



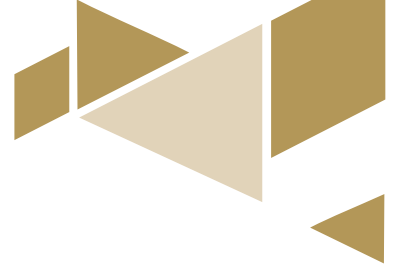
Sustainability Report

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 2017, 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. Our reporting scope has included Naga2 since its soft-opening in November 2017.

ESG Aspects		Sustainability Report	Pages
A Environmental			
A1	Emissions	Energy and Greenhouse Gases, Waste Management	30-33, 36-37
A2	Use of Resources	Energy and Greenhouse Gases, Water Usage, Waste Management	30-33, 34-35, 36-37
A3	The Environment and Natural Resources	Air Quality, Waste Management	35, 36-37
B Social			
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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.



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. For example, each year we participate in Earth Hour, where we shut off the external lights in our property for an hour in March. To enhance effectiveness of our awareness campaigns, NagaWorld has introduced city clean-up days when we gather volunteers from the employees to clean up the streets around our facilities and collect rubbish within the vicinity of Phnom Penh. Further details on our Community Relations program can be found on pages 50 to 57.



Sustainability Report

Energy and Greenhouse Gases

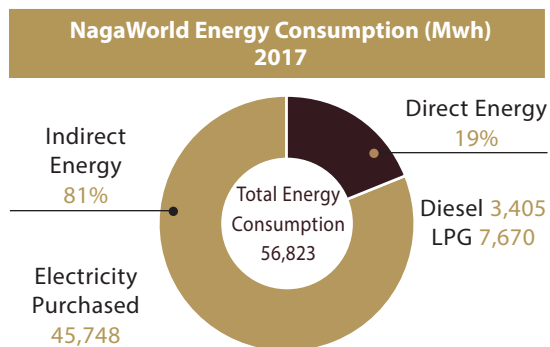
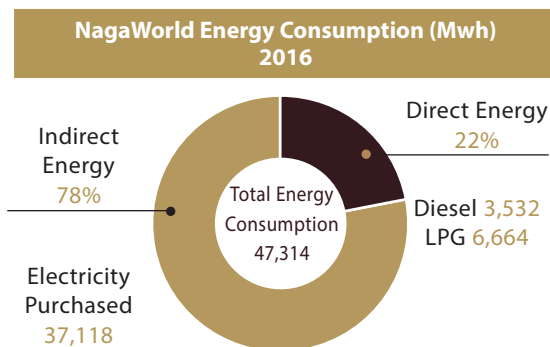
Our goal is to reduce energy consumption without compromising customer satisfaction and operational efficiency. We have implemented a range of projects to monitor and reduce energy consumption and greenhouse gas ("GHG") emissions. The principal emission of concern is carbon dioxide ("CO₂"), but energy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

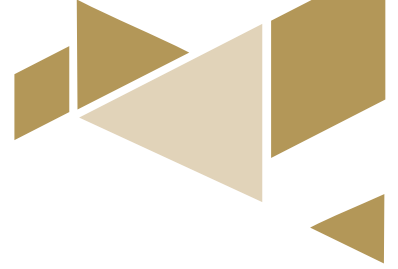
NagaWorld is compliant with the relevant Cambodian laws and regulations on environmental protection. An energy audit based on the American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") walk through audit – level 1 and 2 was first completed in March 2015 and has since been performed monthly 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. The supplier sources its electricity from a mix of hydropower, coal, fuel oil and biomass. Diesel electric generators now provide back-up only. This has reduced energy consumption and GHG emissions significantly.

A number of energy saving initiatives have been introduced. The main program being implemented is an "ongoing re-commissioning" system which consists of optimization of our consumption through monitoring and benchmarking of energy consumption on a daily basis. Irregularities are studied in order to determine causes and develop solutions. 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.

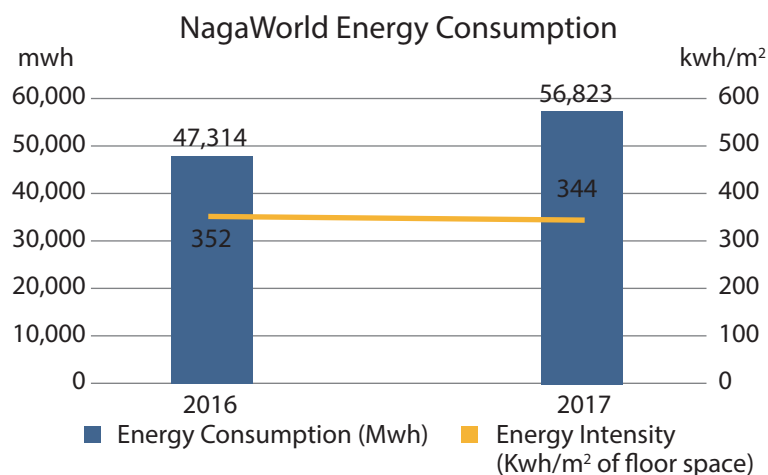




NagaCity Walk opened in August 2016. In November 2017 we “soft-opened” our phase two expansion Naga2. This doubled capacity and significantly increased total floor space. Consequently, total energy consumption has increased significantly.

