

Sustainability Report

Since commencing operations in 1995, NagaCorp has been committed to creating long-term value for all our stakeholders. We strive to be a good corporate citizen by carrying out business in a socially responsible way, taking a long-term view and contributing to making the world a better place for our customers, employees, suppliers, government and the wider community in which we operate. In 2018, NagaCorp continued to achieve growth by carrying out practical actions in line with our sustainable business strategy.

This report covering the Year is prepared in accordance with the requirements of the Environmental, Social and Governance (“ESG”) Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The table below summarises the ESG issues determined to be material to the operations of the Group, in accordance with the “comply or explain” provisions. NagaCorp has complied with the “comply or explain” provisions set out in the ESG Reporting Guide during the Year. This report provides an overview of the management approach of NagaCorp and its ESG performance principally relating to the policies, initiatives and performance of our flagship NagaWorld hotel and entertainment complex in Phnom Penh, Cambodia. Where 2017 comparables are provided, our reporting scope includes Naga2 since its opening in November 2017.

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This report has been reviewed by the Board of NagaCorp.

Environmental Responsibility

NagaCorp has always sought to operate in a responsible, transparent and sustainable way. We aim to operate in a way that satisfies today's needs without compromising the needs of future generations. Practically, this means aiming to minimise our impact on the environment by using resources efficiently.

In 2016, our flagship property NagaWorld was certified by ASEAN Tourism Forum and recognised as an ASEAN Green Hotel. The ASEAN Green Hotel Standard is an initiative to recognise efforts in the tourism industry to ensure sustainable tourism through the adoption of environmentally-friendly and energy conservation practices.



ASEAN GREEN HOTEL STANDARD
2016 - 2018

Education and Awareness

NagaCorp is committed to being a responsible and proactive member of the community. Our goal is to share information about sustainable options with people, as we believe knowledge leads to positive change. We provide training to our employees and encourage them to contribute their ideas for the improvement of our overall sustainability efforts.

Since 2016 we have participated in World Wide Fund for Nature ("WWF") Earth Hour, where we turn off external lighting at NagaWorld for an hour, to help spread awareness on climate change and energy conservation.

Eliminating plastic straws from the property was also an employee-led initiative. To enhance effectiveness of our awareness campaigns, NagaWorld Kind Hearts has introduced city clean-up days when we gather volunteer employees to collect rubbish and clean up the streets around our property and across Phnom Penh. Further details on our Community Relations program can be found on pages 50 to 59.



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Energy and Greenhouse Gases

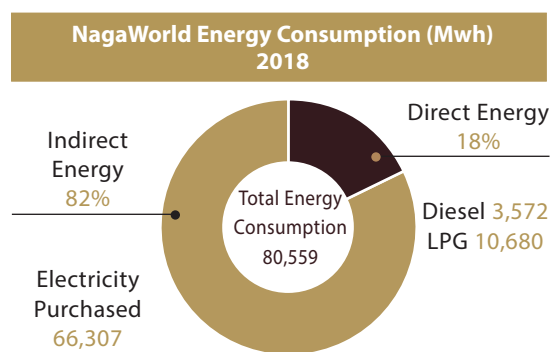
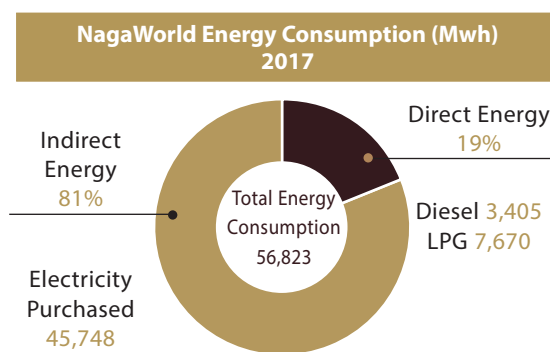
Our goal is to reduce energy consumption without compromising customer satisfaction and operational efficiency. We have implemented a range of projects to monitor and reduce energy consumption and greenhouse gas ("GHG") emissions. The principal emission of concern is carbon dioxide ("CO₂"), but energy usage also produces other gases like hydrocarbons, carbon monoxide, nitrogen oxides, sulphur dioxide and particulate matter.

NagaWorld is compliant with the relevant Cambodian laws and regulations on environmental protection. An energy audit based on the American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") walk through audit – level 1 and 2 was first completed in March 2015 and has since been performed regularly in order to identify opportunities for energy savings.

Energy usage

Energy usage is the major source GHG emissions. Historically NagaWorld has operated using diesel electric generators. However, NagaWorld was connected to the Phnom Penh city electricity grid in October 2015. Electricite Du Cambodge sources its electricity from a mix of hydropower, coal, fuel oil and biomass. Diesel electric generators at NagaWorld now provide back-up only. This has reduced energy consumption and GHG emissions significantly. We also use liquid petroleum gas ("LPG") in the kitchens.

We opened our phase two expansion Naga2 in November 2017. This doubled capacity and significantly increased total floor space at NagaWorld. As a consequence, total energy consumption increased in 2018. However, energy intensity improved in 2018, primarily as result of Naga2 efficiencies.

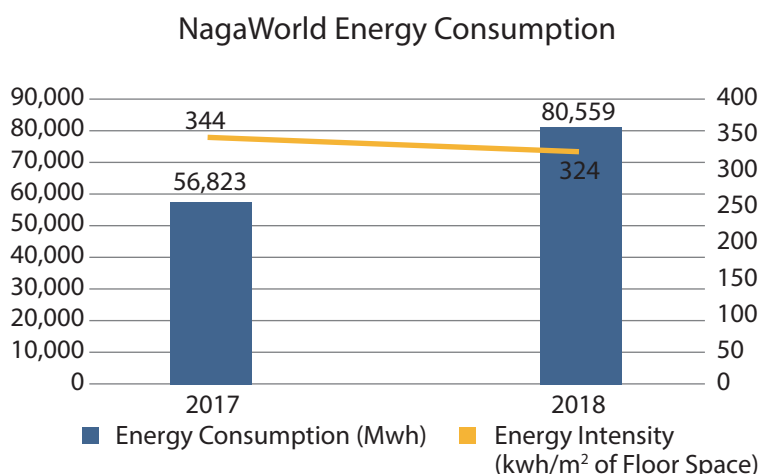


Many mechanical and engineering systems in Naga2 are more efficient than Naga1. For example, the hot water system in Naga2 is a centralized heat pump system, which has lower energy consumption than the individual hot water tank system in Naga1. Naga2 also has a water-cooled centralized air-conditioning system, which is more efficient than the combined water-cooled/air-cooled/variable refrigerant volume/split-unit systems in use in Naga1.

