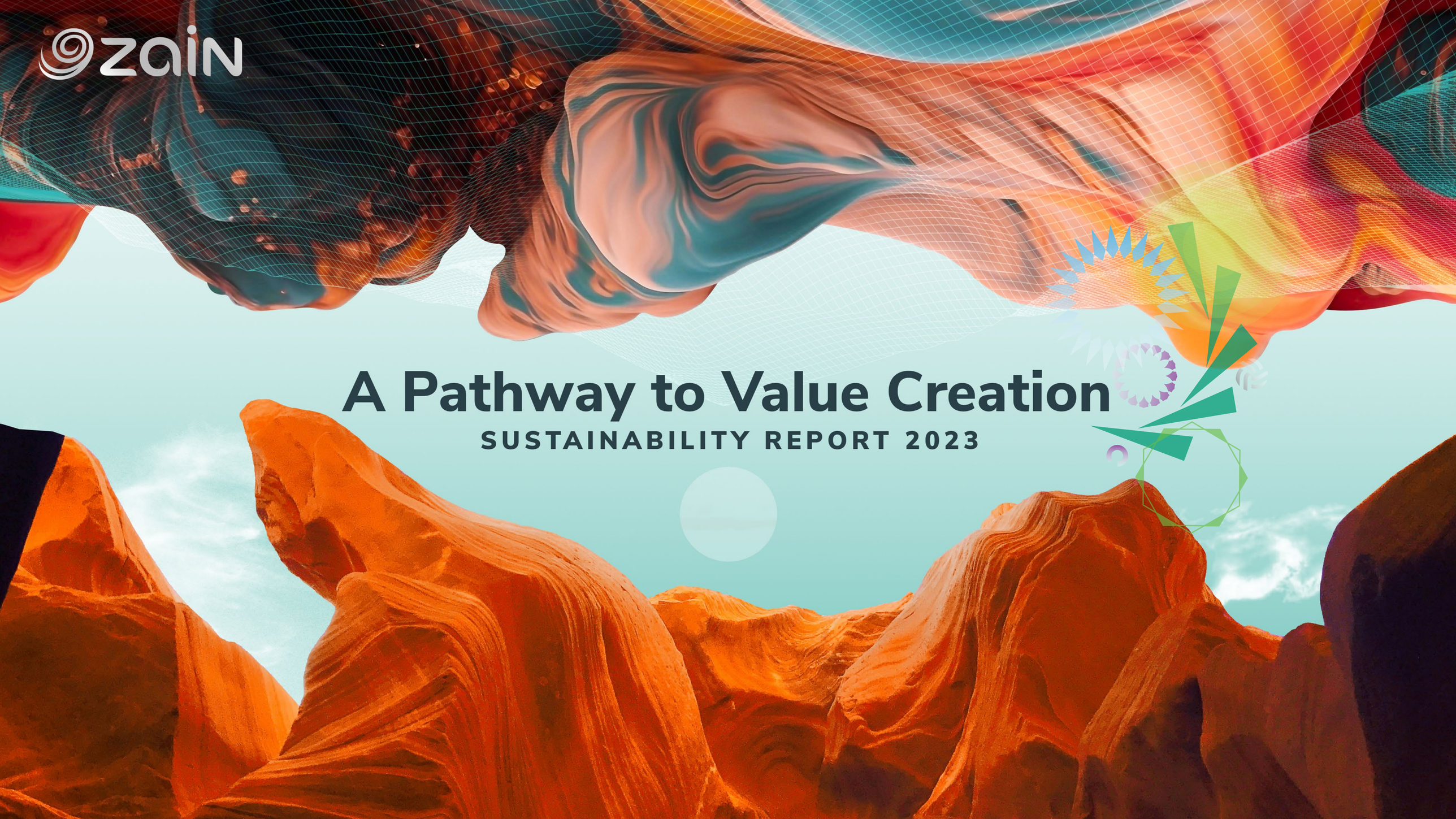

zain
A Pathway to Value Creation
SUSTAINABILITY REPORT 2023

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CHAPTER 01

About the Report

For its 13th consecutive year, Zain's 2023 Sustainability Report provides an overview of the company's social, economic, environmental, and human rights impacts across its operating companies. The report covers the period 1 January 2023 - 31 December 2023, published on an annual basis.



Headquartered in Kuwait, Zain's countries of operation referenced in this report include Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia, Sudan, and South Sudan as well as key subsidiaries ZainTECH and Zain Omantel International (ZOI).

The report is in line with the company's financial statements that can be found n the annual report. Zain also holds a 15.5% stake in INWI in Morocco through a joint venture. As Zain does not manage INWI operationally, this entity is not part of the scope of the Sustainability Report.

Zain also ensures its Sustainability Report is independently verified under limited assurance by Ernst & Young (Al Aiban, Al Osaimi and Partners). The independent assurance report can be found on page 130.

The Vice-Chairman and Group CEO, Chief Financial Officer, Chief Sustainability Officer, and relevant Executive Management at Zain Group review, assess, and approve the publication of the Sustainability Report.

Zain's Sustainability Report is developed in alignment to the AA1000 Accountability Principles (AA1000AP) 2018; the Global Reporting Initiatives (GRI) standards; the Sustainability Accounting Standards Board (SASB) Standards, where it follows the 'Telecommunications Sustainability Accounting Standard'; Task Force on Climate-Related Financial Disclosure (TCFD), United Nations Guiding Principles (UNGP) on Business and Human Rights Reporting Framework; ESG Reporting Guide published by Boursa Kuwait, GSMA ESG Metrics for Mobile; and the United Nations Global Compact (UNGC) principles.

Centered on the Corporate Sustainability's strategy mission, the 2023 Sustainability Report demonstrates the company's efforts to provide Meaningful Connectivity leading to equitable systemic change. The report provides the required context of its markets to showcase how it continued to execute its five-year 2020-2025 Corporate Sustainability strategy. Throughout 2023, the company remained committed to achieving its targets whilst maneuvering through the various challenges and deficits faced by its operating markets.

The strategy's four pillars were created based on a comprehensive stakeholder engagement exercise in addition to being rooted in understanding the deficits and context of its economic, societal, environmental, and human rights impacts.

1. Climate Change: Decarbonize the business and transition towards Net-Zero by 2050
2. Operate Responsibly: Embed Environment, Social, and Governance (ESG) principles across the entire value chain
3. Inclusion: Reduce the digital inequality gap
4. Generation Youth: Build resilience across Zain communities by targeting 16 million children and youth

More information on how Zain's efforts in achieving the above-mentioned objectives can be found in the 'Sustainability Agenda' section on page 84.

Please note, some information deemed significant that was mentioned in previous reports is repeated in this edition, while redundant or easily available information may have been omitted to ensure fluidity and clarity of the current report. The report also describes situations where considerable organizational changes have taken place during the reporting period.

This report is published on March 28, 2024.

Zain welcomes any comments, feedback, or suggestions regarding the content and aspects related to Zain's sustainability performance.

