

Sustainability Report

At NagaCorp, we believe that we have an important role to play as a corporate citizen that is fully involved in the community where we do business. Our process of continual evaluation and improvement ensures that achieving sustainable growth goes beyond generating profits, and includes a positive impact on our environment and our community. Since the inception of the business in 1995, we have been committed to creating long-term value in a sustainable way for all our stakeholders.

The Board provides oversight of our sustainability strategy and risks, including our approach to managing these risks. The

President Committee, supported by our Corporate Social Responsibility department and relevant business units, is responsible for the approval, development and implementation of the sustainability strategy objectives. The President Committee provides the Board with periodic updates on our sustainability strategy and initiatives.

Our stakeholders

We engage with our key stakeholders, including employees, customers, business partners, government and regulators, shareholders and investors, and communities, in order to understand their primary concerns and address them accordingly.



Reporting scope

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 Listing Rules. In the following sections we explain our ESG philosophy to ingrain corporate social responsibility (“CSR”) into the Group's long term projects to support Cambodia's development. The topics discussed in this report are determined to be material to the operations of the Group and are important to our key stakeholders. This report is compiled in accordance with the “comply or explain” provisions and, where applicable, the “recommended disclosures” set out in the ESG Reporting Guide of the Stock Exchange during the Year. A list of the required and recommended disclosures and how we meet the requirements can be found at the end of this report.

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, Cambodia¹.

1. Where 2017 comparables are provided, our reporting scope includes Naga 2 since its opening in November 2017.

Sustainability Report

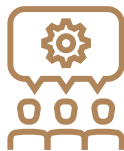
This report focuses on the following five areas:

Protecting our environment



Education and awareness	Page 37
Use of resources	Page 37
Energy usage	Page 37
Water usage	Page 39
Emissions	Page 40
Air quality	Page 42
Waste management	Page 42

Nurturing our people



Equality and diversity	Page 44
Attracting talent	Page 46
Learning and development	Page 47
Compensation and benefits	Page 50
Employee engagement	Page 51

Fostering a responsible culture



Health and safety	Page 52
Supply chain management	Page 53
Product responsibility	Page 54
Food safety	Page 54
Fire safety	Page 55
Customer engagement	Page 56
Privacy and data protection	Page 56

Maintaining effective governance



Code of conduct	Page 57
Anti-corruption	Page 57
Anti-money laundering	Page 58
Risk management	Page 60

Supporting our community



Naga Academy	Page 61
NagaWorld Kind Hearts	Page 61
• Education enhancement	Page 62
• Community engagement	Page 64
• Sports development	Page 65
• Environmental care	Page 67



Protecting our environment

We have always sought to operate in a responsible, transparent and sustainable way. While delivering the highest quality of services and products to our customers, we aim to minimise risk and our impact on the environment. NagaCorp is in compliance with all relevant Cambodian laws and regulations in regards with environmental protection and natural resource management.

Since 2016, NagaWorld, our flagship property in Phnom Penh, Cambodia, has been certified by the ASEAN Tourism Forum and recognized as an ASEAN Green Hotel. The ASEAN Green Hotel Standard is an initiative dedicated to promote sustainable tourism in ASEAN through the adoption of environmental-friendly and energy conservation practices.

Education and awareness

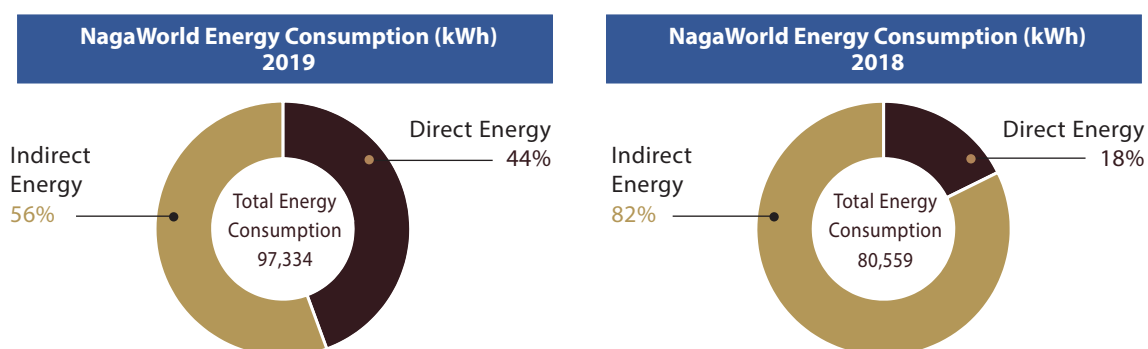
At NagaWorld, we believe in protecting our environment and valuing the importance of waste pollution prevention, biodiversity, resource preservation and reforestation. In recent years, rising population and rapid urbanisation have put significant pressures on Cambodia's civil infrastructure and environmental management systems. Being a responsible member of the Cambodian community, we continue to play an active role, working alongside the government, non-governmental organizations ("NGOs") and others in the Cambodian business community, in promoting green initiatives and raising environmental awareness. We believe knowledge leads to positive change. We share with government, business partners, and wider community best practices and information about sustainable options through workshops. We also organise activities to support local communities' effort in maintaining a green living environment.

Use of resources

Energy usage

NagaWorld sources its energy from the Phnom Penh city electricity grid since October 2015. Prior to that, NagaWorld relied solely on diesel electric generators. Electricite Du Cambodge ("EDC"), the company managing the electricity supply to Phnom Penh, which sources its electricity from a mix of hydropower, coal, fossil fuel and biomass. We now use diesel electric generators for back-up only. This has reduced our energy consumption and greenhouse gas ("GHG") emissions significantly. We also use liquid petroleum gas ("LPG") in our kitchens.

Sustainability Report



Energy consumption and intensity	2017	2018	2019
Energy consumption ('000 kWh)	56,823	80,559	97,334
Energy intensity (kWh/m ² of floor space)	344	334	384

Note: Figures in the above charts and table do not include fuels consumed by the vehicles owned by the Company.

We opened our phase two expansion Naga 2 in November 2017, doubling capacity and significantly increasing total floor space at the NagaWorld complex. As a result, total energy consumption increased in 2018. However, energy intensity improved slightly in 2018, primarily as a result of Naga 2's more energy efficient systems, such as a centralised heat pump hot water system and a water-cooled centralised air-conditioning system.

Due to the rapid expansion and population growth in recent years and an unusually hot summer, the city of Phnom Penh experienced an electricity shortage during June and July 2019. NagaWorld had to resort to the backup diesel electric generators during the blackout periods to maintain around the clock operations. Additional portable chillers were put in place in guest areas during the hottest period of the summer to maintain a constant temperature. This, combined with the increased business volumes, resulted in a higher energy usage and intensity in 2019.

However, the energy saving initiatives introduced in 2018 as part of an ongoing programme for reviewing lighting and equipment and replacement of inefficient devices have delivered some savings. These initiatives include replacing most of the halogen bulbs in Naga 1 with more efficient LED lights, installing air handling units to monitor and optimise the air-conditioning operating hours and a more efficient variable speed drive kitchen exhaust fan serving our halal kitchen and main banquet kitchen. Thirteen of the 15 initiatives have now been implemented and the remaining two are ongoing. Overall, these initiatives are expected to reduce our annual energy consumption by 8% once fully implemented.

Water usage

All water at NagaWorld is provided by the Phnom Penh Water Supply Authority according to the 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 improving mechanical systems and processes, with water consumption monitored and benchmarked on a monthly basis. Effective preventive maintenance, such as regularly cleaning the ventilation filters and condenser tubes, optimising the operation and scheduling of the chiller systems and air conditioning units, further reduces our water consumption.

Waste water is treated in conformance with 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.

Sustainability Report

Water consumption and intensity	2017	2018	2019
Water consumption (m ³)	458,030	694,614	699,571
Water intensity (m ³ /m ² of floor space)	2.8	2.8	2.8

Total water consumption, like energy usage, increased in 2018 due to the opening of Naga 2. However, with the water saving technology in Naga 2 such as low-flow faucet aerator, sensor taps and more efficient cooling systems in public and private bathrooms, water intensity remained constant in both 2018 and 2019.

In March 2019, we replaced all faucet aerator in Naga 1 public toilets with low-flow ones. This has reduced water consumption in the public toilets by 75% between March and December 2019. The roll-out of the low-flow faucet aerator continued throughout 2019 and early 2020 as hotel rooms in Naga 1 underwent a major renovation. Water intensity was reduced during the Year as a combined result of the implementation of water saving initiatives and fewer hotel rooms in service due to Naga 1 room renovation. To improve efficiency, in April 2019 we brought in house laundry services and created a central laundry function. The additional water usage for the central laundry partly offset the benefits from the water saving initiatives. On a like for like basis, i.e. excluding the central laundry, total water consumption and intensity in 2019 were 2% and 4% lower than the prior year at 681,721m³ and 2.7m³/m² of floor space, respectively.

We are also educating our customers and our employees on the importance of saving water by providing water saving signs and information in each hotel room and toilet in public areas and offices about how they may contribute.