However, 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 combination water-cooled/air-cooled/variable refrigerant volume/split-unit systems in use in Naga1. Similarly Naga2 substantially uses LED lights while Naga1 has a combination of incandescence/LED/fluorescence lights.



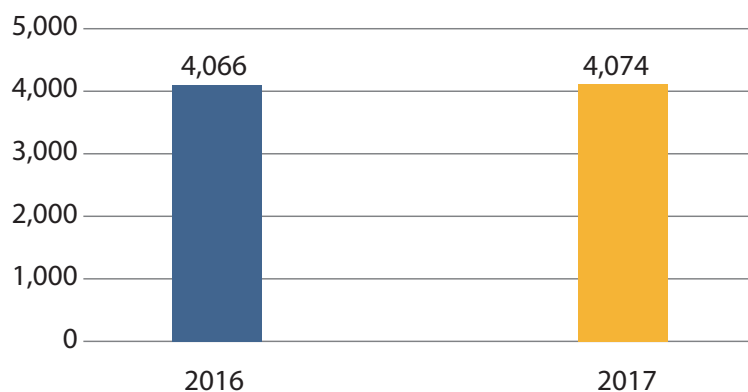
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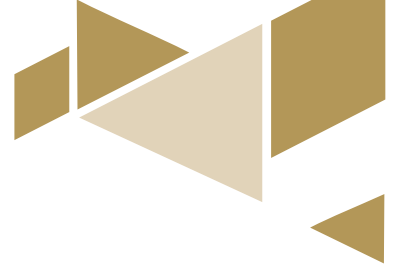
Emissions

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)





Direct energy consumption of gaseous fuels by NagaWorld					
	Fuel consumed	CO ₂ emissions (kg)	NO _x emissions (kg)	SO _x emissions (kg)	PM emissions (kg)
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
2016					
Hot water boilers and backup generators – diesel	321,126L	839,424	3,431	422	262
Kitchens – LPG	489,960kg	1,478,209	91	–	–
Vehicles – diesel, petrol, kerosene	689,980L	1,710,708	3,692	375	156
Total		4,028,341	7,214	797	418

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

In addition to energy consumption at the property, NagaWorld operates a fleet of vehicles for moving guests and staff between the airport, our buildings and city attractions.

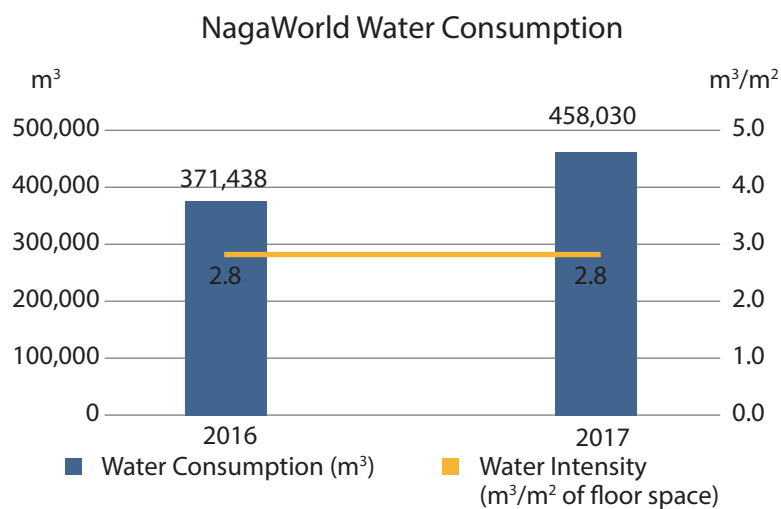
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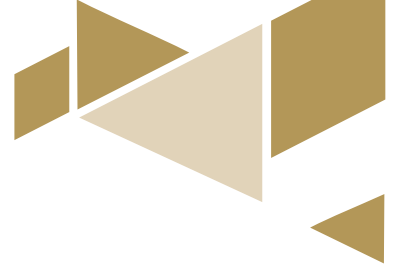
Water Usage

All water at NagaWorld is provided by the Phnom Penh Water Supply Authority to World Health Authority 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. An ongoing program is designed to increase the efficiency of the air conditioning and ventilation systems, which will further reduce the amount of water consumed.

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.





NagaCity Walk opened in August 2016. In November 2017 we “soft-opened” our phase two expansion Naga2. Consequently, total water consumption is expected to increase significantly. However Naga2 does introduce advances in water saving technology. These include sensor taps in public bathrooms and a more efficient cooling system.