Please reach out to us on:

Email: cs@zain.com



CHAPTER 02

Company Overview

The 2023 Sustainability Report coincides with the company's 40-year anniversary. Zain, formally known as Mobile Telecommunications Company K.S.C.P., was established in 1983 by an Amiri decree. Headquartered in Kuwait, the company is considered the region's first mobile operator, and following its expansion strategy is currently operating in eight countries in the Middle East and Africa with a workforce of around 7,900 employees. The largest shareholder is the Group of Oman Telecommunications, with a 21.9% ownership, followed by Kuwait Investment Authority with 15.9%.

Below is the breakdown of the equity share of Zain across its markets:

Operation	Equity Stake
Bahrain	65%
Iraq	76%
Jordan	96.5%
Kuwait	100%
Saudi Arabia	37%
Sudan	100%
South Sudan	100%
ZainTECH	100%

In 2023, the company provided voice and data digital products and services to 51 million customers. Prepaid and postpaid customer numbers can be found in the 'Customer Base' section of this report. Additionally, through its UAE headquartered integrated digital solutions entity, ZainTECH, the company provides the full stack of ICT enterprise (B2B) services for Governments and Enterprises of all sizes across the region. Also, the newly formed UAE based Zain Omantel International (ZOI) is revolutionizing the international telecommunications wholesale landscape as the premier wholesale powerhouse serving regional operators, international carriers, and global hyperscalers.

Zain is a member of the GSM Association and continues to engage proactively in various regulatory affairs, sustainability, climate change, circularity, children's rights, and industry trend streams.

51M

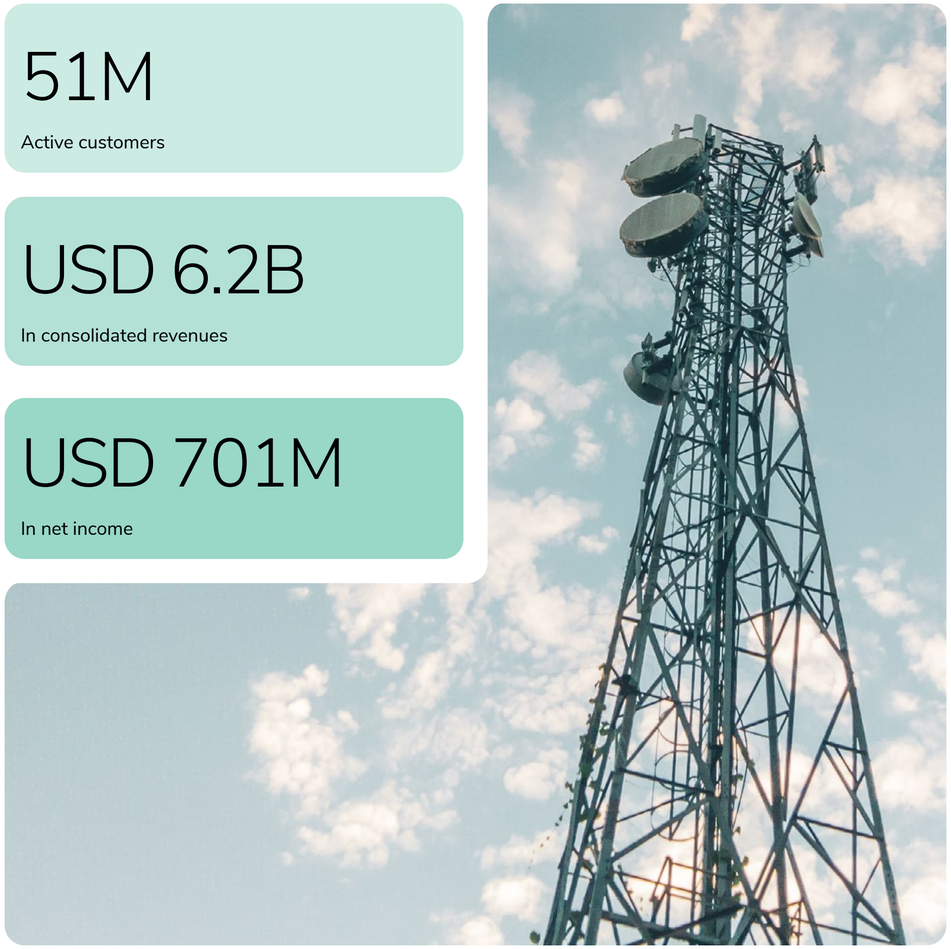
Active customers

USD 6.2B

In consolidated revenues

USD 701M

In net income



The company continued to scale implementation of blocking mechanisms of child sexual abuse material across six out of its seven mobile operators.



For the third consecutive year, Zain implemented its Women in Tech (WIT) program that fosters the development of undergraduate women in Science, Technology, Engineering and Mathematics (STEM), having reached an accumulative of 912 women since 2022.

912

AN ACCUMULATIVE OF WOMEN FROM THE WOMEN IN TECH PROGRAM REACHED SINCE 2022

Zain continued to scale its supplier self-assessment questionnaires to 441 suppliers, reaching a total of 23% of its active suppliers in 2023.

23%

ACTIVE SUPPLIERS TOOK SELF-ASSESSMENT QUESTIONNAIRES AND TRAINING IN 2023

To better serve its customers from the disability segment, the company provided bundles for this demographic in Bahrain, Jordan, Kuwait, Saudi Arabia, and South Sudan

Zain achieved a score of 8.4/10 in the Children's Rights and Business 2023 Global benchmark, reaching a leader position against a sector average of 5.8/10 and regional average of 3.4/10.

8.4/10

ACHIEVED SCORE IN THE CHILDREN'S RIGHTS AND BUSINESS 2023 GLOBAL BENCHMARK

Zain established the Zain Diversity, Equity, & Inclusion University in collaboration with IE University with the aim of extending learning opportunities to 2,000 Zain employees to participate in an inclusive online Digital Transformation program, also offering the possibility of attaining a master's degree.

2,000

ZAIN EMPLOYEES TO PARTICIPATE IN AN INCLUSIVE ONLINE DIGITAL TRANSFORMATION PROGRAM

In alignment to the company's ambition to become Net-Zero by 2050, Zain deployed 338 hybrid solutions across its footprint to reduce its emissions.

338

DEPLOYED HYBRID SOLUTIONS



CHAPTER 03

Message from the Board of Directors



Mr. Osamah Othman AlFuraih
Chairman of the Board of Directors



Mr. Bader Nasser Al Kharafi
Vice Chairman and Group CEO



Mr. Talal Said Al Mamari
Member of the Board of Directors



Mr. Abdulrahman Mohammed Ibrahim Al Asfour
Independent Board Member



Mr. Yousef Khaled Al Abdulrazzaq
Member of the Board of Directors



Mr. Zaki Hilal Saud Al-Busaidi
Member of the Board of Directors



Mr. Atif Said Rashid Al Siyabi
Member of the Board of Directors



Mr. Aladdin Baitfadhil
Member of the Board of Directors



Mr. Nasser bin Suleiman Al Harthy
Member of the Board of Directors

As the custodians of the company, its employees, various operating companies, subsidiaries, and companies under management control, Zain's Board of Directors remain steadfast in proving a path of organic and equitable growth based on the intersection of business and society over the short, medium, and long term.

