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. Ultimately, a green economy aligns with our vision of a sustainable future and enables us to create long-term value for our business, our customers, stakeholders, and society as a whole.

Sustainable Development Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

PILLAR 2 · ADVANCING GREEN ECONOMY

Climate Change

We acknowledge the transformative potential of connectivity and digitalization in addressing the climate crisis, and we are committed to becoming a net-zero carbon company by 2050, aligning with GSMA's goals for the mobile sector. Our strategy includes assessing climate risks, promoting circular economy solutions, and adopting standards emission reporting.
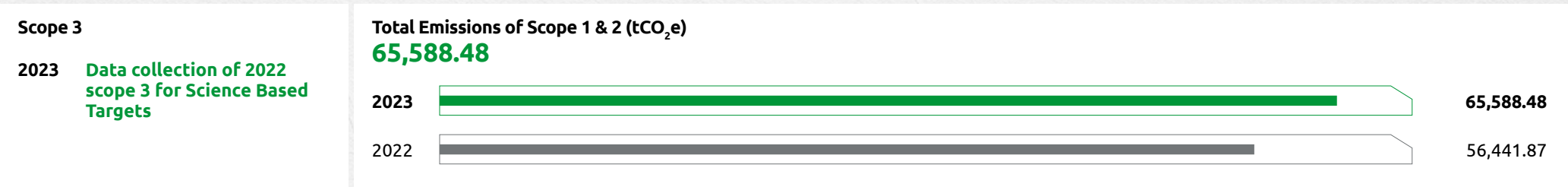
Emissions by Year

Scope 1 (tCO_2e)

2023	**3,798.60**
2022	3,978.24

Scope 2 (tCO_2e)

2023	**61,789.88**
2022	52,463.00
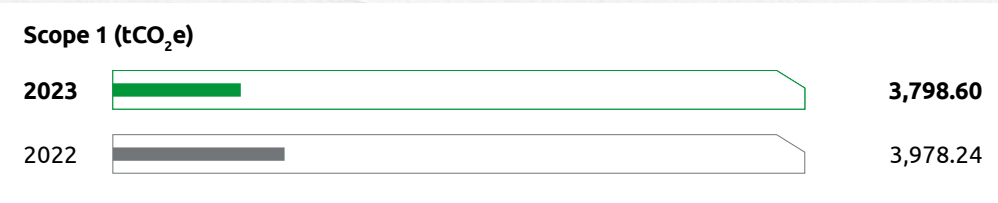
Scope 1: We have observed a downward trend in Scope 1 emissions, primarily due to our initiatives to increase the use of grid power instead of relying on diesel and petrol.
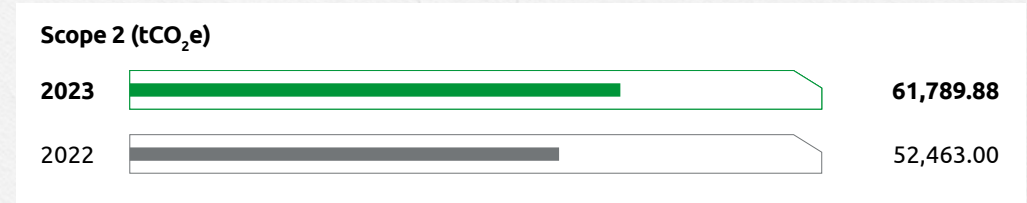
Scope 2: In 2023, the growing demand for data and services from our users, coupled with the need to maintain high service quality, resulted in an increase in Scope 2 emissions. However, we implemented several initiatives to help mitigate this rise, including the deployment of 295 stations that utilize solar power, the GigaGreen FDD Tri-Mid-Band 8T Network, and iPowerStar technology. Without these efforts, our overall consumption would have been significantly higher.

Scope 3

2023	**Data collection of 2022 scope 3 for Science Based Targets**

Total Emissions of Scope 1 & 2 (tCO_2e)

65,588.48

2023	**65,588.48**
2022	56,441.87

Scope 3: We are committed to taking significant actions to reduce our Scope 3 emissions. In line with Axiata Group's support, we partnered with Carbon Trust to collect baseline data on Scope 3 emissions for the year 2022 in 2023. This data will enable us to establish an SBT, providing us with a clearer understanding of our next steps and recommendations for achieving net-zero emissions.