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 company 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, not least because smoking is permitted in many areas of the property. 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 2017 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

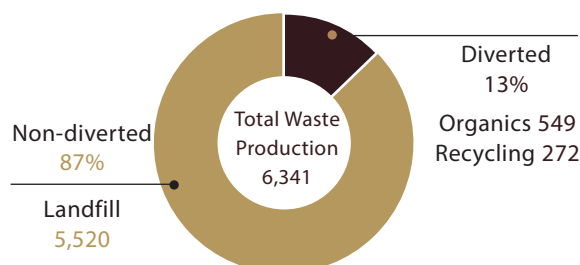
NagaWorld is in compliance with the relevant Cambodian rules and regulations in relation to waste management. Beyond this, NagaWorld has embraced the “3R” strategy in our waste management: Reduce, Reuse and Recycle. The aim is to reduce the amount of waste produced which will eventually end in landfill.

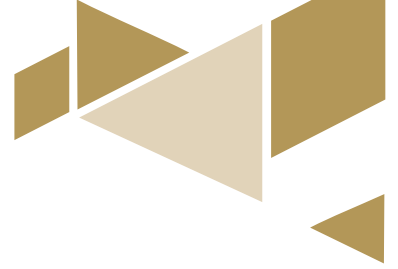
Our Sustainability Policy encourages the use of goods with low negative impact on the environment and humans, and to emphasize life cycle thinking into every business decision made. With these policies in place, we aim to minimize our consumption and reduce waste without impacting customers.

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

1. Recycling – shredded card, 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.

NagaWorld Waste Management (tonnes) 2017





Currently all other materials are non-diverted and taken to landfill by a contractor. However, Naga2 will provide more back of house space for 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 2017, 373 kilogrammes of soap bars were sanitized and then donated to a local non-governmental organization (“NGO”), for distribution to families and children in Phnom Penh.

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 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 the host country.

Employees

Our talented and dedicated employees are the heart of our success. As an employer of choice in Cambodia, NagaCorp offers job security and invests heavily in providing basic skills training and a structured professional development program to groom its people.



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In Cambodia, employer-employee relations are governed by a collection of legal authorities, including: the Constitution of the Kingdom of Cambodia; the Labour Law of 1997; regulations enacted by the Royal Government (Sub-Decrees) and the Ministry of Labour (Prakas, Circulars, and Notices); collective bargaining agreements; employment contracts; employers' internal regulations; and awards of the Arbitration Council.

Cambodian 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. NagaCorp does not hire any underage candidates and complies with all relevant laws and regulations.

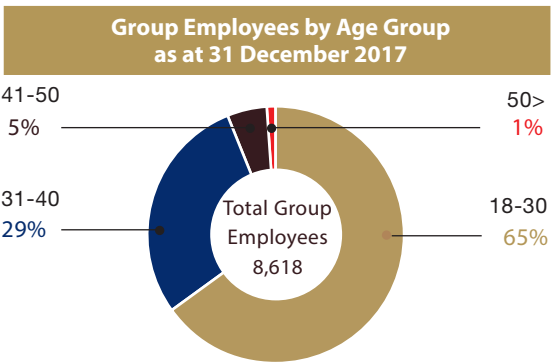
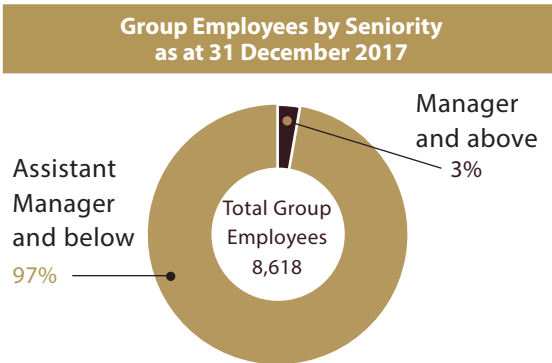
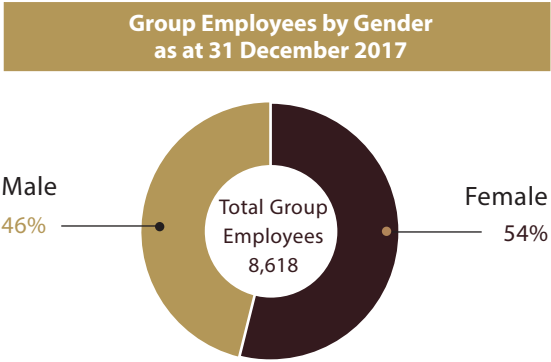
Workforce Overview

Policies and procedures have been established governing the terms of employment – compensation, dismissal, working hours and rest periods. Staff who are hired get a staff handbook and 4 days induction training which covers practical matters around fire and work safety, personal hygiene dress code, work hours, leave, payroll and performance management. Ongoing training for staff is a mix of mandatory and voluntary modules.

NagaCorp prides itself on providing a safe, fair and healthy workplace for all staff, with a diverse workforce and equal opportunities for all. As at 31 December 2017, the Group had a total of 8,618 employees (2016: 6,153), representing over 32 nationalities, with 99% of the employees based in Cambodia. Priority is given to developing our Cambodian workforce, which represents 94% of total employees.