The Board's focus on value creation is exemplified by its commitment to running the business with integrity, putting in place business KPIs that clearly articulate the company's vision for growth and development, and ensuring that the business has the required resilience to overcome the challenges of our time.

Climate change, displacement, and access to connectivity are areas of material importance to the Board due to the impact on the business. Employee and social well-being continue to be a focus area, especially in an era of great social turmoil.

We are happy to report that we continue to evolve and make inroads in our Corporate Sustainability strategy, and we look forward to fulfilling our strategic goals.

We would like to take this opportunity to extend our gratitude and appreciation to His Highness the Amir of the State of Kuwait, Sheikh Meshal Al Ahmed Al Jaber Al Sabah and the members of the governments in the markets in which we operate, for their support, which is instrumental for the continued development of the organization.

Sincerely,
Zain Group Board of Directors



CHAPTER 04

Message from the Vice-Chairman & Group CEO



As we leave behind 2023 and reflect on the progress made across our markets, I am proud to report on the growth and development of our 4Sight and Corporate Sustainability strategies. While 2023 was challenging due to regional geo-political instability, Zain was still able to make great progress with respect to its Fintech activities, which contributed to the further development of the region's digital economy.

The growth of Fintech highlights the value creation for both business and society due to the technology's ability to address gaps in banking across the company's footprint. Zain Cash in Iraq and Jordan have continued to grow and lead in their respective markets. In Saudi Arabia, Tamam and Yaqoot are experiencing further growth, exemplifying Zain's sustainable development by having an inclusive business proposition that addresses our customers' needs.

ZainTECH, the company's integrated digital solutions provider, continues to evolve and strengthen its position as a transformation enabler, with an ambition to become a regional competitive entity with inherent capabilities to drive growth. With its suite of capabilities and geographical reach, ZainTECH will continue to provide value to enterprises and governments through its pre-built products and solutions across the region.

Dizlee, Zain's API platform, continues to expand at an impressive rate with 240 million transactions having been processed over the platform, highlighting the key role it plays in connecting Zain customers with services across the digital economy, eliminating access barriers.

With respect to our operating companies, Zain Sudan experienced immense challenges due to the civil war that erupted in the country. Despite the conflict, the company was able to reinvent itself and sustain the business. Zain Sudan's network resilience was impressive as the company tried to avoid disconnections, continued with service provision, and relocated its data centers to other regions in the country. The company also facilitated means of evacuation by providing buses for employees and their families to reach safety. Till the end of 2023, Zain Sudan managed to provide connectivity to a significant number of the Sudanese population.

In our other markets, businesses continued to grow through convergence and strategic market developments. Zain Kuwait introduced a partnership with Red Bull, leading to an increase in customer acquisitions. The B2B segment continues to leverage ZainTECH, establishing itself as a one-stop-shop for enterprise solutions and supporting all the B2B teams across our footprint.

Zain Iraq experienced a turnaround in line with a string of resurgent developments in the market. Zain Jordan and Zain Bahrain continued to push forward as did Zain South Sudan in showing promise for top-line growth, focusing on 4G. M-GURUSH, South Sudan's pioneering mobile money offering, is doing well due to the large unbanked population in the country.

As we move forward, Zain Group will continue to focus on creating and maintaining value across the business, economy, and society-at-large.

As we continue to successfully undertake our business, we would like to extend our appreciation to His highness the Amir of the State of Kuwait, Sheikh Meshal Al Ahmed Al Jaber Al Sabah and the members of the governments in which we operate for their invaluable support, which is instrumental for the continuous growth of Zain.

Sincerely,
Bader N. Al-Kharafi





CHAPTER 05

Message from the Chief Sustainability Officer



Humanity is going through challenging times and now more than ever it is important that we remain firm to our conviction to the premise of providing meaningful connectivity as one of the fundamental tenants of human rights. Regional geo-political conflicts such as the civil war in Sudan and other regional conflicts further exacerbate the erosion of fundamental respect for human rights, resulting in loss of life, mass displacement, suffering, and damage to the fabric of society.

In a region characterized by a young population, political challenges coupled with economic insecurity and slow socio-economic development pose profound negative impacts across the spectrum. Success, economic and social regeneration will only emerge through a collaborative approach based on collectively agreeing on a strategic approach to community development, while addressing collective risks such as climate change, youth unemployment, human rights, and the strategic integration of women into the labor market.

To be able to implement our goals and aspirations, strategic engagement with all our stakeholders has the potential to provide clarity in our journey ahead. As we are dedicated to creating transformations across our footprint, our 4Sight strategy establishes a forward-looking pathway for development, laden with untold growth opportunities that are material not only for Zain but also for the region's growth.

We continue towards digital transformation and growth as a digital service provider where we are witnessing a substantial increase of our non-telco business, attesting to the evolution of our business in society.

As we implement our Corporate Sustainability strategy, we recognize the vestiges from the COVID-19 pandemic as we continue to experience crippling mental health impacts, coupled with severe and detrimental effects from social media such as abuse, bullying, and misinformation. As a leading regional digital services provider, it is our duty to stay true to our core values and build resilient societies with tools and mechanisms to allow unfettered prosperity.

As always, Zain looks to collaborate with all stakeholders, and we welcome feedback as we look forward to continuing our mission to deliver for the greater good of all.

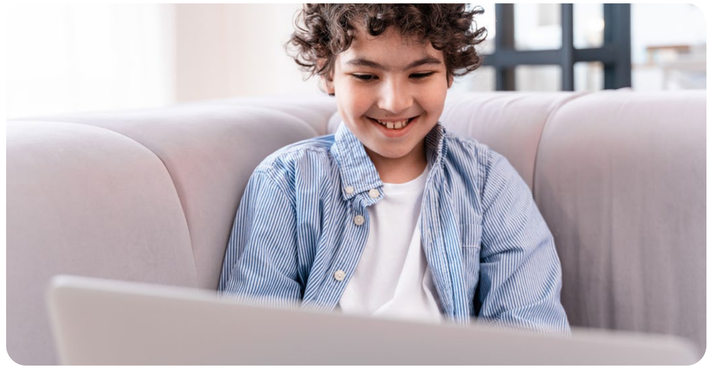
Sincerely,
Jennifer Suleiman





CHAPTER 06

2023 Highlights



PRODUCTS AND SERVICES

01

In 2023, Zain Kuwait launched Kaspersky Safe Kids, an all-in-one parental control app to protect children online.

02

Zain Jordan's Basma Line is now revamped to Basma Line+, which is a mobile bundle package tailored for deaf and mute customers. The revamped line was developed through focus group sessions conducted with the target audience.

03

Zain Omantel International FZ LLC (ZOI) was established in partnership with Omantel in May 2023. Through this partnership, ZOI aims to establish itself as the Middle East's premier international wholesale services provider. Throughout the year, four main projects have emerged under this partnership that span Zain and Omantel's operating markets.



