work for. We firmly believe that if we take care of our colleagues, they will care for our guests and those around us. During a continuing pandemic, remaining attentive to our colleagues has been imperative. We work on maintaining an environment where our people can flourish, where their wellbeing is supported, and there is a level of certainty for our colleagues during these unprecedented times. Despite the headwinds of these COVID-19 years, we have maintained our competitive compensation and incentive programs and a high standard of training and development. We continue to ensure a diverse and inclusive environment, and to support the health and safety of all our people, including ensuring they are supported if working remotely.

Melco's strong people focus is also reflected in our world-class guest experience and commitment to community investment. A key element of our service to society is to leverage our scale and influence to amplify the important work of governments and community organizations — supporting each other beyond times of need to allow us all to evolve and progress together.

We are committed to respecting the local laws, customs and cultures of all the jurisdictions in which we operate, in tandem with our ambitions to effect positive change for the environmental, social and economic benefit of our communities. In ensuring our community investment initiatives deliver benefits alongside our business strategy, we are guided by our CSR pillars.

CSR PILLARS

1	2	3	4	5	6	7	8
VOLUNTEERISM / PHILANTHROPY							
1. Youth	2. Education	3. Women	4. Environment	5. Culture & Heritage	6. Responsible Gaming	7. Whole Person Development	8. Small & Medium Enterprises

KEY GOALS

- Being the company people choose to work for and stay with
- Being best-in-class in safety for our guests, colleagues and community
- Promoting responsible gaming and an attitude of staying in control
- Supporting our communities and strengthening their economic prosperity

MATERIAL TOPICS

Engaging our People.....	044
Safety, Health & Wellbeing.....	050
Responsible Gaming.....	054
Community Engagement & Investment.....	056

HIGHLIGHTS

In 2021, Melco continued to demonstrate dedication and care for our people as we adjusted to the ongoing repercussions of the global pandemic. We are buoyed by both positive feedback from our colleagues and recognition from the wider market. In this reporting period, we were awarded:

- “Best Companies to Work for in Asia” – HR Asia magazine (2019-2021)
- WeCare™ HR Asia Most Caring Companies Award 2021 – HR Asia magazine
- Excellence in Practice Award: Customer Service Training (Morpheus Hotel) – Association of Talent Development 2022
- Silver for Best Graduate Recruitment Programme – HR Asia Recruitment Awards 2021
- Outstanding Corporate for Volunteerism (2019-2021) from the Association of Volunteers Social Service Macao

Melco became the first and only integrated resort operator to achieve the esteemed international third-party responsible gaming (RG) accreditation, RG Check, across our global portfolio. RG Check is a highly sought-after endorsement as it is the most comprehensive and rigorous RG accreditation program in the world.

We expanded our Splendors of China initiative to include a Passport lucky draw linked to completing a series of courses curated by Melco to increase understanding of China's culture and heritage for our colleagues in Macau, where the majority of customers are of Chinese background.

We launched a series of “Feel Better” In-house Mental Wellness Seminars that ran regularly throughout the year to support our colleagues as the effects of the worldwide pandemic continued to be felt.

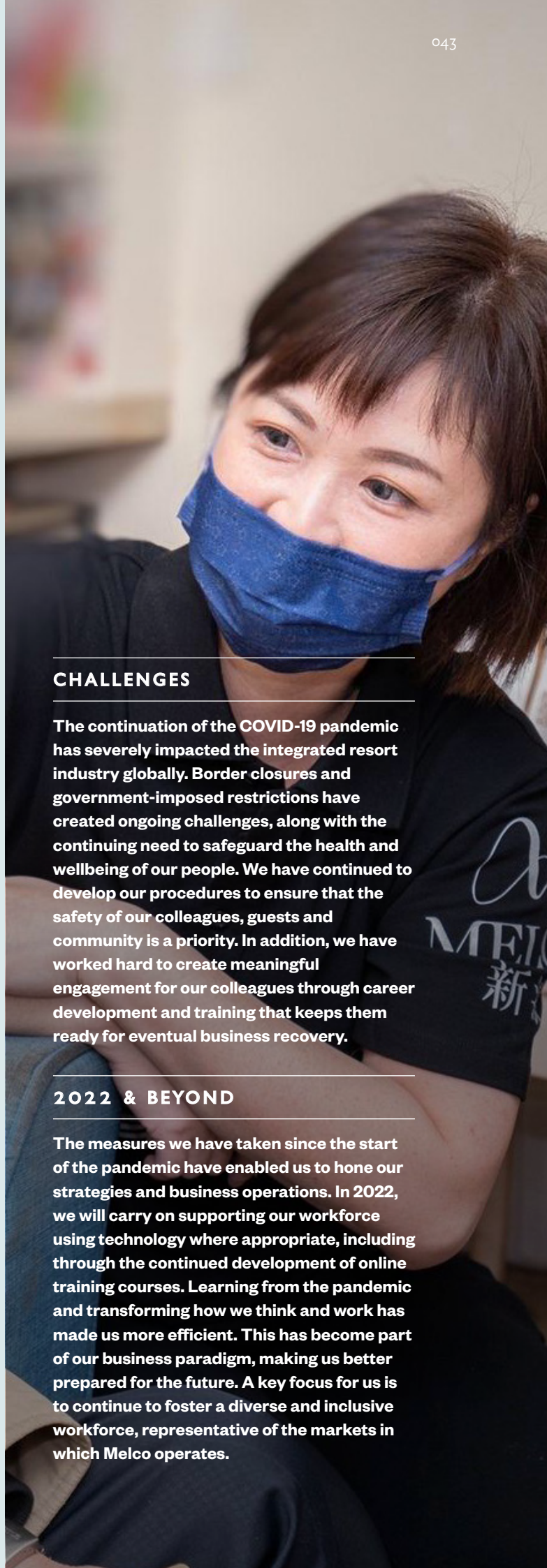
Our Foundation Acceleration Program (FAP) continued to be a success, enabling colleagues to benefit from exposure to a variety of functions, gaining breadth of knowledge from different departments across the organization.

CHALLENGES

The continuation of the COVID-19 pandemic has severely impacted the integrated resort industry globally. Border closures and government-imposed restrictions have created ongoing challenges, along with the continuing need to safeguard the health and wellbeing of our people. We have continued to develop our procedures to ensure that the safety of our colleagues, guests and community is a priority. In addition, we have worked hard to create meaningful engagement for our colleagues through career development and training that keeps them ready for eventual business recovery.

2022 & BEYOND

The measures we have taken since the start of the pandemic have enabled us to hone our strategies and business operations. In 2022, we will carry on supporting our workforce using technology where appropriate, including through the continued development of online training courses. Learning from the pandemic and transforming how we think and work has made us more efficient. This has become part of our business paradigm, making us better prepared for the future. A key focus for us is to continue to foster a diverse and inclusive workforce, representative of the markets in which Melco operates.



INSPIRING OUR COMMUNITIES

Engaging our People

OUR COMMITMENT

Delivering on the promise of a best service culture requires the foundation of a strong people culture. Our people strategy is designed to enable our close to 18,000 colleagues worldwide to meet their full potential, aspiring to the highest standards of training and development.

We have zero tolerance for child or forced labor across our value chain and we are committed to being an equal opportunity employer. It is essential to us that we provide an inclusive work environment free of bias, and this is rooted in our policy of zero tolerance for any form of prejudice or discrimination based on race, religion, age, gender, sexual orientation, varying ability, parental/marital status or any other non-meritocratic factors. Melco did not experience any reported incidents of discrimination in 2021.

While everyone is welcomed and supported in their development, at all stages in their journey with us, we are particularly focused on increasing gender equality and opportunities for women. This is paramount throughout our business as we strive to create a workforce that truly reflects the diversity of our guests, who visit Melco's resorts from all corners of the world.

OUR TARGETS

- Maintaining the number of colleagues receiving training/education/professional development at 95% level or greater annually

- Hiring 95% of managers from the local community by 2030
- Filling 50% of management roles with women by 2030

IMPACT ALONG THE VALUE CHAIN



Upstream

- Hiring people who will deliver on the company's brand promise of quality service



In-house

- Delivering on our consumer brand promise
- Creating career opportunities internally through enhancement of professional skills and enabling cross-functional careers
- Maintaining a work environment where colleagues feel valued and included



Downstream

- Supporting the sustainable growth of societies and economies in our communities
- Creating an inclusive and diverse workplace
- Setting an example of best practice

HOW WE ARE MANAGING IT

To maintain an environment where our colleagues remain engaged, we focus on the following areas:

- **Culture of Excellence**
Systems Aligned to Premium Brand Standards
- **Whole Person Development**
Internal Career Opportunities
- **Workforce Inclusion & Diversity**
An Equal Opportunity Employer
- **Work Environment**
Where People Feel Valued, Cared for and Recognized
- **Quality of Life**
Work, Family and Personal Wellbeing
- **Safety & Health**
Keeping our Colleagues and Guests Safe

Culture of Excellence

Melco's commitment to a culture of excellence brings out the best in our people. Colleagues are supported to provide exceptional service to our guests and to be the optimal versions of themselves. Our Culture of Excellence system provides:

- Leadership vision and commitment
- An environment that fosters success
- Diligent processes and structures for delivery of our brand promise, including a training system that delivers meaningful programs and customized content

- Continuous measurement of service delivery and behavioral standards
- Attractive reward structures
- Regular performance and development reviews for all colleagues
- A culture that celebrates our achievements

This approach involves a bespoke training program that includes:

- **Induction and orientation:** new joiners receive an introduction to the secrets of Melco's success: our philosophy, our standards and our core values
- **Technical skills training:** according to our belief in "hiring for attitude, potential and image, and training on skills"
- **"My First 90 Days" integration program:** integrates new colleagues into Melco's culture of excellence through a proprietary program that ensures each department's unique requirements, knowledge, skills and expectations are shared and understood
- **Consumer brand and service training:** ensures that service is aligned with our consumer brand and positioning to maintain our exemplary high standards
- **Forbes Five-Star standards training:** reveals what is behind our exquisite premium luxury service
- **Mystery shoppers:** provides an opportunity for our colleagues to experience Melco's service excellence and inspires their own commitment to being best-in-class

We encourage guest feedback, which is valuable for enhancing our colleague training program and Culture of Excellence approach. When COVID-19 restrictions allow, we aim to resume our program of varied methods for measuring guest satisfaction, including face-to-face surveys and periodic focus groups at specific touchpoints around our properties.

ENGAGING OUR PEOPLE HOW WE ARE MANAGING IT

Whole Person Development

Melco encourages colleagues to think outside their traditional roles and embrace cross-functional development to adopt new skills and achieve well-rounded growth. This holistic approach is known as Whole Person Development and encompasses numerous components, as outlined below.

Foundation Acceleration Program (FAP) – Building new perspectives and skills

Established in 2015, Melco's FAP enables colleagues to benefit from exposure to different functions and departments to gain a breadth of knowledge from across the business. Experiences can range from a project for a single day, to a long-term employment transfer. In 2021, we offered 92,000 FAP experiences, of which 99% were taken by locals, with 96% involving exposure to non-gaming areas for our gaming colleagues. Cross-training has a mutual benefit as it creates extra opportunities for our people, and enables flexibility for our business.

“Follow Your Dreams” –

Platform to learn about entrepreneurship

In 2021, we ran a seminar to provide colleagues with practical knowledge of the Greater Bay Area's business and entrepreneurship opportunities. Young entrepreneurs in Macau and the Greater Bay Area were invited to speak about their experiences.

Melco Learning Academy

To facilitate and instill the value of life-long learning in colleagues, we have been providing a customized curriculum since 2009 with around 7,800 courses through our Learning Academy, the first ever in-house academy in Macau. In 2021, a total of 680,000 participants joined a variety of courses, including those for languages, customer service, finance, leadership, sales and marketing, personal development and more. Compared to the pre-pandemic 2019 average of 31 training hours per colleague, in 2020 and 2021 Melco

colleagues focused on developing their knowledge and skills with overall average training hours per colleague substantively increasing to 94 and 111 hours, respectively.

Average Training Hours Completed per Employee by Employee Category and Gender (Hours)

	2021		2020	
	Female	Male	Female	Male
Management	24.68	20.24	15.87	24.91
Non Management	131.55	105.11	104.32	95.23

Internal Career Opportunities – Essential for retention through career development

It is better for colleagues to move internally than to be lost to an external company. Our policy is when all qualifications are equal, priority should be given to our internal colleagues; and when qualifications may not be equal, we demonstrate, when possible, our hiring philosophy, “hire attitude and potential; and train on skills”. Since the Company's inception, more than 31,000 colleagues have been promoted or retained by internal transfer. In 2021, 71% of vacancies were filled by internal colleagues.

Scholarships

Melco Scholarships were launched in 2010 to support employees and their immediate family members, providing awards of financial assistance to support undergraduate education. In addition, Melco's Hope Scholarships offer financial assistance to employees and family members who have experienced hardship or misfortune.

Back to School

Launched in 2010, our Back to School program is delivered in partnership with the Education and Youth Affairs Bureau of Macau and teachers from local high schools. It provides colleagues who have left school prematurely the opportunity to gain their high school diploma by undertaking formal education alongside their employment. In 2021, 26 colleagues achieved high school diplomas through Back to School. A further 17 currently enrolled colleagues are expected to graduate in July 2022.

Melco YOU-niversity

Melco partners with Edinburgh Napier University to deliver Melco YOU-niversity; a two-year, in-house university program that enables colleagues to earn a Bachelor's degree in International Business Practice whilst working. Since 2015, 29 colleagues have graduated from Melco YOU-niversity, of which nine have been promoted or have made an internal career switch since completing the program.

Graduate Trainee Program

Our Graduate Trainee Program, organized by the Labor Affairs Bureau (DSAL), helps local graduates to make informed decisions for their future careers by providing exposure to the hospitality industry.

Established in 2020, a tailored program to "self-improve through the epidemic for a brighter future" has seen local university graduates undertake 3-month-long placements to gain exposure to departments across the business, including operational areas such as Property Services as well as corporate functions like Legal, Finance and HR. Our program was awarded the Silver Award for "Best Graduate Recruitment Programme" at the 2021 HR Asia Recruitment Awards.

Mentoring and Networking Group

This year we launched our 'Melco Mentoring and Networking Group' with the objective of cultivating long-term relationships and a strong community within Melco. The launch event, coinciding with International Women's Day, was a virtual seminar with internal and external speakers, attended by 800 Melco colleagues from Macau, Hong Kong, Manila and Cyprus.

Workforce Inclusion & Diversity

In addition to colleague engagement and professional development, Melco's people strategy constantly supports inclusion and diversity throughout our business.

Inclusive Workplace

Our global workforce is diverse and currently represents 56 nationalities with women comprising 48% of our colleagues. We firmly believe that diversity of thought enables us to foster a culture of innovation and the ability to make a positive difference to the status quo; as such, we are committed to ensuring an inclusive work environment where everyone is treated fairly and with respect. Melco's strategy of inclusivity is supported by programs including DSAL's Special Internship scheme for local students with special needs. As the first company to participate every year since the program started in 2013, we are proud that up until the pandemic, 63% of student interns recruited through work experience initiatives went on to become full-time team members, with almost half staying on at Melco for three years or more. Currently, 73% of our senior management globally is hired from within the local community.

ENGAGING OUR PEOPLE HOW WE ARE MANAGING IT

Gender Diversity in Leadership

Diversity and inclusion have always been at the heart of Melco. Diversity within our senior management team sets an example from the top that we are committed to equal opportunities throughout our business.

WOMEN IN LEADERSHIP:

27% of directors
across
our boards

21% of our
Corporate
Executive
Committee

38% of our senior
management

40% of our general
management

Family-friendly Workplace

Our commitment to being an inclusive business means supporting colleagues to care for their families, without adversely affecting their career development. Melco is the first integrated resort operator to provide fully-equipped lactation rooms for nursing mothers within all of our properties.