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



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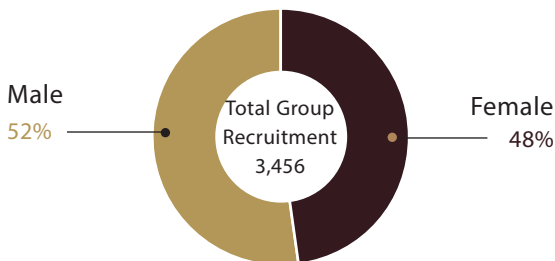
Attracting Talent

The ability to attract the right talent is crucial to our growth strategy. All positions are sourced and recruited through a competency-based assessment strategy. NagaCorp is also actively expanding its talent acquisition strategy by using social media platforms and other innovative platforms to reach out to both local and global communities.

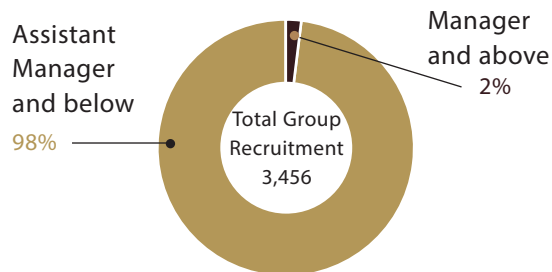
Job applicants must be at least 18 years of age, be able to speak basic English, deemed medically 'fit for work' and not have any criminal record. NagaCorp is committed to ensuring equal employment opportunity to all qualified

individuals. We do not discriminate on the basis of union membership, gender, age, marital status, ethnicity, sexual-orientation or religion. NagaCorp has a policy of zero child or forced labour. Prior to appointment, all selected candidates are required to go through a two level identity verification process which requires the submission and verification of either two of the official national identity documents, the National ID Card, Birth Certificate, Family Book or Passport. Candidates are then required to obtain official medical and criminal record clearance from the Ministry of Labour and Ministry of Justice respectively to ensure legal employment of all new hires.

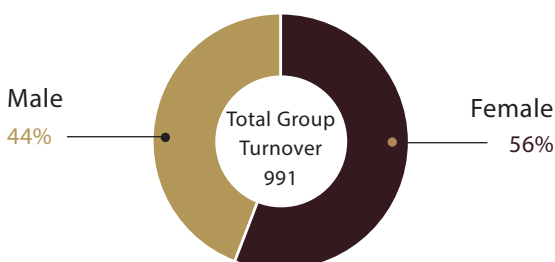
Group Recruitment by Gender in 2017



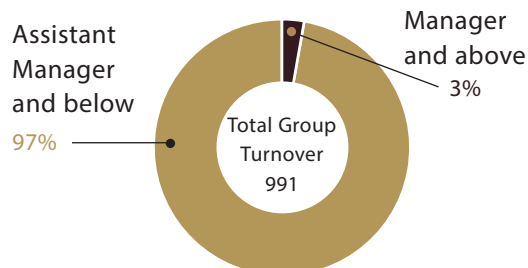
Group Recruitment by Seniority in 2017

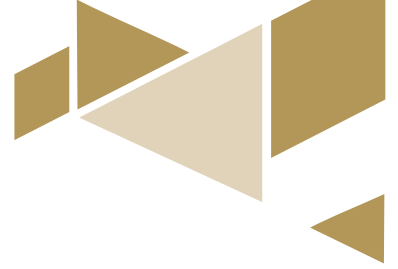


Group Staff Turnover by Gender in 2017



Group Staff Turnover by Seniority in 2017





In 2017, we hired 3,456 employees (2016: 1,095) while 991 exited (2016: 660). In November 2017 we “soft-opened” our phase two expansion Naga2. Consequently we conducted large scale recruitment drives in 2017; holding 192 events in Phnom Penh and the provinces which resulted in almost 14,000 applications.

Employee Development

The Group supports a fair, transparent and high performance culture through its Group Human Resources (“GHR”) department, where it aims to: (i) deliver superior business results through our people and its programs; and (ii) be a strategic business partner with all operations.