A number of energy saving initiatives have been introduced as part of an ongoing program for reviewing usage of lighting and equipment and replacement of inefficient devices. We have also incorporated energy

saving criteria into purchasing policy. As a result of this, the most efficient products are preferred whenever it is feasible to do so.

Naga2 substantially uses low-energy LED lights. In 2018, most of the halogen bulbs in Naga1 were replaced with LED lights as well. We also installed air handling units serving the Naga1 hotel corridors and Naga2 back office to monitor and optimise the air-conditioning operating hours. In addition, we installed a more efficient variable speed drive kitchen exhaust fan serving our halal kitchen and main banquet kitchen to reduce electricity consumption. Energy consumption patterns are monitored on a daily basis. Irregularities are studied in order to determine causes and develop solutions.



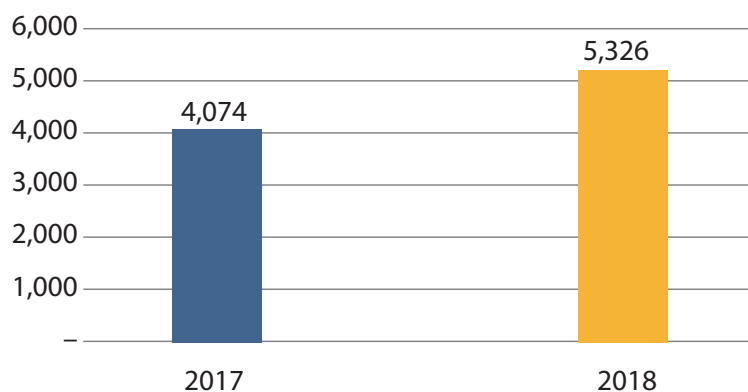
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Emissions

We are seeking to reduce both direct and indirect emissions. Direct emissions are the result of our activities, including facilities and vehicles. We are working diligently to minimize the CO₂ released by implementing carbon alternative projects, following ISO 14064-1 guidelines for measurement and reporting.

Indirect emissions are those produced outside of our immediate operations; and include purchased electricity, transportation of guests, goods and materials, and methane gas from landfill. To reduce indirect emissions, we attempt to source domestic products whenever available and to work closely with our suppliers to develop local supply chains and reduce waste.

NagaWorld Total GHG Emissions
(tonnes of CO₂ equivalent)



In addition to energy consumption at the NagaWorld complex, we operate a fleet of vehicles for moving guests and employees between the airport, our buildings and Phnom Penh city attractions. Direct emissions increased in 2018 due to the opening of Naga2 and growth in volume of business. However, given Naga2 doubled capacity and significantly increased total floor space, the increase in direct emissions was modest.

Direct Energy Consumption of Gaseous Fuels at NagaWorld					
	Fuel Consumed	CO ₂ Emissions (kg)	NO _x Emissions (kg)	SO _x Emissions (kg)	PM Emissions (kg)
2018					
Hot water boilers and backup generators – diesel	324,701L	848,769	4,809	501	357
Kitchens – LPG	785,337kg	2,369,360	145	1	–
Vehicles – diesel, petrol, kerosene	830,405L	2,043,251	4,372	515	126
Total		5,261,380	9,326	1,017	483
2017					
Hot water boilers and backup generators – diesel	309,523L	809,094	2,717	374	211
Kitchens – LPG	563,964kg	1,701,479	104	–	–
Vehicles – diesel, petrol, kerosene	617,105L	1,529,049	3,249	333	135
Total		4,039,622	6,070	707	346

Note: NagaCorp estimates based on emission factors sourced from Stock Exchange's ESG Reporting Guide and manufacturer specifications.

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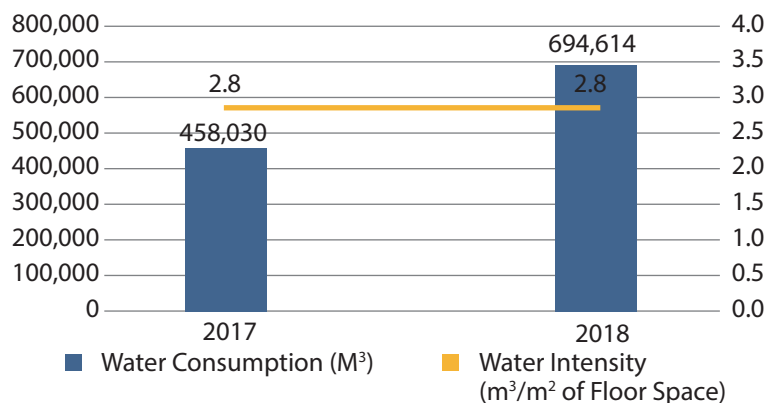
Water Usage

All water at NagaWorld is provided by the Phnom Penh Water Supply Authority to World Health Organization and national drinking water standards. We had no issue in sourcing water that is fit for purpose during the Year. NagaWorld is in compliance with the relevant Cambodian rules and regulations in relation to water management. Bottled drinking water provided to our customers is also sourced from Cambodia.

We are committed to using water in a responsible manner and have developed strategies to reduce our water consumption by applying mechanical systems and rethinking processes, with water consumption monitored and benchmarked on a monthly basis. Effective preventive maintenance, such as regularly cleaning the ventilation filters and condenser tubes, appropriate scheduling and optimizing the operation of chiller systems and air conditioning units, further reduces the amount of water consumed.

Waste water is treated in conformance to the British Royal Commission Standard of quality before being released into the sewers. The remaining solid waste is taken away by tankers for responsible disposal.