Source of Conversion Factor

Electricity
Grid Emission Factor (t CO_2e) for Cambodia:
0.0004937 tCO_2e/kWh
per International Energy Agency (IEA) Emission Factor 2022

Diesel
0.002676492 tCO_2e/liters
per conversion emission factor database of the Intergovernmental Panel on Climate Change

Petrol
0.0023024925 tCO_2e/liters
per conversion emission factor database of the Intergovernmental Panel on Climate Change

PILLAR 2 · ADVANCING GREEN ECONOMY

🌱 Climate Change (Continued)

NAVIGATING CLIMATE-RELATED RISKS AND LEVERAGING OPPORTUNITIES

Understanding climate-related risks and opportunities is key to adapting our strategies for sustainability and resilience. Identifying these factors allows us to mitigate risks and capitalize on opportunities for sustainable growth.

Efficient energy consumption and effective emission management are key to reducing our environmental impact. By optimizing energy use and controlling emissions, we can lower our carbon footprint.

### Driving Energy Savings with iPowerStar 2.0

Smart has partnered with Huawei to roll out iPowerStar 2.0, an advanced version of the iPowerStar 1.0 system that has been in use in Smart's network since 2018. This technology upgrade aims to enhance efficiency and significantly reduce energy consumption at our base stations.

The system utilizes intelligent energy-saving features that adjust power usage based on real-time network demand, ensuring less energy is consumed when network activity is lower and promoting efficiency throughout the day. Sites upgraded with the iPowerStar 2.0 technology have experienced a **4.5% reduction in power usage**. This aligns with Cambodia's Pentagonal Strategy, which emphasizes national sustainability goals.

Clean Solar Energy

As part of our commitment to environmental stewardship and with the Smart Axiata expanded our renewable energy initiatives by **deploying 295 new solar sites** in 2023, complementing our ongoing energy optimization efforts.

Number of Solar Sites
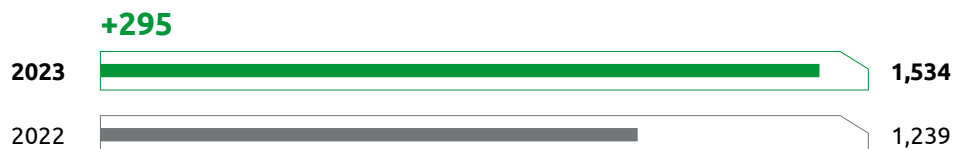
+295

Year		Value
2023	████████████	**1,534**
2022	██████████	1,239

PILLAR 2 · ADVANCING GREEN ECONOMY

Climate Change (Continued)

DRIVING POSITIVE CHANGE THROUGH CLIMATE ADVOCACY INITIATIVES

We are implementing a range of impactful initiatives as part of our ongoing efforts to drive positive change. They underscore our commitment to proactively combat climate change and work towards a more sustainable future. Through our action, we aim to inspire others to join us in our mission.

Earth Hour with World Wildlife Fund for Nature (WWF): Inspiring Millions Worldwide to Take Action for Our Planet

By turning off lights for one hour, participants symbolize their commitment to a sustainable future. Beyond this symbolic gesture, Earth Hour encourages a broader range of environmentally conscious actions, from reducing energy consumption to supporting renewable energy initiatives. In Cambodia, the movement has sparked a growing wave of environmental stewardship, empowering individuals and communities to create a greener future.

- Held Earth Hour 2023 on March 23, 2023, in Phnom Penh under the theme "Step Up, Build Back Better".

- **2,000** people participated in the event, workshop, and seminar.

- **7 million** were reached via SMS.

- **4.5 million** were reached through social media and out of home ads.

- Disseminated key educational messages on plastic reduction, wildlife conservation, illegal environmental activities, and the wildlife meat trade, reaching a broad audience and sparking action for sustainable living.

A Day without Single-Use Plastic with Ministry of Environment (MoE)

- Supported the "Today, I Don't Use Plastic" campaign, an initiative by the Ministry of Environment.

- Ignited a nationwide movement, inspiring **3,728,169 people** to pledge action and shift behaviors on plastic bag use in the last quarter of 2023.