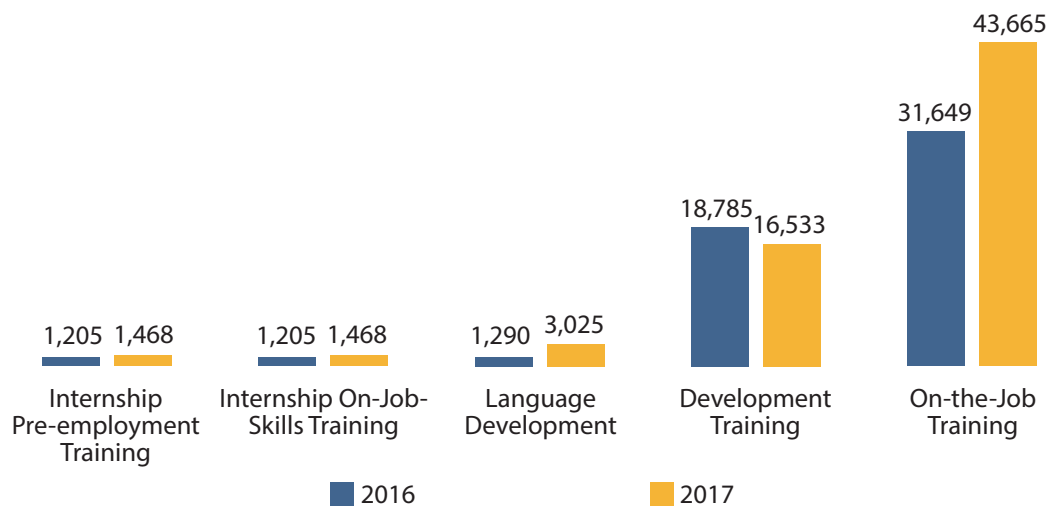
NagaCorp is committed to developing our employees and advancing their careers by providing suitable training opportunities. In the second quarter of 2017, the training and development section of GHR was restructured to gear up for the massive training effort required to prepare the workforce for the opening of Naga2. A Learning and Development (“L&D”) section was established to oversee and develop training frameworks and courses, whilst also manage the day to day operations of Naga Academy. L&D aims to pursue strategic human resources development through a five-pronged competency development framework to achieve organisational excellence.



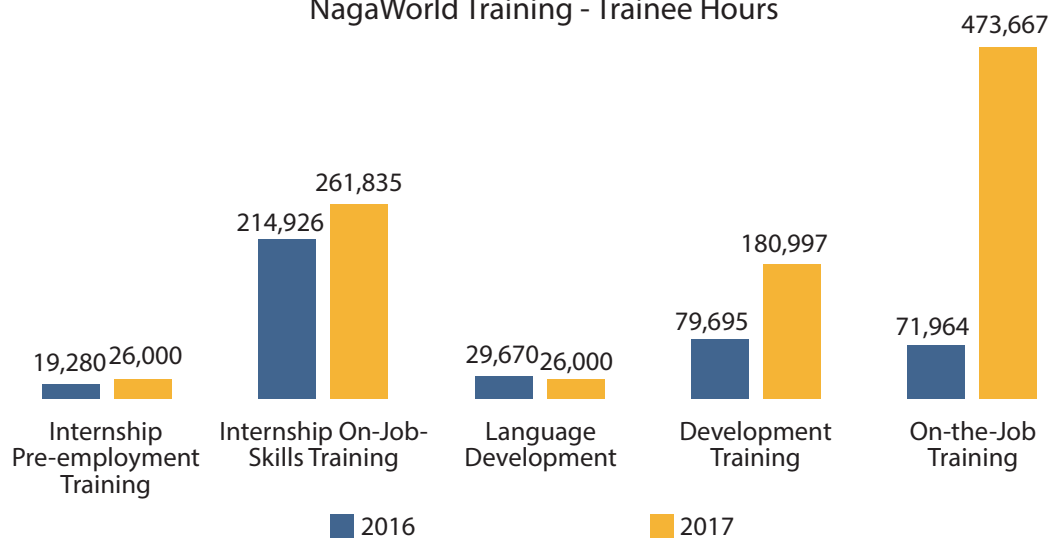
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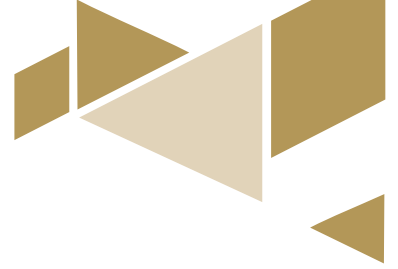
In 2017 training was focused on preparing for the opening of Naga2. NagaWorld recorded 66,159 trainee attendances for a total of 968,499 training hours.

NagaWorld Training - Participants



NagaWorld Training - Trainee Hours





The Group continued its commitment to develop local talent through a succession plan that focuses on “locals first”. In 2017, 1,002 local staff were promoted to supervisory and junior management positions as compared to 337 in 2016. We also encourage employees to participate in sports, community and social events. Please refer to the Community Relations section on pages 50 to 57 for more information in this regard.

Compensation and Benefits

The Group is committed to providing competitive compensation and benefits to all employees. Our programs take into account education and technical qualifications, experience and degree of responsibility relevant to the job. We regularly benchmark 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, we also recognise long serving employees with long service awards.

Nurturing and providing support to employees is crucial to business performance and priorities. In addition to measuring key performance indicators and competencies, the performance management program emphasises identifying growth areas for mentoring and training to enable career progression. Efforts are being made to ensure that talent is nurtured for potential opportunities arising from our growth strategy.

Employee Relations

Positive employee engagement is our first priority, as our business model dictates that “happy employees” lead to “happy customers”. We welcome feedback and constructive suggestions from employees at all times. We reach out every day to staff to work more collaboratively and continue to improve working relationships.