Work Environment

We encourage our people to communicate and provide feedback, enabling us to listen to and understand their needs. Engagement takes place in many ways, including surveys and “Meet Management” sessions that provide an opportunity for colleagues to directly interact with resort leaders. Other engagement channels include:

- Focus groups across various business functions and resorts
- A colleague mobile app which allows colleagues to “Talk to Management”
- Newsletters and social media
- Annual performance appraisals
- Leadership forums

In-house Mental Wellness Seminars

We are committed to supporting our people’s health – both physical and mental. As this has become even more important during the ongoing pandemic, we co-organized with The Women’s General Association of Macau a series of “Feel Better” In-house Mental Wellness Seminars that have run regularly throughout the year with over 600 colleagues attending. In 2021, we hosted 23 seminars in collaboration with psychotherapists from the General Association that provided information about topics including self-awareness, emotional regulation and effective communication, thereby promoting mental wellness for colleagues and their family members. Of the participants surveyed, 88% found it easier to seek professional help after the seminars, 99% felt empowered to better manage their own mental health and 97% felt more aware of their own mental wellness.



Feeling at Home in our Heart-of-House

As a premium integrated resort operator, we take pride in providing our colleagues with facilities and amenities to support their wellbeing, learning and social lives. Our Heart-of-House contains:

- Premium onsite learning facilities
- Dining rooms with an extensive menu selection, including healthy and sustainable options
- Social areas with a selection of coffee, tea or other refreshments and computers for online entertainment
- Relaxation rooms fitted with massage chairs, hammocks and TVs
- Concierge desk to support colleagues

The Future Workplace

We offer a range of work-life balance initiatives to provide flexibility to meet our colleagues' varied needs. These include:

- Strawberry Life Flex Compress: a compressed workweek arrangement where our colleagues can concentrate work hours on certain days of the week
- Strawberry Life's part-time scheme: allowing colleagues to remain eligible for full-time benefits on a pro-rated basis
- Lifestyle Programs: workshops providing lifestyle and personal growth knowledge through the Melco Learning Academy
- Hybrid work from home opportunities as positions and responsibilities allow

INSPIRING OUR COMMUNITIES

Safety, Health & Wellbeing

OUR COMMITMENT

The health and wellbeing of our colleagues and guests is Melco's absolute priority. Maintaining a safe environment for all our people to feel comfortable and reassured goes to the very core of our mission. We remain committed to providing exceptional experiences and lifelong positive memories for guests at all our resorts worldwide.

We are committed to creating and maintaining a culture and working environment where all our people, throughout our value chain, can thrive and feel supported. We believe in taking a holistic approach to wellbeing, considering physical security, clean air and sustainable food sources. This has been particularly vital since the outbreak of the COVID-19 pandemic, alongside a high standard of hygiene to ensure a safe environment across all our properties. In addition to remaining in absolute compliance with government requirements and regulations in the geographies in which we operate, we implemented strict internal procedures and a high level of transparency in communicating with our stakeholders to coordinate pandemic management efforts across all of Melco's integrated resorts and communities.

OUR TARGET

- Reduce Melco's Group annual employee Injury Frequency Rate (IFR) by 20% in 2022, from base year 2019

IMPACT ALONG THE VALUE CHAIN



Upstream

- Engaging with local authorities to ensure up-to-date crisis management planning for the communities in which we operate



In-house

- Maintaining trust in our brand by safeguarding the security and wellbeing of our guests, colleagues and properties



Downstream

- Helping to protect communities, and provide a sense of safety for all our colleagues and guests

HOW WE ARE MANAGING IT

Occupational Safety and Health (OSH)

The health, safety and wellbeing of everyone throughout our value chain, whether a guest, a colleague or a partner within our supply chain, is essential. We continually enhance our health and safety standards and OSH performance at all our properties. Our OSH Policy details Melco's compliance with legislation relating to illness and injury prevention in all our markets. Our protocols are in strict adherence to requirements under our ISO 45001-certified, OSH management system for all our properties. We are proud to have been the first organization in the hotel and entertainment industry to have achieved ISO 45001

certification in Macau. Each of our resorts has its own dedicated OSH Committee that meets monthly and has responsibility for:

- Reporting to management on OSH issues raised by colleagues and contractors and corresponding corrective and preventative actions
- Monitoring OSH performance trends and following up on OSH incidents, ensuring thorough investigation and effective rectification
- Managing auditing and inspection activities
- Developing targeted training and awareness-raising activities
- Identifying areas for improvement and the need for resource allocation

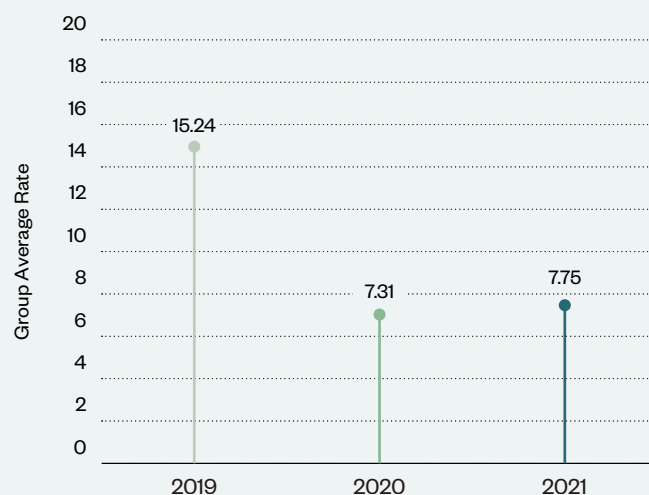
In addition to mandatory OSH training for new starters as part of their initial induction, all existing colleagues attend compulsory refresher training each year. A series of OSH events and promotions throughout 2021 included the Smoke Free & Healthy Life Roadshow in June, OSH Safety Quiz Property Competition in October, the 'Health & Safety You Should Know' seminar covering topics such as 'Occupational Stress and Burnout' and 'How to deal with Shift Work' in November, and a Workplace Flash Mob Project in December. In addition, we were the first enterprise to promote the '114 Get up and Stretch' program from DSAL in Macau.

Our contractors must attend a Melco OSH orientation program to understand the requirements for compliance with our standards. In continuing to promote excellence in achieving international safety standards, comprehensive assessments of all our key public areas, including guest rooms, entertainment areas, elevators, entrances and exits to our properties, are conducted quarterly by independent risk engineers.

If an incident of any significance takes place at a Melco property, it is reviewed by the CRO and corrective or preventative measures are then implemented by the relevant business units as appropriate. Our Emergency Response Teams liaise with local emergency response teams to devise and implement plans specific to each site.

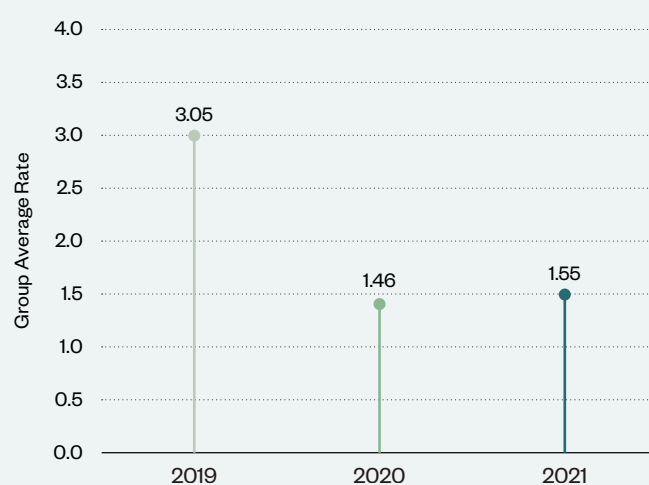
Melco Total Lost-time Injury Frequency Rate²⁷

(Group average)



Melco Total Recordable Injury Rate²⁸

(Group average)



27. Average total lost-time injury frequency rate (based on number of cases multiplied by 1,000,000 hours per 40- and 48-hour work weeks).

28. Average total recordable injury rate (based on the number of cases multiplied by 200,000 hours per 40- and 48-hour work weeks).

SAFETY, HEALTH & WELLBEING

HOW WE ARE MANAGING IT

This year, the average work-related injury frequency rate (IFR) across Melco's operations in Macau, Manila, Cyprus and our office in Hong Kong saw an increase of 6% compared to the previous year, in which we experienced significant periods of resort closure due to the pandemic. This contributed to our IFR being slightly higher than our 5% reduction target for the year, against our 2019 baseline. In comparison to 2020, our properties in Manila and Cyprus were able to open for many more days in 2021, although operating with restrictions in place. Our business in Cyprus has also seen a substantive increase in headcount as a result of the opening of two new premises last year. Going forward, we will continue to enhance and expand our safety training, monitoring of performance and implementation of preventive and corrective actions. We have set a new target for 2022 to achieve an IFR reduction of 20% over our base year of 2019. There were a total of 306 work-related injury cases reported in 2020 and 294 in 2021, a close to 4% reduction year-on-year. 1,339 lost days due to work injury were recorded this year, and there were no work-related fatalities in 2021.

During the pandemic, we have further supported our colleagues in getting vaccinated against COVID-19, both for their personal benefit and to work towards continuity of business operations for the reassurance of our guests. We allocated over US\$2 million into our 'Get the Jab' immunity incentive program for colleagues in Macau and Hong Kong. Details on this can be found in the [case study highlight on page 041](#).

Hotel and Catering Safety Card Training Program

A major focus of OSH activity across our business is our Hotel and Catering Safety Card Training Program. In 2018, we became the first integrated resort operator in Macau to launch this training for our team members. Related topics include emergency response, workplace accident prevention, fire and heat prevention and manual handling. This training program is actively supported by DSAL and Melco. In 2021, 10,405 employees were trained, with all remaining colleagues due to complete the program by mid-2022.

Healthy Air

Guaranteeing a high standard of air quality is essential in all our integrated resorts. We have sensors throughout our guest areas and Heart-of-House to provide real-time air quality data, and security officers patrol public areas to ensure that smoking only takes place in designated areas.

Eating Safely, Healthily and Sustainably

We take both food quality and hygiene standards very seriously. Our immaculate food and beverage (F&B) service is founded upon stringent food safety standards and regular inspections carried out by our highly-qualified food safety

team across our Michelin-star restaurants and other food outlets. Hazard Analysis Critical Control Point (HACCP) certification was achieved by City of Dreams Macau, Studio City and Altira Macau in 2020 and 2021, and by City of Dreams Manila in 2021. To ensure that we not only comply with the standards of the Food Safety Centre of Macau, and other international regulations, but also remain committed to continuously improving food quality and safety, we engage an external auditor to conduct annual HACCP assessments at our properties. In 2021, we did not have any incidences of non-compliance arising from the audit or that resulted in any fines, penalties or warnings.

Training on food safety and hygiene is provided to our F&B colleagues and meet-and-greet seminars are organized for F&B suppliers to connect and communicate with our chefs.

We aim to inspire and support our guests to eat healthily and sustainably. We are committed to increasing sustainable seafood purchases and have made significant progress in increasing sustainably-sourced seafood options on our menus. Shark fin is not offered globally in any of our menus. We continue our Green Monday initiative and offer healthy options as well as plant-based vegetarian and vegan dishes to enable our colleagues and guests to be mindful of their own healthy choices. Details can be found in the [Sustaining our Supply Chain](#) section on page 060.

Keeping our Properties Secure

Our security and safety personnel are highly experienced in the industry. Both visible and undercover security teams patrol our properties to identify and respond to a wide range of incidents in the most appropriate manner. We trust them to utilize advanced technological and security measures such as facial recognition, and to access control systems to effectively address emergency situations and respond to any illegal or inappropriate behavior within our integrated resorts. We also continue our close collaboration with the police and other local authorities in all our locations, including meeting regularly to discuss potential security threats and running joint drills for disaster and crisis management planning.

Crisis Management

Our security and safety teams are highly experienced in managing casino-related incidents and oversee our procedures for emergency control and incident prevention. We ensure regular collaboration with emergency services and other appropriate agencies and undergo rigorous testing of our crisis management plan, with drills on evacuation procedures and colleague training as appropriate.



INSPIRING OUR COMMUNITIES

Responsible Gaming

OUR COMMITMENT

A key element of safeguarding our guests' wellbeing is our commitment to promote responsible gaming (RG). It is a fundamental duty of ours to help ensure that our guests game responsibly and we consider our RG culture a proud point of differentiation. An important element of this is providing the necessary tools and information to make informed decisions when gaming in our properties. In addition, we surpass regulatory requirements in all the jurisdictions that we operate in and strive for continuous improvement to provide a fair and safe experience for all our guests.

In 2021, Melco became the first integrated resort operator in Macau, the Philippines and Cyprus to achieve the esteemed international third-party RG accreditation, RG Check, well ahead of our previously set target year of 2025. This achievement further establishes Melco as the first and only integrated resort operator globally to be recognized by RG Check in all its jurisdictions of operation. Developed by the Responsible Gambling Council, RG Check is the most comprehensive and rigorous RG accreditation program in the world, reviewed by a prestigious and independent panel of RG specialists.

OUR TARGET

- Achieving third-party accreditation for all new integrated resort RG programs within three years of opening

IMPACT ALONG THE VALUE CHAIN



Upstream

- Complying with regulatory requirements set by governments for gaming operators
- Supporting social welfare and wellbeing of our communities



In-house

- Solidifying RG safeguards through a robust program of systems and controls that provide player protection, education and access to help
- Empowering colleagues to detect and respond to potential problem gaming behaviors



Downstream

- Supporting our licenses to operate
- Propagating a healthy and responsible attitude of gaming as a form of entertainment

HOW WE ARE MANAGING IT

We are proactive in our methods to help our guests manage their gaming; we systematically provide safeguards and offer support to those who need it. In addition to liaising closely with governments and gaming regulators, we continue to advance industry-leading technology and ensure that everyone within Melco, no matter their position, understands their role in supporting our core values and culture of RG.



RG Check — The most comprehensive RG Accreditation program in the world.

Leadership from the Top

Our Chairman & CEO, Lawrence Ho, is accountable for our RG strategy, leading from the top as a clear signal of RG's vital importance to Melco. Both our gaming and non-gaming departments, and leaders of all our properties, are represented on the cross-functional RG Steering Committee. The Committee provides strategic direction for all our RG initiatives. In addition, separate working committees meet more regularly to propose and implement strategies and enhance the value we bring to the local community.

Technology and Process

Industry-leading technology is central to our award-winning RG program. Melco was the first integrated resort operator in Asia to deploy real-time facial recognition security systems. Today, real-time facial recognition security systems are a key element of our gaming infrastructure in Macau, Manila and Cyprus, and also an integral tool to support self-exclusion.

Educating our Colleagues on RG

Our people are at the core of our RG strategy. Investing in training is essential to maintain our high standards; since the first Melco resort opened, our RG programs have trained 173,000 participants on essential principles. Training has included identifying and addressing potential gaming issues and raising awareness among guests, colleagues and the broader community. Above and beyond the government-required biennial refresher training for gaming colleagues, Melco strengthens all colleagues' understanding with annual RG refresher sessions. In January 2020, we launched an e-learning version of our advanced RG course, which is based upon the "Macao Responsible Gaming Advisor Certificate Program" curriculum designed by the Gaming Inspection and Coordination Bureau and the University of Macau. More than 14,700 colleagues from across Melco's worldwide operations have completed this course to date.

An easily accessible RG educational space dedicated to hosting experiential RG awareness-raising exercises was established at the Heart-of-House in 2007; to date, over 137,000 participants have taken part. An example of an RG awareness activity in 2021 was an internal video competition for colleagues based in Cyprus. Twenty entrants created videos about the topic "What RG means to me," which were voted on by colleagues, with the winning film then shared to the public via our various social media channels.

We have also launched the "RG, Everyone's Job" mobile quiz to enable colleagues to regularly reinforce and test their RG knowledge while social distancing or working remotely. In addition, we have utilized our MelcoToday colleague mobile app to post "RG Monthly Focus" bulletins, each with a monthly RG theme, message and training fact highlighted.