Emissions

We seek to minimise our environmental footprint by reducing both direct and indirect emissions without compromising customer satisfaction and operational efficiency.

Direct emissions are emissions from sources that are within our control and activities that are related to our immediate operations. Energy consumption, such as the LPG used in the kitchens and fuels consumed by our owned vehicles, are the major source of direct GHG emissions for NagaWorld. We have adopted the ISO 14064-1 guidelines for measuring and reporting our GHG emissions. The principal component of our GHG emissions is carbon dioxide ("CO₂"), with a small quantity of other gases, such as hydrocarbons, carbon monoxide ("CO"), nitrogen oxides ("NO_x"), and sulphur oxides ("SO_x").

The significant increase of floor space and business volume accompanied by the opening of Naga 2 have driven up overall energy usage, leading to a higher volume of emissions. However, the more energy-efficient design and systems of Naga 2 have resulted in lower energy consumption and emission on a per square metre basis for the overall NagaWorld Complex in 2018. The energy saving initiatives introduced in 2018 has also helped to reduce overall GHG emissions, compensating the one-off impact of the use of the diesel electric generators during the blackout period in June and July 2019. The reduction, however, was offset by the emissions generated from the additional energy required by the aforementioned central laundry function. Excluding the central laundry, the Group's CO₂ emissions were 1% lower than the prior year in spite of the one-off impact of the diesel electric generator.

Energy consumption and emissions	Energy consumption ('000 kWh)	CO ₂ emissions (kg)	NO _x emissions (kg)	SO _x emissions (kg)	PM emissions (kg)
2019					
Hot water boiler and backup generators – diesel	33,240	7,898,998	206,793	16,852	14,603
Kitchen – LPG	9,994	2,216,967	145	1	–
Vehicle – diesel, petrol, kerosene	–	1,503,042	3,072	372	86
Total – Scope 1	43,234	11,619,007	210,010	17,225	14,689
Purchased Electricity – Scope 2	54,101	27,337,083	–	–	–
Total – Scope 1 & 2	97,335	38,956,090	210,010	17,225	14,689
2018					
Hot water boiler and backup generators – diesel	3,572	848,769	4,809	501	357
Kitchen – LPG	10,681	2,369,360	145	1	–
Vehicle – diesel, petrol, kerosene	–	2,043,251	4,372	515	126
Total – Scope 1	14,253	5,261,380	9,326	1,017	483
Purchased Electricity – Scope 2	66,307	33,504,715	–	–	–
Total – Scope 1 & 2	80,560	38,766,095	9,326	1,017	483

Note: Scope 3 emissions, i.e. those from guests travel to and from NagaWorld and those from its supply chain are not available due to lack of or unreliable data from our supply chain.

Indirect emissions are those produced outside of our immediate operations as the consequence of our activities. These include purchased electricity, guest travel, sourced goods and materials, and waste. To reduce indirect emissions, we source local products and materials whenever possible and work closely with our suppliers to develop local supply chains.

Sustainability Report

Air quality

We take air quality seriously at NagaWorld and strive to provide a safe and comfortable environment for our employees and customers. Regular monitoring is carried out in accordance with the American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") standards. This includes a monthly indoor air quality test that is based on a range of key indicators including temperature, relative humidity, CO₂, carbon monoxide etc. to identify any potential issues. All readings during the reporting period were within permitted levels.

In 2019, we implemented several initiatives to improve air quality in our premises. These included adding additional air handling units in the gaming areas of both Naga 1 and 2 to increase air circulation and cooling capacity; installing exhausts and fresh air systems in Naga 2 casino; installing new ecology units in Naga 2 parking area to remove the cooking smell from the kitchen. We also created non-smoking zones in the NagaWorld Complex, such as NagaCity Walk.

In the next two years, we plan to install an indoor air quality filtration system that can remove pollutants such as PM2.5 and gases such as NO_x and SO_x in our buildings, as well as air quality monitors in our hotel rooms.

NagaWorld is in compliance with the Cambodian rules and regulations in relation to air pollution.

Waste management

Our sustainability policy encourages the use of goods that have low environmental and social impact, and seeks to instil product life cycle thinking into our decision making process. We go beyond the compliance with local rules and regulations by embracing the "5R" strategic approach in our waste management: Refuse, Reduce, Reuse/Replace, Recycle and Remind. The aim is to minimise the use of resources and maximise reuse, recycling and recovery in business operations.

As a service business, we do not produce material amounts of hazardous waste, nor any waste relating to product packaging. Most of our waste produced in NagaWorld is from the hotel and F&B operations. We segregate the waste into recyclable, organic and non-recyclable, and work with local companies to ensure they are handled appropriately.

- Recyclable waste – shredding playing cards from our casinos, carton boxes and plastic bottles are taken by a contractor for recycling.
- Organic waste – restaurant and kitchen organic waste is taken and used as animal feed in local farms. All used cooking oil is taken by a contractor for recycling/reuse.

Waste produced	2018	2019
Waste recycled (tonnes)	304	309
Organic waste (tonnes)	274	273
Non-recyclable waste (tonnes)	5,936	5,936
Total waste produced (tonnes)	6,514	6,518

Note: In November 2019, the RGC terminated the licence of waste management company Cintri (Cambodia) Ltd. which was contracted by the government to collect and dispose of urban waste. Waste collection and disposal have been conducted by government appointed groups since the end of 2019. This has resulted in a lack of reliable waste collection data. The 2019 figures were based on our internal best estimates.



We continue to look for ways to recycle while producing less waste. In December 2018, we withdrew single-use plastic straws and take-away plastic cutlery and containers and replaced them with 100% biodegradable and recyclable alternatives in all our F&B outlets. As such, we anticipate to eliminate around four million plastic straws every year.

The initiative launched in 2017 in collaboration with Indochina Starfish Foundation to recycle hotel soap bars is still going strong, with a total of 474kg of soap bars (2018: 476kg) being sanitized and distributed to local families in 2019. The provision and access of clean soap encourage better hygiene practices, which help to prevent germs and infectious diseases from spreading.

Sustainability Report



Nurturing our people

Legislative labour requirements in Cambodia are aligned with international standards, including matters such as prohibition of child and forced labour, the right of employees to organise unions and engage in collective bargaining, non-discrimination and civil and political rights.

As an employee of choice in Cambodia, NagaCorp complies with all relevant laws and regulations, and invests heavily in the training and development of our people.

Equality and diversity

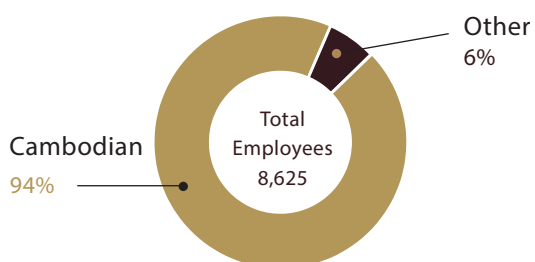
We pride ourselves on providing a safe, fair and healthy work environment with equal opportunities for all our employees. Our employees are treated fairly and equally irrespective of their gender, social status, sexual orientation, religion or belief, marital status, age, colour, nationality, disability or trade union affiliation.

As at 31 December 2019, the Group had a total of 8,625 employees (2018: 8,551), representing 37 nationalities. We prioritise the development of our Cambodian workforce, recruiting locals where possible, with 94% of our workforce being Cambodian.

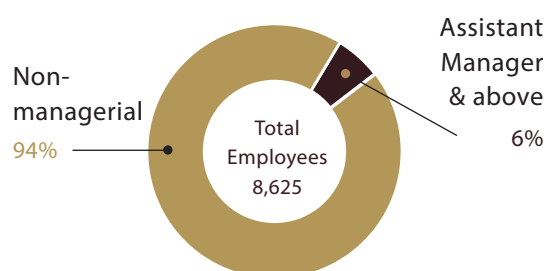
Whilst aiming to create a diverse and inclusive workplace, we ensure that the recruitment of entry level candidates are done on a combination of attitude and best fit for the role. Internal promotions are done on a performance based approach. In 2019, the number of female managers increased by 5% from 193 to 203, representing 39% of total management (2018: 37%). Senior female executive (director level and above) increased from 8 to 10 in 2019. Increasing our female management members remain a focus for the Group.