NagaWorld Water Consumption



We opened our phase two expansion Naga2 in November 2017. This doubled capacity and significantly increased total floor space at NagaWorld. Consequently, total water consumption increased significantly in 2018. However, we introduced water saving technology in Naga2 such as low-flow faucet aerator technology in bathrooms, sensor taps in public bathrooms and more efficient cooling systems in public and private bathrooms. In 2018, we introduced low-flow faucet aerator technology to Naga1 bathrooms.

We are also educating our customers and our employees on the importance of saving water and providing information about how they may contribute, both at work and at home.



Air Quality

NagaWorld is in compliance with the relevant Cambodian rules and regulations in relation to air pollution and is actively working to provide good air quality within the premises. Furthermore, at NagaWorld, we encourage our employees to bring in their own plants to participate in making the office green.

Air quality is taken very seriously at NagaWorld. Regular monitoring is carried out in accordance with ASHRAE standards in order to ensure a safe and comfortable environment for our employees and customers. This includes a monthly Indoor Air Quality test to identify any potential issues, based on a range of key indicators including temperature, relative humidity, CO₂, carbon monoxide, light and sound. All readings during 2018 were within permitted levels.

For GHG emissions please refer to Energy and Greenhouse Gases section on pages 30 to 33.

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Waste Management

NagaWorld is in compliance with the relevant Cambodian rules and regulations in relation to waste management. Beyond this, NagaWorld has embraced a “3R” strategy in our waste management: Reduce, Reuse and Recycle. The aim is to reduce the amount of waste produced which will eventually end in landfill.

Our Sustainability Policy encourages the use of goods with low negative impact on the environment and humans, and to emphasize life cycle thinking into every business decision made. With these policies in place, we aim to minimize our consumption and reduce waste without impacting customers.

At present, diverted waste produced at NagaWorld falls into the following major categories:

1. Recycling – shredded playing cards, carton boxes and plastic bottles are taken by a contractor for recycling.
2. Organics – used cooking oil is taken by a contractor for recycling/reuse; restaurant and kitchen wet waste is taken by a local farmer of which about a third is usable for animal feed.

Currently all other materials are taken to landfill by a contractor. However, NagaWorld will introduce more waste diversion initiatives in the future.

An example of such an initiative is our partnership with Indochina Starfish Foundation (“ISF”), a humanitarian and environmental non-profit organization which works to recycle hotel soap bars. The aim is to address health and hygiene issues in underserved communities while reducing waste generated by the organization. In 2018, 476 kg of soap bars were sanitized and then donated to a local non-governmental organization (“NGO”), for distribution to families and children in Phnom Penh.



NagaWorld withdrew single-use plastic straws from all outlets in December 2018. We expect this will eliminate around four million plastic straws every year. We also replaced take-away plastic cutlery and containers with biodegradable and recyclable alternatives.

As a service business, we do not produce material quantities of hazardous waste nor produce a finished product that requires packaging materials.

Social Responsibility

NagaCorp has contributed positively to the development of the economy and the community of Cambodia for over 20 years. At NagaCorp, corporate social responsibility ("CSR") is more than addressing community welfare. It is about developing a sustainable business strategy and conducting business with a conscience and a longer term view – caring for the Company, Shareholders, employees, customers, public, environment and all stakeholders, including Cambodia.

Employees

Workforce Overview

NagaCorp prides itself on providing a safe, fair and healthy workplace with equal opportunities for all its employees

Cambodian labour requirements are in line with international standards, and include such matters as prohibition of child and forced labour, the right of employees to organize unions and engage in collective bargaining, non-discrimination and civil and political rights.

As an employer of choice in Cambodia, NagaCorp complies with all relevant laws and regulations, and invests heavily in providing basic skills training and career development.

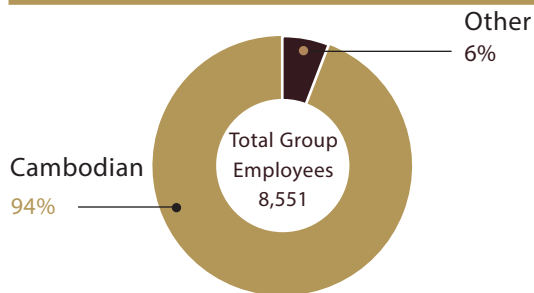
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NagaWorld employees follow designated working hours, meal breaks and rest days according to a rotating shift schedule prepared by each department on the basis of three 8-hour shifts per 24-hours and six consecutive days or 48 hours per work week. They are entitled to 1.5 days of paid annual leave for every month of service rendered. In addition to annual leave, employees are also entitled to sick leave, maternity leave, paternity leave, marriage leave, and other compassionate

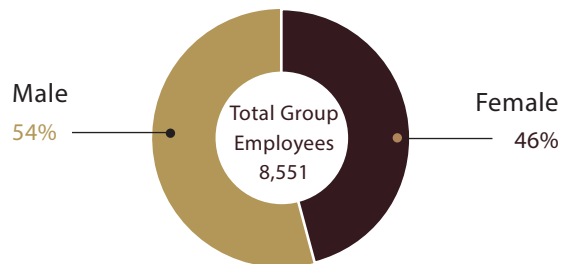
leave, and all public holidays declared by the Ministry of Labour and Vocational Training. We also provide health insurance, an in-house medical centre and meals during work shifts.

As at 31 December 2018, the Group had a total of 8,551 employees (2017: 8,618), representing over 33 nationalities, with 99% of the employees based in Cambodia. Priority is given to developing our Cambodian workforce, which represents 94% of total employees.