RG Ambassadors

Melco RG Ambassadors are frontline managers selected for high levels of RG training knowledge and experience. Representatives from our RG Ambassador team, including more than 800 qualified managers who serve as contact points for all RG-related issues, are available onsite 24/7. In Manila and Cyprus, our RG Ambassadors wear an RG lapel pin for easy identification. This successful program was also extended in Macau.

Our RG Ambassadors enable us to support patrons at all our properties in a professional, empathetic and informative manner, including through referrals to professional counseling services when required. RG Ambassadors also assist patrons in making self-exclusion applications. All RG Ambassadors undergo a structured global training program consisting of, at a minimum:

- Level 1 – RG Introduction
- Level 2 – RG Advanced course
- Level 3 – RG Ambassador training

Supporting the Community

We are committed to raising awareness of RG in the communities where we operate and aim to set a high standard for the industry when it comes to this important effort. We surpass regulatory requirements for operators to display RG information for our guests at our properties, and we actively engage people in our communities on the subject. This year, Melco volunteers worked with an NGO to take to the streets and promote RG amongst tourists and locals in Macau. In Cyprus, Melco participated in and sponsored the "4th Safer Gambling Week" organized by the National Betting Authority. In 2022, we will continue our community RG workshops targeted at women. To encourage participation, the RG curriculum is interwoven with lifestyle activities such as cooking, floral arrangements, reflexology and more. Additionally, Melco invests in gaming research by supporting the Macao Polytechnic Institute and the University of Macau (UM)'s Institute for the Study of Commercial Gaming (ISCG).

Community Engagement & Investment

OUR COMMITMENT

Melco recognizes that the mutual prosperity of both our business and the communities in which we operate is dependent on the health of society as a whole. Ongoing support through SME engagement, volunteering and donations uplift the community and build a sense of pride among our colleagues. Demonstrating respect for local culture and heritage, in the form of tangible properties and intangible traditions and customs inspires our youth, creates economic opportunities in local communities and fosters goodwill towards Melco. Proactively investing in the community is good for business, creating shared value for all our stakeholders.

We take pride in supporting our communities through tailored investment and engagement activities. Melco acts as a leading corporate citizen by supporting local needs, proactively boosting economic prosperity for local SMEs, and promoting the conservation of heritage and local culture. Our unique and differentiated programs, developed in collaboration with our local partners, help enhance the strength of our communities.

OUR TARGETS

- 80% of global colleagues to volunteer at least 4 hours per year
- Each jurisdiction to run cultural and heritage programs that

help develop people into knowledgeable and engaged ambassadors of their country

- Advance the economic prosperity of local SMEs

IMPACT ALONG THE VALUE CHAIN



Upstream

- Engaging with local community stakeholders – including charities, academia, government departments, associations and other organizations – to ensure that our investment and engagement activities address local societal issues and support local culture and heritage



In-house

- Encouraging volunteerism and facilitating volunteer activities for our colleagues
- Developing unique and differentiated programs in collaboration with our local partners to address specific local issues and the needs societies
- Providing various internal, external and training programs to build capacity among SME partners
- Respecting and celebrating culture and heritage, enabling us to enjoy enriched relationships and experiences with our diverse stakeholders



Downstream

- Furthering social equality, health and wellbeing, environmental quality and sustainable communities
- Sharing economic benefits, building sustainable economies and societies
- Enriching societies by inspiring appreciation for heritage, while also creating economic opportunities for those showcasing their culture to guests and the local community

HOW WE ARE MANAGING IT

Melco places genuine long-term local partnerships and community investment at the heart of our business. We recognize the benefit of the strong relationships we have built with our local communities, and reciprocate by offering support when needed.

CSR Steering Committee

Our Chairman & CEO, Mr. Lawrence Ho, actively participates in our CSR Steering Committee, which discusses vital investment and community engagement issues. The Committee consists of local colleagues who focus on building our relationships with community organizations and NGOs. Every month, this Committee oversees Melco's CSR programs and reviews the initiatives of various working committees.

Our CSR Approach and Programs

Supported by our CSR pillars, we strive to meet the unique needs of local communities by:

- Engaging with local SMEs and suppliers
- Partnering closely with local NGOs, charities, academia, government departments, associations and other organizations
- Being mindful of pertinent local issues and customizing the way we engage with communities
- Developing differentiated programs that offer practical solutions for social issues
- Aligning needs with our business strategy for a sustainable approach

Our CSR pillars underpin our mission to make a positive impact in all aspects of our business. In reporting on our partnerships and programs to build the strength of our communities, we focus on the following areas:

- Economic Prosperity for Local SMEs
- Volunteerism
- Disaster/Pandemic Relief Response
- Culture & Heritage
- Philanthropy

Economic Prosperity for Local SMEs

We empower local businesses and prioritize local procurement. Our work with local SMEs entails a range of educational initiatives including those highlighted below; refer to our [Sustaining our Supply Chain](#) section on page 060 for details.

Melco SME Academy

A signature initiative is our SME Academy. Supported by Melco's own Learning Academy, the SME Academy aims to help local businesses prosper by providing access to the latest training, industry trends and technical knowledge. Training is conducted regularly in workshop and forum formats, covering topics including sustainability, work ethics, food safety and hygiene. In 2021, 16 workshops were conducted with 113 attendees, including 93 SMEs.

'Knowing You, Knowing Us' Campaign

'Knowing You, Knowing Us' was developed to offer a means of communication for SMEs to develop a better understanding of Melco's procurement categories and procedures and help SMEs to identify the products and services they can offer Melco and the industry. Campaign events in 2021 have included our "To the Table" sessions, facilitating dialogue between 54 local SMEs, and Melco's Culinary and F&B teams.

Heart-of-House Roadshows

Our Heart-of-House Roadshows provide an innovative channel for local SMEs to generate revenue by selling directly to our colleagues. We provide rent-free retail spaces in the Heart-of-House areas of City of Dreams Macau, Studio City and Altira Macau, exclusively for local SMEs. The roadshows serve as an effective platform for increasing revenue and market exposure for our SME partners, who have experienced economic hardship due to the pandemic. This year we also introduced an Eco Fair Roadshow, whereby we invited five environmentally-focused SMEs to attend our Melco Roadshow.

COMMUNITY ENGAGEMENT & INVESTMENT

HOW WE ARE MANAGING IT

In total, our Heart-of-House Roadshows generated over US\$950,000 worth of business for local SMEs in 2021. Throughout the year, more than 140 local SMEs and NGOs participated in approximately 110 Melco Heart-of-House roadshow sessions, selling directly to 16,000 colleagues. Since 2020 when we enhanced and expanded these roadshows, we have facilitated over US\$1.4 million in revenue.

Adopt a Micro-Enterprise

Melco's management team provides mentorship and skill-training opportunities to youth entrepreneurs through the Adopt a Micro-Enterprise program. Co-organized with the Junior Chamber International (JCI) Macao and the Macao Young Entrepreneur Incubation Centre (MYEIC) and supported by the Macao Productivity and Technology Transfer Center (CPTTM), the program cultivates young local entrepreneurs by leveraging our corresponding in-house expertise and skills to offer guidance on increasing the success of their specific business, which this year included Events Production, Environmental Solutions, Interior Design, Digital Marketing, and Health Technology and Tourism enterprises. The program provides a six-month mentorship and, in 2021, we hosted over 90 participants from 20 business units and provided in excess of 200 hours of mentoring.

Volunteerism

Melco is proud of the efforts of our colleagues to enhance quality of life in our communities through volunteering. Around 220,000 participants have joined our global community engagement activities since 2007. Melco was honored as 'Outstanding Corporate for Volunteers' by the Association of Volunteers Social Service Macao for the third consecutive year.

Simple Acts of Kindness 2.0

Following the incredible success of "Simple Acts of Kindness" in 2020 to help the Macau community during the height of the pandemic, we continued the program in 2021. We supported over 1,300 NGOs, associations, schools, nurseries,

governmental departments and SMEs with the help of over 16,000 Melco volunteer participants. Our volunteers actively reached out to the community and neighborhoods we serve, delivering leaflets to over 760 residential buildings (over 37,420 households) to offer help. Community service activities performed included:

- Melco's "Knit Our Love" project, with 700 volunteers dedicating more than 8,000 intensive work hours over the course of two weeks in December to create and deliver 1,000 hand-knitted scarves to local beneficiaries including the Macao Center for the Blind, Macao Autism Association and St. Francis Homes for the Elderly
- Adopt a Children's Home saw Melco volunteers partnering with four children's homes to help enhance the living environment by re-decorating, wall-painting and performing minor repairs
- With the program "Small Dreams", we partnered with three children's homes to realize the small dreams of the youth and children, including a hot meal with friends, a haircut at a salon or a book that helps language learning

City of Dreams Manila

- We have continued our program to donate surplus linen to our partners, including Bahay Aruga, Hope for Lupus, Kanlungansa Erma, Kids with Purpose and the Philippine Children's Hospital – during 2021, we donated 25 boxes of linen, including duvet covers, pillowcases and towels
- We donated over 4,100 kg of used linen, as well as items no longer fit for operations but still in usable condition, including chairs and kitchen items, to the Correctional Institution for Women in Manila

City of Dreams Mediterranean

- This year saw the launch of the "Commit to Fitness" campaign in Cyprus, supporting the Karaiskakio Foundation with the aim of raising public awareness about leukemia and bone marrow donation
- With the support of Ayia Napa Municipality and NGO Nautilus, our colleagues organized a harbor seabed clean-up, aiming to raise awareness of the impact of pollution on the Mediterranean Sea's ecosystem
- For the second consecutive year, we organized the Christmas charity campaign "No Child Without a Present This Year" to benefit the local community in Cyprus

Culture and Heritage

Melco is honored and privileged to be in a unique position to help protect and promote local heritage, provide cultural opportunities and empower people through sensitive, culture-based education and activities in the places where we operate. For example, in Cyprus we continue to work with the local government to safeguard and promote the island's most treasured heritage sites through our project 'Heritage Signs'. This includes subsidizing heritage enhancements and sharing cultural information to significantly improve the tourist experience.

In 2016, we launched our Splendors of China initiative in Macau, a series of programs curated by Melco to understand Chinese culture and heritage. The Splendors of China Passport, rolled out in 2021, comprises a series of training initiatives including courses on Chinese culture and history. Elective courses include cultural aspects of understanding China, including Chinese tea culture and visits to historical exhibitions and Cantonese opera. Some courses have been created in-house and others leverage exhibitions and programs currently promoted by the government. The accompanying campaign encourages our team members to complete "the passport" by gaining a stamp for every course completed and entering a lucky draw to "see the sights" in person by winning trips to visit China's monuments once travel restrictions ease. 89% of Melco colleagues in Macau have completed their passport.

Youth Engagement

Developing local youth talent is an integral part of ensuring the sustainable future of our communities.

In its second year, the Melco Star Youth Talent Contest aims to cultivate and strengthen the understanding of cultural heritage among Macau's youth through performances in Chinese cultural arts, enabling them to exhibit the vitality and talent of Macau's younger generation. This year, a total of 900 children/youth performers from 55 schools and art institutes entered 143 acts into the contest.

In 2021, Melco provided tuition subsidies for three students at the Macau University of Science and Technology (MUST) to study digital media, with the goal of building a talent pipeline for digital skills and to support long-term employment at Melco.

As part of our efforts to reinforce the value of sustainability for youth, Melco and UM co-organized the *2021 Guangdong Hong Kong Macau Greater Bay Area Integrated Resort Sustainability Business Case Study Competition – 'Start Young' Hospitality Management Professional Challenge* to promote awareness of environmental initiatives by introducing students to Melco's sustainability initiatives.

This year we also supported a two-day staycation at Macau's Studio City for 30 students from the Macao Institute for Tourism Studies (IFTM), for them to gain first-hand experience of the Forbes Five-Star services and facilities offered at our integrated resort. This provided students with enhanced operational knowledge of the industry.

Disaster Relief

Melco has unfailingly come to the aid of our communities during difficult times of catastrophe and natural disaster. In 2021, when Zhengzhou, the capital of Henan Province, was affected by extreme flooding, we donated US\$1.25 million to aid with flood control, emergency relief and reconstruction work in the city to support affected communities.

In Cyprus, we acted swiftly to respond to the wildfires that struck rural areas of Larnaca and Limassol in July 2021, making a donation for the restoration of 'Iamatiki' District School in Eptagonia – the central school of the area. The restoration and upgrade of the Iamatiki District School's facilities ensures that students from at least ten communities in the school's zone will have access to uninterrupted quality education and benefit from improved learning experiences. Additionally, we supplied five, low-weight fire emergency response vehicles to the local community, thereby helping them to become more resilient to fire threats.

Philanthropy

We strive to create a more sustainable future for our world by investing in meaningful initiatives. In 2021, we contributed US\$21.9 million towards causes including youth, SME and micro-enterprise development, culture and heritage, community needs and disaster relief. This was accomplished through donations and sponsorships.

Charitable Contributions²⁹ (US\$)

2008-2020 (cumulative)	US\$96.9 million
2019	US\$17.1 million
2020	US\$34.1 million
2021	US\$21.9 million

29. Comprising cash contributions, in-kind donations and donations from our Philippines Foundation.

Sustaining our Supply Chain

TRANSPARENCY, TRACEABILITY AND
TRANSFORMATION TO FURTHER SUSTAINABLE SUPPLY CHAINS



QUICK ACCESS TO MATERIAL TOPICS

CASE STUDY

The Melco Learning Academy Sustainability Module

We are committed to building the capacity of our suppliers so they are able to contribute to our sustainability efforts. In 2021, a series of capacity-building workshops were held. These included:

16 workshops

113 attendees, including 93 SMEs

One of our key sessions introduced suppliers to our overall sustainability strategy with a focus on plastic awareness. As part of this workshop held by the Melco Learning Academy, suppliers were invited to join us in person to learn about trends in climate change as well as waste management and regulations in Macau. The session also informed suppliers about our sustainability goals with a focus on how we plan to approach the plastic problem through reducing, reusing and recycling.

Suppliers were briefed on what to expect as we seek to identify opportunities in the supply chain to promote circular economy practices. This included requirements that suppliers will need to fulfill to meet green procurement specifications and the information they will be required to provide to complete our annual plastic inventory reporting, such as the type and weight of plastic used in each component.

Details on specific capacity-building programs for SMEs can be found in the [Community Engagement & Investment section of this report on page 056](#).

SUSTAINING OUR SUPPLY CHAIN

Strategy and Management Approach

STRATEGY AND MANAGEMENT APPROACH

At Melco, we are dedicated to working in collaboration with our supply chain and surrounding communities to move towards a sustainable future. Operating world-class integrated resorts that source from over 4,000 global suppliers³⁰, comes with great responsibilities. To ensure our suppliers are well placed to mitigate the impacts of the products and services they provide, we run a number of initiatives to raise awareness and build capacity on human rights, ethics and environmental responsibility. Our Sustainable Sourcing Working Group utilizes a stringent Supplier Code to oversee supply chain management and maintain accountability and transparency as we consistently strive to improve our sustainability performance. We continue to focus on nurturing relationships with local suppliers in our markets to build up the communities where we operate, while also securing the steady supply of goods and services in these times of unprecedented economic disruption.

KEY GOALS

- Procuring locally and creating demand for materials that have sustainability attributes in the supply chain
- Building capacity and awareness of the social, ecological and biodiversity impacts in sourcing
- Enhancing workers' lives and working to eliminate human trafficking and modern slavery in our industry and supply chains

MATERIAL TOPIC

Ethical & Sustainable Supply Chain 064

HIGHLIGHTS

Due to the ongoing challenges with global logistics this year, Melco has had to pivot to sourcing even more locally. We are pleased to report we have obtained more high-quality products from local suppliers, decreasing our carbon footprint and enhancing our relationships with local partners. In 2021, 94% of our purchasing was from local companies in Macau, out of which 50% was from local, small and medium enterprises (SMEs). In Manila and Cyprus, 86% and 80% of our procurement supports local businesses, respectively.

We continue to work with our suppliers on building capacity and are helping them to implement sustainable practices in areas ranging from waste management to efforts to eradicate modern slavery. We remain industry leaders in influencing our value chain to go above and beyond in adopting ethical as well as responsible environmental and social standards.