PILLAR 2 · ADVANCING GREEN ECONOMY

🌿 Climate Change (Continued)

DRIVING POSITIVE CHANGE THROUGH CLIMATE ADVOCACY INITIATIVES (CONTINUED)

Project W – WASH for Education

▶▶ Supported Project W, a collaborative initiative focused on improving water sanitation, and hygiene (WASH) conditions along with raising awareness about water consumption in rural Cambodian schools.

▶▶ **Installed water filtration systems** at Chonlas Dei and Phum Kumru Secondary Schools in Siem Reap.

▶▶ Benefited approximately **700 students** and their communities, empowering students to focus on their education while contributing to overall well-being but also reflects our commitment to social responsibility and sustainable development.

IMPACT STORY: NATIONAL ECO-SCHOOL COMPETITION 2023 WITH MoE

Smart Axiata supports **the National Eco-School Competition**, a joint initiative by the Ministry of Environment and the Ministry of Education, Youth and Sport. This program recognizes schools demonstrating excellence in environmental practices, including green spaces, waste management, and biodiversity conservation. By fostering a culture of sustainability among Cambodia's youth, the Eco-School competition plays a vital role in building a greener future.

▶▶ **Awarded the ASEAN Eco-School Awards to Hun Sen Mittapheap High School and Kampong Chhnang Municipal Model Primary School** for their leadership in eco-friendly education.

▶▶ Supported the event with Smart's Head of Corporate Affairs as a committee member for the National Eco-School Awards.

▶▶ Reached a total of **31,050 students** and **2,924 teachers** in **69 schools**.

PILLAR 2 · ADVANCING GREEN ECONOMY

🌱 Environmental Management

Smart is committed to environmental sustainability by implementing effective waste management, conserving water, and protecting biodiversity. Our goal is to achieve a circular economy within our operations, reducing our environmental impact and contributing to a sustainable future for Cambodia.

Our initiatives in 2023:

> An e-business card that allows customers to share professional information electronically, reducing the need for printed cards.

> EcoBatt-Energy Cambodia partnership that encourages employees and customers to recycle used batteries.

> Branding and marketing items produced from recycled materials, including **3,250** tote bags, **19,000** pens, **8,710** tumblers, and **4,750** notebooks.

> Empowering employees for better energy efficiency, we encouraged and educated our employees, helping them to use energy more efficiently through the publication of **Smart's Energy Efficiency Booklet**.

⤑ ENHANCING WATER MANAGEMENT

We remain steadfast in our water conservation efforts, collecting data on water utility and consumption from all Smart offices nationwide. The goal is to identify increases in water usage, implement practices to optimize it, and enhance awareness of responsible water management to fulfill our water-saving commitments.

Total Water Consumption (Liters) in 2023

10,848,732

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

PILLAR 2 · ADVANCING GREEN ECONOMY

Environmental Management (Continued)

IMPLEMENTING GREEN PRACTICES IN SUPPLY CHAIN

We understand that effective supply chain management must be paired with a strong commitment to environmental stewardship. In 2023, we integrated the following measures throughout our supply chain:

▷ Established a mandatory requirement for transportation service suppliers to use vehicles with a minimum model year of 2016 to reduce environmental pollution.

▷ Encouraged the reduction of plastic use in our suppliers' operations by conducting site visits.

For other measures on how we ensure ethical standards and practices in our supply chain, please refer to page 41 in the Driving Governance & Risk section.

IMPACT STORY: EMERGENCY AND DISASTER RESPONSE

Celebrating Our Contributions to Cambodia's Disaster Resilience

In 2023, Smart received recognition from the National Committee for Disaster Management and People in Need for our contributions to Cambodia's climate disaster resilience, highlighting our key role in enhancing the nation's resilience to climate-related disasters.

The development of Cambodia's early warning system, EWS 1294, has been greatly supported by Smart's advanced technology. Leveraging this technology, Smart has provided timely disaster alerts through SMS, which have proven essential in reducing flood damage. This initiative not only improves life preservation but also enhances community readiness for natural disasters. Positive results from the second phase of pilot testing emphasize the impact and reliability of Smart's technological solutions in managing disasters effectively.

We remain committed to building a more secure future for Cambodia through community-focused disaster preparedness and collaborative initiatives, and we will continue to drive these efforts forward.