Gender diversity as at 31 December 2019	Female	Female	Male	Male
Assistant Manager & above	203	39%	312	61%
Non-managerial	4,453	55%	3,657	45%
Group workforce	4,656	54%	3,969	46%

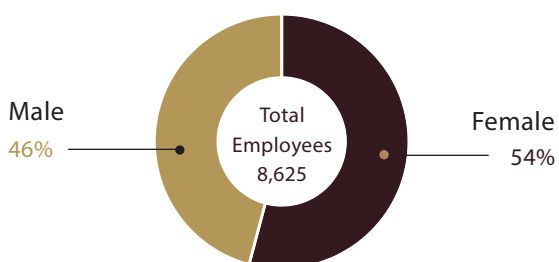
Employees by nationality



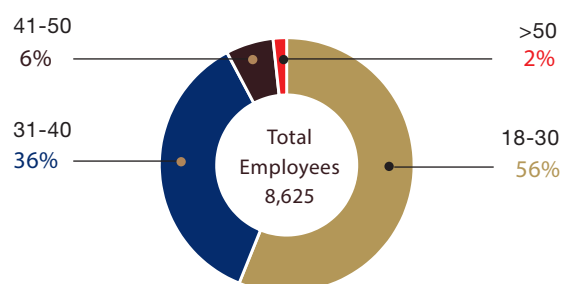
Employees by seniority



Employees by gender



Employees by age group

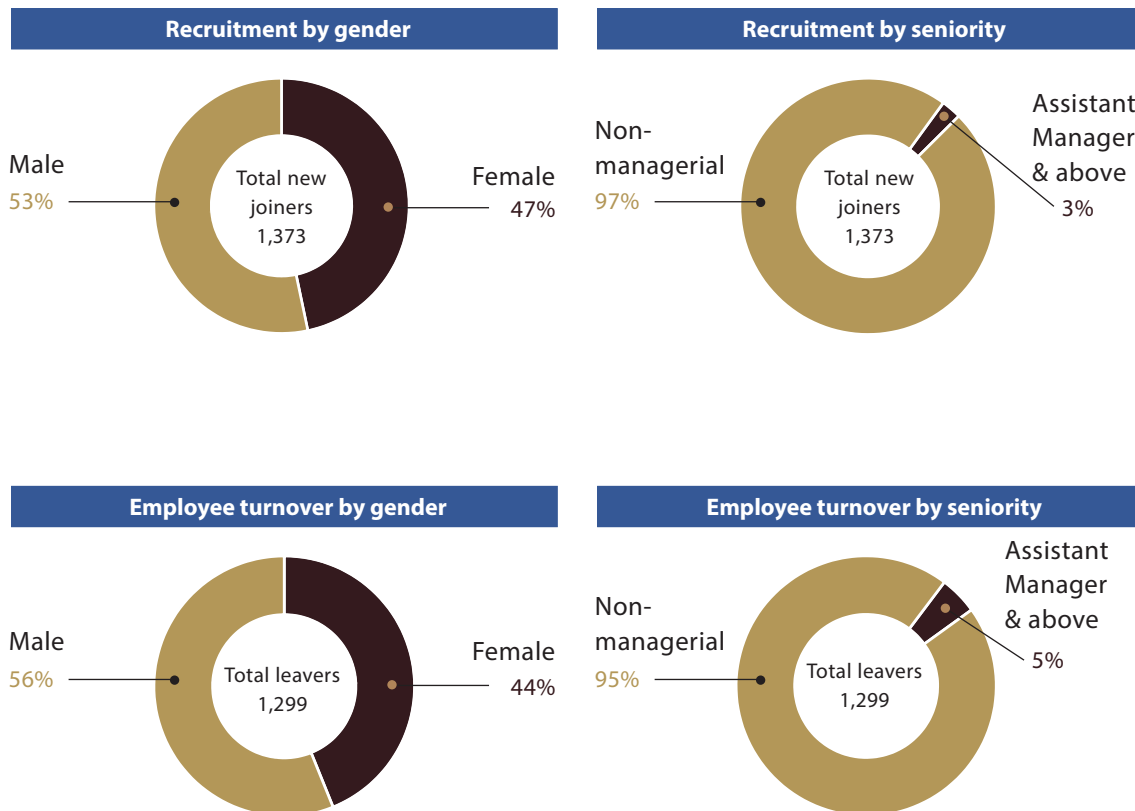


Sustainability Report

Attracting talent

The ability to attract and retain talent is crucial to our growth and development strategy. We are committed to ensuring equal opportunity to all qualified individuals, irrespective of gender, age, marital status, ethnicity, sexual orientation or religion.

We seek talent from both local and global audience through conventional channels as well as social media platforms. We reach out to potential candidates through roadshows and university visits, providing them with opportunities to get to know more about NagaWorld.



Furthermore, we attract talent by offering internship and training programmes, such as the Executive Trainee Programme (“ETP”) launched in October 2019. It aims to provide young people, particularly those who are underprivileged, with an opportunity to develop and achieve their potential.

Since 2012, Naga Academy, a vocational education institute founded by NagaCorp, has been a source of providing talent and a skilled workforce for the Group. Its Internship Programme aims to equip trainees with gaming or hospitality skills, as well as to empower them with the right attitude and knowledge to succeed in today's dynamic social and economic environment. More details about Naga Academy can be found on page 61.

As at 31 December 2019, the Group had 1,373 new joiners (including 490 ETP trainees) and 1,299 leavers. The Group's net turnover ratio was 15%, which was below the average turnover rate of 19% amongst the large companies in Cambodia (source: HRINC Cambodia) and well below the national average of 22.5% in the country's hotel industry (source: National Employment Agency).



Executive Trainee Programme

We continue our commitment to developing local talent. In October 2019, we launched an Executive Trainee Programme which aims to provide young Cambodians with an opportunity to develop a career with NagaWorld. As one of our key CSR initiatives, we are changing our approach for recruiting junior positions, focusing more on provinces

in the aim of increasing our talent pool as well as providing the underprivileged with an opportunity to improve their lives.

The three-year programme will see the trainees through a series of on-job training in different operations. During the training period, they are entitled to the same company benefits enjoyed by the full time employees, such as annual leave, unlimited free meal allowance, medical care etc., in addition to optional accommodations provided by the company. Those who complete the programme will be awarded a certificate and offered a permanent employment opportunity. Since launch in October 2019, over 1,000 trainees have been selected and commenced the programme.

Learning and development

We invest heavily in employee training and development with a specific emphasis on language skills and service excellence in order to provide better experience to our customers.

To reflect our international customer base and the increasing number of Chinese visitors, we provide both English and Mandarin training

to our frontline employees. The language development programmes use a two-prong approach – classroom instructions and on the job toolbox briefing sessions. Toolbox briefings, which are department specific, provide regular practice and short learning sessions covering regular phrases and product knowledge.

Sustainability Report

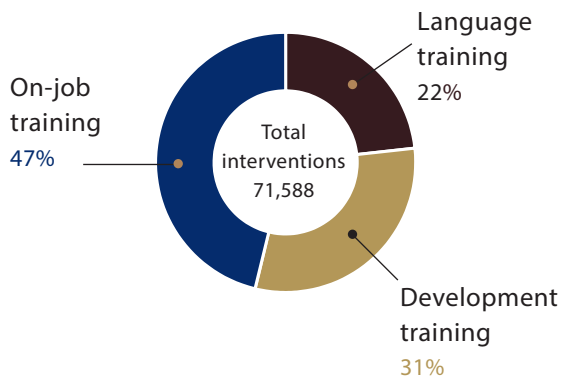
More and more visitors to Cambodia and NagaWorld come from China each year. According to the Ministry of Tourism, Chinese visitors exceeded 2.3 million in 2019 (2018: 2.0 million), accounting for 37% of total international arrivals. The Ministry of Tourism expects the number of Chinese visitors to China to reach 5.5 million by 2025. As part of the private-public partnership initiatives to promote tourism growth to Cambodia, we implemented a Mandarin Incentive Scheme in October 2019 to encourage our employees to acquire Mandarin proficiency. 190 participants have achieved basic level of proficiency since launch. Currently we have a further 353 employees registered and participating at the various levels of the Mandarin language programme.

To promote service excellence, we host annual contests for employees to showcase their skills, such as bartending, culinary, and card dealing. Winners are recognised with a service excellence award and cash incentives.

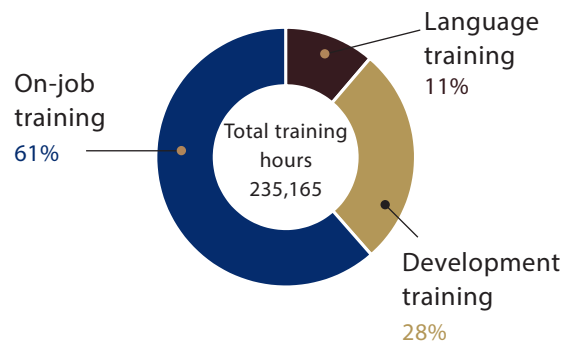
We have a clearly defined framework that serves as a foundation and guide for competency development in NagaWorld. The framework was further refined to include competency in corporate and support services. To encourage continuous development, we provide financial supports, such as sponsorship, and study leave, for employees in managerial positions who would like to pursue further education and professional qualifications.

In 2019, the Group recorded 71,588 (2018: 68,298) training interventions for a total of 235,165 (2018: 493,500) training hours. This represented that each of our employee received an average of 27.3 hours of training during the Year. The higher number of training hours in 2018 was primarily because of a two year service improvement programme that was completed at the end of 2018.

