



Enriching Lives, Sustaining Communities

HIGHLIGHTING OUR SOCIO-ECONOMIC
CONTRIBUTION IN 2019



របាយការណ៍និរន្តរភាពស្តីអំពី សេដ្ឋកិច្ច និងសង្គមប្រចាំឆ្នាំ២០១៩

ការផ្ទុះឡើងនូវវិបត្តិកូវីដ១៩ ដែលមិនបានរំពឹងទុក បានជះផលអវិជ្ជមានជាច្រើនមកកាន់ជីវិតរបស់ពួកយើង។ សឹងតែគ្រប់វិស័យ និងសកម្មភាពនៃជីវិតប្រចាំថ្ងៃ បានទទួលរងនូវផលប៉ះពាល់ពីការរាតត្បាតសកលនេះ។ ខណៈពេលដែលពិភពលោកកំពុងស្វែងរកវិធីដើម្បីឆ្លើយតបនឹងវិបត្តិនេះ ប្រទេសកម្ពុជាក៏បាននិងកំពុងស្វែងរកមធ្យោបាយដោះស្រាយនូវបញ្ហាប្រឈមនេះផងដែរ។ ពេលដែលជំងឺកូវីដ១៩ចាប់ផ្តើមរីករាលដាលដំបូង ពួកយើងបានប្រកាសមូលនិធិដែល មានទឹកប្រាក់ចំនួនមួយលានដុល្លារអាមេរិក ក្នុងការចូលរួមចំណែកជួយទៅដល់រាជរដ្ឋាភិបាលនៃព្រះរាជាណាចក្រកម្ពុជាដើម្បីដោះស្រាយការរាតត្បាតនៃវិស្វកូវីដ១៩នេះ។

មូលនិធិនេះ គឺនឹងត្រូវយកទៅប្រើប្រាស់សម្រាប់ជាជំនួយផ្នែកហិរញ្ញវត្ថុទៅលើសកម្មភាពទាំងឡាយណាដែលមានសមត្ថភាព ខ្ពស់ក្នុងការផ្តល់ជាដំណោះស្រាយទៅដល់តម្រូវការចាំបាច់បំផុតក្នុង ព្រះរាជាណាចក្រកម្ពុជា ទាំងក្នុងអំឡុងពេលកើតមាន និងក្រោយពេលបញ្ចប់បញ្ហាផងដែរ។ ខណៈពេលដែលយើងកំពុងបន្តប្រយុទ្ធប្រឆាំងនឹងវិបត្តិកូវីដ១៩នេះ តែរកមានសារៈសំខាន់ផងដែរក្នុងការពិនិត្យមើលថយក្រោយទៅលើកិច្ចខិតខំព្រឹងប្រែង និងផលជាវិជ្ជមានជាច្រើនរបស់យើងដែលសម្រេចបាននាឆ្នាំ២០១៩កន្លងផុតទៅ។

ហេតុដូច្នេះ ខ្ញុំមានភាពក្រេកអរនិងសោមនស្សរីករាយក្នុងការផ្សព្វផ្សាយជូននូវរបាយការណ៍និរន្តរភាព ស្តីអំពីសេដ្ឋកិច្ច និងសង្គមក្នុងឆ្នាំ២០១៩ របស់ក្រុមហ៊ុនយើងខ្ញុំ ទៅកាន់សាធារណៈជន និងបណ្តាអ្នកពាក់ព័ន្ធទាំងអស់ឲ្យបានជ្រាបជាព័ត៌មាន។

របាយការណ៍នេះគឺបង្ហាញនូវភាពសកម្មក្នុងការគាំទ្រ និងផ្តួចផ្តើមនូវកម្មវិធីការងារសង្គម (CSR) លេចធ្លោជាច្រើនដែលពិភពជាបាននាំមកនូវផលជាវិជ្ជមានជាច្រើនមកប្រទេសកម្ពុជា យ៉ាងនេះក៏បញ្ជាក់ផងដែរនូវការប្តេជ្ញាចិត្តខ្ពស់របស់យើងខ្ញុំក្នុងការបន្តបង្កើតគុណតម្លៃយៈពេលវែងនៅក្នុង ព្រះរាជាណាចក្រកម្ពុជា។