PEOPLE AND PURPOSE

Established the Zain Diversity, Equity, and Inclusion University (DEIU) in collaboration with the highly rated IE University in Spain, extending the opportunity to 2,000 Zain employees to participate in an inclusive online Digital Transformation program.

Launched in 2023, ZYxGreenSkills is an initiative that focuses on the development of green skills, as the company recognizes the importance of equipping young individuals with the knowledge and tools related to circularity and addressing the impacts of climate change.

Continued to provide counseling and therapy sessions offered by Kuwait Counseling Center to Zain employees Group-wide at no charge.



SUSTAINABILITY AGENDA

Red Sea Global and Zain Saudi Arabia unveiled the world's first zero-carbon 5G network at the Red Sea's Six Senses Southern Dunes resort, powered 100% by renewable energy from over 760,000 solar panels.

The supplier self-assessment questionnaire is a tool Zain embedded in its process to validate suppliers' commitment and alignment to Zain's sustainability policies and ethical principles reaching 441 suppliers this year.

During 2023, Zain worked towards implementing its three-year MoU with Child Helpline International (CHI) to facilitate child helplines across its footprint. The partnership aims to mobilize, facilitate, and support child helplines across Zain's markets of operation.

BAHRAIN

Annual Revenue (USD m)

192

Full-Time Employees

203

Total Capex (USD m)

34

Zain Bahrain continued to develop its ‘Natawasel’ service, the first sign language video call center at government health centers in the Kingdom. 27 health centers across Bahrain are equipped with video call services, and successfully logged more than 891 calls to date.

For the fourth consecutive year, Zain Bahrain continued its partnership with the Supreme Council for Women to offer the Girls for Tech program powered by Clever Play, an organization that embeds STEM learning in children’s education, training 585 girls in 2023.

Zain Bahrain collaborated with Our Sea Remediation and Waste Management entity to offer a beach clean up service using ‘bebot’ robotic technology, which operates solar panels to generate its energy. This technology helps keep marine shorelines free from waste and pollution.



IRAQ

Annual Revenue (USD m)

974

Customers (m)

17.9

Full-Time Employees

1,227

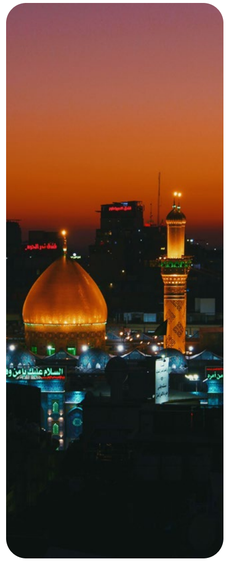
Total Capex (USD m)

195

Under the third edition of the Women in Tech mentorship program, Zain Iraq successfully delivered a total of six sessions for each student from 26 different universities. In 2023, Zain experienced a 60% growth in the number of applicants year-on-year, and increased the number of mentees to 136 women and mentors from 14 experienced Zain employees to 22.

The Ra’idat Program, a local competition initiated by the French Embassy in Iraq and executed in collaboration with Zain Iraq and the Station, the first co-working space for entrepreneurs in Baghdad, aims to support and empower Iraqi females in their entrepreneurial pursuits. In 2023, the program achieved participation of over 150 females.

In 2023, Zain Iraq’s TowerCo company commenced deploying solar and hybrid solutions resulting in CO_2 emission reduction by 3.3% year-on-year.



JORDAN

Annual Revenue (USD m)

525

Customers (m)

3.9

Full-Time Employees

1,333

Total Capex (USD m)

163

In 2023, Zain Jordan reached 10.3 million people through its social media channels, on topics that touched on climate change, water, waste management, and plastic pollution.

Zain Jordan’s Basma Line Bundle was revamped based on focus group feeback from People with Disabilties in 2022.

Zain has a longstanding relationship with the 110 Jordan River Foundation (JRF) helpline that has operated since 2007. Zain Jordan continues to support the helpline by providing cellular service through microwave and sim cards. In addition, the company continues to zero-rate outgoing calls from Zain users.



KUWAIT



Annual Revenue (USD b)

1.2

Customers (m)

2.7

Full-Time Employees

1,807

Total Capex (USD m)

151

Zain Kuwait partnered with the national e-learning platform, Baims, to spearhead the digitalization of the education sector, specifically tailored for high school and university students across five MENA countries (Kuwait, Saudi Arabia, Bahrain, Jordan and Turkey). Over the past year, the platform recorded 30 million views. The outreach extends to over 150,000 active monthly users, showcasing the platform's dynamic role in facilitating educational engagement. Baims includes 500 exclusive content creators and tutors and is considered one of the top 50 e-learning companies in the MENA region.

Zain Kuwait continued its longstanding partnership of 25 years with the Kuwait Dive Team. Zain Kuwait provided a fully equipped boat for the dive team to run their marine protection operations in 2023.

Zain Kuwait is currently collaborating with the Kuwait National Child Protection Office to introduce the 147 National Child Helpline and is working on a campaign aimed at raising awareness about child protection and the helpline, set to launch in Q2 2024.

SAUDI ARABIA



Annual Revenue (USD b)

2.6

Customers (m)

8.9

Full-Time Employees

1,788

Total Capex (USD m)

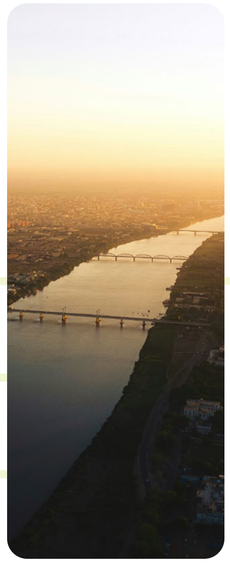
253

In 2023, Zain Saudi Arabia formulated an official partnership with the National Family Safe Program after conducting multiple stakeholder engagement sessions to understand the deficits the helpline currently faces.

Launched the core bundle titled Lifetime that provides a 50% discount for people with disabilities. On Purple Saturday, Zain Saudi Arabia launched a social media campaign in partnership with the Association for People with Disabilties (PwD), reaching 18,500 people. Subscriptions to the service grew by 247%.

In 2023, 3,093 participants from Zain Saudi Arabia subsidiaries, vendors, and partners underwent the 'Be aware-Be secure' cybersecurity and awareness training, reinforcing a robust cybersecurity culture across the organization and its extended network. The plan is to customize the program for university students as well.

SUDAN



Annual Revenue (USD m)

558

Customers (m)

14.2

Full-Time Employees

788

Total Capex (USD m)

109

Due to the civil conflict that erupted in Sudan, Zain undertook various initiatives to help support the citizens of the country. To ensure secure communications and information dissemination, Zain launched different bundles to help support the community.

Prior to the conflict, Zain Sudan worked on an official agreement with the Family and Child Protection Unit. This involved expanding the main call center building with support from the Italian agency in Sudan. 14 agents were trained by Zain Sudan to operate the call center, with this initative aimed to enhance Zain Sudan's responsiveness to child protection issues.