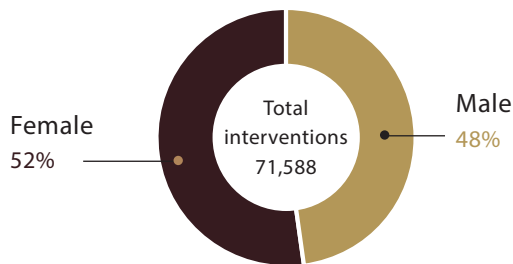
Number of interventions



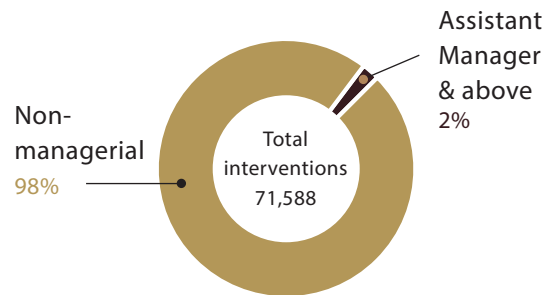
Number of training hours



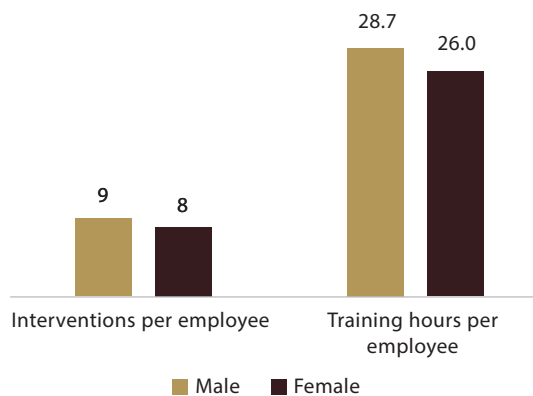
Number of interventions by gender



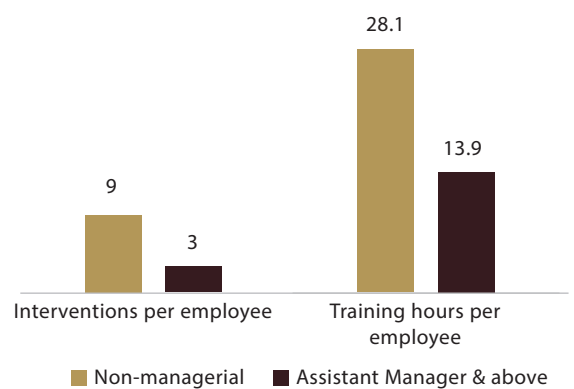
Number of interventions by seniority



Average interventions and training hours by gender



Average interventions and training hours by seniority



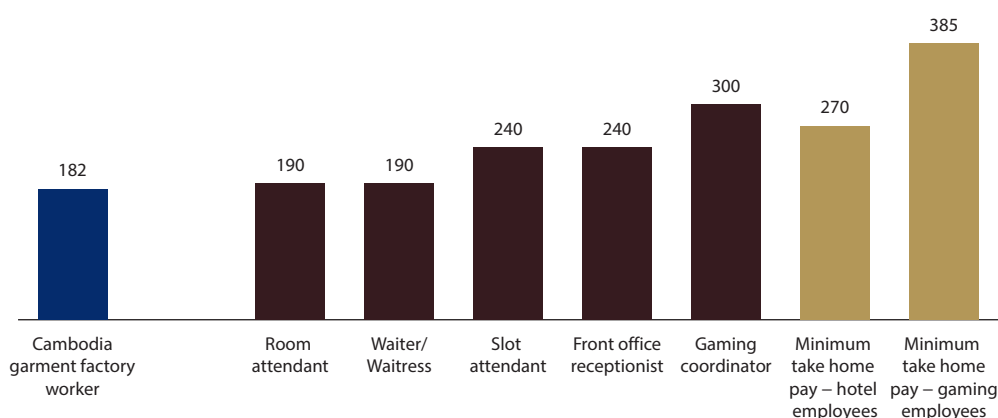
Sustainability Report

We continue our commitment to developing local talent through a succession plan that focuses on "local first", promoting local employees where and when possible to management positions. As at 31 December 2019, local employees represented 42% of all managerial positions at NagaWorld (31 December 2018: 40%).

Compensation and benefits

We continue to provide competitive compensation and benefits to attract, motivate and retain talented people, and we regularly benchmark them against local, regional and global industry standards.

Monthly starting wage comparison (US\$)



Note: In 2019, the RGC set a monthly minimum wage of US\$182 for those who work in the garment industry. It does not specify a national minimum wage.

The chart above provides a comparison of monthly starting wages received between garment factory workers in Cambodia and entry-level employees in NagaWorld. Including service charge, tips and allowance, the lowest monthly take home pay for the Group's entry-level hotel and casino employees are US\$270 and US\$385, respectively. We believe that our salary offer is one of the best and if not the highest in Cambodia. Furthermore, our employees are required to work 12.5% fewer hours per week than employees at other comparably sized consumer service or lodging companies in Cambodia. Salary increases are being planned for January 2020 which will increase the aforementioned starting wages to well above the local market rates.

In addition to our high pay relative to other companies in Cambodia, employees are entitled to discretionary performance bonuses ranging from 1 to 1.5 times of their monthly salary based on the achievement of business objectives and completion of key priorities and milestones. We also offer generous benefits designed to improve the quality of life for our employees. These include:

- incremental 1.5 days of paid annual leave for every month of service rendered. Annual leave pay increases based on length of service;
- other paid leave entitlements including sick leave, maternity, paternity leave and marriage leave;

- free medical care through a dedicated in-house clinic. Given the relatively high medical costs in Cambodia, many of our employees take advantage of this service. In 2019, 6,507 employees used the clinic, making a total number of 60,637 visits to the facility;
- free laundry and dry cleaning services for work attire;
- health insurance;
- 300% pay for working on public holidays, well above the statutory requirement of 200%;
- attendance bonus of US\$200 per annum;
- monthly language incentive up to US\$100.

In recognising the impact of rising cost of living in Phnom Penh, we launched two new initiatives in 2019 to support our employees, helping to lower their living expenses.

- **Nagamart** – opened on 16 October 2019, Nagamart is a not-for-profit market place where our employees can purchase daily staple, such as rice and cooking oil, and household goods at cost online or at an in-house retail shop. NagaWorld employees can also enjoy discount and free membership with a number of NagaWorld's retail partners. 4,271 employees have so far taken advantage of this service. Within the two and half months from launch to 31 December 2019, our employees bought 1,541kg of sugar, 545kg of rice and 888 litres of cooking oil through Nagamart.

- **Unlimited free meal allowance** – since August 2019, NagaWorld employees, irrespective of on or off duty, can enjoy unlimited free meals in any of the Group's canteen throughout the day. In the five months after launch, the Group provided on average over 320,000 free meals to its employees each month, costing the Group more than US\$3.5 million during the period.

The Company has adopted a share option scheme on 20 April 2016 for the purpose of providing incentive or reward to the eligible participants for their contribution to, and continuing efforts to promote the interest of the Group. The Board may, at its discretion, invite employees of the Group including directors of any company in the Group, to take up options to subscribe for Shares subject to the terms and condition of such scheme.

Employee engagement

Employee engagement is paramount to our success – happy employees lead to happy customers. We strive to maintain a healthy relationships with our employees and industrial union through open two-way communication that advocates feedback and constructive suggestions.

As required by Cambodian Labour Law, employees are represented by elected Shop Stewards and all employees are free to join or form a union. The Labour Rights Supported Union of Khmer Employees of NagaWorld ("LRSUKE" or the "Union") is an independent internal union, and represented 50.4% of employees as of 31 December 2019. On 25 April 2018, the LRSUKE renewed its registered mandate with the Ministry of Labour for a further four years.

Sustainability Report

The roles of Shop Stewards are to:

- present to the employer any individual or collective grievances;
- inform the Labour Inspector of complaints and criticism relating to 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.

The law requires that 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 reorganisation.

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 the Group's Human Resources ("Group HR") department. With the endorsement of the Ministry of Labour, 87 Official Shop Stewards and 43 Assistant Shop Stewards were appointed from 130 employee-elected candidates.

As of 31 December 2019, there were 114 active Shop Stewards comprised of 84 Official Shop Stewards and 30 Assistant Shop Stewards. Of these 114 Shop Stewards, 76% 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 employee related issues, which can be grouped into four key areas: 1) employee welfare; 2) internal rules; 3) OSHA; and 4) working conditions. In addition to the monthly conferences, ad-hoc meetings are held with Shop Stewards to address employee concerns. During the Year, the Company facilitated ten Shop Steward conferences. The Company also coordinated discussions amongst the Union representatives, senior management, departments and other employees.

We also engage with our employees through various rewards and recognition, such as the Employee of the Month and Honesty Award. Employees who have served the Company for a long period are recognised with a long service award.



Fostering a responsible culture

Health and safety

We are committed to providing a healthy, hazard free and safe environment for our employees, guests, visitors, suppliers and contractors. To achieve this, we have implemented a systematic approach to identify and assess health and safety risks and to allocate appropriate resources to manage those risks. We maintain an effective communication system on OSHA and continuously monitor and review our performance. NagaWorld is in compliance with all relevant laws and regulations on health and safety.

