

PILLAR 2

Advancing Green Economy



Smart Axiata is dedicated to advancing a green economy by actively promoting climate action and embracing the principles of a circular economy. This commitment reflects the company's recognition of the urgent need to address environmental challenges and foster sustainable development.

Sustainable Development Goals





Climate Change

We are committed to becoming a net-zero carbon company by 2050 by monitoring and reducing our greenhouse gas (GHG) emissions. This includes assessing our climate risks, advancing circular economic solutions, and aligning our disclosures with global emissions reporting standards, reflecting our support for GSMA's goals for the mobile sector while championing the transformation of connectivity and digitalization.

GHG Emissions by Year (tCO₂e)

Scope 1 (tCO₂e)

2024		3,431.62
2023		3,788.45*
2022		3,978.24



Scope 1:
-9.4% against 2023 due to solar energy utilization

*Adjusted based on audited number

Scope 2 (tCO₂e)

2024		59,609.04
2023		61,789.88
2022		52,463.63



Scope 2:
-3.5% against 2023 despite higher electricity usage due to the national grid's shift toward greener source of energy

Scope 3 (tCO₂e)



The 2024 data are currently undergoing verification.

Total Emissions of Scope 1 & 2

56,441.87
2022

65,578.33
2023

63,040.66*
2024
*Audited number.



Scope 1 & 2:
-3.8% against 2023 despite an annual increment of data consumption of over 10% annually

Source of Conversion Factor



Electricity

Grid Emission Factor (tCO₂e) for Cambodia:

0.0003973 tCO₂e/kWh
per International Energy Agency (IEA) Emission Factor 2022



Diesel

0.00291 tCO₂e/liters
per conversion emission factor database of the Intergovernmental Panel on Climate Change



Petrol

0.002288 tCO₂e/liters
per conversion emission factor database of the Intergovernmental Panel on Climate Change



Climate Change (Continued)

Turning Climate-Related Risks into Opportunities

As part of our climate journey, we identify climate-related risks and capture opportunities to adapt to climate change, enabling us to decarbonize our network operations while contributing to the transition to a low-carbon economy.



IMPACT STORY

Reducing Network Energy Consumption

To lower our network energy consumption and reduce carbon footprint, we optimize energy usage by enhancing energy efficiency and increasing the usage of renewable energy.

PowerCubes

We deploy PowerCubes at telecommunication sites to establish reliable power infrastructure efficiently, supporting the operations of network equipment and ensuring seamless service delivery to customers. This saves operational costs including manpower, materials and project management. PowerCubes, which serve as a primary power source in regions with inconsistent or non-existent grid power, ensure that network services are not disrupted during power outage.



Number of sites deployed with PowerCubes as of 2024: **168**

iPowerStar 2.0

We have been collaborating with Huawei since 2023 to implement iPowerStar 2.0, an AI-powered energy optimization solution that regulates power consumption of base stations based on real-time user demand. This system is an upgrade of iPowerStar 1.0, which has been used to enhance energy efficiency in Smart's network operations since 2018. It reduces energy consumption by using intelligent algorithms to predict traffic patterns and prioritize active cells during peak demand.



Energy saved with iPowerStar 2.0: **6%**

Intelligent Digital Management Unit (iDMU)



We implemented iDMU, which dynamically manages network capacity by shutting down low-traffic cells during nighttime, enabling substantial energy saving.

Number of sites with iDMU: **74**

Modernized Data Centers



We modernized our data centers by upgrading the cooling system from downflow to in-row, lowering our energy consumption, and operational costs.

Reduction of energy consumption: **~11,000 kW/year**



Climate Change (Continued)

Increasing Solar Energy

We continue to utilize clean energy by expanding our renewable energy initiatives. In 2024, we deployed another 150 new solar sites as part of our commitment to increasing network renewable energy consumption.



Number of Solar Sites within Smart's Network

2024		1,684
2023		1,534
2022		1,239

Raising Suppliers' Awareness

We engage with our suppliers to increase their sustainability awareness and promote collaborations in environmental stewardship. During the launch of Smart Axiata's 2023 Sustainability Report, we invited our top five suppliers whose operations have a significant environmental impact on the materials we use in our products. The event enabled the suppliers to better understand our challenges featured in the report, apart from the best practices related to climate change and sustainability.



Say No to Child Labour

Together, we work towards a future where every child is empowered to thrive, free from exploitation.



Enhancing Carbon Removal and Carbon Avoidance

Energy Efficiency

We relocated equipment from the data center to the containment area to optimize energy consumption and cooling efficiency.



Waste Heat Recovery

We installed advanced in-row cooling systems to cool targeted areas where heat is generated, reducing the need to cool the whole containment area, leading to energy savings and lower operational costs.

Off-Grid to Grid Initiative

We are shifting from off-grid to grid connections for a reliable and uninterrupted power supply, reducing our diesel consumption and carbon footprint. The transition also increases scalability and flexibility to meet growing telecom network demand and avoid the high costs of maintaining off-grid systems.

Number of sites converted:

2024: 23 sites

2023: 30 sites



Environmental Management

Smart Axiata champions environmental stewardship through collaboration, partnerships, and implemented sustainability practices such as managing waste responsibly, conserving water and protecting biodiversity to drive progress toward a circular economy and a greener future for Cambodia.