The employee handbook contains information on the process and various avenues to raise grievances, including management hierarchy, GHR reps, a locked anonymous box, shop stewards, and union representatives. We offer our employees career counselling and conflict resolution when required with the aim to find positive solutions. We also continue to develop and implement programs to promote team building.



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Shop Stewards are elected by the employees to represent them for a two-year mandate. The Shop Stewards meet to discuss issues relating to the employees. The representatives are grouped into four Sub-Committees: (i) Health and Safety; (ii) Working Conditions; (iii) Welfare; and (iv) Internal Rules. GHR representatives on the Shop Stewards Committees support them at all times.

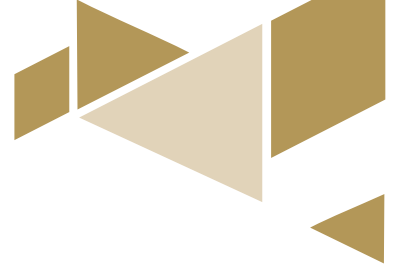
The election for 2016-2018 was held in July 2016. As at 31 December 2017, 60 elected official shop stewards and 34 elected assistant shop stewards represented staff at NagaWorld. The next election will be held in July 2018. Since introduction, the Shop Steward structure has improved relations and communication between employees and NagaWorld significantly. In 2017, NagaWorld conducted 15 Shop Steward Conferences and two ad hoc Shop Steward meetings, as well as regular departmental meetings and sharing sessions.

In addition, all employees are free to join a trade union and two unions were active at NagaWorld during 2017. The Company conducted two meetings with the unions in 2017.

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 Health and Safety, 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 occupational health and safety.

An Occupational Safety and Health Administration ("OSHA") department was established in 2017. NagaWorld is now in the process of reviewing all policies and implementing a standard set of occupational health and safety 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.



In 2017, the Fire Safety Department and the GHR department launched a safety awareness campaign for staff and their children addressing major concerns in safety such as: fire safety, work safety and road safety.

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. The Cambodian supply chain continues to improve based on fundamentals of mutual trust, co-operation and awareness. In 2017 around 87% of our 132 frequent suppliers were Cambodian. NagaWorld has been building an engagement program with local suppliers in the primary areas of food safety and hygiene.

The Purchasing Department has developed a Sustainability Policy that encourages the integration of environmental and safety policy into the procurement process. Product certification is required from international standards organizations and review minimizes the chance of negative environmental impacts. Suppliers are selected based on competency with background and reference checks. Registered suppliers are monitored on an ongoing basis and random site visits performed regularly.

Our Environmentally Preferred Purchasing program preferences: (a) sourcing products that have a lesser or reduced effect on human health and the environment when compared with competing products that serve the same purpose; (b) products that are environmentally friendly (which meet quality and value criteria).

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 health and safety, 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 minimum 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 Cambodia conducts regular audits of food and beverage outlets and issue certificates to recommend the cleanliness and hygiene of each outlet. All of our restaurants in Naga1 are certified with an "A" rating that recognise the highest hygiene and cleanliness level. For Naga2, we expect certification early in 2018.



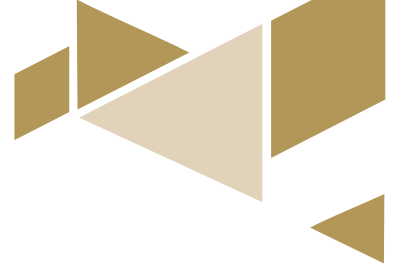
Guest engagement

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 staff 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 staff 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 also trained by the Cambodian Red Cross in First-Aid to ensure 24-hour assistance and support for any kind of emergency.

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 2017, the FSD comprised 64 fire-fighters, with a minimum of 15 FSD officers on duty 24 hours a day, seven days a week.



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. Further training in 2017 for team leaders included advanced fire fighting by the world's leading provider of industrial fire and rescue services for high-risk industries and airports.

In 2017, NagaWorld staff completed programs and activities implemented by the FSD such as fire induction training and fire and evacuation drills. The FSD believes that safety is everyone's responsibility and is committed in cultivating a safety culture in the organisation. Working together, FSD and the GHR department

launched a safety awareness campaign addressing major concerns in safety.

The FSD places highest priority on strengthening the capability of the fire safety team by continuously developing advanced training programs. In December 2017, construction of a live fire training facility commenced. This facility was created to conduct live fire training drills where the training instructors purposely set structures on fire to give fire-fighters opportunities to develop skills of thinking critically and clearly under extreme stress. The overall objective of this behavioural training is to instil good practice in the team through repeated exposure.

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Apart from ensuring safety of the organization, the FSD is also highly involved in corporate social responsibility initiatives of NagaWorld, and is the major proponent for a campaign to educate the community about fire safety. In 2017, 19 schools and institutions participated in discussions and activities promoting awareness about fire safety and prevention. NagaWorld also donated fire extinguishers to these institutions.