Since 2017, we have been reviewing all our OSHA policies and operating procedures, developing a management approach that is in line with the International Labour Organisation. Each manager is accountable for achieving their OSHA objectives. An OSHA committee, consisting of representatives from key departments, meets regularly. Awareness training is provided to all employees, and safety standards of daily operations are monitored and maintained. As a result, work related lost time injury ("LTI") and the LTI frequency rate ("LTIFR") were much lower in 2019 than in the previous two years. Work related lost time injury is defined as an injury or illness caused, contributed or significantly aggravated by events or exposures in the work environment. At NagaWorld, such injuries occur more often in the kitchen, such as burns and cuts, or slips.

There was no work-related fatality in NagaCorp and its subsidiaries in 2019.

Lost time injury (work-related)	2017	2018	2019
Number of injuries	25	45	16
Man-hours ('000)	60,132	111,005	104,944
LTIFR	0.41	0.41	0.15
Lost days due to work-related injuries	Not available	Not available	140

Notes:

- (1) LTIFR = number of LTI x 1,000,000/total man-hours.
- (2) "Lost days from work related injuries" was a new measure in 2019. There was no comparable data for 2017 and 2018.

Supply chain management

Our suppliers are our business partners and we aim to maintain a long term relationship with them to continuously improve the quality of products and services we offer.

All our suppliers must meet the requirements of NagaWorld's standards. This is monitored on a regular basis through factory visits and engagement programmes. Through these programmes, we ensure the quality of the products we receive and also help our suppliers to improve their processes and standards.

Our sustainability policy is fully embedded in our supply chain management. To reduce our environmental footprint and support the Cambodian economy, we prioritise local suppliers where possible. Over the years, we have built a strong local supply chain which also gives us greater control and flexibility, as well as cost benefits. In 2019, 84% of our 643 frequent suppliers were based in Cambodia and the rest were located in neighbouring countries such as Thailand and Vietnam, or in the Asia Pacific region.

Sustainability Report

We continue to work with our suppliers and partners to ensure that products and raw materials are from sustainable sources. For example, all paper in our hotel rooms are certified by Forest Stewardship Council (FSC) and Programme for Endorsement of Forest Certification (PEFC).



We also work tirelessly to ensure all our suppliers and partners are fully compliant with Cambodia Labour Law. During the Year, we developed an engagement programme that helps to increase awareness about child labour among our suppliers, and ensure that they adhere to our No Child Labour policy.

Product responsibility

Being a service business, NagaWorld does not produce any physical products other than the food and beverage prepared for our F&B outlets. Policies and standards are in place to ensure these products and our services meet quality standards. NagaWorld is in compliance with all relevant laws and regulations relating to OSHA, advertising, labelling and privacy matters. We seek to continuously improve our standards.

Food safety

We take food safety very seriously and abide by relevant local and international standards and regulations.

We aim to serve food prepared to the highest standards, using only the best quality products and ingredients. We believe NagaWorld is one of the leading hotels in Cambodia in food safety and hygiene. To ensure best practices, we have developed a common set of operating standards and behaviours which is implemented in all our kitchens and F&B outlets. We also provide employees all necessary information, training and tools that enable them to do their job effectively and with good hygiene practices. Food quality and safety standards are consistently monitored and measured to ensure our customers enjoy an epicurean dining experience in the safest possible way.

The Ministry of Health of Cambodia conducts regular audits of F&B outlets. All restaurants in the NagaWorld Complex have been certified with an “A” rating that recognises the highest level of hygiene and cleanliness.

Fire safety

The safety of our guests and employees is paramount. NagaWorld has an in-house fire safety department ("FSD") that is managed by a team of experienced fire fighters and fire safety professionals who are specialised in different fields of emergency response and management. With 64 fire fighters and 15 officers, the team operates 24 hours a day, seven days a week to ensure around the clock emergency assistance and support.

Since 2012, all members of the FSD have completed and passed the NFPA (National Fire Protection Association) 1001 International Standard Training – a fire fighter professional qualification. All our fire fighters are also trained and certified by the Cambodian Red Cross in First-Aid and International SOS in administering medical oxygen and automated external defibrillator ("AED").



To raise fire safety awareness and ensure correct procedures are followed during an emergency, we have developed training programmes to teach employees how to use fire extinguishers and evacuate safely. Fire training and drills are conducted regularly in order to develop a safety first behaviour and culture among our employees. In 2019, 1,813 employees were trained on fire safety in a total of 2,486 hours.

As part of the CSR programmes, we have partnered with the Ministry of Education, Youth and Sports to deliver fire safety classes to raise fire safety awareness amongst school children and local communities. We also donate fire extinguishers to selected secondary and high schools.

Sustainability Report

Customer engagement

We strive to provide top quality experience and services to all our customers during their stay. We value customer feedback which provides a valuable information for our continuous improvement.

We engage with our customers through various channels, such as website, social media and loyalty programme. In addition to the conventional face to face engagement, customers are also encouraged to connect with us on social media, e.g. Facebook and Weibo, and through messaging apps, e.g. WeChat and WhatsApp. These digital platforms provide a direct channel for us to engage with our customers, dealing with issues and gathering feedback instantly. The Premier Club loyalty programme has also helped us to understand our customers' needs and preferences better, leading to higher customer satisfaction.

Privacy and data protection

We collect personal information of our hotel guests and members of the loyalty programme. This information is managed and securely stored in a central location, and used for marketing and promotion purposes only. All of these are done with customers' consent.

A multi-level control system is in place to ensure safe and secure transfer and storage of our customers' data electronically. Standard operating procedures must be followed in regards with handling sensitive information such as personal data, which is implemented and monitored on a departmental level.



Maintaining effective governance

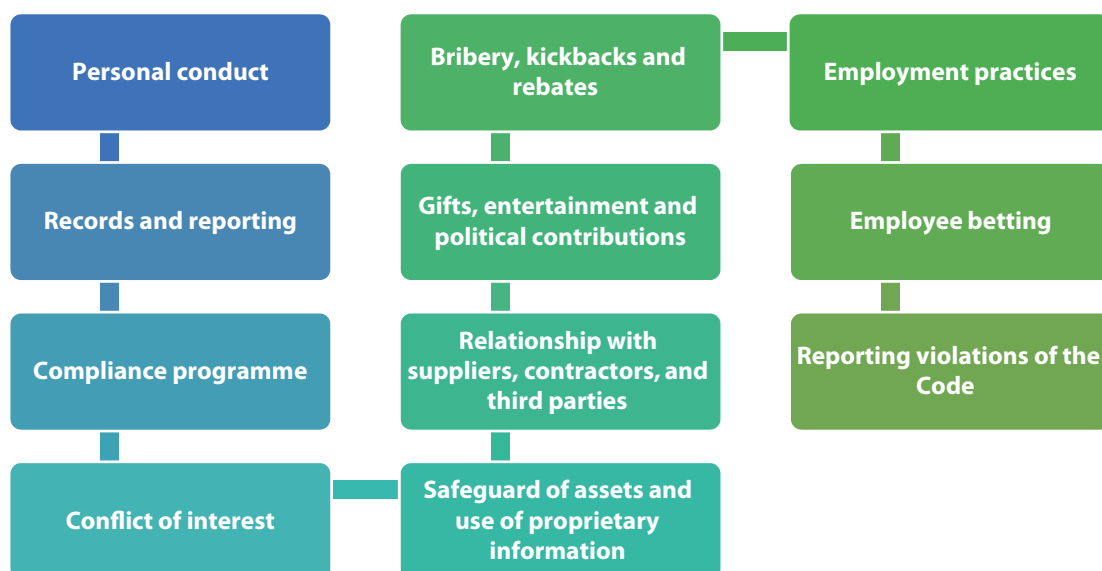
We are committed to maintaining high ethical standards, conducting our business with integrity, honesty and transparency to maintain the trust and confidence of our customers, employees, business partners and other stakeholders. It is our belief that good corporate governance and ethical processes provide an established framework to operate efficiently and provide first-rate risk management.

In June 2019 at the 9th Asian Excellence Awards organised by Corporate Governance Asia, NagaCorp was presented three awards – Asia's Best CEO (Investor Relations), Best Investor Relations Company, and Best Investor Relations Professional. This is an endorsement for our honest and transparent approach in communicating with Shareholders and investors, which is underpinned by our devotion to adopting and complying with the best international standards and practices in corporate governance matters.

Code of conduct

We have a clear set of standards and principles that are incorporated in the Company's Code of Conduct (the "Code"). The Code governs how all employees must behave and provides guidance for daily interactions with fellow employees, customers, suppliers, government officials and business partners. It outlines NagaCorp's expectations on employees with regard to conflicts of interests and encourages employees to report any malpractice and misconduct. The Code sets out our principles in the following 11 areas.

NagaCorp Code of Conduct



We have also devised and benchmarked our policies and procedures to ensure compliance with all relevant laws and regulations with respect to anti-corruption, anti-money laundering ("AML"), extortion, fraud and combatting terrorist financing. These policies are, in our view, industry leading. All employees are required to comply with all policies and the Code.

Anti-corruption

NagaCorp has a zero-tolerance policy with regards to involvement in corruption or bribery activities of any kind. An anti-corruption handbook is made available to all employees.