SOUTH SUDAN



Full-Time Employees

145

In South Sudan, tremendous efforts were exerted to mitigate climate change, including Zain migrating 55 sites from diesel generated-battery hybrid to solar solutions resulting in a 10% reduction in CO_2 emissions year-on-year.

Zain South Sudan reached 556,203 people this year through its engagement activites on social media. Some of the topics that the company focused on included water conservation, and plastic pollution.



CHAPTER 07

Awards

In 2023, Zain earned a range of accolades across its operations. The following list highlights selected honors:

ZAIN GROUP



Maintains leadership position of A- in 'CDP Score Report–Climate Change 2022' and attains A- score on the Supplier Engagement rating



Wins two distinguished awards in Sustainability and Women's Empowerment



Wins two 'Best Corporate Governance in Kuwait' awards from World Finance and the Arab Federation of Capital Markets



Diversity, Equity & Inclusion (DEI) program acknowledged with two awards at the Samena Council endorsed MEA Business Achievement Awards



Ranked in Leader tier (8.4/10) in Global Child Forum's 'The State of Children's Rights and Business 2023' Benchmark

ZAIN BAHRAIN



Top 50 Bahraini Companies from Al Bilad for 2023



HRM 2023 Summit & Awards under the 'Best Wellness Program' Category.



Ranked among the top 10 highest Bahraini employment rate for Q2 2023

ZAIN JORDAN



Hussein bin Abdullah II Award for its contributions to education and training



Data center facility, The Bunker, awarded the prestigious Tier III Gold Certification for Operational Sustainability from Uptime Institute®

ZAIN KUWAIT



‘Best Telecom Company’ and ‘Best Digital Transformation Telecom Company’ in Kuwait 2022 by International Finance Magazine



‘Best Mobile Operator’ and ‘Best ISP’ in Kuwait during 2022 by Service Hero



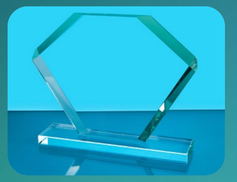
Zain Great Idea recognized as ‘Ecosystem Enabler of the Year’ for the region by Enterpreneur Magazine



American University of Middle East (AUM) recognizes Zain’s strategic role in supporting education during AUM Corporate Award



Recognized by the Kuwait Municipality for effectively contributing to raising positive environmental awareness in the community.



“Outstanding 5G Business Development’ award during SAMENA Council’s prestigious LEAD awards in Dubai



First and only operator in Kuwait to win three major awards from Ookla® Speedtest®: Fastest 5G, Best 5G Video Experience, and Fastest Internet

ZAIN SAUDI ARABIA



Zain KSA’s MSCI ESG Index Rating Upgraded to ‘A’, in recognition of remarkable Environmental, Social and Governance efforts



Yaqoot digital service received two awards from the prestigious Mobile Marketing Association “MMA SMARTIES” in the Marketing Impact and Experience Technology categories.



Won three awards at the 17th edition of the Telecom Review Leaders’ Summit, ‘Best Diversity and Inclusion Program’, ‘Best Green Technology’ in recognition of launching the first zero-emission 5G network worldwide, and ‘Global Merit Leader - Women in ICT of the Year’



“Tamam” platform in Saudi Arabia awarded ‘Best Personal Finance Solution’ in Middle East

ZAINTECH



‘Most Innovative Company 2023’ for the second consecutive year by Fast Company Middle East



CHAPTER 08

4Sight Strategy

4Sight: Creating our Sustainable and Digital Future

The driving force for Zain is its unwavering commitment to creating value for all stakeholders. The 4Sight strategy emerged from the company's desire to push forward the evolution of digital ecosystems across its footprint, enabling growth and development as well as the establishment of carefully curated growth verticals. In its fifth year, Zain's 4Sight corporate strategy has seen the transformation of the company into a multi-faceted provider of digital services for consumers, governments, and businesses under the clear direction and guidance of Zain's leadership.

The following is a brief description of the achievements under each pillar of the strategy.

Evolution of Telco

DIGITAL TRANSFORMATION

Guiding and driving the implementation of the Digital Transformation that would permit Zain to not only survive but rather thrive in the Digital Age, Zain has adopted a best-practice-inspired framework for transformation. This is centered on implementing a true customer mindset that drives the development of Products and Services demanded by customers, and investment in technologies that further this cause.

This is supported by a strategic approach to upskilling and hiring of talent and the utilization of Data and Analytics for tactical and strategic decision-making.

A communications strategy has been implemented to get all stakeholder buy-in to assure the true adoption of Zain's transformation internally and externally.

In 2023, Zain Group intensified its focus on its regional role to develop and support digital transformations by offering state-of-the-art and upcoming technologies such as connected vehicles and modern industry, as well as further organizing its Data Governance and Management guidelines across a number of its subsidiaries.

ENTERPRISE AND GOVERNMENT

Zain is committed to working closely with organizations and governments to provide connectivity and the latest solutions to support growth and efficiency. To design and implement state-of-the-art tailor-made solutions for public and private organizations, Zain's B2B teams work closely with ZainTECH, Zain's integral digital solutions provider, to drive market development and cross-sell advanced ICT services to differentiate Zain in the regional enterprise market. Zain supports smaller businesses by granting access to a wide range of cloud products and services spanning cloud, cybersecurity, data services, Ai, drones and robotics.

FIXED CONNECTIVITY

Zain firmly believes that high quality and secure broadband connectivity will enable and accelerate the evolution of information, education, and the digital transformation of societies. Across its footprint, the company strives to provide reliable fixed connectivity to residential and business customers whether through its own deployment of fiber networks or by strategically partnering with third-party providers. This commitment transcends market limitations, where Zain uses fixed-like technologies to fulfill customer needs. Across its markets, customers benefit from the latest broadband connectivity delivered by the company, including 5G, 4G, and FTTH.