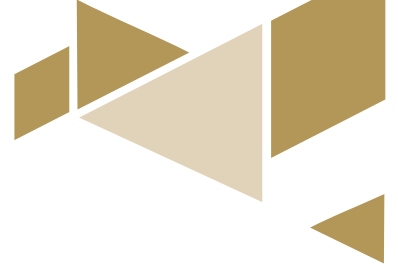
Anti-corruption

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, anti-money laundering, 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 2017, 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 the best practices, 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 policies.

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 60 to 76.

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.

Sustainability Report

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

In 2017 NagaWorld focused community development in three principal categories: education, youth and national sports development, and charitable causes.

Education

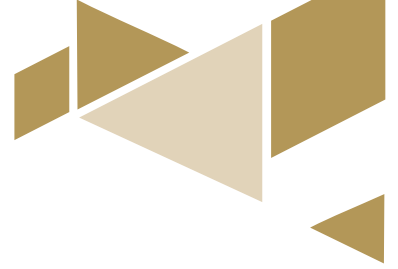
Founded in November 2012, Naga Academy’s goal is to be an effective and comprehensive apprenticeship-based hospitality training institute. Naga Academy’s Internship, Job-Skills-Development and Language Development programs for unemployed youths of Cambodia form a critical part of NagaWorld’s corporate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

Since inception, Naga Academy has had almost 2,000 graduates. The interns are sourced from partners which include local NGOs, international NGOs, universities and vocational schools. A significant percentage of graduates have been hired as permanent employees of NagaWorld, while some were given the opportunity to work with external industry partners, who are also major hospitality players in Cambodia – we endorse a “no graduate left behind” policy.

Naga Academy is a prominent partner of the Ministry of Tourism (“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). Naga Academy is the first private sector partner of MOT to bundle MRA-TP competency units into vocational Certificates and associate Diplomas.

In 2017 the Naga Academy opened a new facility in Phnom Penh located 1.6 kilometres 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 2017, the Naga Academy focused on training recruits for the Naga2 opening. Naga Academy provided 485 interns with apprenticeship based vocational programs of three months or longer duration. This consisted of 26,000 hours of classroom training before job placements. A further 261,835 hours of on the job training was provided in various NagaWorld departments. On average each intern received 600 hours of job-skills training. Almost 50% of interns graduated and gained employment with NagaWorld in 2017.

Naga Academy aspires to be a fully accredited educational institution for Hotel and Tourism Hospitality, producing graduates for the broader tourism industry. This will strengthen NagaWorld's commitment to develop

Cambodian youths to be employable in the hospitality and tourism industry. Naga Academy will also be the key-driver to build the capacity of our own workforce to progress towards World-class standards.

Youth and National 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 (the "NOCC") and also through continuing support of both grassroots and international events. NagaCorp invested approximately US\$0.5 million in sports development in 2017.





Sustainability Report

Cambodia Sports Awards 2017

This year marked the second edition of the awards where over 300 Cambodian athletes, officials and coaches as well as the Minister of Tourism gathered at NagaWorld to celebrate outstanding sports achievement of 2016.

This year we gave out nine awards to outstanding athletes including a new Legend Award to recognize past sporting heroes who had contributed and laid foundations for the current crop of athletes.

Male Athlete of Year was won by Sok Chanmean who won the Petanque World Championship while the Female Athlete of Year went to Sorn Seavmey (Taekwondo) who became the first Cambodian athlete to qualify direct for the Olympics.

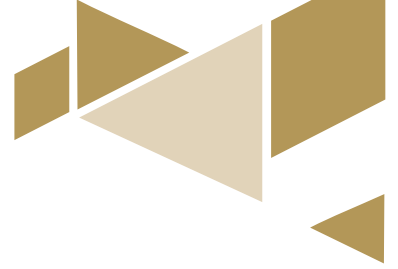
Team of Year and Coach of Year went to the Cambodia All Stars Football Team as well as their coach, Prak Sovannara who lead the team to victories over Thai powerhouses Muang Thong United and Buriram United as well as a Lao All Stars Team.

The first ever Legend award was presented to Hok Chheang Kim who was an active sportsman in his youth having represented Cambodia in several sports including Bokator, Wrestling, Basketball, Football and Track and Field. Later in life, he became a coach for Bokator and Wrestling as well as football.

Other winners on the night included, Female Para Athlete Sao Thida and Male Para Athlete Chim Phan who both achieved personal bests in regional track and field events in 2016. There was also a Special Award for Try Sotheva for achieving a Bronze Medal at the Asia Beach Games and Kong Horn for Best Picture.

29th SEA Games in Kuala Lumpur

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 2017 NagaWorld again provided off-field attire for the 400-strong Cambodian contingent that competed at the 29th South East Asia Games in Kuala Lumpur, Malaysia.



Besides the apparel, the NagaWorld Go For Gold Program rewards Cambodian Gold Medallists with cash incentives ranging from US\$3,000 to US\$5,000. Cambodia won gold medals in Petanque Doubles, Taekwondo and Muay competitions this year.

NagaWorld Football Club

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

In 2017, NagaWorld Football Club finished third in the Cambodia Premier League. Besides being a competitive force in the league, the team also regularly does community outreach programs together with NagaWorld Kind Hearts and participates in events which reach out to the youth to encourage sporting participation.