The Code lays out the legal and ethical responsibilities of, and the expected behaviour of our employees. It explicitly prohibits employees from soliciting, accepting, or offering bribes or any other form of advantage. 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 laws and regulations 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.

Sustainability Report

"Cambodia's largest casino has implemented customer due diligence and record-keeping policies to mitigate its money laundering/terrorist financing risks, in line with the requirements of the Anti-Money Laundering and Countering the Financing of Terrorism ("AML/CFT") Law and the Prakas on AML and CFT relating to all reporting entities not regulated by the National Bank of Cambodia."

APG Anti-money laundering and counterterrorist financing measures (Cambodia) mutual evaluation report, September 2017

NagaCorp is in compliance with the 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, Guidelines published by the Organization for Economic Cooperation and Development, the United Nations Convention Against Corruption and the principles supporting the Foreign Corrupt Practices Act.

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 organisations to engage in joint business endeavours with NagaCorp.

During 2019, no legal case regarding corruption was brought against the Company or its employees.

Anti-money laundering

NagaCorp's long term sustainability and success is dependent on its integrity and transparency in its daily gaming operations in relation to world best practices on AML. The Board reviews and assesses the adequacy and effectiveness of the Group's internal control system on AML through the AML Oversight Committee and the reports made by an AML specialist firm. The AML Oversight Committee formulates policies and strategies on AML development and implementation programmes, ensures quality control and oversees AML matters.

In order to ensure that we maintain a high standard for compliance and integrity on AML, we have established a programme designed to protect our reputation and mitigate AML risks. The programme is underpinned by a four-tier AML control structure comprising:



We follow best practices and impose strict rules on AML controls in daily operations. A currency transaction report ("CTR") is filed for each transaction with the total amount exceeding US\$5,000. CTRs for all transactions over US\$10,000 and Suspicious Transaction Reports ("STRs") are submitted online to the Cambodian Financial Intelligence Unit ("CAFIU"). We believe NagaCorp is the first and the only Cambodian company that makes CTRs and STR filing electronically since the system was in place in July 2018. We also provide an AML Procedure Manual, available in both Khmer and English, to employees as guidance for dealing with money laundering matters in daily operations.

All new employees are required to undertake AML training before they start. The training ranges from how to identify fraudulent banknotes and IDs to fill out CTR and STR forms. In 2019, 1,201 employees underwent AML training with a total of 1,201 hours. From 2020, all employees will have to partake in a refresher training once a year.

We comply with the Financial Action Task Force ("FATF") recommendations. To further strengthen our AML practices, we appointed a dedicated ACAMS (Association of Certified Anti-Money Laundering Specialists) certified AML compliance officer in June 2019 to oversee all AML related compliances and reporting.

An AML specialist firm conducts a bi-annual review of our AML controls and produces reports for the Board to assess the adequacy and effectiveness of the Company's internal control system. The review includes site visits, as well as research work and external consultation. The review for the Year found that the Group to be in full compliance with all national and international laws and regulations on AML. A copy of the independent review report can be found on pages 106 to 108 of this annual report.

To the best of the knowledge, information and belief of the directors of the Company (the "Directors"), 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

Risk management

Sound risk management and internal control systems are vital to the achievement of the Group's strategic objectives. NagaCorp has an established risk framework under which it identifies risks relevant to the Group's operations and activities, and assesses risks in relation to their likelihood and potential impacts. Under the framework, management is primarily responsible for the design, implementation and maintenance of the risk management and internal control systems. The Board and the Audit Committee oversee the implementation and monitor the effectiveness of these systems and to safeguard the Group's assets.

Our internal audit department conducts routine testing and an annual audit, during which the Audit Committee reviews the risk management and internal control system for the Year. The review includes, but is not limited to, financial, operational and compliance controls.

Our primary operations are located in Cambodia. To support the Board in assessing the investment risks in the country, the Company has commissioned an annual independent review to assess the political, social, investment and macro-economic risks associated with Cambodia. In the most recent review conducted by Political and Economic Risk Consultancy, Ltd. ("PERC") in January 2020, Cambodia was given a socio-political risk rating of 5.56 (of rating of 10 the highest risk). It has reduced from the prior year's rating of 5.58, and is on par with other Asian developing countries such as the Philippines (5.57), Thailand (4.83) and Indonesia (5.59). The full review can be found on pages 102 to 105 of this annual report.



Supporting our community

Cambodia has undergone a significant transition over the past two decades. Driven by garment exports and tourism, the Kingdom's economy has sustained an average 8% growth between 1998 and 2018, making it one of the fastest growing economies in the world.

NagaWorld was one of the very first foreign invested private companies in the Kingdom following the restoration of the constitutional monarchy after more than two decades of wars and depredation. We see ourselves as part of the fabric of the Cambodian community and believe we only thrive as the country prospers. In the past 25 years, NagaWorld has supported the development of Cambodia, including promoting tourism alongside the Ministry of Tourism and sharing best practices with government and business communities. Today, as one of Cambodia's largest private sector employers and economic contributors, NagaWorld has an important role to play in the well-being of the people whose lives we touch upon and of the community in which we operate.

In 2019, our comprehensive suite of corporate social responsibility ("CSR") initiatives – 'Nation Building Through NagaWorld in Cambodia' – was awarded a Silver Stevie Award at the prestigious International Business Awards held in Austria. The Stevie Award marks yet another milestone for our CSR initiatives after being recognised for the second consecutive year at the Global CSR Awards in Malaysia and at the Asia Responsible Enterprise Awards in Taiwan. Further details of the programmes can be found in the NagaWorld Kind Hearts section on pages 61 to 68.



Silver Stevie® Award at the 16th Annual International Business Awards for our comprehensive 'Nation Building Through NagaWorld in Cambodia' programme which encompasses a suite of CSR initiatives including education enhancement, community engagement, sports development and environmental care.

Comments from the Stevie Awards judges: *"An inspiring campaign that gauged the aspiration of the community well, and crafted a programme that resonates with the people."*

"Very complete initiative. Congratulations for such a long scarf!"

"NagaWorld's Nation Building approach uniquely combines education, community engagement, sports development and environmental care with employee engagement/corporate contributions. The comprehensive attachments provides effective descriptions, metrics and support for these efforts."

Naga Academy

A fast growing and more diversifying economy requires an educated and skilled workforce. Cambodia has a young population with nearly 50% of the population under 24 years old. Most of them lack the necessary skills or training to participate in the formal economy. In order to maintain a sustainable source of talent and skilled workforce to meet the demand of the fast-growing hospitality industry, we created Naga Academy.

Founded in 2012, Naga Academy is a vocational education institute that provides comprehensive training for under- and unemployed youth looking to work in the hospitality sector. It is an important part of NagaWorld's corporate social responsibility programmes.

We work closely with NGOs and 14 universities and vocational schools on the selection process to identify and ensure good quality candidates. Since 2012, Naga Academy has trained 2,821 graduates and around 30% of the graduates have found permanent employment with NagaWorld.

In 2016, Naga Academy was certified by Cambodia's Ministry of Tourism to deliver the ASEAN Mutual Recognition Arrangement for Tourism Professionals (MRA-TP).

In 2019, 55 interns graduated with apprenticeship based vocational programmes of three months or longer duration, with a total of 36,555 hours of on job training, or on average 665 hours per intern.

NagaWorld Kind Hearts

Founded in 2014, NagaWorld Kind Hearts is a grassroots initiative with long-term contributions whereby our employees volunteer their personal time and energy towards the betterment of communities in Cambodia. Since inception till the end of 2019, NagaWorld Kind Hearts has conducted 522 such activities, benefiting 229,805 Cambodians. Charitable donations made by the Group during the Year totaled US\$3.1 million, up 163% from US\$1.2 million in 2018.

At the 11th Annual Global CSR Summit and Awards held in Malaysia, NagaWorld Kind Hearts was awarded the "Best Country Award for Overall CSR Excellence – Best in Cambodia" for the second consecutive year. In addition, NagaWorld Kind Hearts' comprehensive CSR initiatives under 'Nation Building Through NagaWorld in Cambodia' was given the prestigious Silver Stevie Award in November 2019 for driving transformative changes in communities across the country. Regarded as the world's most-coveted accolade in industry and equivalent to Oscars for business performance and social impact, the award

Sustainability Report

was another endorsement of our continuous efforts on improving the social, environmental and economic aspects of the country as well as its people's life. The award NagaWorld won was in the CSR Programme of the Year in Asia, Australia, and New Zealand category.



Best Country Award for Overall CSR Excellence 2019 – Best in Cambodia by the 11th Annual Global CSR Summit and Awards.

"Since inception in 1995, 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 programmes, NagaCorp's community, environmental, and national care 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 2019 we continued to deliver nation building initiatives grouped under four pillars: education enhancement, community engagement, sports development, and environmental care.

Education Enhancement

We believe that investing in education is investing in the future of a nation. A population with full quality education and good health will raise a country's productivity as well as improve social mobility. However, for the two million people still living below the national poverty line these things are hard to come by. We support underprivileged children and youth in Cambodia through material and financial aid, in addition to the time and resources donated by our employees.