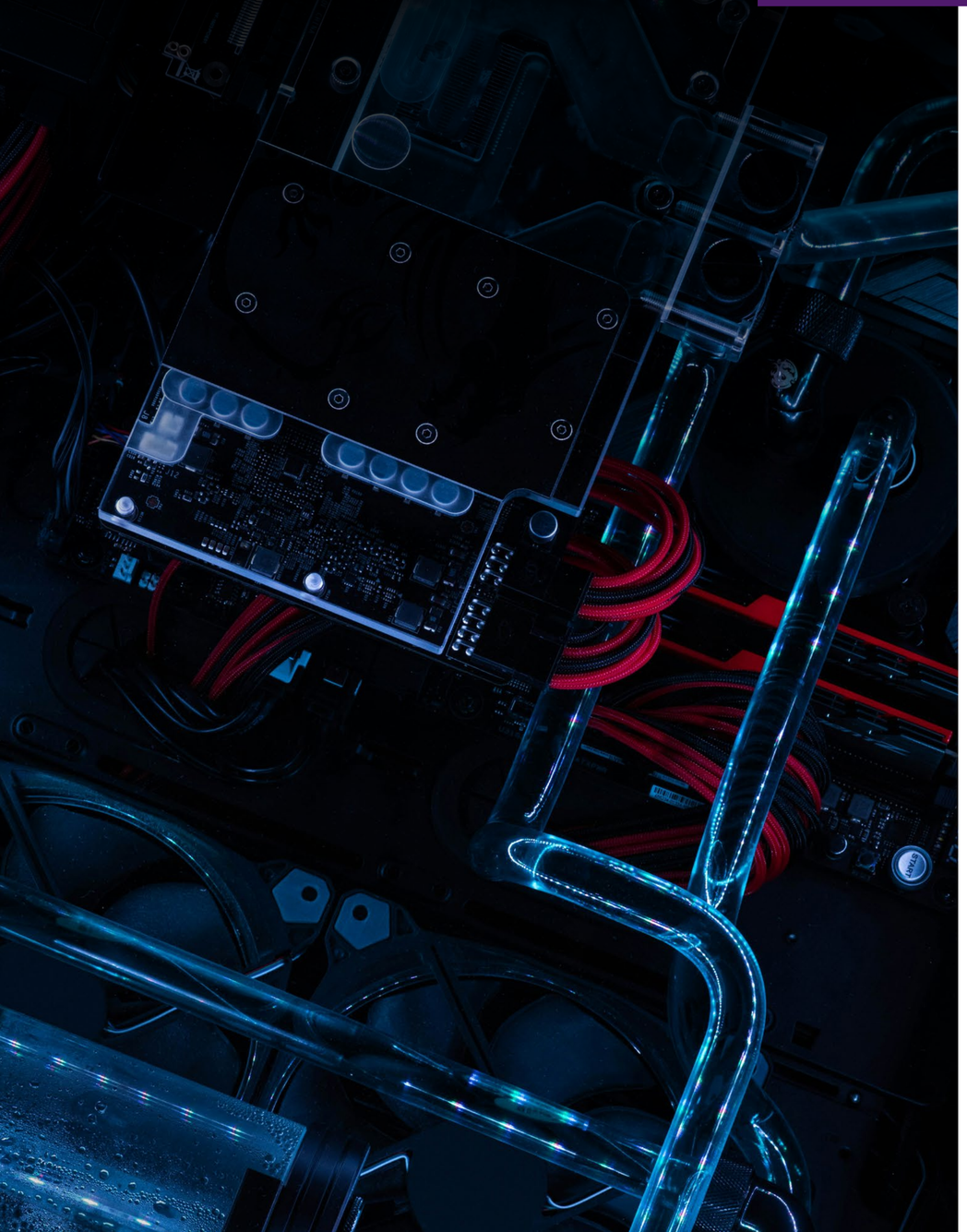
PORTFOLIO OPTIMIZATION

Zain continues to allocate resources efficiently and sustainably. Following the earlier sales of its tower networks in Kuwait and Jordan, in January 2023, Zain Saudi Arabia (KSA) completed the sale and leaseback of its 8,069 tower assets (passive physical infrastructure) to the Kingdom's Public Investment Fund (PIF).

In January 2023, Zain Iraq entered a 15-year deal to sell and leaseback and permit management rights of its passive physical infrastructure of 4,968 towers to TASC Towers Iraq.

It should be noted that all Zain operations will retain their active infrastructure, including wireless communication radios, antennas, intelligent software, transmission systems, and intellectual property. These transactions will enhance operational efficiencies and empower Zain operations with greater flexibility to invest in network upgrades and cutting-edge ICT technologies to meet the ever-increasing demand for reliable and high-speed connectivity. The establishment of a special purpose tower company drives the improvement of passive assets and enhances power infrastructure through modernization and investment in alternative power solutions such as solar and wind power production, which significantly reduce carbon emissions.

Reflecting Zain's commitment to transforming the business, in a groundbreaking move, both Zain Group and Omantel announced the launch of Zain Omantel International (ZOI), an unprecedented joint venture that will revolutionize the wholesale telecommunications sector. ZOI will create synergies by optimizing the existing wholesale businesses of both companies by reducing operating costs and increasing competitiveness through access to state-of-the-art low-latency and high-capacity services over its extended footprint. Combining the strengths of Zain and Omantel positions ZOI as uniquely positioned to evolve into a key player on the international wholesale telecom scene.



Growth Verticals

ICT

ZainTECH, Zain's ICT arm, boasts an innovative portfolio of solutions spanning cloud, cybersecurity, data services, AI, drones and robotics. In May 2023, ZainTECH bolstered its cloud positioning by acquiring Adfolks, a UAE-based cloud-native engineering firm that provides a comprehensive range of cloud transformation solutions. In October 2023, ZainTECH entered into an agreement for the complete acquisition of Specialized Technical Services Company (STS), one of the largest digital transformation solutions providers in the region, headquartered in Jordan with operations in Bahrain, Iraq, Saudi Arabia, and the United Arab Emirates. Both these deals follow ZainTECH's acquisition of BIOS Middle East, a leading provider of Managed Private Cloud Services in the region announced in October 2022 and completed in February 2023.

Additionally, ZainTECH leverages Zain's footprint and global reach, its vast technological capabilities, and competitive lower upfront capital pricing strategy to offer clients solutions that accelerate digital transformation journeys.

DIGITAL INFRASTRUCTURE

Zain continues to partner with TASC Towers Holding, which is a significant part of building its digital infrastructure core, with the aim of unlocking further shareholder value and optimization of infrastructure assets. Zain successfully divested two major portfolios in Jordan and Iraq in the past two years, with TASC becoming a fully operational independent towerco in these two countries. The further expansion of the TASC footprint and the imminent partnership with other MNOs will lead to portfolio densification as well as possible consolidation of redundant sites.

Furthermore, TASC plans to invest a significant amount of its revenues over the next five years on various network modernization initiatives including investment in new battery technologies and modern power generation solutions. Additionally, in the past 12 months, TASC has conducted extensive analysis into different alternative energy solutions including hybrid power systems capitalizing on new battery technologies and solar systems. TASC deployed multiple proof of concepts in various regions. Initial results indicate that there is potential for wide deployment of these solutions, which will result in significant operational efficiencies and a reduction in carbon emissions.

In December 2023, Zain solidified its position as the regional leader in the tower arena, with a pioneering agreement with Qatar's Ooredoo Group and TASC Towers, that aims to incorporate nearly 30,000 towers across six countries, combining the service providers' respective passive infrastructure portfolios.

Growth Verticals

FINTECH

In 2023, Zain scaled its FinTech stream by introducing a suite of digital financial services, contributing to the evolution of the region's digital ecosystem. Leveraging the innovative products and services developed by FOO, a subsidiary of Zain Group and specialized in the FinTech development sector, Zain is keen to foster innovations within the FinTech space through Tamam in Saudi Arabia, Zain Cash in Iraq and Jordan, and soon in Bahrain, Sudan, and Kuwait.

BAHRAIN

1. Acquired a FinTech license from the Central Bank of Bahrain.
2. Tech implementation with partner bank in progress.
3. Expected commercial launch of FinTech services in early 2024.

