

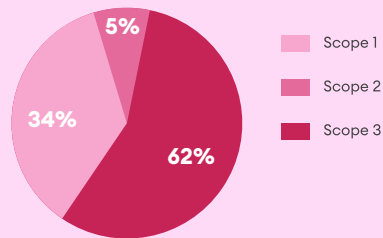
CARBON FOOTPRINT

Climate change poses a significant challenge to businesses worldwide, and the digital commerce sector is no exception. As global temperatures rise and weather patterns become increasingly unpredictable, the ripple effects to our operations, environment, and communities are profound.

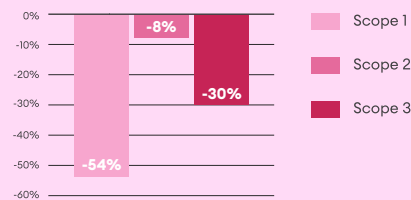
At Lazada, we acknowledge our responsibility in the collective effort to address climate change. To understand our carbon footprint, we continuously update our carbon accounting methodologies¹³ to reflect real-world conditions and diligently monitor our progress in managing greenhouse gas (GHG) emissions. During the reporting period, Lazada successfully established an internal carbon data collection platform, enhancing our data quality and accuracy. Where applicable, we have shifted from estimate-based to activity-based carbon accounting methodology, meaning our calculated Scope 1 emissions are based on actual business activities rather than relying on general estimates. This shift provides a more accurate and precise measurement of our carbon footprint.

As a result of adopting this new activity-based carbon accounting methodology and implementing other business optimization initiatives to lower overall electricity consumption, our overall GHG emissions are 40% lower than in the previous reporting period.¹⁴ Specifically, our reported emissions have decreased by 54% in Scope 1, 8% and 30% in Scope 2 and Scope 3.

Proportion of GHG Emissions in FY2024 (%)



Changes in GHG Emissions in FY2024 Compared to FY2023 (%)



Energy-saving Program in Lazada Thailand Sortation Center

At Lazada Thailand's Theparak Sortation Center (TPKSC), various energy-saving measures have been implemented to optimize electricity usage and reduce carbon footprint. By identifying high electricity consumption areas, such as the continuously operating "Big Fan," a scheduling system was introduced to control the fan's operation, ensuring it runs only when necessary. Additionally, an alternative ventilation system with entrance shutters designed for natural air ventilation was installed, reducing temperatures effectively without the constant use of fans. These initiatives collectively help lower energy consumption and associated carbon emissions.



27% reduction in daily electricity usage for fans after implementing the scheduling system

Innovative Pathways to a Clean Energy Future

In the face of obstacles like limited infrastructure and steep initial setup costs, our dedication to catalyzing positive change remains unwavering. We look to innovative approaches to propel us forward in our journey of integrating clean energy into our everyday operations.

Renewable Energy Adoption in Lazada Indonesia

Lazada Indonesia initiated the use of renewable energy by installing solar panels at its logistics facilities. Solar energy was first introduced at two facilities, located in Bali and Bandung, in June and September 2023 respectively, with expected annual outputs of 9,800 kWh and 3,700 kWh. Building on the success of these pilot projects, Lazada Indonesia expanded the initiative to its largest logistics facility in Cimanggis Depok, West Java. This facility is expected to produce approximately 500,000 kWh of solar energy annually, meeting about 13% of the facility's electricity needs.



Approximately
500,000 kWh
of solar energy generated annually at
the largest logistics facility in Indonesia

Piloting Thailand's First Green Logistics Hub

In September 2023, Lazada Thailand launched its first eco-friendly logistics hub at the Tha Raeng – Ram Inthra Logistics Hub to minimize its environmental impact through three key strategies: using solar power, utilizing electric motorcycles for transportation, and providing delivery partners with uniforms made from recycled PET plastics bottles. Following a successful pilot program, the initiative to use recycled plastic uniforms has been expanded to include all new delivery partners working with Lazada Thailand.



20% of the logistics hub's electricity needs are powered by solar energy generated and 30 out of 37 bikes are electric

¹³ Please refer to Appendix page 23 for more details.

¹⁴ Restating historical emissions data using the activity-based carbon accounting method is not possible because the company does not have the detailed records such as specific activity levels from previous years needed for accurate recalculation.