In 2021, Melco retained our score of A- in climate-related supplier engagement strategy with the CDP.

CHALLENGES

Despite having to face a significant rise in transport costs and incessant disruptions, the supply chain team has managed to ensure a consistent flow of goods to our markets in Macau, Manila and Cyprus. As the COVID-19 pandemic continues, rising costs will continue to impact all aspects of our business and will prove to be our biggest challenge in sourcing. We hope to manage this obstacle by optimizing efficiencies within our operations, including through the use of systems like our online purchase-to-pay (P2P) procurement system that gives us clear oversight of our spending. We will use the downtime afforded by the pandemic to enhance our productivity and work towards expanding sustainability practices.

30. Suppliers by country in 2021: Macau (26%), Philippines (26%), Hong Kong (17%), Cyprus (16%), USA (3%), China (2%), Japan (2%), Singapore (2%), UK (2%), and other locations (4%).

2022 & BEYOND

Looking ahead, we will continue to build the capacity of our suppliers in the key areas of ethics, occupational safety and health, food safety and environmental best practices. In 2022, an important initiative will involve training sessions on modern slavery for suppliers in collaboration with our partner, The Mekong Club.

While restrictions due to the pandemic thwarted our plans to further explore sourcing guidelines for a wider variety of products with sustainability attributes, in the coming year we hope to expand these guidelines to cover coffee, chocolate and other products. In 2022, we also plan to look at tracing one particular item, such as coffee or paper, from end-to-end to understand the environmental and social issues associated with sourcing the product and to create a comprehensive case study for our industry to learn from.

In addition to our P2P procurement system, we piloted a new scheduling system through which suppliers can plan their deliveries to our properties and thereby reduce waiting times. This has improved efficiencies while reducing air and traffic congestion in the surrounding areas. We also tested an online scheduling system for deliveries to further improve productivity and manage our environmental impact. With the benefits arising from these trials, we plan to roll out these initiatives across all our properties.

SUSTAINING OUR SUPPLY CHAIN

Ethical & Sustainable Supply Chain

OUR COMMITMENT

At Melco, we understand that a sustainable future depends on collective action by our business and our stakeholders. Given the influence we have over a wide range of product and service providers across the globe, we are in a unique position to motivate, inspire and accelerate progress. We are focused on prioritizing local procurement, building knowledge about the impacts of sourcing, improving the lives of workers and eradicating modern slavery in our supply chain to achieve our goals. This is accomplished through robust supplier engagement programs, stringent procurement guidelines and responsible sourcing procedures. While seeking both superior quality and sustainability practices, we are committed to delivering positive impact across our value chain.

OUR TARGETS

- Sourcing 80% of our procurement choices with sustainability attributes by 2025
- Purchasing 100% of our bed linen and towels from OEKO-TEX®-certified suppliers and 100% of our pure cotton linen and towels from sustainable sources by 2030

- Procuring 20% of our seafood from sustainable, local and/or globally-recognized certification schemes by 2025
- Sourcing 50% of our chemicals rated as Green or Amber by 2025

IMPACT ALONG THE VALUE CHAIN



Upstream

- Building resilient and sustainable supply chains, supporting best practices and local economies



In-house

- Championing robust and resilient procurement and sourcing networks supporting delivery of reliable, high-quality and sustainable products and services



Downstream

- Setting leadership benchmarks and ensuring our license to operate while achieving customer satisfaction

HOW WE ARE MANAGING IT

The Sustainable Sourcing Working Group oversees the progress of our sourcing strategy along with the related financial impacts. This Group meets on a quarterly basis and reports to the Executive Sustainability Committee. With the mandate to enhance the sustainability features of goods and services used in our integrated resorts, the Group works to establish sustainability programs, develop purchasing guidelines and raise awareness about the importance of sustainable procurement among stakeholders.

Melco's sustainable sourcing strategy is implemented through our Code of Conduct for Suppliers (Supplier Code). The Supplier Code goes beyond legal requirements to cover the wide range of stringent standards we uphold. Updated in 2020, the Supplier Code emphasizes ethics, including expectations for fair business, advertising and contract completion practices along with zero tolerance of improper advantage. Another key feature of the enhanced Code is a focus on human rights, including freedom of association, the right to collective bargaining and no forced or child labor.

Standards for health and safety, environmental protection, anti-corruption and data privacy are also covered in the Supplier Code. All new suppliers must acknowledge acceptance of the Code in writing when they are first engaged, and Melco is in the process of establishing this as mandatory practice for existing suppliers. Any grievances can be raised through our reporting channels described in the [Ethics & Integrity section on page 076 of this report](#). In the spirit of continuously improving together, we provide suppliers with training and regular engagement to assess their compliance and progress. Melco takes compliance seriously and will not hesitate to terminate a supplier that violates

expectations and fails to implement an appropriate corrective action plan; in 2021, there were no such occurrences related to compliance with our Supplier Code.

Supplier Engagement

We proactively collaborate with suppliers to keep abreast of innovative product alternatives and to continually improve their social and environmental performance. 94% of these suppliers are local with 50% being SMEs in Macau. In Manila and Cyprus, 86% and 80% of our procurement supports local businesses, respectively. In 2021, we were delighted to retain our A- score with CDP for our approach to supply chain management. Key programs and initiatives in 2021 are summarized below.

Enhancing Efficiencies

Our online P2P procurement system implemented across all Melco offices and integrated resorts gives us clear oversight of our spending, while allowing us to achieve our supply chain sustainability targets and strengthen partnerships. The system has enabled us to eliminate paper in our Receiving and Warehouse departments, reducing the amount of paper we use by 80% across our Macau and Manila operations, and will subsequently be expanded to our Cyprus operations. The invoicing process and workload for our back office-related colleagues and suppliers has also been simplified as a result. We have been working with our suppliers to ensure that they are able to benefit from the efficiencies presented by this system and updated procedures. We fulfill our commitment to a 14-day turnaround on payment of supplier invoices if delivery and invoicing are completed on time. This has been well received, particularly by SMEs who are impacted by the economic pressures caused by the pandemic.

ETHICAL & SUSTAINABLE SUPPLY CHAIN

HOW WE ARE MANAGING IT

Capacity Building

Our capacity-building initiatives are designed to enable our colleagues and suppliers to contribute to our joint sustainability efforts. A series of workshops are routinely held for suppliers on various topics around sustainability.

16 workshops held to date

113 attendees, including 93 SMEs

Details on key sessions that introduced suppliers to Melco's overall sustainability strategy this year can be found in our [case study highlight on page O61](#).

We continue with our efforts to build supplier capacity on other environmentally responsible practices. Focus areas have included responsible sourcing, the importance of eliminating wastage, increasing recycled and biodegradable content and eliminating the use of SUP packaging. As part of our KAIZEN exercise to enhance waste diversion, we are working to improve supplier packaging and delivery processes. This has involved setting up appropriate recycling bins and signage at product receiving areas and warehouses and briefing suppliers to carry out responsible waste segregation when delivering onsite. We will also implement waste segregation training for suppliers in 2022. In addition, we have been encouraging our suppliers to develop and incorporate specifications into tenders, purchase orders and other agreements to increase demand for lower-impact products, packaging and services based on circular economy principles. Details on these initiatives can be found in our [Material Use & Waste section on page O32 of this report](#).

Additional information on specific capacity-building programs for SMEs can be found in the [Community Engagement & Investment section of this report on page O56](#).

Supplier Showcase

We invited around 40 suppliers in Macau to showcase items with sustainability attributes, including both food and non-food items, with the aim of building awareness about alternatives and informing suppliers about Melco's requirements and aspirations. The showcase was designed to look for better solutions in areas such as plastic substitutes and sustainable seafood and to gain insight about suppliers or markets that offer innovative products. Participating suppliers joined us for the day and presented their products to all colleagues from various departments, including chefs, the property president and service staff. This initiative was well received and will be extended to run over a few days in 2022.

To the Table Event

As we strive to highlight more local, vegetarian, sustainable seafood and plant-based meat alternatives on our menus, our F&B teams continue to seek diverse options. Every other month, we bring 20 different products to the Chef's Table for chefs to taste and cook with, including organic, locally produced products from urban farms. This builds their knowledge of what is available in the market, enabling them to be creative with how these products can be featured in our menus. In 2021, 54 suppliers attended these events, 30 of whom were SMEs. Suppliers were able to showcase their products and explain how to use products such as plant-based meat alternatives in a variety of cooking methods and techniques. Melco was able to try some of these products in our Employee Dining Room and had great success showcasing different tastes and textures in the dishes.

Product Sustainability Attributes

Another initiative that was ongoing this year involved enhancing our procurement system by indicating the sustainability attributes of each product using easily recognizable icons. Melco worked together with our system provider to define the purpose and criteria for this enhancement, which industry peers have since also adopted. The system will make sustainable choices more accessible, so our chefs and purchasing teams can make educated decisions on the items to purchase based on our criteria. Suppliers will also be given the opportunity to efficiently offer products with desired attributes. Melco will be able to track and report these purchases, and work towards increasing our spend on more sustainable products. The criteria set up for this system follow our product sourcing guidelines described below. This enhancement is designed to further optimize our digitalized supply chain by increasing transparency and engaging colleagues and suppliers in meeting our sustainability and financial goals.

Sourcing Guidelines

Our sourcing strategy is designed to mitigate the ecological impacts of the products we use. Since 2018, we have provided stringent guidelines to aid in the sustainable sourcing of key items including cotton, cleaning products and seafood. We have already exceeded our targets for cotton, chemicals and seafood.

Cotton

High-quality bed linen and towels provide guests with a luxurious experience at our resorts. At Melco, we aim to procure cotton from sources that mitigate the environmental impacts of water consumption, the use of agrochemicals and the conversion of habitats for agricultural use that result from growing, harvesting and manufacturing cotton. By opting for sustainable sources, we ensure our linen and towels are free from harmful chemicals and safe for human use. In 2021, our operations in Macau and Manila achieved our goal for 100% of our bed and bath linen to be sourced from OEKO-TEX®-certified and other sustainable sources by 2030, nine years ahead of schedule. We aim to extend this to other textiles and garments such as uniforms for colleagues and guest slippers in the near future.

Given the difficulties with procuring blended products from sustainable sources, we have continued to move toward switching some materials, such as table linen, from blended fabrics to 100% cotton, achieving our goal in 2021 for our operations in Macau and Manila, which also brought a cost benefit. We are also seeking opportunities to source more sustainable blended cotton fabrics. In addition, our supply chain team continues to seek linen with longer durability and replenishment cycles to reduce our consumption. As part of our sustainability initiatives, in 2021, we repurposed, donated or recycled close to 29,000 linen items to a number of organizations in need in Macau, and over 4,100 kg of linen to a women's correctional facility in the Philippines.

Sustainably Sourced Cotton

(in kg)

	2021	2020	2019
Macau and Manila	12,574	102,430 ³¹	64,645



Chemicals

We continue to work with our chemical suppliers to identify more sustainable alternatives while ensuring that we meet strict sanitization and safety standards. Our risk assessment criteria for chemicals include their impact on human health, toxicity, ecosystem degradation and bioaccumulation. Our choice of chemicals is based on factors including the severity of resulting health impacts, availability of eco-responsible alternatives and product performance requirements, while managing spend. Since 2018, we have established sourcing guidelines using a "Green, Amber or Red" rating system that prioritizes internationally-recognized eco-labels such as Green Key and Green Seal.

As part of our tender renewal process, we have successfully moved away from most Red chemicals, replacing them with Amber or Green alternatives. Any Red chemicals still in use are compulsory due to extremely high sanitization standards warranted by the COVID-19 pandemic. New products requested that are either Amber or Red require approval and

31. Sustainably sourced cotton increased in 2020 due, in part, to renovations at NÜWA and other linen being replenished according to schedule.

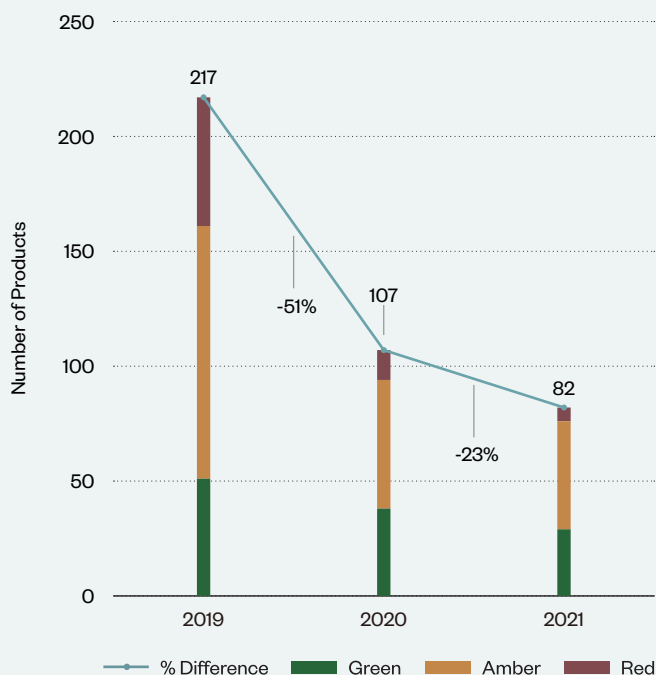
ETHICAL & SUSTAINABLE SUPPLY CHAIN

HOW WE ARE MANAGING IT

can only be sourced under exceptional conditions. A key initiative in 2021 remained the consolidation of chemicals across our properties, so that the same product will be used for similar tasks across markets. With this process, Green and Amber chemicals now comprise 92% of all chemicals, enabling us to exceed our conservative target of sourcing 50% of our chemicals rated as Green or Amber by 2025. With a standardized list of products in place, we are able to more effectively manage our impact and provide safer options for our people and the planet.

Chemical Consolidation for Macau and Manila

23% reduction in number of products used in 2021



Seafood

Melco is dedicated to conserving marine biodiversity and the livelihoods of communities that depend on the surrounding ecosystems through the responsible management of fish stocks and ocean restoration. We also seek to support suppliers that focus on fishery improvement projects (FIPs) or aquaculture improvement projects (AIPs). Our Sustainable Seafood Sourcing Guidelines prioritize seafood certified by international bodies such as the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), Global Aquaculture Alliance – Best Aquaculture Practices (BAP), the GLOBAL G.A.P Aquaculture Certification and other standards. Our procurement strategy is based on science-based recommendations from the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the International Union for Conservation of Nature (IUCN), as well as the World Wide Fund for Nature (WWF)'s Local Seafood Guide. According to this strategy, we rank each species as either Green, Amber or Red.

This past year, despite erratic supply and increased costs, we continued to increase our sustainable seafood options with 57 varieties available on our menus in Macau, up from 26 in 2020. Sustainable seafood items increased 73% by weight over the previous year, representing 16% of our total seafood procured in 2021. We expect our performance to further improve as all new suppliers provide data on sustainability attributes and our chefs and purchasers utilize our new procurement system, which enables them to easily opt for sustainable choices. Looking ahead, we are working to source sustainable options for the top 15 seafood items procured by weight, to feature sustainable alternatives on our procurement lists in place of regular options and to further increase the visibility of sustainable alternatives on our menus.

In Manila, we are working with a local NGO and the government to help suppliers responsibly procure seafood from local sources and receive MSC certification. While shark fin has been off the menus at our self-operated restaurants since 2019, we continue to work with our F&B tenants across all our resorts to remove shark fin from their menus as well.

Looking Forward

The sustainability guidelines that are utilized in our Macau and Manila properties will also be implemented at our City of Dreams Mediterranean property in Cyprus. The same certified global providers for cotton and chemicals will supply this property. Seafood will be sustainably sourced locally, and we will maintain our stringent policies on plastic to manage our footprint. We are further exploring sustainable sourcing categories to include items such as cage-free eggs, responsibly-sourced coffee, tea and cocoa and organic rice.