របាយការណ៍នេះមានលក្ខណៈខុសប្លែកបន្តិចពីរបាយការណ៍ឆ្នាំមុនដោយបានបង្ហាញផងដែរនូវយន្តការ និងសកម្មភាពនិរន្តរភាពទាំងឡាយស្របទៅតាមយន្តការរបស់ក្រុមហ៊ុនមេ (Axiata Group)។ ដោយឡែកសម្រាប់របាយការណ៍ឆ្នាំ២០១៩នេះ គឺផ្តោតជាសំខាន់ទៅលើការចូលរួមចំណែកអភិវឌ្ឍន៍ផ្នែកសង្គមជាតិ និងសេដ្ឋកិច្ចជាតិប៉ុណ្ណោះ។ តាមរយៈកិច្ចខិតខំប្រឹងប្រែងទាំងនេះ គឺបានឆ្លុះបញ្ចាំងយ៉ាងច្បាស់អំពីការប្តេជ្ញាចិត្តខ្ពស់ក្នុងការវិនិយោគយៈពេលវែងឆ្ងាយ និងការចូលរួមចំណែកជួយទៅដល់ការអភិវឌ្ឍសេដ្ឋកិច្ចជាតិ និងសង្គមជាតិនៃព្រះរាជាណាចក្រកម្ពុជាឲ្យកាន់តែមានភាពរីកចំរើនជាលំដាប់។

ក្រុមហ៊ុនស្ថិត អាស្យាតា នឹងនៅតែបន្តកិច្ចសហប្រតិបត្តិការជាមួយដៃគូនានា ដើម្បីអភិវឌ្ឍ និងអនុវត្តសកម្មភាពនានាប្រកបដោយផលជាវិជ្ជមានជាច្រើន ពិសេសក្នុងកាលៈទេសៈដ៏លំបាកមួយនេះ។ ជាភិច្ចបញ្ចប់ ខ្ញុំបានសូមថ្លែងអំណរគុណដ៏ជ្រាលជ្រៅទៅកាន់បុគ្គលិក អតិថិជន និងដៃគូនៅបណ្តាស្ថាប័នសាធារណៈ និងឯកជននានា ចំពោះរាល់កិច្ចគាំទ្រទាំងអស់ដែលបានផ្តល់មកដល់យើងខ្ញុំ។



Message from the CEO

Leadership that Listens and Acts

DEAR STAKEHOLDERS,

The unprecedented outbreak of the coronavirus has put all of us through uncertain and challenging times. Almost every sector and aspect of life has been affected by the COVID-19 pandemic. As the world is grappling with how to address and alleviate its impacts, Cambodia, too, has not been spared and is working hard to tackle this threat.

Early in the crisis, we announced Smart Axiata's 1 Million USD COVID-19 Relief Fund as a demonstration of our support for the Kingdom as it deals with the COVID-19 pandemic. The dedicated fund is expected to support those who need monetary assistance for high-impact solutions to address Cambodia's most urgent needs during and after the crisis.

While we continue our work to address the current situation amidst these turbulent times, it is still important for us to look back on our efforts in 2019 and the impacts we had on our community. Therefore, I am pleased to present to you our Socio-Economic Highlights 2019 which offers a snapshot of our activities that clearly illustrates our long-term commitment to creating sustainable impacts that benefit the Kingdom.

Unlike previous years' reports which discussed how our sustainability framework aligns with Axiata Group's own sustainability framework, this year's report focuses on Smart Axiata's social and economic contribution to the Nation Building Agenda.

I am particularly proud of Smart's lasting and significant commitment to the Kingdom's socio-economic growth while playing a key role in the telecommunications and ICT sector. By the end of 2019, Smart had invested over 1.66 billion USD in the country to build telecommunication infrastructure while contributing 467 million USD in taxes, levies and regulatory fees to the Royal Government of Cambodia.

Smart has consistently paid 2% of its annual service revenue to the Universal Service Obligation Fund to bridge the digital divide between urban and rural areas, and 1% of its annual service revenue to the Capacity Building and Research and Development

Fund to develop national ICT resources. Our exemplary contribution resulted in Smart being named the Best Contributor of the Year 2019 by the Ministry of Posts and Telecommunications.