In collaboration with Cambodia Outreach, an NGO, we launched the Children@Risk programme in 2018. The programme aims to bring hope and opportunities to ten underprivileged children and orphans by supporting them and their families until they graduate from high school. Now two years into the programme, the students, who were previously lagging behind, have all achieved astounding results, with five of them emerging in top five of their classes and the remaining achieving top ten.



To support schools in rural areas, we launched the school outreach programme in 2014. With five years of history and investment, the programme is still going strong in supporting the educational needs of over 229,000 students. During the Year, we distributed much needed study materials, including 8,505 school bags, 173,105 books, 59,350 pens and 6,616 pencils, to 24,124 children in 60 primary schools. Over 236 NagaWorld Kind Hearts volunteers contributed almost 3,040 hours of their personal time to the programme. They also organised competitions to help the children improve their language skills.

In order to raise fire safety awareness amongst school children and local communities, we have partnered with the Ministry of Education, Youth and Sports to deliver fire safety classes and donate fire extinguishers to selected secondary and high schools, benefitting 3,086 children in total.



Sustainability Report

Community Engagement

We work closely with local and international NGOs on a number of programmes to help those in need, with a special focus on underprivileged children and youth.

In 2019, in conjunction with local NGO Teen Challenge Cambodia we launched a one-year residential programme called 'Teen Challenge Project'. In line with Cambodian government's objectives to promote higher education and vocational training, the programme intends to help those teenagers whose lives are ravaged by drugs and alcohol to reintegrate into society. NagaWorld is providing financial support to six teenagers who are going through rehabilitation and vocational skill training that will enable them to find employment or to create their own businesses.

Being computer literate means a better life and employment prospects in today's increasingly digitalised world. To enable children in rural areas to learn how to use a computer, we donated 45 desktop computers along with training course manuals to five selected NGOs which deliver the hardware and lessons to the communities most in need.

Relationship with Cambodian Red Cross

The Cambodian Red Cross is the largest NGO in Cambodia and is officially recognised by the Cambodian Government as the primary auxiliary for humanitarian services throughout the country. Apart from contributing in nation building, NagaWorld has been a long-standing contributor to the Cambodian Red Cross – giving back to the community and working toward building Cambodia's social welfare.



Since 2017, NagaWorld Kind Hearts has been celebrating Khmer New Year with the underprivileged. In 2019, 32 Kind Hearts volunteers brought festive joy to 120 underprivileged children, including orphans from two local NGOs, with gifts donated by NagaWorld employees. The volunteers spent time with them and played Khmer traditional games.

In 2019, NagaWorld Kind Hearts brought 760 underprivileged children from different NGOs and communities in Phnom Penh to enjoy a live show at the NABA Theatre in Naga 2. The theatre is equipped with state-of-the-art 3D video mapping projection technology, a first in Cambodia. The initiative is intended to encourage the children to pursue studies in art.



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. In addition to the US\$2.0 million donation to the Union of Youth Federation of Cambodia (“UYFC”) to support youth empowerment through sports, NagaCorp invested US\$0.7 million in sports development alone in 2019 (2018: US\$0.5 million).

Empowering sports

NagaWorld is the longest corporate supporter of Cambodian athletes, having been the first company sign a sponsorship agreement to support the Cambodian contingent for the 2011 SEA Games in Indonesia, the 2012 Olympic Games in London and the 2016 Olympic Games in Rio de Janeiro.



In 2015 we signed a four year partnership agreement with the NOCC to honour Cambodian athletes' success at major international sporting events. In early 2019, the agreement was extended for another four years to cover major sporting events including the SEA Games and ASEAN Para Games in 2020 and 2021, the 2020 Summer Olympics and Paralympics in Tokyo, the 2020 Asian Beach Games in Sanya, the 2022 Asian Games in Hangzhou and the 2022 Summer Youth Olympics in Dakar.

At the 2019 SEA Games held in the Philippines, NagaWorld again provided off-field attire for the entire Cambodian delegation. In addition, NagaWorld rewarded Cambodian gold medalists with cash incentives ranging from US\$6,000 to US\$10,000, doubling the rewards for the previous SEA Games. In total, the Group made US\$36,000 cash awards to the Cambodian gold medalists and their coaches in 2019. NagaWorld presented the medalists and their coaches cash rewards in a ceremony held at NagaCity Walk on 16 December 2019, which was witnessed by His Excellency Dr Thong Khon, Minister of Tourism and President of the NOCC.

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.



Sustainability Report

As the reigning champion of the Cambodia Football League, NagaWorld Football Club competed in the international football tournament – the AFC Cup – organised by the Asian Football Confederation for the first time in 2019, which provided an international exposure to the NagaWorld brand.

Sports is a key pillar in NagaWorld Kind Hearts' programmes. As such, NagaWorld Kind Hearts and NagaWorld FC continue to use football to reach out to Cambodia communities to encourage a healthier nation through sports.

In November 2018, NagaWorld Kind Hearts, working with NagaWorld FC coaches, launched a two-year Football Development Programme. The programme will see 120 sports teachers from all 94 secondary and high schools across Kampong Speu province trained in professional coaching techniques, as well as the donation of sports equipment to enhance their school team training sessions. All teachers who completed the training will receive an official Coaching Certificate issued by the Football Federation of Cambodia ("FFC"). The programme stands to benefit more than 18,500 students, with football tournaments organised regularly to improve their skills and identify promising young talents for the national team.



Our Football Development Programme in Kampong Speu won the Asia Responsible Enterprise Award 2019 for Social Empowerment, a first win for Cambodia. It was awarded a Bronze Stevie® at the International Business Awards held in Austria in November 2019.

Comments from the Stevie Awards judges:

"This is a great social responsibility program. And it is fantastic that employees are so involved. Social and environmental painted well for education and awareness. Well documented output data."

"Impressive nation-wide projects with many features: donations; volunteers; planning; success metrics; future goals; and part of a laudable broader overall CSR program."

"Wide range of activities and good coverage – a solid, yet traditional campaign."

"It is an amazing CSR program. Moreover, it has impact not only for employees but for other people too and solves social problems."



To show continued support towards youth empowerment and sports development, NagaWorld donated US\$2 million in November 2019 to the UYFC which has collaborated with NagaWorld Kind Hearts on a number of youth-centric initiatives, including the aforementioned Football Development Programme in Kampong Speu province.

Environmental Care

Through a collaboration with NGO Plastic Free Cambodia (also known as Plastic Free Southeast Asia), NagaWorld Kind Hearts organised an environmental sustainability workshop in August 2019. Its aim was to raise awareness of environmental damages from single-use plastic and to share best practices in reducing plastic waste with other workshop attendees. The workshop was attended by 75 NagaWorld employees and the principals from 28 high schools in Phnom Penh. NagaWorld employees who attended the workshop, referred to as the Green Ambassadors, are encouraged to share what they have learned with their families and friends, as well as school children through the 'School Outreach Programme'. Our Green Ambassadors visited 55 primary schools across 11 provinces through the programme in the past year, passing environmental messages to more than 12,500 school teachers and children.

Our effort to reduce plastic waste continues with the launch of the 'No Plastic Straws, Please!' campaign across the NagaWorld complex in January 2019. Through this campaign NagaWorld reduced the usage of and waste from around four million plastic straws in 2019 and replaced all single-use plastic straws, cutlery and containers with biodegradable and recyclable alternatives.

Sustainability Report

To support the global civic movement of combating solid waste, NagaWorld Kind Hearts teamed up with GoGreen Cambodia, a local social volunteering group, to launch a 'NagaWorld Cleanup Day' in Kampong Thom province in December 2019. The initiative saw more than 537 volunteers, including 57 NagaWorld employees, removing a total of 492 kilograms of rubbish from the streets of Baray and Stoung districts in Kampong Thom province. Two workshops were held at the same time to teach students about waste separation and reduction. NagaWorld Kind Hearts also provided recycling bin signage at the Kon Slaprea, Cambodia's largest food festival to promote sustainable waste management and to educate the general public about the 5R's – Refuse, Reduce, Reuse/ Replace, Recycle and Remind.



In collaboration with the Ministry of Environment and the Ministry of Education, Youth and Sport, NagaWorld Kind Hearts launched the 'Green Cambodia: Environmental Awareness & Tree Planting' programme in December 2018. During the Year, NagaWorld Kind Hearts conducted an Environmental Care Seminar for all students of selected schools to raise awareness on environmental conservation. 1,000 trees will be planted in the selected schools through the programme. NagaWorld has planted over 3,300 trees since 2014.

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 30 March 2019 saved an estimated 600kWh of electricity, equivalent to an average Cambodian household's annual electricity consumption.