Human Trafficking and Modern Slavery

Melco understands that the hospitality industry is vulnerable to modern slavery. As such, we have strict protocols in place to protect human and labor rights in our operations and supply chain. All our employment contracts ensure compliance with local labor laws, including statutory working hours and minimum wage requirements. We continue to conduct training for our Security Department on identifying underage persons and possible sexual exploitation, while our Investigations Department conducts independent screening of colleagues and suppliers to detect suspicious activity. We partner with local authorities, industry leaders and NGOs, such as The Mekong Club, to raise awareness and identify potential risks. We are committed to eliminating modern slavery, whether it be in the form of forced labor within our supply chains, including third-party service contracts and construction, or forced prostitution. We provide training and tools to colleagues and suppliers so we can address vulnerabilities and develop standardized responses across our value chain. In 2021, a total of 83 colleagues attended an in-depth training on modern slavery. Internal online training courses are being rolled out in 2022 to offer this training to more colleagues. In 2022, we will further expand capacity-building support to suppliers through ongoing workshops as well as by developing due diligence questionnaires and updating our RFP process through our engagement with The Mekong Club. We have also developed internal online training courses to further train our colleagues in 2022.

Resilient Approach to Sourcing

Disruptions to the global logistics industry caused by the pandemic have warranted forward thinking and out-of-the-box planning as we continue to ensure we can source high-quality products for our world-class integrated resorts. With the possibility of sourcing sustainable seafood from Japan at risk in 2021, our supply chain team proactively put a contingency plan in place to source locally should this be needed. The team looked at pricing, contacted suppliers and put shipping agreements in place in the Philippines so that we would be prepared. As another example, the team planned our Cyprus pre-opening meticulously to optimize our sustainability efforts. This was accomplished by:

- Requesting furniture, fixtures, and equipment (FF&E) suppliers to consolidate deliveries and shipments in larger containers to reduce the number of total containers and achieve cost savings
- Seeking local sources for products under our “0 Km” sustainability strategy to reduce our carbon footprint
- Enforcing compliance with EU green business regulations for FF&E and aligning with BREEAM certification requirements
- Requesting optimized packaging solutions to avoid plastic as much as possible

We will continue to look for opportunities to expand our procurement of items that have sustainability attributes and are locally sourced, while meeting our stringent quality standards. The long-term relationships we continue to build along our supply chain, combined with the effort we take to build capacity and support and enhance our suppliers' businesses and performance, is testament to our commitment to further action towards a sustainable future.

Empowering our Business

OUR LICENSE TO OPERATE IS BOTH
A PRIVILEGE AND A RESPONSIBILITY



QUICK ACCESS TO MATERIAL TOPICS

Ethics & Integrity	076
Privacy & Cybersecurity	080

CASE STUDY

Personal Information Protection Law (PIPL)

It comes as no surprise that our guests favor companies that manage their personal data as sensitively as they do themselves, and we believe we can take a leadership role by taking conscious, positive measures in this domain. This includes meeting and exceeding the requirements of all the jurisdictions in which we operate and continually ensuring our data privacy protocols also address emerging laws and regulations globally.

One such example in 2021 is our updating of systems and policies to address the new Personal Information Protection Law (PIPL) — the first legislation in mainland China dedicated to the protection of personal information online.

The PIPL is not only applicable to organizations and individuals who process personally identifiable information (PII) in China, but also those who process data of Chinese citizens' PII outside of China. The legislation has stringent requirements related to data transfer, security controls and data localization with penalties and fines for any violations.

To address this, a review of consent forms, privacy policies, and operational procedures was conducted to make sure materials related to personal data are in line with the most current requirements and are user-friendly. We also ensured our policies and processes are up to date with the exercisable data subject rights of our customers, employees and other stakeholders. Melco has adopted, and will continue to adopt, a consistent approach to data privacy legislation compliance in all jurisdictions where we operate.

EMPOWERING OUR BUSINESS

Strategy and Management Approach

STRATEGY AND MANAGEMENT APPROACH

The focus upon sustainability runs throughout Melco's business operations and is central to our Above and Beyond sustainability strategy. Our ambitious goal to be the world's most responsible, ethical and transparent integrated resort operator touches every element of our business, pushing boundaries to create new benchmarks for the industry. Melco's world-class sustainability standards are underpinned by our absolute commitment to robust governance, ensuring ethical conduct throughout our value chain and data security for our stakeholders. Our governance structure is core to our integrity and the foundation for the most stringent standards throughout Melco's operations.

KEY GOALS

- Being the world's most responsible, ethical and transparent integrated resort
- Minimizing any risk of disruption from data privacy or cybersecurity concerns

MATERIAL TOPICS

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HIGHLIGHTS

While the impact of the COVID-19 pandemic continues to be felt worldwide, supporting the broader community through these challenges and enhancing our governance practices has been our priority.

We have continued to update our systems, policies and procedures to meet the ongoing tightening of regulations globally. For our business, this has ranged from China's Personal Information Protection Law (PIPL) that came into effect in November 2021, to the recent introduction of updated anti-money laundering measures for gaming operations in Cyprus, and greater focus by regulators in all jurisdictions on cybersecurity.

For cybersecurity in particular, we engaged two key third-party experts in 2021. The first benchmarked our processes and preparedness against the National Institute of Standards and Technology (NIST) Framework by conducting cyber crisis drills and ransomware technical assessments to enhance our incident response capabilities. The second partnered with our in-house information security team to run our Cyber Security Operation Centre (CSOC), deploying an enhanced state-of-the-art response platform to improve not only our identification and defense, but also the ability to recover from various cyberattacks.

We also continue to be committed to achieving external certifications to validate the execution of high standards for our governance measures and policies. In 2021, Melco became the first integrated resort operator in Macau, the Philippines and Cyprus to achieve the esteemed, internationally recognized, third-party responsible gaming (RG) accreditation, RG Check.

CHALLENGES

Similar to 2020, border closures and government imposed shut-downs posed challenges to our operations. In addition, COVID-19 outbreaks amongst colleagues and workers on our construction sites, the inability of executives to travel to our operating jurisdictions, and supply chain disruptions all caused strategic challenges. Nevertheless, the crisis and risk mitigation measures introduced and continuously reviewed since the pandemic have strengthened adaptiveness to such rapidly changing situations, and we continue to execute our sustainability strategy to attain cost savings and operational efficiencies across the business.

OUR POLICIES AND STATEMENTS

Our Above & Beyond sustainability strategy is underpinned by the following policies that help us to manage specific environmental, social and governance risks:



Board Diversity Policy



Corporate Governance Guidelines



Code of Business Conduct and Ethics



Environmental Sustainability Policy



Inclusion & Diversity Statement



Occupational Safety and Health Policy



Procedures for Handling Complaints and Whistleblowing



Supplier Code of Conduct



Privacy-Personal Data Protection Policy

2022 & BEYOND

As the impact of the COVID-19 pandemic continues to be felt, we will forge ahead to plan for the longer-term and remain resilient to adapt to the challenging global climate. Travel and global mobility continue to be impacted, limiting the ability of guests to visit our resorts; as such, we will adjust our business operations accordingly.

In 2022, we will continue our current program of training to foster a diverse workforce that is culturally aware, reflecting the dynamic nature of the markets in which we operate and the guests we serve.

Cybersecurity and data privacy remain a priority as we set short-, medium- and long-term goals in accordance with the NIST Framework.

Construction of two exciting new properties, Studio City Phase 2 in Macau and City of Dreams Mediterranean in Cyprus is progressing. Both developments have sustainability at their core, having been awarded BREEAM "Excellent" environmental ratings at the design stage, illustrating our commitment to achieving globally-recognized certification for our high standards and strong governance.

Corporate Governance Structure

CORPORATE GOVERNANCE STRUCTURE

Our corporate governance structure is foundational to Melco's integrity and upheld by our Board of Directors who ensure that we meet or exceed compliance requirements in all our markets, going above and beyond to set new industry standards throughout our operations. Our Board comprises seven members who bring a diverse range of perspectives, insights, skills and experience to benefit our business and to oversee the implementation and evolution of our sustainability strategy, reporting and risk assessment across our business functions.

The Board comprises:

3

Executive Directors
nominated by our parent company,
Melco International Development Limited

4

Independent Non-Executive Directors
who lead and participate in Board committees

A diverse range of ethnicities and backgrounds are represented, including female representation; however, we remain committed to attaining wider diversity in our Board composition. We value the benefits of increased diversity in the widest sense at the Board level and throughout all levels of our organization, pertaining to both internal governance and our relationship with outside parties.

When a vacancy occurs on the Board, or when the Board increases the number of directors, the Nominating and Corporate Governance Committee (NCGC) will, in consultation with the Chairman of the Board & CEO, identify one or more potential candidates to fill the vacancy. Our Corporate Governance guidelines contain a section on Director Qualifications, which sets out the nomination process including review by the NCGC to ensure that independence criteria are met. The composition of the Board is also subject to ongoing review to ensure any need to maintain or widen diversity is addressed promptly.

Our sustainability and CSR programs are managed by three steering committees. The CSR Steering Committee and the Responsible Gaming Committee are led by our EVP, Chief of Staff to Chairman & CEO, and the Executive Sustainability Committee is chaired by our Senior Sustainability Advisor. Both individuals report directly to the Chairman & CEO, and the Board.

CORPORATE GOVERNANCE STRUCTURE

Chairman & CEO

Board of Directors

The Board receives updates every quarter on sustainability initiatives and monitors how new developments in the wider industry and the regulatory landscape may affect our business.

Board Committees

Three committees have been established by the Board to maintain oversight of key governance issues. All three committees consist of Independent Non-Executive Directors.

Compensation Committee

The Compensation Committee executes the responsibilities of the Board relating to the compensation of our directors and executives. This includes working in consultation with management to design, evaluate and approve compensation plans, policies and programs for executives and evaluate and recommend directors' compensation for the Board's approval.

Audit and Risk Committee

The Audit and Risk Committee monitors the integrity of Melco's financial reporting and oversees its internal financial controls and risk management systems including matters relating to ethical conduct, responsible gaming, financial reporting, audit, risk management, cybersecurity and compliance.

Nominating and Corporate Governance Committee (NCGC)

The NCGC's responsibilities include overseeing Melco's environmental, social and governance performance practices and director nominations.

Steering Committees

Melco's steering committees are vital to protect our stakeholders' interests. Strategic functions of the committees include understanding stakeholder concerns through our internal governance system and establishing goals, implementing policies, prioritizing initiatives and securing resources.

CSR Steering Committee

Supported by our EVP, Chief of Staff to Chairman & CEO, this Committee steers social responsibility initiatives focusing on developing our people and engaging with local communities. Senior managers from across the organization attend monthly meetings.

Executive Sustainability Committee

Chaired by our Senior Sustainability Advisor, this Committee meets and provides updates to the Board quarterly, and reports to the Nominating and Corporate Governance Committee annually. The Executive Sustainability Committee sponsors Working Groups across all corporate functions and all resorts that drive and measure progress towards achieving our ambitious goals for carbon neutrality, sustainable sourcing and zero waste.

Responsible Gaming Steering Committee

Championed by our EVP, Chief of Staff to Chairman & CEO, this Committee meets quarterly to consider strategic initiatives to ensure that our RG policies are held to the highest standards. This Committee sponsors RG Working Committees across corporate functions and designated Global RG Champions who meet regularly to review operational issues.

Properties & Corporate Functions

Monitor implementation of the Group sustainability strategy onsite to ensure Melco's overall goals align with local needs.

Employee Champion Networks

Employee champions lead colleagues at the property level to implement procedures and initiatives to support Melco's sustainability strategy.

EMPOWERING OUR BUSINESS

Ethics & Integrity

OUR COMMITMENT

Our commitment to the highest standards of ethical conduct and integrity is unwavering and central to Melco's business philosophy and everything we do, on and off our resorts. A focus on ethics and integrity helps us to reduce risk throughout our value chain and maintain the trust of our stakeholders — this is essential for sustaining our success and license to operate.

Our comprehensive policies ensure that we meet or exceed the requirements of all relevant regulations and laws at local, national and international levels in all the markets in which we operate. We continue to update our guidelines in line with changing regulations globally and emphasize transparency and accountability in all aspects of our business. Our company-wide values are reflected in our Above and Beyond sustainability strategy, which guides our actions to 2030, accelerating our sustainability programs and establishing Melco as a leader in our industry and beyond.

OUR TARGETS

- Ensuring 100% of colleagues receive training on ethical conduct
- Maintaining zero cases of ethical violations along our value chain
- Remediating 100% of any ethical violations along our value chain

IMPACT ALONG THE VALUE CHAIN



Upstream

- Managing risk and reinforcing ethical practices along the supply chain
- Maintaining the trust of stakeholders



In-house

- Maintaining the loyalty and trust of colleagues
- Reducing colleague turnover and therefore increasing productivity
- Furthering the sustainability of Melco's business



Downstream

- Retaining customer loyalty thereby boosting economic performance
- Fostering respect and goodwill of the surrounding community
- Setting an example of best practice

HOW WE ARE MANAGING IT

Code of Business Conduct and Ethics

We expect all colleagues to abide by our Code of Business Conduct and Ethics (Code) which is central to our business operations. The Code unites our people around ambitious standards that strive to exceed the obligations of local laws and regulations. The Code is reviewed by the NCGC and includes guidelines relating to:

- Employment practices to maintain fair, inclusive and respectful workplaces
- Policy against retaliation
- Fair competition

- Conflicts of interest
- Bribery and corruption
- Giving and receiving gifts and entertainment
- Confidential and proprietary information
- Money laundering and terrorist financing

Ethical Business Practices Program

Giving or receiving bribes or advantages, whatever their size or significance, is never acceptable and we take a zero-tolerance approach to bribery, fraud and corruption. As a business, our reputation is damaged even by allegations of corrupt practices. Our Ethical Business Practices Program (the Program) provides details and training on the requirements of relevant local laws and regulations and is designed to protect our people and our business.

Anti-Corruption Training

Our people are the core of Melco's strong culture of integrity. We consistently engage with all colleagues, regularly providing updates on the standards expected through mandatory anti-corruption training that ensures they are aware of the requirements of the Code and the Program, as outlined below.

The Code

We expect all colleagues to abide by the Code. All new joiners must complete a corporate governance orientation program as part of their company induction within their first 30 days of employment. To ensure all colleagues have full understanding and remain up to date with its contents throughout their career with Melco, they are sent the Code annually and informed of any changes or updates. Each colleague then signs a Certificate of Compliance to certify compliance with, and commitment to follow, the Code's provisions.

The Program

Melco directors and senior executives must confirm both their understanding of the Program and of their individual reporting obligations annually.

Do The Right Thing (DTRT) Training

Management and colleagues in key business functions undertake annual Do The Right Thing online training followed by a short quiz to keep up to date with risks related to bribery and corruption, including potential red flags to be aware of, as well as legal and policy requirements. Colleagues are required to complete the quiz with a full score, and face-to-face training by our Ethical Business Advisor is arranged when required.

Ethics training is also extended to stakeholders outside our internal operations, including to our suppliers. Please see the [Ethical & Sustainable Supply Chain section of this report on page 064](#) for details on the anti-corruption initiatives implemented in our supply chain.

Ethical Business Advisor and Liaison Officers

Responsibility for overseeing business ethics, including compliance, risk and implementation of preventative measures in relation to bribery, fraud and corruption, is held by our Ethical Business Advisor. The Advisor works with a team of Ethical Business Liaison Officers with responsibility at the local level for application of local laws and regulations and supporting colleagues to interpret the Code and implement the Program. Liaison Officers also communicate with colleagues personally either via email or mail to provide guidance and answer any queries, and they are responsible for managing potential issues of misconduct in confidence. The Ethical Business Advisor reviews any matters or concerns with the Officers at least on a quarterly basis, and provides quarterly updates to the Audit and Risk Committee.

ETHICS & INTEGRITY

HOW WE ARE MANAGING IT

Any queries from the Audit and Risk Committee are reviewed by the Ethical Business Advisor and the Officers, and are discussed at the next committee meeting. There were no incidents of corruption, or legal actions taken against anti-competitive behavior or monopolistic practices in 2021.