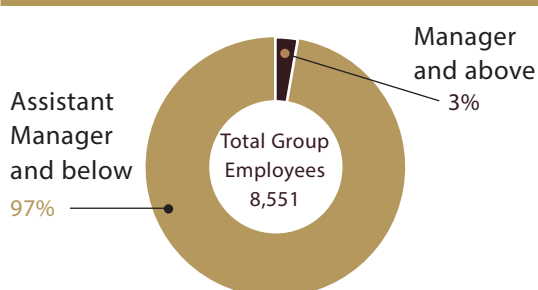
**Group Employees by Nationality
as at 31 December 2018**



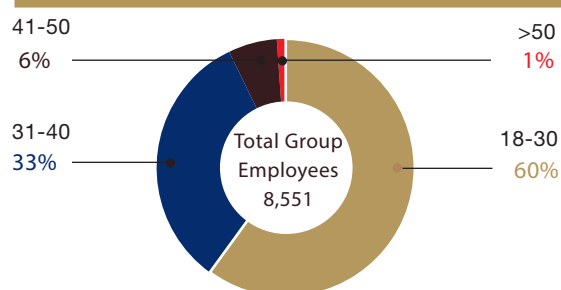
**Group Employees by Gender
as at 31 December 2018**



**Group Employees by Seniority
as at 31 December 2018**



**Group Employees by Age Group
as at 31 December 2018**



Attracting Talent

The ability to attract and retain talent is crucial to our growth and development strategy

NagaCorp uses traditional recruitment methods and social media platforms to seek talent from both local and global communities. To promote the corporate brand, the Company organizes roadshows, career presentations and university visits to deliver informative career path presentations to both local and foreign talent.

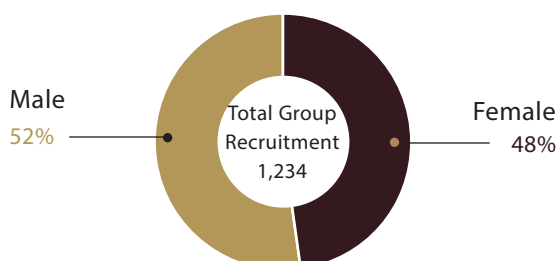
The Company is committed to ensuring equal employment opportunity to all qualified individuals. We do not discriminate on the

basis of gender, age, marital status, ethnicity, sexual-orientation or religion.

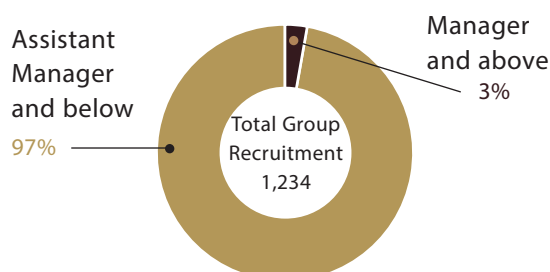
New hires get a staff handbook and 2.5 days induction training which covers Company policies and code of conduct matters such as dress code, work hours, leave, payroll and performance management.

In 2018, we hired 1,234 employees (2017: 3,456) while 1,301 exited (2017: 991). We opened our phase two expansion Naga2 in November 2017, which required large scale recruitment drives ahead of the opening.

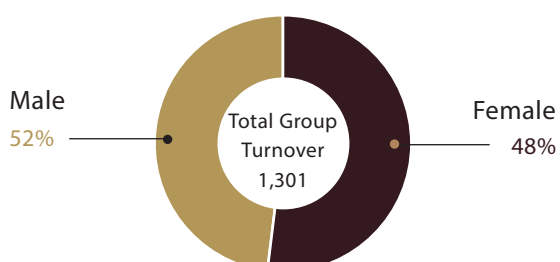
Group Recruitment by Gender in 2018



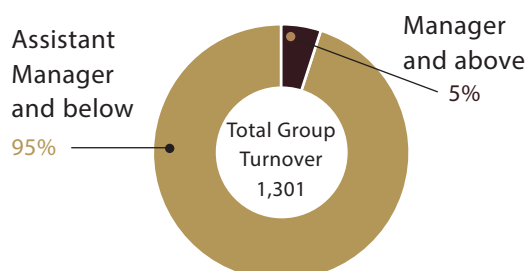
Group Recruitment by Seniority in 2018



Group Employee Turnover by Gender in 2018



Group Employee Turnover by Seniority in 2018



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Employee Development

We place particular emphasis on the development of language and service excellence to enhance customer experience

In 2018, training was focused on building Mandarin and English language capacity to improve guest interaction skills between frontline staff and our growing international customer base. The NagaWorld Standard English Test (NSET) was developed and 1,644 employees were assessed in 2018. The NSET ensures each employee requiring English Language development starts at an appropriate aptitude level.

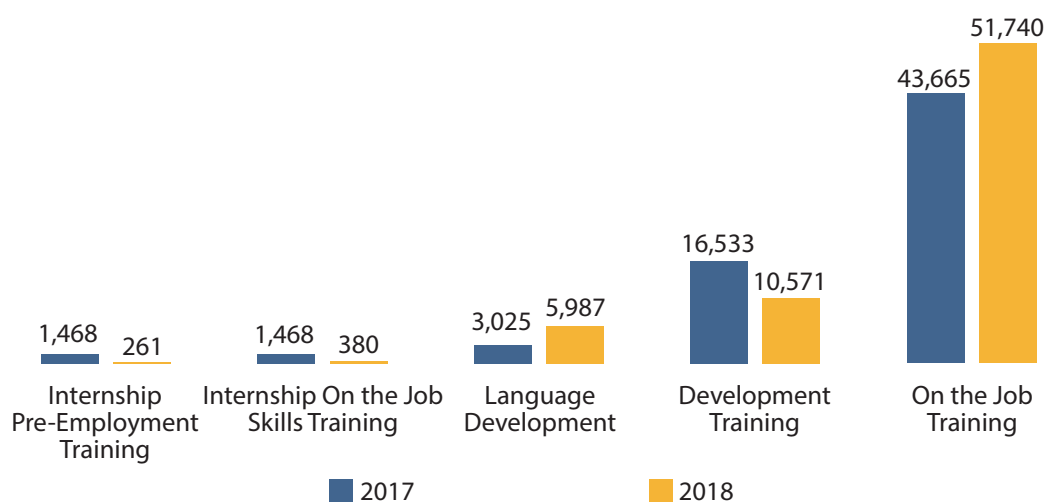
Both the Mandarin and English development programs use a two-prong approach: (1) classroom instruction, and (2) on the job toolbox briefing sessions. Toolbox briefings, which are department specific, provide regular practice and short learning sessions covering service phrases, product knowledge, Mandarin phrases and English phrases.