In addition to our contributions to national development funds and government income, more than 1% of Smart's annual revenue is allocated for CSR programs that significantly impacts the communities we operate in. For example, we have launched the Digital Literacy and Internet Safety Pilot Program together with Google and GSMA. Endorsed by the Ministry of Posts and Telecommunications and Ministry of Education, Youth and Sport, the program includes training on basic digital literacy, and touch on aspects of online safety, digital tools and being a responsible digital citizen. We also expanded our focus on innovation and the digital economy at all levels by launching SmartScale, an acceleration program for early stage startups; piloted Seedstars Lean Launchpad to ignite entrepreneurial interest in high school students; and piloted Tiny Coding Cats, a coding class for primary school students.

The year 2019 also saw the company host the first 5G live network showcase in Cambodia, rebrand Smart Music to Pleng by Smart and introduce the Google Mobile Data Plan to our customers. Internally, we continued to drive our own digital transformation while actively developing our employees through various training programs.

It is clear that through these efforts, we are demonstrating our long-term commitment and contribution to the socio-economic well-being of Cambodia, an important component of the nation-building agenda. Smart will remain a committed partner in this context, and we look forward to creating great positive impacts in all that we do while navigating through these tough and uncertain times. In closing, I would like to express my thanks and sincere gratitude to all our employees, customers as well as government and non-government partners for your continued support.



THOMAS HUNDT
Chief Executive Officer

Prioritizing the Local Economy

Our financial and economic contributions to Cambodia continue to expand, generating long-term benefits for the Cambodian people and the economy. The impact we have made reverberates far beyond our immediate stakeholders. We create value and jobs throughout the supply chains that support us, while the products help to advance socio-economic development.



Contribution to the local economy:
459 million USD



Equivalent to
1.7%
of the
national GDP



Contribution to public finance:
94 million USD

in taxes, levies and regulatory fees



Tax contribution
alone accounted for
2.1% of
national tax income



Operating expenditure:

**164 million
USD**



Capital expenditure:

**78 million
USD**

Strengthening Connectivity for a Digital Cambodia

We believe Cambodia is well-positioned to make the digital leap, and we at Smart are more than ready to help make this happen as we widen network coverage and enhance infrastructure to drive a Digital Cambodia. To prepare for the next evolution of wireless technology, Smart has showcased 5G connectivity to the nation and continues to test the technology to ensure a seamless transition when 5G services are launched.



Hosted the first
**5G live showcase
in Cambodia**



**Network coverage
(number of base
transceiver stations)**

2G 2,650

3G 2,697

4G 2,685



**Network coverage
(by population and
technology)**

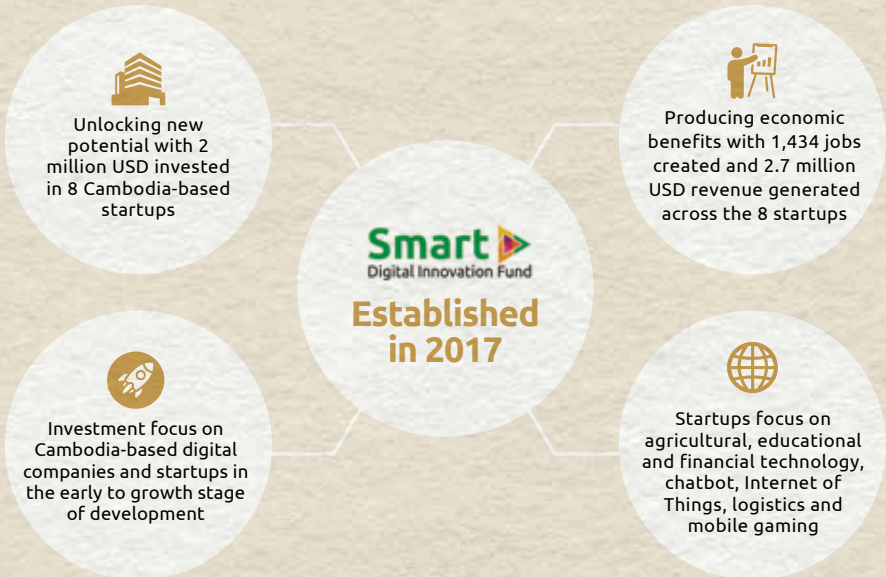
2G 99.2%

3G 84.9%

4G 75.0%

Empowering Homegrown Digital Entrepreneurs

As we expand and improve connectivity, we are catalyzing Cambodia's rapidly evolving economy with early stage investments to erect new digital ecosystems that will boost growth across a multitude of industries.