IRAQ

1. Zain Cash Iraq continued to be the market leader providing financial services to the unbanked in Iraq and a total of 628K registered wallets.
2. Staff increased, with 40% female employees, most of them in leading positions.
3. Micro-finance loans to be launched in 2024.
4. Virtual credit cards that allow people to shop online without the need for a bank account.
5. 3D face ID authentication for money transfer for more security.
6. Selected as Top Fintech Company by Forbes Magazine.

JORDAN

1. Zain Cash Jordan continued to be market leader with 675K registered wallets.
2. Elevating the customer experience with focus on delivering differentiated digital self-services.
3. Incorporating valuable additional features to include cashback concept tailored to high value customers.
4. Unlocking new possibilities for corporate and small, medium enterprises (SMEs).

KUWAIT

1. Zain acquired Bookeey to offer advanced, creative offerings through strategic partnerships with banks and Zain Kuwait, fostering innovation.
2. Addressing the payment acceptance challenges faced by SMEs in Kuwait, ensuring their financial needs are met.
3. Expanding Bookeey's product and service portfolio to cater to a wider audience, enhancing financial solutions for a variety of end users.
4. Strengthening collaborations with partner banks and Zain Kuwait to drive the development of cutting-edge financial solutions.

SAUDI ARABIA

1. Tamam provides Murabaha financing for customers within minutes.
2. One of the fastest growing FinTech companies in the region.
3. Launched 'buy now pay later' services with Zain KSA and Yaqoot.

SOUTH SUDAN

1. Enhanced the partnership agreement with m-Gurush to collaborate in providing innovative financial products and services to Zain customers.

SUDAN

1. A FinTech company has been registered as per regulatory requirements.
2. Approval received from Central Bank of Sudan to launch FinTech services.
3. Working on restoring servers and amending apps after the failure of the national switch system.
4. Expected commercial launch of FinTech services in Q2 2024.

Growth Verticals

DIGITAL SERVICES

ZAIN VENTURES

Zain Ventures spearheads Zain's investment portfolio, with the aim to diversify the company's reach and leveraging future investment opportunities. Zain expanded its relationship with regional and international venture capital funds and continued to diversify its portfolio through direct investments offering them access to Zain's wide geographical reach and expansive customer base.

During 2023, Zain Ventures' portfolio included:

- BECO Capital III: BECO Capital Fund III is an early-stage venture capital fund managed by BECO Capital. The fund is based in Dubai and focuses on technology start-ups.
- Colle Capital I: This women-founded venture fund targets seed and early-stage technology companies in industries such as FinTech, IoT and healthcare, and is based in the United States. The company invests in organizations that focus on ESG-related activities from business practices to economic and environmental impacts.
- Wamda MENA Venture I: Headquartered in Dubai, Wamda MENA Venture I invests in growth-stage technology companies operating in the MENA region. The fund has made investments in industries that are of interest to Zain such as insuretech.
- MEVF II: A MENA-centric fund targeting early-stage technologies in new media, e-commerce, and enterprise software as a service ("SaaS"). This fund represents synergies with Zain's digital health and insuretech plans.
- MEVF III: A growth-stage fund focusing on Series B technology start-ups in MENA and Turkey.
- Valor: Valor Fund is managed by Valor Equity Partners, an operational growth investment firm focused on high growth companies across different industries and stages of development.

Direct Investments:

- Cohere: Cohere is a Canadian multinational technology company focused on artificial intelligence (AI) for the enterprise, specializing in Large Language Models. With top-performing Generative AI models, Cohere provides multilingual embedding models that enable semantic search, classification and sentiment analysis across 100+ languages. Cohere provides businesses customizable models for unique use cases that can easily be integrated into users' applications.
- Pipe: Finalized Zain's investment in this US-based FinTech company that successfully developed a trading platform that transforms recurring revenue into up-front capital for growth without debt or dilution.
- Revolut: Established in 2015, a British FinTech company that offers banking services including GBP and EUR bank accounts, debit cards, fee-free currency exchange, equities, and cryptocurrency trading, as well as peer-to-peer payments. The investment in Revolut will add value to Zain's FinTech efforts and overall offerings enhancing the ecosystem across Zain's footprint.
- ZoodPay: Zain made a direct investment in ZoodPay's series B USD 38 million fundraising round, where the ZoodPay and ZoodMall apps count over 8 million users and 10 offices across the Middle East and Central Asia. The application provides a mobile-only high-quality shopping experience and cross-border services to merchants and shoppers across emerging markets.

DIZLEE: A SINGLE DIGITAL HUB

275M
TRANSACTIONS HAVE BEEN PROCESSED

50.4M
CUSTOMERS

In 2023, Zain enhanced its regional presence and amplified its digital service offerings, introducing services to broaden its accessibility to all. Utilizing the Dizlee API platform, the company ensured continuous connectivity and engagement for both individual and enterprise customers. By introducing a variety of services, Zain operations and Omantel leveraged the platform to expose their APIs to the digital economy, removing a significant barrier to the development of profitable digital partnerships from across the globe.

The API platform allows Zain customers to connect with various services such as entertainment, education, social networking, and health.

To date, 275 million transactions have been processed over the platform, with a reach of 50.4 million customers.

In 2023, the following services were added to the program:

- **XR Academy**: An extended reality-based educational program that offers customers of all ages access to a unique lineup of educational games and videos. Being device agnostic, the program does not require the user to purchase expensive VR headsets or any other special device to access it.
- **Golden Steps**: A gamified platform that rewards its users for completing daily and weekly fitness goals, usually the number of steps completed. The rewards are in the form of discount coupons with local and regional online/offline partners. The app uses the phone's pedometer to track steps and can also be connected to various fitness bands and smartwatches.
- **Salamtak** (Micro-insurance application from Crosure): A company offering various insurance services in Iraq. With Zain, they offer the 'Salamtak' life insurance product, where the user can subscribe online using a few simple steps, and the premium can be paid through operator billing.
- **Mindplus**: A web-based service offering online consultation on mental health and wellbeing from global experts, translated in Arabic and Kurdish. Consultation is usually delivered as short videos and/or regular text-based updates.
- **Fenix e-scooters**: Fenix is one of the first companies in the region that allows consumers to rent e-scooters with weekly and monthly subscriptions, and enables business users to carry out last-mile deliveries on these scooters – thus offering them an emission-free local transportation option. Dizlee has enabled Zain KSA customers to use their mobile device to rent e-scooters from Fenix.
- **Ahlan Simsim**: A program under Sesame Workshop, offering content that fosters early learning for young children in the Middle East and North Africa, especially those affected by crisis and displacement. The program can be found in the Zain Kids application.

More details of Dizlee's services can be found in 'Products and Services' section on page 64.



ZAIN ESPORTS

Throughout the year, Zain esports maintained its focus on the youth segment, actively exploring new opportunities for various broadband services. Hosting numerous tournaments and engagement activities, Zain esports not only showcased its commitment to the gaming community but also provided a platform to nurture e-gaming talent in the region. This included the selection of Arabic-speaking commentators and promotion of local esports teams, aiming to propel their profile globally.