The NagaWorld Competency Development framework was further refined to include competency in Corporate and Support Services Management. The framework serves as a foundation and guide for competency development at NagaWorld.

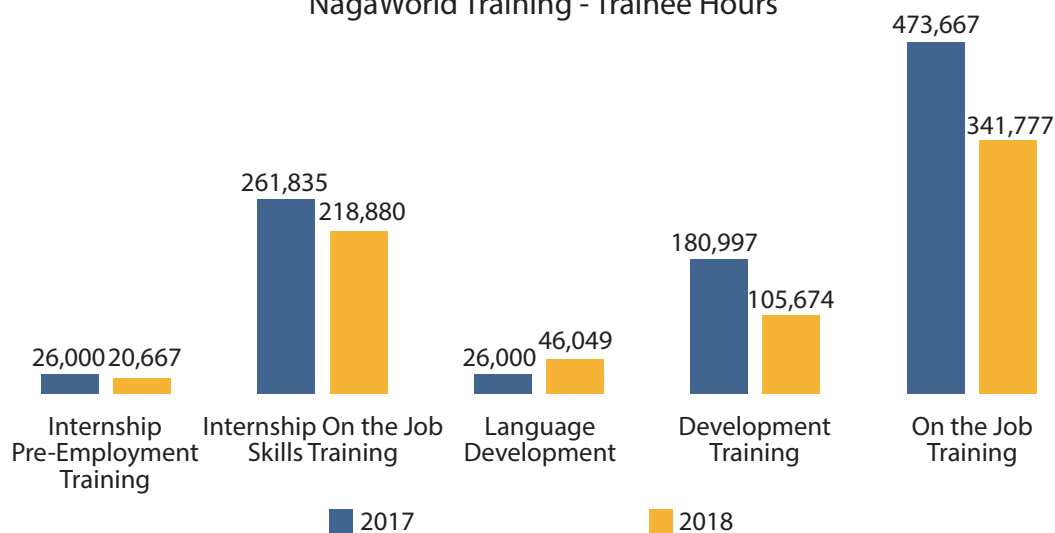


Overall in 2018, the Company recorded 68,939 trainee attendances for a total of 733,047 training hours in all forms of training.

NagaWorld Training - Participants



NagaWorld Training - Trainee Hours



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The Group continued its commitment to develop local talent through a succession plan that focuses on “local first”. In 2018, 308 local employees were promoted to supervisory and junior management positions as compared to 1,002 in 2017.

Compensation and Benefits

We continue to provide competitive compensation and benefits to attract, motivate, and retain talented employees

The Group regularly benchmarks compensation and benefits against local, regional and global industry standards. The standard compensation and benefits package for employees includes basic salary, meal allowances, health cover and where applicable, pension contributions. In addition to annual salary increments and discretionary performance bonus programs, long serving employees are recognised with long service awards. All rewards delivery is measured against the achievement of business performance and completion of key priorities and milestones.

Employee Relations

Employee engagement is paramount to the Company’s success – happy employees lead to happy customers

NagaCorp strives to maintain a healthy employee and industrial relations environment. Through open two-way communication that advocates feedback and constructive suggestions, the Company is able to reach out to employees for a greater working relationship.

As required by Cambodian Labour Law, employees are represented by elected Shop Stewards. In addition all employees are free to join or form a union. The Khmer Workers’ Labour Rights Support Union (“KWLRSU” or the “Union”), which is an independent internal union, represented 42% of employees as of 31 December 2018. On 25 April 2018, the KWLRSU renewed their registered mandate with the Ministry of Labour for a further four years.

The role of Shop Stewards is to:

- present to the employer any individual or collective grievances;
- inform the Labour Inspector of complaints and criticisms relating to the enforcement of the labour legislation and labour regulations;
- ensure the enforcement of the provisions relating to occupational safety and health administration ("OSHA"); and
- suggest useful measures that would contribute to protecting the health and improving the safety and working conditions of employees.

Shop Stewards must be consulted on drafting and modification of internal regulations and must also be consulted on any planned measures for lay-offs due to a reduction in activities or internal reorganization.

The Shop Stewards Election for the 2018-2020 mandate was held in August 2018, in the presence of representatives from the Ministry of Labour, the Union and Group Human Resources ("Group HR"). With the endorsement of the Ministry of Labour, the Company appointed 87 Official Shop Stewards and 43 Assistant Shop Stewards from the 130 candidates elected by the employees.

As of 31 December 2018, there were 126 active Shop Stewards comprised of 87 Official Shop Stewards and 39 Assistant Shop Stewards. Of these 126 Shop Stewards, 74% were members of the Union.

Apart from the election, the Company also facilitated Shop Steward conferences on a monthly basis. Representatives from Management and Group HR attend the conferences to provide various updates and address issues relating to the employees in four key areas: 1) OSHA, 2) working conditions, 3) employee welfare and 4) internal rules. In addition to the monthly conferences, seven other ad-hoc meetings were held separately with Shop Stewards to address employee matters.

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The Company also coordinated discussions amongst the Union representatives, management, departments and other employees, primarily focused on working conditions.

Occupational Safety and Health Administration

NagaWorld is committed to providing a healthy, hazard free and safe working environment for all its employees, guests, visitors, suppliers and contractors. To achieve an injury-free workplace, we have implemented a systematic approach to the identification and assessment of risks and the allocation of financial and physical resources to manage those risks. We maintain an effective system of communication on OSHA, and continuously review and audit our safety performance so as to learn from our past experiences. NagaWorld is in compliance with all relevant laws and regulations on OSHA.

An OSHA department was established in 2017. NagaWorld is in the process of reviewing all policies and implementing a standard set of OSHA policies in pursuance with the relevant actions stipulated by the International Labour Organization. Each manager is accountable for achievement of OSHA objectives. An OSHA Committee, consisting of representatives from key departments, meets regularly. Each OSHA Committee member is committed to ensure their work area is safe. Training on awareness is provided to all employees and continuous monitoring on a day to day activity of safety standards is maintained.