Whistleblowing

Melco is committed to doing business in accordance with applicable laws, the Code and our values. Whistleblowing plays an important role in achieving this commitment and ensuring trust is maintained as part of an open and honest culture. We have numerous channels for colleagues to raise any concerns they may have anonymously, including a dedicated toll-free phone number operated by an independent third party. Details of the various options for raising concerns are available on our intranet and within colleague areas of our properties. Internally, the duty falls on the management team, Internal Audit, our Ethical Business Advisor and the Human Resources department to handle concerns or queries. Suppliers are also able to raise concerns via email and phone. All issues raised are taken seriously and managed confidentially. All matters are investigated, and actions taken as appropriate. Each quarter, around seven reports are typically received through our hotline pertaining to policy breaches. In 2021, reporting to the hotline resulted in disciplinary action for certain colleagues, including for breach of health and safety protocols, and in the establishment of new/amended policies to strengthen the communications, monitoring and compliance of these health and safety controls.

2021 Initiatives

Continued Ethics Training for Suppliers

To ensure high standards are maintained throughout our supply chain, Melco continued to provide capacity-building programs for all our suppliers. This best practice training covers the rationale for adopting high standards in business conduct and ethics, focusing on conflict of interest, confidentiality and anti-bribery.

Policy Updates

We continue to update our systems and protocols to meet emerging legislation globally. 2021 saw the update of policies to address regulatory changes including in response to issuance of an updated anti-money laundering direction in Cyprus, which we have incorporated into our global policies, and new cybersecurity legislation. Details on cybersecurity are available in the [Privacy & Cybersecurity section of this report on page 080](#).

Compliance and Cybersecurity Reporting

Commencing at the end of 2020, we have enhanced the compliance and cybersecurity reporting presented to the Audit and Risk Committee. These topics are now standing agenda items with dedicated quarterly reports presented. The Compliance Report includes coverage of staff misconduct cases, whistleblower reports, anti-money laundering, data privacy and anti-bribery and corruption updates. Issues covered in the 2021 reports include incidents of staff misappropriation of food and beverage items and other company assets. The Cybersecurity Report covers topical industry issues and the roadmap, including key performance indicators.



EMPOWERING OUR BUSINESS

Privacy & Cybersecurity

OUR COMMITMENT

An essential element of our governance strategy is our adoption of stringent data and information management standards. Every day, our customers, colleagues, suppliers and partners entrust us with their personal and organizational data and, every day, we remain dedicated to maintaining that trust by continuing to strengthen both our global and local information security. As remote and flexible working has increased since the start of the COVID-19 pandemic, data security is more important than ever. We want customers, colleagues and partners to be confident that data is safe and secure with us.

OUR TARGETS

- Maintaining zero incidents of leaks, theft or loss of data
- Ensuring 100% of colleagues are trained on information security and data protection

IMPACT ALONG THE VALUE CHAIN



Upstream

- Protecting supplier data, reducing business process disruption



In-house

- Maintaining business continuity
- Protecting the privacy of colleagues



Downstream

- Protecting customer data and privacy
- Maintaining the trust of customers and the community
- Maintaining business continuity to benefit local communities

HOW WE ARE MANAGING IT

Melco is acutely aware of the need for stringent measures to prevent data from being misused by third parties and to minimize the risk of any harm to stakeholders or disruption to business.

While the number of cybersecurity risks and data breaches globally is increasing annually, Melco did not experience any complaints concerning breaches of customer privacy and losses of customer data in 2021. To protect against this worldwide challenge and ensure that we are at the cutting edge of addressing this persistent threat, Melco implements robust protocols, systems and a variety of initiatives as follows.

- Certifying our Information Security Management System (ISMS) for our Macau operations under ISO 27001 since 2009 and requiring all information technology (IT) service providers to also be similarly certified.
- Conducting regular risk assessments and audits of our processes and protocols under our Cybersecurity and Information Security Policies.
- Performing regular reviews of all policies, procedures and training concerning cybersecurity and data privacy to ensure compliance readiness with applicable laws and regulations.
- Ensuring data privacy protocols meet or exceed the requirements of all the jurisdictions in which we operate, including Macau's Personal Data Protection Act (PDPA), the Philippines' Data Privacy Act and the European Union's General Data Protection Regulation (GDPR). During 2021, we have continued to update our systems and policies to meet the requirements of emerging laws and regulations globally, such as the recently enacted Personal Information Protection Law (PIPL), the first comprehensive legislation in mainland China dedicated to the protection of personal information of individuals located within China. Please refer to the [case study highlight on page 071](#) of this chapter for details.
- Providing comprehensive training to colleagues in step with the fast pace of change in the evolution of information technology, which poses security risks unless we keep our people abreast of the latest developments. Our colleagues, across all levels of seniority, are systematically trained on information security and guidelines on data protection, including regular updates to align with new regulations. Campaigns on the prevention and detection of phishing and whaling attacks are conducted, at least on an annual basis, to raise awareness, and additional training is implemented when required.
- Sharing the latest developments in cybersecurity threats with our suppliers and business partners to help manage risk and maintain integrity of operations across our value chain. Through our processes and ongoing reviews, we impose our high standards on vendors and communicate any shortcomings in their ISO 27001-certified systems for rectification. Additionally, we have invested in digitalizing our supply chain, reducing inefficiencies and enabling heightened transparency.
- Ensuring awareness about the potential security risk posed by malware and spyware through regular phishing campaigns across all jurisdictions. To reinforce this, in 2021, a total of 6,962 emails were sent out to email users in all regions including Hong Kong, Macau, Manila and Cyprus to test the effectiveness of our efforts to build cybersecurity awareness. The phishing campaigns have been run regularly since 2019, and the results show a positive trend with respect to colleagues increasing their awareness of how to identify cybersecurity threats.
- Engaging an independent third-party expert in 2021 to assess our processes and preparedness against the National Institute of Standards and Technology (NIST) Framework. The objective of the assessment was to identify areas of strength and for improvement, and how to best use resources across people, technology and process to plan the most effective security controls to protect our data, business operations and regulatory obligations. At the conclusion of the assessment, short-, medium- and long-term goals were set and presented to the Audit and Risk Committee.
- Partnering with an external and highly regarded firm as a result of a recommendation from the NIST Framework assessment, to further enhance our information security posture against security breaches and to mitigate cybersecurity threats. This partnership enables the in-house information security teams to significantly increase capability without a substantive increase in resources and cost, while utilizing the cybersecurity industry's most advanced detection and response solutions. A key outcome of the partnership is implementing an enhanced state-of-the-art, automated, threat-lead identification detection and response platform. The Cyber Security Operation Centre (CSOC) provides first-level support and escalation in the event of a cybersecurity incident. The partnership to run the CSOC has put the company in a stronger position to face the ever-evolving threat landscape, by continuing to strengthen controls that reduce the risk of cyberattacks and information security breaches, which could lead to customer data theft, business disruption, financial loss and regulatory breach.

The background is a complex geometric composition. The upper portion features a dark brown wood grain texture. The lower portion is composed of various triangular shapes in shades of tan, beige, and light brown, resembling folded paper or cardboard. These triangles are arranged in a way that creates a sense of depth and perspective, with some pointing towards the viewer and others receding.

COMPANY PROFILE

About Melco

Melco Resorts & Entertainment Limited (Melco) is a developer, owner and operator of integrated resort facilities in Asia and Europe. Headquartered in Hong Kong, China, we employ 17,878 people. Melco is listed on NASDAQ under the ticker symbol “MLCO”.

The sole majority shareholder of Melco is Melco International Development Limited (Melco International). Melco International is listed on the Main Board of The Stock Exchange of Hong Kong Limited (HKEX) and is substantially owned and led by Mr. Lawrence Ho, our Chairman, Executive Director and Chief Executive Officer (CEO).

Melco has operations in Macau, the Philippines and Cyprus with corporate offices in those locations and our headquarters in Hong Kong. In Macau, we operate integrated resorts Altira Macau and City of Dreams. We also operate Mocha Clubs, the largest non-casino-based operations of electronic gaming machines in Macau. In addition, the Company has a majority ownership and operates Studio City, a cinematically-themed integrated entertainment, retail and

gaming resort. In the Philippines, Melco's Philippine subsidiary operates and manages City of Dreams Manila, a casino, hotel, retail and entertainment integrated resort. Melco currently operates and manages a temporary casino in Limassol, the first authorized casino in the Republic of Cyprus, and four licensed satellite casinos (Cyprus Casinos) Nicosia, Larnaca, Ayia Napa and Paphos in Cyprus, and is developing our integrated casino resort, City of Dreams Mediterranean.

Melco is a pioneer and innovator in premium luxury, culinary offerings and entertainment, continuously striving to raise the bar. Development of our highly anticipated Studio City Phase 2 is progressing. Designed by renowned international architecture firm Zaha Hadid Architects, the extension project will feature thrilling new entertainment and leisure offerings including the first W Hotel in Macau. Studio City Phase 2 has been named winner of the 'Regional Award, Asia' at BREEAM Awards 2021 in recognition of its incorporation of sustainable building design, development and management.

Further details on our operations can be found in our [Annual Report \(US Form 20-F\)](#) linked here.

APPENDICES

Performance Metrics

ECONOMIC & SOCIAL IMPACT

Economic and social impact is measured by the financial value we generate and the contributions we make in terms of our overall community investment. For a strategic review of our economic and social progress, refer to our [Annual Report](#) and the [Inspiring our Communities](#) section on page 040, respectively.

Economic Value Generated & Distributed

	2021	2020	2019	2018 ³²
Total revenue (in thousands of US\$)	2,012,356	1,727,923	5,736,801	5,188,942
Total operating costs & expenses (in thousands of US\$)	2,589,807	2,668,480	4,989,123	4,575,495
Operating (loss) / income (in thousands of US\$)	(577,451)	(940,557)	747,678	613,447
Cash and cash equivalents (in thousands of US\$)	1,652,890	1,755,351	1,394,982	1,472,423
Dividends declared per share	0	0.055	0.2135	0.1867
Total employees	17,878	19,746	23,078	21,413
Community investment (charitable giving in US\$)	21,905,091	34,105,825 ³³	17,092,289 ³³	10,728,954

32. Following Melco's acquisition of 75% of the Cyprus development and existing operations from its single largest shareholder (Melco International Development Limited) on July 31, 2019, the comparative information for 2018 has been adjusted to include the assets, liabilities and financial results of the Cyprus group of entities from its acquisition by Melco International Development Limited in September 2017 in accordance with the relevant accounting standards.

33. Due to typographical errors in last year's report, the 2019 and 2020 data has been corrected.

PEOPLE

The progress of our People strategy is revealed through several indicators. These encompass: inclusion and diversity, including closing the gender gap and empowering local community colleagues; attraction and retention rates; building capacity through training; and safety and health performance. All these areas work toward our goals, of which a strategic update can be reviewed in the [Inspiring our Communities section on page 040](#) section.

Our Workforce

ALL EMPLOYEES³⁴

	2021	2020	2019	2018
Employees by Gender				
Female	8,636	9,592	11,082	–
% of Females	48%	49%	48%	–
Male	9,242	10,154	11,996	–
% of Males	52%	51%	52%	–
Total	17,878	19,746	23,078	21,413

34. Globally we have around 4,600 non-employee workers to augment functions including construction, F&B, IT, security and administrative functions.

OUR WORKFORCE BY GENDER AND GEOGRAPHIC LOCATION^{35, 36}

	2021	2020	2019	2018
Corporate and Centralized Services (Including Hong Kong, Macau and Japan)				
Female	274	302	299	294
Male	354	398	376	382
Total	628	700	675	676
% of Employees in Corporate and Centralized Services (Including Hong Kong, Macau and Japan)	4%	3%	4%	3%
Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)				
Female	6,499	6,969	7,684	7,352
Male	6,261	6,815	7,886	7,747
Total	12,760	13,784	15,570	15,099
% of Employees in Macau Properties (Including City of Dreams, Studio City, Altira Macau and Mocha Clubs)	71%	70%	67%	71%
Manila Property				
Female	1,559	2,032	2,706	2,552
Male	2,171	2,519	3,162	3,086
Total	3,730	4,551	5,868	5,638
% of Employees in Manila Property	21%	23%	25%	26%
Cyprus Property				
Female	304	289	393	–
Male	456	422	572	–
Total	760	711	965	–
% of Employees in Cyprus Operations	4%	4%	4%	–

35. Figures reflect permanent employees. We do not have temporary employees.

36. Part-time employees represent less than 1% of the total workforce.

Senior Management Representation from Local Communities^{37, 38, 39}

	2021	2020	2019	2018
Local				
Hong Kong / Macau	75%	76%	69%	64%
Manila	67%	43%	44%	50%
Cyprus	57%	40%	40%	40%
Total	73%	71%	65%	62%
Non-local				
Hong Kong / Macau	25%	24%	31%	36%
Manila	33%	57%	56%	50%
Cyprus	43%	60%	60%	60%
Total	27%	29%	35%	38%

37. Senior management defined as vice presidents and above.

38. Our usage of "local" is in accordance with local government definitions.

39. Significant locations represent where we have properties and local, corporate headquarters.

New Employee Hires and Turnover by Gender, Age and Location⁴⁰

	2021		2020		2019	
	Number	Rate	Number	Rate	Number	Rate
New Hires by Gender						
Female	285	3.30%	295	3.08%	1,889 ⁴¹	17.19%
Male	499	5.40%	310	3.03%	1,830	15.37%
New Hires by Age						
Under 30 years of age	369	12.30%	253	6.08%	1,996	31.54%
Between the age of 30 and 50	358	3.08%	280	2.28%	1,576	11.79%
Over 50 years of age	57	1.76%	72	2.14%	147	4.61%
New Hires by Location						
Hong Kong	26	12.56%	35	13.41%	94	38.06%
Macau	505	3.84%	386	2.72%	2,425	15.17%
Manila	50	1.34%	124	2.72%	963	16.41%
Other locations	203	25.47%	60	7.72%	237	29.92%
Employee Turnover by Gender						
Female	1,289	14.93%	1,790	18.66%	1,357	12.35%
Male	1,521	16.46%	2,129	20.97%	1,550	13.02%
Employee Turnover by Age						
Under 30 years of age	763	25.43%	1,460	35.10%	1,261	19.92%
Between the age of 30 and 50	1,536	13.20%	2,218	18.16%	1,423	10.64%
Over 50 years of age	511	15.78%	241	7.16%	223	6.99%
Employee Turnover by Location						
Hong Kong	70	33.82%	78	29.89%	87	35.22%
Macau	1,691	12.87%	2,300	16.22%	1,951	12.21%
Manila	898	24.08%	1,445	31.75%	725	12.36%
Other locations	151	18.90%	96	12.78%	144	18.18%

40. Detailed figures provided this year for accuracy.

41. Due to typographical errors in last year's report, the 2019 data has been corrected.

Average Training Hours Completed per Employee by Employee Category and Gender

	2021	2020	2019
Management by Gender			
Female	24.68	15.87	24.74
Male	20.24	24.85	25.03
Non-management by Gender			
Female	131.55	104.32	27.42
Male	105.11	95.34	24.28

Total Group-wide Recordable Injury and Lost-time Injury Frequency Rates

	Change 2021/2020		2021	2020	2019
	Rate	%			
Total Recordable Injury Rate					
40-hour work week/total cases ⁴²	0.10	6.29%	1.69	1.59	3.32
48-hour work week/total cases ⁴³	0.08	6.02%	1.41	1.33	2.77
Average	0.09	6.16%	1.55	1.46	3.05
Lost-time Injury Frequency Rate					
40-hour work week/total cases ⁴⁴	0.48	6.02%	8.45	7.97	16.62
48-hour work week/total cases ⁴⁵	0.40	6.02%	7.04	6.64	13.85
Average	0.45	6.09%	7.75	7.31	15.24

42. Total case x 200,000 / 40 hours.

43. Total case x 200,000 / 48 hours.

44. Total case x 1,000,000 / 40 hours.

45. Total case x 1,000,000 / 48 hours.

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Melco reports on the percentage of individuals within the organization's governance bodies and across its global workforce by gender.