Morakot

Core banking system for banks and microfinance institutions



Agribuddy

Agricultural marketplace and financing for farmers



Joonak

E-commerce platform with delivery service



Nham24

Food and grocery delivery platform



Okra

IoT company providing affordable solar technology



Sousdey Cambodia

Chatbot solutions for customer relationship management



GoGames

Subscription-based platform for mobile gaming



Sala

School management platform



Creating Opportunities and Boosting Local Talents to Drive Our Nation's Prosperity

Creating opportunities and developing local talents

The opportunities we create directly and indirectly through our operations are improving the livelihoods of Cambodians. We are proud to hire locals, promote diversity and help the nation's businesses prosper.



Total jobs supported
49,399



Jobs supported directly
833



Cambodian employees
97% of our workforce



Female employees
36% of our workforce



Jobs indirectly supported
27,539



Jobs supported by capital investment
21,027

Upskilling and developing our talents

Smart continues to invest in our people as we believe they are our most important assets. We achieve this by continuously enabling our staff to improve their capabilities.

Workforce Capabilities

Improving and standardizing customer experiences



Smart Shop Standard Operating Procedure training for **64 employees over a period of 3 months**

Improving our technologies and keeping pace with evolving digital trends



Selected employees underwent technical training focusing on different themes including **mobile communication and artificial intelligence**

Improving our employees' English communication, a fundamental need in Cambodia



800 employees underwent assessments of their English language skills and received additional English capacity development training



All employees are continuously enhancing their skills through **LinkedIn Learning and Coursera**



Leadership Effectiveness

Various talent development programs for selected talents across the company.



Smart Acceleration Development Program
Accelerating the growth of **20 selected talents** through focused and sustained leadership training over a 22-month period



Smart Leader Program
8-month learning series focused on nurturing leadership effectiveness

Contributing to Society and Creating Value for Communities

Beyond numbers, Smart creates value for society in more ways than one, with more than 1% of its annual revenue allocated to CSR initiatives aligned with government priorities. We also continue to nurture the development of the next generation of leaders through a variety of educational and leadership programs.



PROMOTING READING AND LITERACY FOR ALL

SIPAR
More than **14,000 children** benefit from mobile libraries



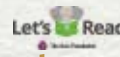
19,000 secondary students have access to libraries



19 youth clubs and 55 backpack libraries were engaged and deployed



LET'S READ
20 e-books were produced in 2019 with Smart Axiata's support



SUPPORTING STEM EDUCATION FOR ALL

CAMBODIA STEM FESTIVAL, AND CAMBODIA SCIENCE AND ENGINEERING FESTIVAL



More than **40,000 students** attended the festivals

CHAMPIONING EDUCATION FOR CAMBODIA'S BRIGHTEST MINDS

SMARTEDU SCHOLARSHIP PROGRAM

Since 2016, the SmartEdu Scholarship Program has supported

67 Cambodian students



More than **900 students** from 6 provinces attended career advice and development workshops at the SmartEdu Discovery Day



Launched the annual SmartEdu Induction Camp with under the framework of **3Cs** (Creativity, Communication and Critical Thinking)



DEVELOPING DIGITAL LEADERS FOR CAMBODIA

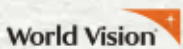
SMARTEDU UNIVERSITY STUDENT DEVELOPMENT PROGRAM



48 undergraduate students successfully completed the 13-day Bootcamp program. Eight of the participants were selected for a two-month work exposure program at Axiata Group in Malaysia

INSTILLING A CULTURE OF HEALTHY LIVING THROUGH SPORTS PROGRAMS

One Goal Program
The program now covers 12 districts with almost **14,000 beneficiaries**



Indochina Starfish Foundation
3,500 players from disadvantaged backgrounds across 12 provinces attended weekly football training and development sessions