Supply Chain Management

Our suppliers are our business partners and we aim to maintain a long term partnership with them to continuously improve the quality of products and services. NagaWorld has a policy of prioritising local suppliers whenever possible, without compromising on quality, value and support. NagaWorld has been building an engagement program with local suppliers in the primary areas of food safety and hygiene. The Cambodian supply chain continues to improve based on fundamentals of mutual trust, co-operation and awareness. In 2018, 89% of our 501 frequent suppliers were Cambodian.

In 2018, the Purchasing Department developed a new electronic procurement system, which is integrated with the point of sales and stock management systems to facilitate planning and forecasting for all departments. The transparency of the new procurement system enables the Purchasing Department to address complexities in supply chain management.

The Purchasing Department also continues to support the Food and Beverages Department by reducing the production of waste. In 2018 almost 90% of all disposable takeaway items, such as plastic cutlery, straws and containers were replaced with biodegradable and recyclable paper materials.

Moving forward, we will continue working with NagaWorld Kind Hearts to educate local communities on the sustainability and environmental awareness.

Product responsibility

Policies and standards are in place to ensure that all our products and services meet quality standards. NagaWorld is in compliance with all relevant laws and regulations relating to OSHA, advertising, labelling and privacy matters relating to products and services provided. We also seek to continuously improve our standards.

Food Safety

Our primary objective is to ensure that we always serve food prepared to the highest standards and use the best quality products and ingredients. NagaWorld abides by local and international laws and regulations to ensure that the food we serve complies with food safety standards.

To ensure best practices, NagaWorld has developed a common operating standard and set of behaviours which is practiced at every kitchen and restaurant we operate. These are based on sound scientific principles, regulatory requirements and industry best practices. NagaWorld aims to set the benchmark as one of the leading hotels in Cambodia through its food safety and hygiene system.

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NagaWorld regularly measures compliance against these standards and implements performance objectives to assure our customers that the food we provide is safe to eat whilst meeting their quality expectations. In order to achieve this, we provide all employees with the latest information on food safety, training and tools necessary to do their job systematically and with good hygiene practices.

The Ministry of Health of Cambodia conducts regular audits of F&B outlets and issue certificates to recommend the cleanliness and hygiene of each outlet. All of our restaurants in NagaWorld are certified with an "A" rating that recognises the highest hygiene and cleanliness level.

Guest engagement

In addition to policies and procedures to ensure high service standards, we provide a variety of channels for customers to provide feedback on their experience.

Fire Safety

The safety of our guests and employees is paramount and essential at all times. Since 2012, NagaWorld's in-house Fire Safety Department (the "FSD") has promoted professional standards through further education and training of our fire fighters. All FSD employees have completed and passed the NFPA 1001 International Standard Training (The National Fire Protection Association Standard 1001 – Fire Fighter Professional Qualification). All fire fighters are trained and certified by the Cambodian Red Cross in First-Aid and International SOS in administering medical oxygen and automated external defibrillator ("AED") to ensure 24-hour assistance and support for any kind of emergency.

The FSD is managed by a team of fire safety professionals who have accumulated international education, experience and certification in different fields of fire emergency response and management.

NagaWorld's efforts to drive high standards, recruit competent leaders and provide further education and training of its fire safety, medical and emergency response team allows FSD to protect and serve NagaWorld and its guests. As at 31 December 2018, the FSD comprised 64 fire-fighters, with 15 FSD officers on duty 24 hours a day, seven days a week.



In 2018, a live fire training facility was built for the purpose of enabling the fire response team to conduct live fire training drills. These drills develop skills and critical thinking in the team through repeated exposure.

The FSD believes that safety is everyone's responsibility and is committed to cultivating a safety culture in the organization and has launched programs actively participated in by employees that teaches fire extinguisher use and how to safely evacuate their employees and guests. Other programs and activities include fire induction training and fire and evacuation drills of the employees.



Apart from ensuring safety of the organization, the FSD is also highly involved in the CSR initiatives of NagaWorld Kind Hearts, and is the major proponent for a campaign to educate the community about fire safety. In 2018, 11 education institutions and 1,350 students participated in discussions and activities promoting awareness about fire safety and prevention. Since inception, a total of 31 schools and institutions have benefited from these programs and received donated fire extinguishers.

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Anti-corruption

NagaCorp is committed to maintaining high ethical standards in all of our operations and business activities. This involves each of us – employees, officers and members of the board of directors alike – fostering and maintaining NagaCorp’s reputation for integrity, honesty and transparency.

Policies and procedures in place to ensure compliance with all relevant laws and regulations with respect to anti-corruption, AML, extortion, fraud and combatting financing of terrorism. With this in mind, NagaCorp is dedicated to a zero-tolerance policy with regard to involvement in corruption or bribery activities of any type. An anti-corruption handbook is made available to all employees.

During 2018, no legal case regarding corruption was brought against the Company or its employees.

Our Code of Conduct (the “Code”) helps to ensure that employees understand the Company’s expectations. The Code lays out the legal responsibilities and ethical tone for the expected behaviour of all employees. It explicitly prohibits employees from soliciting, accepting, or offering bribes or any other form of advantage. The Code also provides guidance for daily interactions with fellow employees, customers, vendors, government officials and business partners and outlines NagaCorp’s expectations on employees with regard to conflicts of interests and encourages employees to report any malpractice and misconduct.

In keeping with best practice, NagaCorp has also developed and implemented an Anti-corruption Policy which reinforces the Code and provides additional guidance regarding compliance with rules and laws related to bribery and corruption. Both the Code and the Anti-corruption Policy play a critical role in defining our values and act as framework in guiding our operations and business practices. All employees are required to comply with all policies and the Code.

Please refer to the Corporate Governance section of our corporate website (www.nagacorp.com) for further details on our Code of Conduct and Anti-Corruption Policy.

In consideration of NagaCorp's primary business as a gaming operator, which entails particular sensitivity to the risks of unsuitable associations and the need to fully comply with legal and regulatory requirements, diligence is required to avoid impropriety and the appearance of impropriety by employees engaged in business dealings. NagaCorp has developed a Compliance Programme to structure a process to review and report on certain areas of business activities and to identify the suitability of individuals and organizations to engage in joint business endeavours with NagaCorp.