Governance Bodies, Corporate Executive Committee and Employees Profile

	2021	2020	2019
Board Members by Gender			
Female	27%	27%	27%
Male	73%	73%	73%
Board Members by Age			
Under 30 years of age	0%	0%	0%
Between the age of 30 and 50	31%	36%	39%
Over 50 years of age	69%	64%	61%
Corporate Executive Committee by Gender			
Female	21%	20%	31%
Male	79%	80%	69%
Corporate Executive Committee by Age			
Under 30 years of age	0%	0%	0%
Between the age of 30 and 50	50%	47%	44%
Over 50 years of age	50%	53%	56%
Management by Gender			
Female	40%	41%	40%
Male	60%	59%	60%
Management by Age			
Under 30 years of age	1%	1%	2%
Between the age of 30 and 50	81%	82%	81%
Over 50 years of age	19%	17%	17%
Non-management by Gender			
Female	49%	49%	49%
Male	51%	51%	51%
Non-management by Age			
Under 30 years of age	18%	23%	29%
Between the age of 30 and 50	64%	60%	57%
Over 50 years of age	18%	17%	14%

ENVIRONMENT

Our environmental impact and performance is managed and reported against a number of indicators. These include our GHG emissions, energy consumption, waste management, including recycling and composting, and water consumption and reuse. All data cover Melco's sustainability performance for the calendar year ending December 31st, 2021, unless otherwise stated, with historical data provided for comparison purposes. For a strategic review of our environmental progress, as well as detail regarding the scope of data and any restatements, review our [Restoring our World](#) section on page 020.

Greenhouse Gas (GHG) Emissions

TOTAL RESORT-LEVEL SCOPE 1 AND 2 (MARKET-BASED) GHG EMISSIONS (IN METRIC TONNES OF CO₂e)

	2021	2020	2019	2018	2017
City of Dreams Macau	2,461	4,089	8,903	6,302	134,641
Studio City	1,869	1,902	2,838	2,585	106,565
Altria Macau	1,075	904	1,044	213	42,033
City of Dreams Manila	2,323	2,063	4,120	2,134	49,690
Okushiga Kogen Ski Resort	1,346	1,232	-	-	-

ABSOLUTE GHG EMISSIONS BY SCOPE AND INTENSITY (IN METRIC TONNES OF CO₂e)

	2021	2020	2019 ⁴⁶	2018	2017
Scope 1 emissions	14,842	16,011	29,315	19,768	15,105
Emissions from stationary fuel combustion	5,237	4,962	7,755	6,806	6,171
Emissions from mobile fuel combustion	5,095	5,955	12,883	8,964	5,622
Fugitive emissions from refrigerants	4,510	5,095	8,677	3,998	3,312
Biogenic emissions	264	150	310	163	351
Scope 2 emissions (location-based)	211,787	206,420	263,130	266,478	259,527
Scope 2 emissions (market-based)⁴⁷	-	-	-	-	331,834
Total Scope 1 and 2 emissions (market based)	14,842	16,011	29,315	19,768	346,940
Total Scope 1 and 2 emissions (market based) intensity by floor area (in metric tonnes of CO₂e / m²)⁴⁸	0.011	0.011	0.021	0.014	0.286
Scope 3 emissions					
Downstream leased assets (tenants)	32,697	30,579	33,405	-	-
Fuel and energy-related activity ⁴⁹	56,882	35,588	49,516	-	-

46. 2019 emission data adjusted based on further review of previously disclosed data.

47. Scope 2, market-based emissions are offset through purchasing renewable energy through PPAs and other instruments. Refer to the [Renewables](#) section on page 030 for details.

48. 2019 and 2020 Scope 1 and 2 GHG emission intensity adjusted to reflect revised gross floor area at facilities in Cyprus.

49. Fuel and energy-related activities arising from Scope 1 stationary and mobile combustion and Scope 2 purchased electricity.

Energy

TOTAL RESORT-LEVEL PURCHASED ELECTRICITY CONSUMPTION (IN MWh)

	2021	2020	2019	2018	2017
City of Dreams Macau	139,929	136,630	169,624	172,887	156,778
Studio City	85,648	79,991	106,472	118,953	124,075
Altira Macau	35,482	40,027	46,620	47,650	49,768
City of Dreams Manila	53,788	49,718	69,893	67,020	68,077
Okushiga Kogen Ski Resort	1,546	1,485	119 ⁵⁰	–	–

50. Electricity consumption for 2019 now available for disclosure.

ENERGY CONSUMPTION BY SOURCE AND INTENSITY (IN MWh)

	2021	2020	2019	2018	2017
Fuel consumption from non-renewable sources	47,770	50,738	97,387	74,917	55,765
Electricity consumption from non-renewable sources	333,985	326,116	414,314	420,682	409,495
Electricity consumption from renewable sources ⁵¹	1,478	1,555	–	–	–
Total energy consumption	383,233	378,409	511,701	495,600	465,259
Energy intensity (in MWh/m²)	0.27	0.27	0.36	0.35	0.38

51. Solar PV systems were installed across Macau and Manila properties in 2019. Electricity generated from the PV panels installed at City of Dreams Manila was consumed onsite.

Waste

MATERIAL DIVERSION AND WASTE GENERATION WITH INTENSITY (IN METRIC TONNES)

	2021	2020	2019	2018	2017
Composting	192	36	88	71	32
Recycling	720	319	624	576	555
Total materials diverted	912	355	712	647	587
Incineration	7,624	6,788	15,415	12,862	12,999
Landfill	1,160	1,131	2,232	1,890	2,540
Total waste generated	8,783	7,919	17,647	14,752	15,539
Total materials diverted and waste generated	9,695	8,274	18,360	15,399	16,126
Waste generation intensity (in metric tonnes/m ²)	0.007	0.006	0.013	0.011	0.013

MATERIAL DIVERSION BY TYPE (IN %)

	2021	2020	2019	2018	2017
Recycling					
Paper	35.80	42.18	70.36	66.55	–
Metal	4.64	9.47	5.91	4.05	–
Used Cooking Oil	6.03	3.94	2.16	3.20	–
Glass Bottles	7.28	0.00	1.32	3.44	–
Batteries	0.17	0.38	0.30	0.15	–
Coffee Capsules	1.42	0.40	0.19	–	–
Plastic	11.20	1.61	0.07	0.08	–
Soap	0.35	0.74	–	–	–
Others (e.g. e-waste, ink toners, light fixtures)	12.05	21.24	0.02	8.78	–
Composting					
Food Waste	21.07	14.43	12.40	10.93	–

Water

TOTAL RESORT-LEVEL WATER CONSUMPTION (IN M³)

	2021	2020	2019	2018	2017
City of Dreams Macau	798,030	835,129	1,346,783	1,264,784	1,078,463
Studio City	642,519	569,519	995,508	937,636	981,723
Altira Macau	323,882	307,150	406,896	413,273	391,692
City of Dreams Manila	424,982	396,644	661,686	599,256	597,792
Okushiga Kogen Ski Resort	30,535	27,942	1,380	–	–

WATER CONSUMPTION BY SOURCE AND INTENSITY (IN M³)

	2021	2020	2019	2018	2017
Municipal water	2,118,259	2,110,619	3,423,319	3,218,930	3,065,854
Recycled water	147,549	63,120	50,718	50,718	50,718
Total water consumption	2,265,808	2,173,739	3,474,037	3,269,648	3,116,572
Water intensity by floor area (in cubic metres/m²)	1.61	1.56	2.46⁵²	2.34	2.57

52. 2019 water consumption intensity adjusted based on revised GFA at facilities in Cyprus.

APPENDICES

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
1. Organizational Profile			
102-1	Name of the organization	About this Report About Melco	
102-2	Activities, brands, products, and services	About Melco	
102-3	Location of headquarters	About Melco	
102-4	Location of operations	About this Report About Melco	
102-5	Ownership and legal form	About Melco	
102-6	Markets served	About Melco MRE Annual Report 2021 – Form 20-F – P.79-91, 92-93 Melco Resorts & Entertainment Limited, is a global, premium-focused integrated resort operator primarily targeting the Asian premium mass as well as the mass gaming segments, by leveraging its differentiated, award-winning non-gaming entertainment attractions. Melco Resorts' business is focused in Macau, Manila and Cyprus.	
102-7	Scale of the organization	About Melco MRE Annual Report 2021 – Form 20-F – P.157 MRE Annual Report 2021 – Form 20-F – F.8-12	
102-8	Information on employees and other workers	Performance Metrics	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
GRI 102: General Disclosures 2016			
1. Organizational Profile			
102-9	Supply chain	<p>Our Strategy</p> <p>Sustaining our Supply Chain – Strategy and Management Approach</p> <p>Operating within global gaming and hospitality industries, Melco's supply chain is unsurprisingly vast; embracing over 4,000 vendors who support the delivery of services and products necessary to deliver a premium guest experience within our resorts. Our goods and services are too numerous to list but include fresh food and beverages, furniture and in-room technology systems, responsible gaming and security systems, furniture, fixtures and equipment, communications, gaming, sport and spa equipment, as well as operational, logistics and professional services, to name but a few. We continuously endeavor to engage and support our local supply base; collaborating to find new ways to differentiate our guest experience and in turn create inclusive business opportunities.</p> <p>In 2021, Melco procured goods and services from suppliers in Macau (26%), Philippines (26%), Hong Kong (17%), Cyprus (16%), USA (3%), China (2%), Japan (2%), Singapore (2%), UK (2%), and other locations (4%).</p>	
102-10	Significant changes to the organization and its supply chain	About this Report	
102-11	Precautionary Principle or approach	<p>Sustainability Risk Management</p> <p>Restoring our World</p> <p>The precautionary principle informs Melco's risk assessment, property design, construction and operations and planning processes.</p>	
102-12	External initiatives	Global Tourism Plastics Initiative, led by the UN Environment Programme and the World Tourism Organization in collaboration with Ellen MacArthur Foundation.	
102-13	Membership of associations	<p>European Casino Association</p> <p>The Mekong Club, a not-for-profit organization that inspires and engages the private sector to collaborate and lead in the fight against modern slavery. Melco joined the membership-based business association in 2021.</p>	
2. Strategy			
102-14	Statement from senior decision-maker of the organization	Chairman & CEO's Statement	
102-15	Key impacts, risks, and opportunities	<p>Our Strategy</p> <p>Sustainability Risk Management</p> <p>Evolving Risks and Opportunities</p> <p>Our Risk Universe</p> <p>Restoring our World</p> <p>Inspiring our Communities</p> <p>Sustaining our Supply Chain</p> <p>Empowering our Business</p>	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
GRI 102: General Disclosures 2016			
3. Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Empowering our Business – Strategy and Management Approach Ethics & Integrity	
102-17	Mechanisms for advice and concerns about ethics	Ethics & Integrity	
4. Governance			
102-18	Governance structure	Corporate Governance Structure MRE Annual Report 2021 - Form 20-F - P:152-157	
102-19	Delegating authority	Corporate Governance Structure MRE Annual Report 2021 - Form 20-F - P:152-157	
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance Structure MRE Annual Report 2021 - Form 20-F - P:152-157	
102-21	Consulting stakeholders on economic, environmental, and social topics	Understanding What Matters Most MRE Annual Report 2021 - Form 20-F - P:152-157	
102-22	Composition of the highest governance body and its committees	Corporate Governance Structure MRE Annual Report 2021 – Form 20-F – P:141-151; 152-157	
102-23	Chair of the highest governance body	MRE Annual Report 2021 – Form 20-F – P:145 In view of the current composition of the Board, the in-depth knowledge of Mr. Ho, Lawrence Yau Lung of the operations of the Group and of the gaming and entertainment sector, his extensive business network and connections in that sector, and the scope of operations of the Group, the Company believes it is in its best interests for Mr. Ho, Lawrence Yau Lung to assume the roles of Chairman and Chief Executive Officer until such time as the Company considers that such roles should be assumed by different persons.	
102-24	Nominating and selecting the highest governance body	MRE Annual Report 2021 – Form 20-F – P:155-156	
102-25	Conflicts of interest	MRE Annual Report 2021 – Form 20-F – P:64; 165-166	
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Structure	
102-27	Collective knowledge of highest governance body	MRE Annual Report 2021 – Form 20-F – P:152-157	
102-28	Evaluating the highest governance body's performance	MRE Annual Report 2021 – Form 20-F – P:152-156	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
GRI 102: General Disclosures 2016			
4. Governance			
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance Structure Understanding What Matters Most Assessing Materiality Sustainability Risk Management Evolving Risks and Opportunities Our Risk Universe MRE Annual Report 2021 – Form 20-F – P:152-156	
102-30	Effectiveness of risk management processes	Corporate Governance Structure Sustainability Risk Management MRE Annual Report 2021 – Form 20-F – P:152-156	
102-31	Review of economic, environmental, and social topics	Corporate Governance Structure	
102-32	Highest governance body's role in sustainability reporting	Corporate Governance Structure The Nominating and Corporate Governance Committee of the Board approved Melco Resorts Sustainability Report 2021 on 17 May, 2022.	
102-33	Communicating critical concerns	Ethics & Integrity – Ethical Business Advisor and Liaison Officers, Whistleblowing MRE Annual Report 2021 – Form 20-F – P:152-156	
102-34	Nature and total number of critical concerns	Melco did not have any critical concerns raised in 2021.	
102-35	Remuneration policies	MRE Annual Report 2021 – Form 20-F – P:151-152	
102-36	Process for determining remuneration	MRE Annual Report 2020 – Form 20-F – P:151-152; 154-155	
5. Stakeholder Engagement			
102-40	List of stakeholder groups	Understanding What Matters Most	
102-41	Collective bargaining agreements	Other than the rank-and-file employees of the table games division of City of Dreams Manila, representing 5% of the Group's workforce, none of our employees are members of any labor union and we are not party to any collective bargaining or similar agreement with our employees.	
102-42	Identifying and selecting stakeholders	Understanding What Matters Most As part of identifying its stakeholders, Melco applied the GRI Reporting Principle of stakeholder inclusiveness.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
GRI 102: General Disclosures 2016			
5. Stakeholder Engagement			
102-43	Approach to stakeholder engagement	Understanding What Matters Most	
102-44	Key topics and concerns raised	Understanding What Matters Most Evolving Risks and Opportunities Restoring our World Inspiring our Communities Sustaining our Supply Chain Empowering our Business	
6. Reporting Practice			
102-45	Entities included in the consolidated financial statements	About this Report About Melco	
102-46	Defining report content and topic boundaries	About this Report As part of defining its report content, Melco applied the GRI Reporting Principles of stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability and timeliness to enhance report quality.	
102-47	List of material topics	Understanding What Matters Most Assessing Materiality	
102-48	Restatements of information	Restoring our World 2019 and 2020 greenhouse gas (GHG) emission data adjusted based on further review of previously disclosed data. Scope 1 and 2 GHG emission intensity adjusted to reflect revised gross floor area at facilities in Cyprus. Water consumption intensity adjusted to reflect revised gross floor area at facilities in Cyprus. Performance Metrics Due to typographical errors in last year's report, the 2019 and 2020 data for Community Investment has been corrected.	
102-49	Changes in reporting	About this Report There have been no significant changes from previous reporting periods in the list of material topics and topic boundaries.	
102-50	Reporting period	About this Report	
102-51	Date of most recent report	About this Report	
102-52	Reporting cycle	About this Report	
102-53	Contact point for questions regarding the report	About this Report	
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
GRI 102: General Disclosures 2016			
6. Reporting Practice			
102-55	GRI content index	GRI Content Index	
102-56	External assurance	ISO 14064-1:2006 A third-party assurance provider verified the Company's GHG emission inventory for the years 2019, 2020 and 2021 against the ISO 14064-1:2006 Greenhouse Gas Standard.	
Report Section: Restoring our World			
Material Topic: Energy & Climate Resilience			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Evolving Risks and Opportunities Restoring our World – Strategy and Management Approach Energy & Climate Resilience	
103-2	The management approach and its components	Sustainability Risk Management Evolving Risks and Opportunities Restoring our World – Strategy and Management Approach Energy & Climate Resilience Our Policies and Statements Environmental Sustainability Policy	
103-3	Evaluation of the management approach	Restoring our World – Strategy and Management Approach Energy & Climate Resilience	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Energy & Climate Resilience Performance Metrics	
302-3	Energy intensity	Energy & Climate Resilience Performance Metrics	
302-4	Reduction of energy consumption	Energy & Climate Resilience Performance Metrics	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Restoring our World			
Material Topic: Energy & Climate Resilience			
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p> <p>Scope 1 emissions arise from stationary fuel combustion (LPG, natural gas, diesel, fuel gel, kerosene and cassette gas as well as biogenic sources from wood and charcoal), mobile fuel combustion (from diesel, petrol and other fuels consumed for light and heavy vehicles, buses and other forms of transport) and refrigerants (R134a, R404a, R407c, R410a, R22, R123, R23, R141b, R417a and R1234ZE).</p> <p>2019 is the base year for target setting as that was the first year that third-party verification was undertaken of Melco's Scope 1 inventory. GHG inventory is calculated using an operational control approach. The inventory aligns with the Greenhouse Gas Protocol Corporate Accounting Standard ("GHG Protocol") published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), and refers to the Global Warming Potentials (GWP₁₀₀) of the Fifth Assessment Report (5AR)* of the Intergovernmental Panel On Climate Change (IPCC).</p>	
305-2	Energy indirect (Scope 2) GHG emissions	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p> <p>Scope 2 emissions arise indirectly from purchased electricity consumption. Scope 2 emissions are reported with both the location-based and market-based methods, in alignment with reporting requirements from the GRI Standards and the GHG Protocol.</p> <p>2019 is the base year for target setting as that was the first year that third-party verification was undertaken of Melco's Scope 2 inventory. Our Scope 2 market-based emissions are neutral since 2018 from the purchase of Energy Attributes Certificates for 100% of our global electricity consumption. Melco's GHG inventory is calculated using an operational control approach. The inventory aligns with the Greenhouse Gas Protocol Corporate Accounting Standard ("GHG Protocol") published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), and refers to the Global Warming Potentials (GWP₁₀₀) of the Fifth Assessment Report (5AR)* of the Intergovernmental Panel On Climate Change (IPCC).</p>	
305-3	Other indirect (Scope 3) GHG emissions	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p> <p>Scope 3 emissions disclosed arise from downstream leased assets (tenants) and fuel and energy-related activity. 2019 is the base year for reporting Scope 3 emissions to align with our Scope 1 and 2 GHG emission disclosures.</p> <p>The inventory aligns with the Greenhouse Gas Protocol Corporate Accounting Standard ("GHG Protocol") published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), and refers to the Global Warming Potentials (GWP₁₀₀) of the Fifth Assessment Report (5AR) of the Intergovernmental Panel On Climate Change (IPCC).</p>	<p>Information unavailable.</p> <p>Data for downstream leased assets (tenants) and fuel and energy-related activity are available; we aim to expand our Scope 3 disclosures going forward.</p>
305-4	GHG emissions intensity	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p>	
305-5	Reduction of GHG emissions	<p>Energy & Climate Resilience</p> <p>Performance Metrics</p>	