HKEX ESG Reporting Guide Index

A. Environmental

Name	Description	Page, reference and additional comment
A1. Emissions		
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pages 37, 39, 40, 42, 43 We aim to meet international standards and adopt best practices regarding environmental protection and natural resources management wherever possible. In situations where such matters are beyond our control, such as the lack of recycling facilities in the country, we work with our partners to find appropriate solutions.
KPI A1.1	The types of emissions and respective emissions data.	Page 40
KPI A1.2	GHG emissions in total (in tonnes) and where appropriate, intensity.	Page 41 Energy consumption and emissions table.
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity.	Page 42 As a service business, we do not produce material amount of hazardous waste, nor any waste relating to product packaging.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity.	Page 43
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Pages 39, 41 Our primary source of emissions is energy. Reducing energy consumption helps to lower emissions. 15 energy saving initiatives were launched in 2018 and 13 were implemented in 2019.

Sustainability Report

Name	Description	Page, reference and additional comment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Pages 42, 43 As the amount of waste produced depends on business volume, which is affected by external factors, it is difficult to set internal targets on waste reduction. However, we have in place several measures to reduce waste e.g. the withdrawal of single-use plastic straws and replacement plastic take-away cutlery and containers with 100% biodegradable and recyclable alternatives.
A2. Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Pages 37, 39
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity.	Pages 38, 41
KPI A2.2	Water consumption in total and intensity.	Page 40
KPI A2.3	Description of energy use efficiently initiatives and results achieved.	Page 39
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Pages 39, 40
KPI A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	Not applicable to NagaCorp as a service business.
A3. Environment & Natural Resources		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Page 37
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	There were no activities of significant impact on the environment and natural resources in 2019.

B. Social

Name	Description	Page, reference and additional comment
B1. Employment		
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Page 44
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Page 45 See charts.
KPI B1.2	Employee turnover rate by gender, age, group and geographical region.	Page 46 See charts.
B2. Health and Safety		
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Page 44
KPI B2.1	Number of rate of work-related fatalities.	Page 53
KPI B2.2	Lost days due to work injury.	Page 53 See table. We started to record data on lost days due to work-related injuries since 2019, hence there is no comparable data in previous years.
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Page 52

Sustainability Report

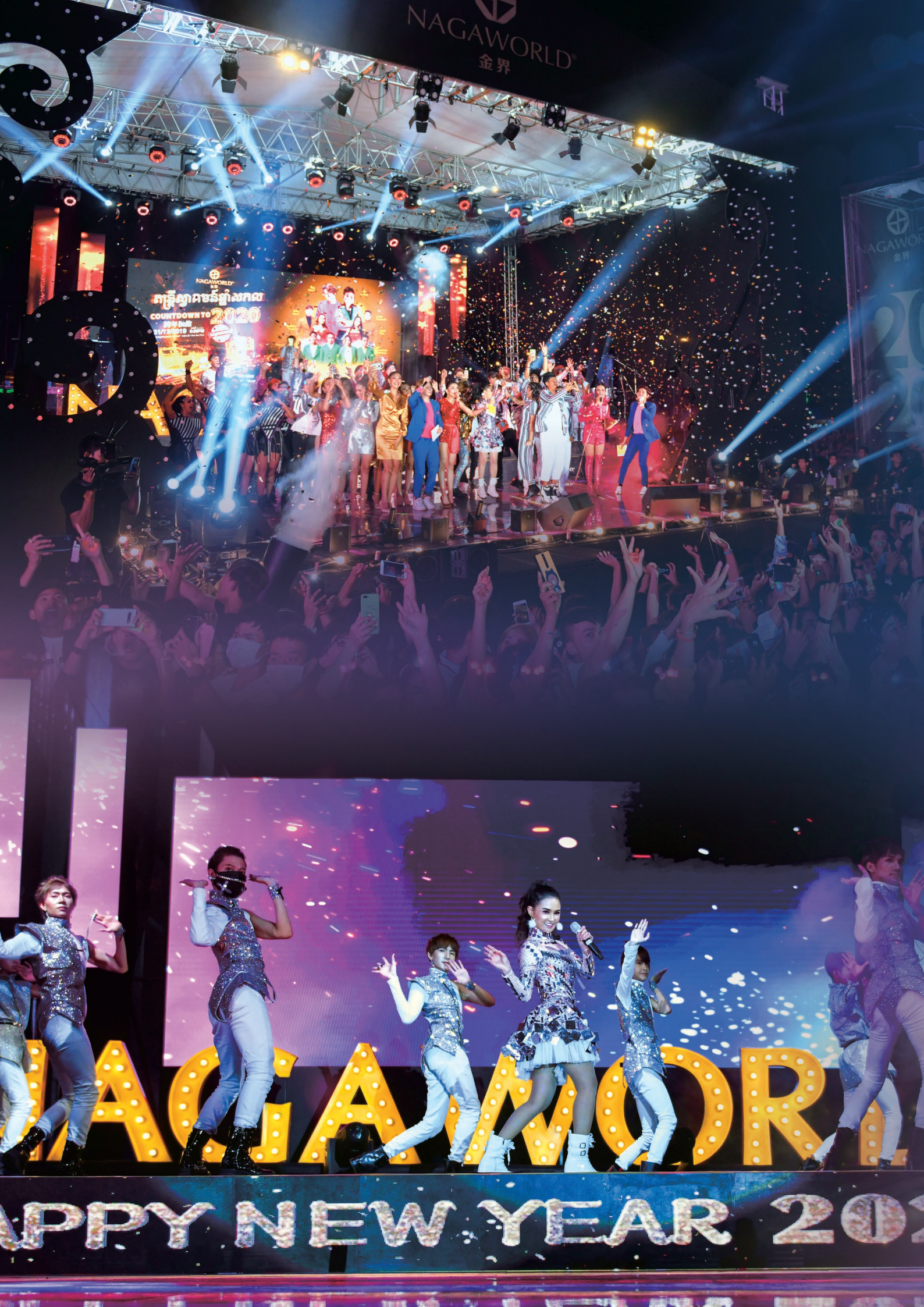
Name	Description	Page, reference and additional comment
B3. Development & Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Pages 47, 48
KPI B3.1	The percentage of employees trained by gender and employee category.	Page 49 See charts.
KPI B3.2	The average training hours completed per employee by gender and employee category.	Page 49 See charts.
B4. Labour Standards		
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that a significant impact on the issuer relating to preventing child and forced labour.	Page 44
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Pages 44, 53, 54 Naga Corp complies with all relevant labour laws and regulations requirements in Cambodia, which are aligned with international standards, including matters such as prohibition of child and forced labour. We also work tirelessly to ensure all our suppliers and partners are fully compliant with Cambodian Labour Law. During the Year, we developed an engagement programme that helps to increase awareness about child labour among our suppliers, and ensure they adhere to our No Child Labour policy. This is monitored on a regular basis through factory visits and engagement programmes with our suppliers. To the Company's best knowledge, no case of child and/or labour was found in the Company's premises and its supply chain in 2019.

Name	Description	Page, reference and additional comment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	To the Company's best knowledge, no case of child and/or forced labour was found in the Company's premises and its supply chain in 2019.
B5. Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Pages 37, 53
KPI B5.1	Number of suppliers by geographical region.	Page 53
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Pages 53, 54 All our suppliers must meet the requirements of NagaWorld's standards to identify environmental and social risks. This is monitored on a regular basis through factory visits and engagement programmes. We also continue to work with our suppliers and partners to ensure that products and raw materials are from sustainable sources to identify the environmental risks. For example, all paper in our hotel rooms are certified by Forest Stewardship Council (FSC) and Programme for Endorsement of Forest Certification (PEFC). For social risk, please refer to the comments in ESG B4.

Sustainability Report

Name	Description	Page, reference and additional comment
B6. Product Responsibility		
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Pages 52, 54, 55, 56 Policies and compliance information are provided in each of the relevant sections.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to NagaCorp as a service business.
KPI B6.2	Number of products and services related complaints received and how they are dealt with.	Not applicable to NagaCorp as a service business.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable to NagaCorp as a service business.
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable to NagaCorp as a service business.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Page 56
B7. Anti-Corruption		
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Pages 57, 58
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Page 58 During 2019, no prosecution, law suit or claim regarding corruption was brought against the Company or its employees.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Pages 57, 58

Name	Description	Page, reference and additional comment
B8. Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Pages 60, 61
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Pages 61-68
KPI B8.2	Resources contributed to the focus area.	Pages 34, 61-68 We have a dedicated CSR team of 4 supporting the NagaWorld employee volunteering group NagaWorld Kind Hearts' initiatives relating to the four pillars of focus.



ពិធី

ចុះហត្ថលេខាលើអនុស្សាវរីយ៍យោគយល់គ្នា ស្តីពី
“កម្មវិធីចែកសម្ភារសិក្សា និងការលើកកម្ពស់ការយល់ដឹងអំពីសុវត្ថិភាពអគ្គិភ័យ”

ថ្ងៃចន្ទ ០៤ រោច ខែជេស្ឋ ឆ្នាំកុរ ឯកស័ក ព.ស. ២៥៦៣
រាជធានីភ្នំពេញ ថ្ងៃទី០១ ខែកក្កដា ឆ្នាំ២០១៩

MEMORANDUM OF UNDERSTANDING SIGNING CEREMONY
STATIONERY SET DISTRIBUTION & FIRE SAFETY AWARENESS PROGRAMMES
PHNOM PENH, 1 JULY 2019