The Company has in place an AML Procedure Manual to deal with money laundering in gaming operations, details of which can be found in the Corporate Governance Report on pages 62 to 79.

NagaCorp is in compliance with best international standards and practices in dealing with anti-corruption and anti-bribery issues which include, but are not limited to, Cambodian law, the Listing Rules, the Organization for Economic Cooperation and Development, the United Nations Convention Against Corruption and the principles supporting the Foreign Corrupt Practices Act.

To the best of the directors' knowledge, information and belief, neither NagaCorp nor any of its employees is subject to any actual, pending or threatened cases regarding any corrupt practice or any allegation of corrupt practice during the Year.

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Community Relations

“Since inception in 1995 until now, contributing to society, doing charity and helping nation building have always been synonymous with the way NagaCorp carries out its business in Cambodia. Through private and public sector participation programs, NagaCorp’s community, environmental, and national cares encompass a wide sphere of activities from education, sports development, human resources development, promoting tourism, contributing to charitable causes, sustainability, green initiatives and benchmarking international industry best practices by adhering to global corporate governance programs.” – NagaCorp Founder, Tan Sri Datuk Dr Chen Lip Keong.

Formed in 2014, NagaWorld Kind Hearts is a grassroots initiative whereby our employees volunteer their personal time and energy towards the betterment of communities in Cambodia. Up to 31 December 2018,

NagaWorld Kind Hearts has conducted 438 such activities, benefiting more than 181,318 Cambodians. In addition, charitable donations made by the Group during the Year totalled US\$1.2 million (2017: US\$1.5 million), all of which were made to worthy causes in Cambodia.

At the 10th Annual Global CSR Summit and Awards held in Indonesia, NagaWorld Kind Hearts was recognised internationally with the “Best Country Award for Overall CSR Excellence – Best in Cambodia”. This award acknowledges NagaWorld’s commitment to making major contributions towards the sustainable economic development and nation building of Cambodia.

In 2018 NagaWorld continued to deliver nation building CSR initiatives focused on four pillars: education enhancement, community engagement, sports development, and environmental care.



Education Enhancement

Naga Academy

Founded in November 2012, Naga Academy's goal is to be an effective and comprehensive apprenticeship-based hospitality training institute. Naga Academy's Internship, Job-Skills-Development and Language Development programs for unemployed youths of Cambodia form a critical part of NagaWorld's CSR initiative.

Since inception, Naga Academy has produced 2,766 graduates. The interns are sourced from partners which include local NGOs, international NGOs, universities and vocational schools. Around 30% of graduates have been hired as permanent employees of NagaWorld.

Naga Academy is a prominent partner of the MOT, to develop tourism industry skills. In 2016, Naga Academy was certified by the MOT to deliver the ASEAN Mutual Recognition Arrangement for Tourism Professionals (MRA-TP).

In 2017, the Naga Academy opened a new facility in Phnom Penh located 1.6 km from NagaWorld, with a capacity for up to 500 students. The facility includes a computer lab, a 100-180 person theatre, four 60-person classrooms, four 30-person classrooms, two 15-person classrooms as well as a mock up hotel room, bar and restaurant.

In 2018, the Naga Academy focused on training recruits for service excellence and language skills enhancement. 297 interns graduated with apprenticeship based vocational programs of three months or longer duration. This consisted of 20,667 hours of classroom training before job placements. A further 218,880 hours of on the job training was provided in various NagaWorld departments. On average each intern received 575 hours of job-skills training.



Sustainability Report

NagaWorld Kind Hearts

During the Year, NagaWorld donated 1,682 school bags, 50,792 books, 28,566 pens and reading materials to hundreds of orphans, single mothers, HIV/AIDS children and children living with a disability. Over 400 NagaWorld Kind Hearts volunteered almost 2,500 hours of their time to help distribute these materials to children, organised competitions to enhance English language skills, and implemented projects to rebuild and improve Cambodian schools. Their efforts benefited 11,486 children at more than 40 primary schools located across ten different provinces.

To inspire self-belief and encourage the younger generation out of their comfort zone, in August 2018 NagaWorld organised motivational talks for about 200 underprivileged students from the People Improvement Organization. Our speakers from the NagaWorld culinary team shared personal experiences, challenges faced and passion in their professional careers; inspiring the students to pursue their dreams with a positive attitude.



Community Engagement

During Khmer New Year, NagaWorld Kind Hearts brought festive joy to more than 250 underprivileged children including orphans at four NGOs through time spent with them, fun-filled games and special gifts donated through the fundraising efforts of NagaWorld employees. In conjunction with the Mid-Autumn Festival, NagaWorld Kind Hearts also hosted 100 underprivileged children from four NGOs to participate in a Lantern Making Competition, while celebrating the Mid-Autumn Festival together with NagaWorld Kind Hearts. The goal was to educate the children to design lanterns with environmentally-friendly materials and showcase their creativity. Group winners and lucky individuals won cash prizes sponsored by NagaWorld.

In supporting the rich and diverse Cambodian traditional culture as well as to promote Cambodian national pride, 130 NagaWorld Kind Hearts participated in weaving the world's longest hand-woven Cambodian scarf "krama" with local communities, which set a new Guinness World Record – "World's Longest Hand-Woven Scarf".



Sustainability Report

In July 2018, NagaWorld Kind Hearts also took part in unrolling the krama measuring more than 1,000 metres, on Koh Pich Island. The objective of the event was to keep the Cambodian tradition alive for the younger generation as well as to promote the use of this traditional garment to help preserve Khmer culture, traditions and heritage.



In 2018, NagaWorld Kind Hearts brought 869 underprivileged children from different NGOs and communities to the NABA Theatre in Naga2 to watch a live show of international standards. The theatre is equipped with state-of-the-art 3D video mapping projection technology. This initiative is intended to encourage students to pursue their studies in art with added enthusiasm.