Smart-PSE-RMF Socio-Sport School
More than **900 children** engaged in this sports initiative



PROVIDING ACCESS TO BETTER HEALTH SERVICES

Contributed over 200,000 USD to organize the Smile Charity Concert and additional funds to support Kantha Botha Hospital, Cambodia's free pediatric hospital



Homeless World Cup 2019 in Wales
Empowered more than **60 young Cambodians** and developed 10 coaches



Smart Community Cup
Impacted more than **240 youths** through football-based activities



Female Frisbee League
Engaged **75 students** in the three-month pilot program that introduced more gender equality into the sport of frisbee



Smart is at the forefront of mobile technology advancement in Cambodia. Its extensive nationwide network covers 99% of the Cambodian population. The company is also rapidly transforming itself into a digital lifestyle brand, having introduced many innovative offerings and lifestyle entertainment value propositions. Smart aspires to be the #1 and most loved communication tech brand in Cambodia by 2022, while having a strong corporate social responsibility and sustainability agenda to support national socio-economic growth.

The company's workforce consists of over 1,000 local and foreign experts striving towards a common mission of connecting and making lives better. Live. Life. Be Smart.





The impact we deliver is made possible because

sustainability is at the core of all that we do.

RECOGNITION

<p>1</p> <p>Best Mobile Service Provider 2019 by Frost and Sullivan</p> 	<p>2</p> <p>Best Mobile Data Service Provider 2019 by Frost and Sullivan</p> 	<p>3</p> <p>Best Telecommunications Company Cambodia 2019 by Global Banking & Finance Review</p> 	<p>4</p> <p>Best CSR Company Cambodia 2019 by Global Banking & Finance Review</p> 	<p>5</p> <p>Best Contributor to CBRD Fund 2019 by Ministry of Posts and Telecommunications</p> 
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ABOUT SMART AXIATA

<p>8 million subscribers</p> 	<p>Nationwide network coverage stretches to 99% of the Cambodian population</p> 
<p>32% of suppliers were Cambodian businesses</p> 	<p>Rapidly transforming into a digital lifestyle brand</p> 



A 6-week coding program designed for Cambodian students between 8 and 12 years old to nurture curiosity, resourcefulness and motivation.

Engaged **100 students**

Mentorship from **24 instructors**



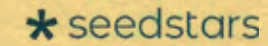
A pilot program with Google and GSMA aimed at promoting digital citizenship by increasing digital literacy and awareness of internet safety among high school students.

Engaged over **1,500 students** and teachers in 3 provinces

Online video campaign garnered an online audience of over **2.8 million**

Exposed students to **video production skills**

Engaged **SmartEdu alumni** to develop and deliver content



A collaboration involving various programs aimed at nurturing entrepreneurship in Cambodia.

Seedstars Phnom Penh brought together **15 early stage startups** and more than 10 local and international mentors

Seedstars Lean Launchpad engaged with **more than 90 high school students** to create 20 new startup ideas with the help of over 20 mentors from SmartStart and SmartEdu alumni

Seedstars Asia Summit 2019 convened **22 regional startups** alongside **350 ecosystem builders** and **corporate investors**

Top startup selected to participate in the Asia and World Summit



Enabling a Digital Future for All in Cambodia.



An annual program with Impact Hub Phnom Penh aimed at enabling and empowering young Cambodian talents to develop their tech and digital ideas into viable enterprises.

Engaged with more than **360 university students** since 2017

Mentorships from **20 tech leaders** in 2019

Launched 15 prototypes to the market and disbursed **65,000 USD in cash prizes** since 2017

Another **5 university start-up ideas** went through a six-month incubator program in 2019



A 10-week program which supported social entrepreneurs to further develop their social enterprises.

Business enterprises to address the **UN SDGs in Cambodia**

71 participants in cohorts 2-4 in 2019

Winner from each cohort awarded **3,000 USD**



A 3-month program in collaboration with Mekong Strategic Partners, Seedstars and Development Innovations to help early stage startups reach their next milestone faster.

Startups are provided with access to mentors, guided workshops, one-on-one sessions, business and investor networking and exposure to funding opportunities

Shortlisted **11 Cambodia-based startups**

Demo Day attended by **20 investors and 100 members** from the local ecosystem



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