Sustainability Week

In conjunction with the launch of Smart Axiata's 2023 Sustainability Report, a Sustainability Week was organized in August 2024 to raise sustainability awareness and promote sustainable behaviors among employees and customers. The initiative was held at four stores in high-traffic locations: Smart Shop Monivong, Smart Shop Nehru, Smart Shop Takhmao, and Smart Shop Steung Meanchey.

Among the highlights of the events were:

- ▶ A Sustainability Awareness Cube was set up at each store to promote Smart Axiata's sustainability agenda to employees and customers.
- ▶ A Sustainability Impact Video was showcased to highlight the importance of eco-friendly practices.
- ▶ Encouraged Smart office teams to rethink their everyday habits by challenging norms and embrace sustainable practices.
- ▶ Encouraged employees and customers to conserve water and energy.
- ▶ Encouraged employees to bring their own meals to work, order food from eco-friendly eateries, and use reusable water bottles.
- ▶ Employees wore T-shirts with key messages from Smart Axiata's Sustainability Report, emphasizing our commitment to green initiatives.

The Youth Debate on Environment 2024

The Youth Debate on Environment 2024 was aimed at promoting environmental awareness and encouraging youth to contribute to a sustainable future. Jointly organized by Smart Axiata, the Ministry of Environment, and the Ministry of Education, the event saw high school students debating on urgent environmental issues while sharing their knowledge about environmental behavior.



Number of beneficiaries: **> 450 students,**
8 high schools, 5 provinces

National Eco-Pagoda with the Ministry of Environment



The National Eco-School and Eco-Pagoda Guideline Dissemination 2024 aimed to promote environmental awareness and sustainable practices across Cambodia. Held under the themes "Today, I Don't Use Plastic Bag" and "Clean Cambodia, Khmer Can Do", the initiative educated religious leaders, teachers, students, and relevant stakeholders about the newly published Eco-School and Eco-Pagoda Guidelines, fostering a nationwide shift toward eco-friendly habits, especially on plastic reduction. Smart Axiata collaborated with the Ministry of Environment, and the Ministry of Education, Youth and Sports to promote the initiative.

Number of beneficiaries: **> 45,000 individuals**



Environmental Management (Continued)

Second Inland Ocean Festival

Smart Axiata partnered with BambooShoot Foundation and Ocean Recovery Alliance to organize the second Inland Ocean Festival. The event was aimed at improving the ecosystem and livelihoods of the communities surrounding the Tonle Sap by reducing plastic pollution and recycling.

Impacts of the festival:

- Educational outreach engaged **994 families** in Kampong Phluk, equipping them with essential information and resources to improve household environmental practices. The outreach was complemented by the "Clean Family" certification program, which increased significantly from **32 certified families in 2023 to 239 families in 2024**.
- Supported by the **Harvest Plastic Collection** initiative, which led to the collection of **3,366.3kg** of plastic waste by the local community.

Number of beneficiaries: **16,068 individuals**



IMPACT STORY

Internal Waste Separation and Plastic Recycling Project

As part of our ongoing commitment to environmental sustainability, we continued to tackle the rising problem of single-use plastics by enhancing our waste reduction initiatives in our offices and Smart Shops.



Waste Separation Bins

- Started in October 2024 in collaboration with Gomi Recycle Cambodia.
- Waste separation bins were placed in four main offices and most high-traffic Smart Shops: Smart Shop Phnom Penh Center, Smart Shop Nehru, Smart Shop Monivong, Smart Shop Chrouy Changvar, Smart Shop Takhmao, and Smart Shop Riverside.

Impact: Recycled **1.11 tons** of single-use plastics



Environmental Management (Continued)

Water Management

We remain committed to water conservation by monitoring water usage across all offices nationwide, enabling us to identify trends, improve efficiency, and promote responsible water management.

DO'S AND DON'T WHEN USING WATER



DO'S

- Do keep your shower short, sweet and water saving.
- Do inspect your pipes for leakage.
- Do keep an eye on the water bill. It'll help you monitor your water usage.
- Do teach your kids or siblings on how to save water and reward them.



DON'T

- Don't flush the toilet excessively.
- Don't let your tap flow while brushing your teeth.
- Don't waste food. It takes a lot of water to grow them.
- Don't use water excessively. You should be able to evaluate how much is too much.

SUSTAINABILITY WEEK



Total water consumption (liters)

2024:
approx. 13,400,000*

*Across 70 shops and facilities. Water consumption increased due to the expansion of Smart Shops across Cambodia.

2023:
10,848,732**

**Across 40 Smart premises, including Smart offices, warehouses, and Smart Shops throughout the country.

Tree Planting Campaign with the Ministry of Environment

Tree Planting Campaign with the Ministry of Environment

In our commitment to preserving the environment, we continue to work closely with the government and promote national green campaigns through our digital platforms, including Short Messaging System (SMS) blasts, mobile app notifications, and social media channels. In 2024, we collaborated with the Ministry of Environment to continue fostering a positive environmental change.

- ▶ We participated in the National Orchid Forum and Tree Distribution Exhibition in July 2024 to celebrate National Tree Planting Day on 9 July. **35,000** individuals took part and supported Cambodia's national greening efforts.
- ▶ We signed a MoU with the Ministry of Environment on 19 December 2024 to support the government in generating **1 million** saplings annually through the Green Sprouts initiative.