NagaWorld Kind Hearts launched a Clean School Competition in December 2018, with 30 selected lower secondary schools within Phnom Penh participating. The programme intends to change the mindset and behaviour of students in regards to school cleanliness, and help ensure a positive learning environment and promote a sense of responsibility. Apart from keeping their schools clean, the students had the chance to win cash prizes to improve their school environs including fixing classroom doors, windows and tables, thereby making their school a better place to learn. The program aims to cultivate students to become responsible adults that help keep Phnom Penh clean.



Relationship with Cambodian Red Cross

The Cambodian Red Cross is the largest NGO in Cambodia and is officially recognized by the Cambodian Government as the primary auxiliary for humanitarian services throughout the country. Besides donating to other charitable organizations, NagaWorld has been a long-standing contributor to the Red Cross, and thereby, giving back to the community and working towards building Cambodia's social welfare.



Sustainability Report

Sports Development

NagaCorp believes that participation in sports develops character, fosters teamwork and leadership and helps to revitalize the young and the disadvantaged in a sustainable way. NagaCorp continues to support Cambodian sports through partnership with the National Olympic Committee of Cambodia ("NOCC") and also through continuing support of both grassroots and international events. NagaCorp invested US\$0.5 million in sports development in 2018 (2017: US\$0.5 million).

2018 Asian Games in Jakarta and Palembang, Indonesia

Since 2011, NagaWorld has been a supporter of Cambodian athletes at the bi-annual South East Asia Games as well as other major events including the Asia Games and Olympic Games. In 2018 NagaWorld again provided off-field attire for the 120-strong Cambodian contingent that competed at the 2018 Asian Games in Indonesia.

In addition to the apparel sponsorship, NagaWorld also rewarded Cambodian Medallists with cash incentives ranging from US\$3,000 to US\$10,000. Cambodia won gold medals in women's 49kg jiu-jitsu and men's ski modified jet ski and a bronze medal in the men's Runabout 1100 stock jet ski competition.

NagaWorld presented the athletes cash rewards in a ceremony in Naga2 NABA Theatre foyer on 5 September 2018 which was witnessed by His Excellency Doctor Thong Khun, Minister of Tourism and President of the National Olympic Committee of Cambodia.



NagaWorld Football Club

Football is the most popular sport in Cambodia. NagaWorld Football Club (“NagaWorld FC”) is one of the founding clubs of the Cambodia Premier League, which started in 2005, and also one of the best known clubs in the country.

In 2018, NagaWorld FC emerged as League Champions of the Metfone Cambodia League. There were also individual honours at the Cambodia Football Awards Ceremony for striker George Bisan (Metfone Cambodia League’s top scorer); goalkeeper Samrith Seiha (best goalkeeper); and head coach Meas Channa (best coach in League). The team also won Fair Play Awards with the best record of fair play and adherence to the “spirit of the game” at the ceremony.

Sports is a key pillar in NagaWorld Kind Hearts’s programs. As such, NagaWorld Kind Hearts and NagaWorld FC have used football to reach out to Cambodia communities to encourage a healthier nation through sports.

In November 2018, NagaWorld Kind Hearts and NagaWorld FC coaches launched a two-year Football Development Programme in Kampong Speu province which will involve more than 18,500 students alongside 120 sports teachers from 94 secondary and high schools. NagaWorld FC’s head coach provided training to the province’s physical education teachers on basic coaching, to enhance their knowledge for passing on to the students. Upon completion, all teachers will receive an official Coaching Certificate (D licence) issued by the Football Federation of Cambodia, as well as balls and training equipment to aid their coaching in their school.



Sustainability Report

Environmental Care

NagaWorld has supported the WWF Earth Hour every year since 2016 to help spread awareness on climate change and energy conservation. Earth Hour began in Australia in 2007 and reached Cambodia in 2012. It has grown to engage more than 162 countries and territories worldwide, and has achieved a massive impact, including legislative changes by harnessing the power of the crowd. Power-down initiatives at NagaWorld on 24 March 2018 saved 610kWh of electricity.

In May 2018, NagaWorld organized a booth at Cambodia's largest food festival, Slaprea, to help create an awareness about waste management and to educate the general public about the 3R's – Reduce, Reuse and Recycle. NagaWorld Kind Hearts also provided recycling bin signage at the event in order to show the public how to recycle on the spot. Funds were raised through the sale of delicious cupcakes and popcorn and refreshing drinks to support ongoing CSR initiatives.

To support the worldwide movement for no plastic straws, NagaWorld removed single-use plastic straws from all its operations by the end of the Year. This is expected to eliminate four million plastic straws a year. The “No Plastic Straws, Please!” campaign was implemented resort-wide following the commitment of employees who stopped using plastic straws at canteens in June 2018. All our employees as well as our visitors have also been encouraged to share this very important environmental message with their families and friends in nurturing a healthier and greener Cambodia – not just for us but for future generations as well.

NagaWorld Kind Hearts supported the Ministry of Environment's World Cleanup Day on 15 September 2018. It was the world's largest civic action programme aimed at combating the global solid waste problem, with 17 million participants in 158 countries worldwide. Over 130 NagaWorld employees participated in World Cleanup Day by picking up 418 kg of rubbish and cleaning up public areas in Phnom Penh. The aim was to create awareness of the importance of protecting the environment.



In collaboration with the Ministry of Environment (“MOE”), the Ministry of Education Youth and Sport (“MOEYS”) and Phnom Penh City Hall, NagaWorld Kind Hearts launched the “Green Cambodia: Environmental Awareness & Tree Planting” programme in December 2018. A total of 1,000 trees will be planted by NagaWorld Kind Hearts and representatives from the MOE and MOEYS within the premises of selected schools in Phnom Penh for a healthier and pollutant-free Cambodia.



NagaWorld Kind Hearts also conducted a Good Environment Seminar for all the students of these selected schools about environmental awareness. Through the seminar and tree planting initiative, we hope the students will understand the importance of environmental conservation and start making changes for a greener future. NagaWorld has planted over 3,300 trees since 2014.

NagaWorld also supported the opening of the Win-Win Memorial, a national event held from 29 to 31 December 2018, by providing recycled bin signage produced by NagaWorld Kind Hearts – enabling the event to be a waste-free one and promoting the habit of waste separation amongst the public.



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