NagaWorld Football Club was invited by the Penang Football Association, Football Association of Singapore and the Chinese Cities League organizers to play friendly matches and competitions.



For the fourth consecutive year, NagaWorld Football Club remained a partner of RHB Bank's football program where we help organized and run the tournament. The RHB Bank Junior Cup is fast becoming an iconic tournament for primary schools students and this year, there were over 400 participants involved in the competition including a girls' category for the first time involving eight teams.

Together with NagaWorld staff, NagaWorld Football Club participated in the second edition of the One Heart Run organized by the Union of Youth Federation of Cambodia which is the largest youth movement in Cambodia. In 2017 the race raised funds for retired teachers and Kuntha Bopha children's hospital. NagaWorld had the largest contingent of participants and raised US\$2,000.

Charitable Causes

Charitable donations made by the Group during the Year totalled US\$1.5 million (2016: US\$1.3 million), all of which were donated in Cambodia. In addition, NagaWorld also donated more than 6.8 tonnes of rice, food supplies, sewing machines, towels, sarongs and reading materials to hundreds of orphans, single mothers, HIV/AIDS children and children living with a disability.



Sustainability Report

NagaWorld Kind Hearts

NagaWorld Kind Hearts is a staff volunteer program aimed at supporting schools and organizations in creating a better learning environment for underprivileged children and helping to contribute to improving local communities.

During the Year, over 600 NagaWorld staff raised almost US\$50,000 and volunteered a total of 3,166 hours of their time to help distribute stationery sets, school bags and exercise books to children, organise competitions to enhance English language and implement projects that rebuild and improve Cambodian schools. Their efforts benefited 26,767 students in 90 schools located across eight different provinces.

NagaWorld contributed to four major school improvement projects in Kampong Cham, Prey Veng and Kampong Speu provinces and helped provide new resources to school libraries with the aim of fostering a strong reading culture among Cambodian children.



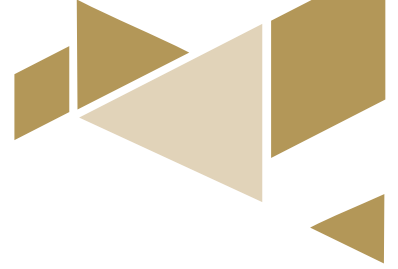
The school improvement programmes, included new painting on walls, new cementing of floors, replacing broken doors and windows, donating new school gates, classroom table and chairs, and fixing tables. We hope our small contributions go a long way in helping these Cambodian students as they strive for a better education and a bright future and help contribute positively towards the country's continued economic growth.



Painting walls at Prey Tbes Primary School



Replacing doors and windows at Hun Sen Chibal Primary School



Donation of a new school gate at Sleng Primary School



Fixing broken classroom tables and chairs at Cheasim Angkor Yous Primary School

In 2017 NagaWorld Kind Hearts organised seven “Clean Up Days” to help clean/handpick the garbage surrounding Phnom Penh and other provinces, setting a good example on the importance of living in a clean and healthy environment. NagaWorld Kind Hearts has also promoted the 3Rs campaign – Reduce, Reuse, Recycle – to help maintain a clean and safe environment, as well as collecting rubbish around many public schools and Phnom Penh public parks. This aims to create awareness on the importance of protecting the environment.

NagaWorld Kind Hearts launched a Clean School Competition in December 2017, with 30 lower secondary schools within Phnom Penh participating. The programme intends to change the mind-set and behaviour of students in regards to school cleanliness, and help ensure a positive learning environment and promote a sense of responsibility, with the hope of producing a generation of students with a culture of cleanliness. We hope these students will be responsible adults that help keep Phnom Penh clean.



Sustainability Report

NagaWorld Kind Hearts has celebrated Mother's Day for the past three years. In May 2017, NagaWorld hosted a special reception for 222 single underprivileged local mothers. Members of NagaWorld senior management and NagaWorld Kind Hearts volunteers distributed gifts to the women to help improve the living conditions of their families. The mothers were incredibly grateful for the gifts. They were also honoured with a blessing dance and a fine meal to mark a memorable day.



In December 2017, NagaWorld Kind Hearts volunteers organised a Back to School Programme, which saw 105 students in Grade 9 from four Phnom Penh secondary schools attend a special event at NagaWorld's Grand Ballroom. These students all enjoyed an amazing day, and were really excited to each receive a new school uniform, school bag, and stationery set, which brought heart-warming smiles to their faces. The gifts were intended to encourage them to pursue their studies with added enthusiasm. They were also treated to an entertaining performance from NagaWorld's dance group and a delicious buffet spread at the ballroom.

On Christmas Day, NagaWorld Kind Hearts handed out gifts of school uniforms and learning materials to orphans and underprivileged children from four different charity organisations in Phnom Penh. Under the motto “We Serve Cambodia”, the objective of the event was to encourage students to study harder with a positive attitude to help create a better future for themselves and their families.



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.