* This index correctly states that the 5AR is also referenced for the GHG inventory calculations in 2020.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Restoring our World			
Material Topics: Energy & Climate Resilience / Material Use & Waste			
GRI 304: Biodiversity 2016			
304-2	Significant impacts of activities, products, and services on biodiversity	Energy & Climate Resilience Material Use & Waste Sustaining our Supply Chain – Strategy and Management Approach Ethical & Sustainable Supply Chain	
Material Topic: Material Use & Waste			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Evolving Risks and Opportunities Restoring our World – Strategy and Management Approach Material Use & Waste	
103-2	The management approach and its components	Sustainability Risk Management Restoring our World – Strategy and Management Approach Material Use & Waste Our Policies and Statements Environmental Sustainability Policy	
103-3	Evaluation of the management approach	Restoring our World – Strategy and Management Approach Material Use & Waste	
GRI 301: Materials 2016			
301-2	Recycled input materials used	Material Use & Waste – Construction Waste and Optimized Building Infrastructure	Information unavailable. It is not feasible to quantify the percentage of recycled input materials used.
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Material Use & Waste	
303-2	Management of water discharge-related impacts	Material Use & Waste All wastewater discharges to municipal treatment systems are in compliance with applicable legal requirements. Data are not available on quantities discharged.	
303-3	Water withdrawal	Material Use & Waste	
303-4	Water discharge	Material Use & Waste	Not applicable. All wastewater discharges to municipal treatment systems are in compliance with applicable legal requirements. Data are not available on quantities discharged.
303-5	Water consumption	Material Use & Waste Performance Metrics	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Restoring our World			
Material Topic: Material Use & Waste			
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Material Use & Waste	
306-2	Management of significant waste-related impacts	Material Use & Waste	
306-3	Waste generated	Material Use & Waste Performance Metrics	
306-4	Waste diverted from disposal	Material Use & Waste Performance Metrics In 2021, Melco diverted 110 tonnes of hazardous materials, comprising batteries, e-waste, ink toners and light bulbs, for recycling. Going forward, we aim to enhance our disclosure of hazardous materials and waste. Non-hazardous materials diverted from disposal are disclosed in this report.	
306-5	Waste directed to disposal	Material Use & Waste Performance Metrics	
Report Section: Inspiring our Communities			
Material Topic: Engaging our People			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Inspiring our Communities – Strategy and Management Approach Engaging our People	
103-2	The management approach and its components	Sustainability Risk Management Inspiring our Communities – Strategy and Management Approach Engaging our People Our Policies and Statements	
103-3	Evaluation of the management approach	Inspiring our Communities – Strategy and Management Approach Engaging our People	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Engaging our People Performance Metrics	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Inspiring our Communities			
Material Topic: Engaging our People			
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Engaging our People Performance Metrics	
404-2	Programs for upgrading employee skills and transition assistance programs	Engaging our People Performance Metrics	Information unavailable. Programs to facilitate continued employability of employees who leave the company, either through retirement or termination, are not currently provided.
404-3	Percentage of employees receiving regular performance and career development reviews	Engaging our People Performance Metrics All permanent employees, excluding newly-hired employees that did not complete their probationary period, received annual performance reviews.	
GRI 202: Market Presence 2016			
202-2	Proportion of senior management hired from the local community	Performance Metrics	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Performance Metrics	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Engaging our People Zero allegations of discrimination have been submitted to the government or to human resources in this reporting period.	
Material Topic: Safety, Health & Wellbeing			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Inspiring our Communities – Strategy and Management Approach Our Risk Universe Safety, Health & Wellbeing	
103-2	The management approach and its components	Sustainability Risk Management Our Risk Universe Inspiring our Communities – Strategy and Management Approach Safety, Health & Wellbeing Our Policies and Statements	
103-3	Evaluation of the management approach	Inspiring our Communities – Strategy and Management Approach Safety, Health & Wellbeing	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Inspiring our Communities			
Material Topic: Safety, Health & Wellbeing			
GRI 403: Occupational Health & Safety 2018			
403-1	Occupational health and safety management system	<p>Safety, Health & Wellbeing</p> <p>Melco's safety and health management system covers all of our operations. In addition, Melco's operations in Macau and Hong Kong are certified to the ISO 45001 management system standard for occupational health and safety.</p>	
403-2	Hazard identification, risk assessment, and incident investigation	<p>Safety, Health & Wellbeing</p> <p>As part of implementing Melco's OSH management system, identified hazards and assessed risks are mitigated and managed, the competency of colleagues and workers responsible for related work scopes is assured and overall implementation is monitored and reviewed to identify areas for improvement. Colleagues and workers are trained to remove themselves from potentially hazardous situations without reprisal and thorough incident investigations are undertaken to identify hazards and assess risks with the implementation of any necessary corrective action, changes to the hierarchy of controls or other improvements to its management system.</p>	
403-3	Occupational health services	<p>Safety, Health & Wellbeing</p> <p>As part of implementing Melco's OSH management system, identified hazards and assessed risks are mitigated and managed, the competency of colleagues and workers responsible for related work scopes is assured and overall implementation is monitored and reviewed to identify areas for improvement.</p>	
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>Safety, Health & Wellbeing</p> <p>Colleagues and contractors participate in regular OSH briefings and training, including being provided with opportunities to evaluate and continuously improve our OSH systems and processes. Communication occurs through various platforms, including but not limited to, induction and refresher courses, monthly meetings of our OSH Committees, team talks, internal communication on our e-Learning platform, surveys, feedback forms, and audits.</p>	
403-5	Worker training on occupational health and safety	<p>Safety, Health & Wellbeing</p>	
403-6	Promotion of worker health	<p>Safety, Health & Wellbeing</p> <p>Ethical & Sustainable Supply Chain</p> <p>As part of implementing its OSH system, Melco provides information and conducts training with colleagues and onsite workers to promote health and wellbeing. Onsite clinics also provide occupational health services to support employees.</p>	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Safety, Health & Wellbeing</p>	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Inspiring our Communities			
Material Topic: Safety, Health & Wellbeing			
GRI 403: Occupational Health & Safety 2018			
403-8	Workers covered by an occupational health and safety management system	<p>Safety, Health & Wellbeing</p> <p>Melco's operations across Macau and Hong Kong are certified to the ISO 45001 management system standard for occupational health and safety. OSH systems are implemented to comply with all relevant legal requirements, and cover the workplaces of all colleagues across the Group and onsite workers.</p>	
403-9	Work-related injuries	<p>Safety, Health & Wellbeing</p> <p>Performance Metrics</p> <p>There were no cases of high-consequence work-related injuries or of colleague or worker fatalities on Melco properties in 2021. The main types of injuries included slips, trips and falls, cuts and abrasions, striking against objects or manual handling. Melco's OSH system identifies work-related hazards that pose a risk of high-consequence injury and implements controls to mitigate risk.</p>	<p>Information unavailable.</p> <p>Data on workers outside the organization has yet to be collected.</p>
GRI 416: Customer Health & Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>Ethics & Integrity</p> <p>No significant incidents of non-compliance with regulations concerning health and safety impacts occurred during the reporting period.</p>	
Material Topic: Responsible Gaming			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	<p>Inspiring our Communities – Strategy and Management Approach</p> <p>Our Risk Universe</p> <p>Responsible Gaming</p>	
103-2	The management approach and its components	<p>Sustainability Risk Management</p> <p>Our Risk Universe</p> <p>Inspiring our Communities – Strategy and Management Approach</p> <p>Responsible Gaming</p> <p>Our Policies and Statements</p>	
103-3	Evaluation of the management approach	<p>Inspiring our Communities – Strategy and Management Approach</p> <p>Responsible Gaming</p>	
GRI 417: Marketing & Labeling 2016			
417-1	Requirements for product and service information and labeling	<p>Responsible Gaming</p> <p>Melco has not had any incidents of non-compliance with its procedures related to responsible gaming and health and safety communication materials.</p>	
417-3	Incidents of non-compliance concerning marketing and communications	<p>Responsible Gaming</p> <p>Community Engagement & Investment</p> <p>Melco has not had any incidents of non-compliance with requirements or codes concerning marketing communications.</p>	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Inspiring our Communities			
Material Topic: Community Engagement & Investment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Inspiring our Communities – Strategy and Management Approach Community Engagement & Investment	
103-2	The management approach and its components	Sustainability Risk Management Our Risk Universe Inspiring our Communities – Strategy and Management Approach Community Engagement & Investment Our Policies and Statements	
103-3	Evaluation of the management approach	Inspiring our Communities – Strategy and Management Approach Community Engagement & Investment	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement & Investment	
Material Topics: Engaging our People / Ethical & Sustainable Supply Chain			
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Ethical & Sustainable Supply Chain	
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical & Sustainable Supply Chain	
GRI 412: Human Rights Assessment 2016			
412-2	Employee training on human rights policies or procedures	Code of Business Conduct and Ethics Performance Highlights Ethical & Sustainable Supply Chain 100% of colleagues trained on our Code of Conduct, including our requirements to uphold human rights.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Sustaining our Supply Chain			
Material Topic: Ethical & Sustainable Supply Chain			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Evolving Risks and Opportunities Sustaining our Supply Chain – Strategy and Management Approach Ethical & Sustainable Supply Chain	
103-2	The management approach and its components	Sustainability Risk Management Our Risk Universe Sustaining our Supply Chain – Strategy and Management Approach Ethical & Sustainable Supply Chain Our Policies and Statements	
103-3	Evaluation of the management approach	Sustaining our Supply Chain – Strategy and Management Approach Ethical & Sustainable Supply Chain	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Ethical & Sustainable Supply Chain Disclosure item 102-9 of this Content Index. Our usage of "local" is in accordance with local government definitions.	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Ethical & Sustainable Supply Chain 100% of new suppliers must acknowledge acceptance of our Supplier Code of Conduct, including its environmental requirements. Suppliers' environmental performance is assessed and compliance with the Supplier Code of Conduct is required.	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Ethical & Sustainable Supply Chain 100% of new suppliers must acknowledge acceptance of our Supplier Code of Conduct, including its social requirements. Suppliers' social performance is assessed and compliance with the Supplier Code of Conduct is required.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Empowering our Business			
Material Topic: Ethics & Integrity			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Empowering our Business – Strategy and Management Approach Ethics & Integrity	
103-2	The management approach and its components	Sustainability Risk Management Our Risk Universe Empowering our Business – Strategy and Management Approach Ethics & Integrity Our Policies and Statements	
103-3	Evaluation of the management approach	Empowering our Business – Strategy and Management Approach	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Ethics & Integrity All of Melco's operations are regularly assessed for corruption risk.	
205-2	Communication and training about anti-corruption policies and procedures	Ethics & Integrity All members of Melco's governing bodies, including the Board, its committees and the Company's Executive Committee as well as property-level boards and their committees and Executive Committees have received training on Melco's anti-corruption policies. All colleagues receive training on Melco's anti-corruption policies and procedures. Melco's requirements for suppliers and business partners are acknowledged through acceptance of Melco's Code of Conduct for Suppliers and related training is provided.	
205-3	Confirmed incidents of corruption and actions taken	Ethics & Integrity No confirmed incidents of corruption in the reporting year.	
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics & Integrity No legal actions for anti-competitive behavior, anti-trust or monopoly practices were identified in the reporting year.	
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Melco was in compliance with all applicable social and economic related laws and regulations during the reporting period.	
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	In 2021, Melco was in compliance with all applicable environmental laws and regulations.	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), URL(S) AND/OR EXPLANATION(S)	OMISSION
Report Section: Empowering our Business			
Material Topic: Privacy & Cybersecurity			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Evolving Risks and Opportunities Empowering our Business – Strategy and Management Approach Privacy & Cybersecurity	
103-2	The management approach and its components	Evolving Risks and Opportunities Our Risk Universe Empowering our Business – Strategy and Management Approach Privacy & Cybersecurity Our Policies and Statements	
103-3	Evaluation of the management approach	Empowering our Business – Strategy and Management Approach Privacy & Cybersecurity	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy & Cybersecurity Melco did not have any substantiated complaints concerning breaches of customer privacy or losses of customer data during the reporting period.	
Other Disclosure Items			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	MRE Annual Report 2021 – Form 20-F – P.131; 158-159; 165-166	
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Risk Management Evolving Risks and Opportunities Our Risk Universe Climate-risk Assessment: Summary of Findings	Information unavailable. Financial implications from climate change scenarios based on risk classifications have yet to be assessed.
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	Ethical & Sustainable Supply Chain As part of the intensive training provided to all security teams, approaches to enforcing procedures that respect human rights are followed. 100% of security personnel receive this training, which is provided by Melco, local authorities and third-party security experts.	

Contact Details

Your Feedback

If you have any questions or feedback on this report, please scan the QR Code with your smartphone to provide your feedback.



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