Zain esports established a joint venture with Zain KSA and PLAYHERA, an esports platform hub created for "gamers by gamers" headquartered in Saudi Arabia. Through this venture, Zain esports plans to launch an ambassador program for up-and-coming gamers in the region as follows:

- Creating a conducive environment for esports content creators
- Supporting local social media influencers to promote leagues among local gamers.
- Creating employment opportunities in the region, given youth unemployment is considered one of the region's greatest challenges.

More information on the progression of the Zain esports services can be found in 'Products and Services' section on page 64.

Zain esports in 2023

65K
NUMBER OF PARTICIPANTS

28
MAJOR TOURNAMENTS CONDUCTED

70M+
SOCIAL MEDIA IMPRESSIONS

805K
VIEWERSHIP ACROSS CHANNELS

223.9K
FOLLOWER COUNT ACROSS SOCIAL MEDIA PLATFORMS



CHAPTER 09

Corporate Governance

Zain's Board of Directors operates in strict adherence to relevant laws and regulations. The structure of the Board is designed to enable members to effectively carry out their roles and responsibilities. Comprising nine individuals, the Board has a well-balanced combination of educational backgrounds, professional expertise, and specialized skills, thereby strengthening Zain's overall capabilities. Notably, the Board's formation is crafted to align with both local regulations and global best practices to the highest attainable degree.



Members of the Board of Directors serve a term of three years, which may be extended upon fulfillment of all requisite legal and regulatory regulations.

With a significant emphasis on non-executive participation, eight out of the nine Board members, including the Chairman, operate in a non-executive capacity. Moreover, one Board member holds an independent position. Zain's independent members are entrusted with advisory responsibilities concerning various corporate initiatives, assisting the Board in making well-informed decisions that maximize the interests of all stakeholders.

The formation of committees aligns with governance guidelines, enhancing the overall effectiveness of the board in carrying out its duties, safeguarding the interests of stakeholders, and promoting the long-term success and sustainability of the organization. Boards establish committees to foster a more efficient and effective decision-making process, ensuring thorough oversight, and enhancing accountability within the organization. Zain's Board of Directors formed the following committees:

1. BOARD AUDIT COMMITTE

The Board of Directors Audit Committee comprises four members, provided that at least one of the members is independent. The Board Chairman or executive members of the Board of Directors shall not be members in such a committee, according to Kuwait's laws and regulations.

2. BOARD RISK COMMITTEE

The Board of Directors' Risk Committee comprises five members. The Chairman of this committee is a non-executive member of the Board. Additionally, the Chairman of the Board is not a member of this committee as per local regulations.

3. BOARD NOMINATIONS AND REMUNERATIONS COMMITTEE

The Board of Directors' Nomination and Remunerations Committee consists of five members with one being independent. The committee Chairman is a non-executive Board member.

The Board of Directors of Zain Group upholds a steadfast commitment to fostering diversity and promoting inclusive practices within its corporate code. These guiding principles are incorporated within the comprehensive Code of Business Conduct, which defines the fundamental values underpinning Zain's key endeavors.

Currently, the Board of Zain comprises a skilled assembly of accomplished male professionals, each possessing significant expertise and falling within the age brackets of 30-50 years and over 50 years (for more details about the board members' profiles including their year of birth, please refer to the Zain Group 2023 Annual Report). We remain dedicated to expanding the breadth of perspectives within our leadership, recognizing the pivotal role that diverse viewpoints play in steering our organization towards sustained excellence and innovative growth.

Zain's board diversity policy is designed to champion a culture of inclusivity and diversity within the Board's composition. This policy serves as a proactive measure to cultivate a Board environment that values a rich spectrum of experiences and expertise, irrespective of gender, race, ethnic background, disability, age, nationality, cultural heritage, religious beliefs, marital status, or social standing. Zain remains opposed to any form of discriminatory practices, firmly upholding principles of equity and fairness across all spheres of its operations.

This policy stands as a testament to our recognition of the inherent strength in fostering a diverse Board, one that effectively harnesses the distinct identities, proficiencies, and insights of its members to drive collective prosperity and strategic advantage for the organization.

The company extends an invitation to all shareholders, urging their active engagement in the Annual General Meetings (AGM) and participation in the voting process concerning the pivotal resolutions put forth by the Assembly, which notably encompasses the appointment of the members to the board of directors. Notably, every category of shareholders retains the privilege of attending the General Assembly gatherings, exempt from any attendance fees.

Furthermore, in adherence to the principles of transparency and integrity, voting within the General Assembly is conducted through a confidential and impartial secret ballot system, ensuring the safeguarding of each shareholder's right to privacy and impartial expression of their valuable perspectives.

THE BOARD'S ROLES AND RESPONSIBILITIES:

The Board is responsible for establishing company objectives, strategies, and policies, encompassing the overall strategy, capital structure, and profit distribution. It reviews and approves annual budgets and financial data, oversees capital charges and asset management, and ensures adherence to internal regulations. It also upholds data accuracy and transparency, fosters clear shareholder communication, and monitors the effectiveness of corporate governance. Additionally, the Board assesses the performance of members and executives, compiles annual reports on governance compliance, establishes and supervises specialized committees, and defines decision-making processes. It approves internal regulations and management policies, audits executive performance, determines employee remuneration categories, and manages the appointment and removal of executive members. Furthermore, it formulates stakeholder relationship policies, implements mechanisms to regulate related party dealings, ensures efficient internal audit systems, and integrates sustainability factors into the company's strategic and risk management plans.

The BOD and senior executives play a vital role in integrating sustainable development into the core of the organization. They shape the organization's purpose, values, and mission, emphasizing sustainable practices alongside financial goals. They craft sustainable strategies, policies, and goals, focusing on environmental impact reduction and community welfare. Their role also involves ensuring alignment with stakeholder expectations and international standards, including ESG standards by MSCI, FTSE and S&P. They continuously review and update sustainable development initiatives to remain impactful, adapting to market trends and emerging challenges. This active involvement fosters a culture of sustainability within the organization and its operating communities.

In accordance with effective corporate governance guidelines, the Board developed a clear written description of the roles of Board members, the Chairman, CEO, and Board committees. Furthermore, the Board created a framework of internal charters, codes of business conduct, and policies relating to environmental, social, and governance (ESG) dimensions to ensure compliance with domestic regulatory requirements under the jurisdictions where Zain operates and to keep up with international best standards. As the Board is responsible for reviewing and approving all policies and charters in the company, it continues to grow internal policy structures to expand its oversight of the internal control systems within the company. During 2023, the Board and executive management completed a full review of all policies and charters within the Corporate Governance Framework at Zain.

The Board's fundamental role covers diligent oversight of strategic plan execution and adherence to relevant policies, regulations, and statutes. It bears the responsibility of risk management within the scope of legal frameworks, aligning with the company's mission to optimize shareholder value, with accountability to both shareholders and stakeholders. The Board sets the company's core values and benchmarks, matching them with strategic goals and corporate principles. Moreover, it ensures comprehensive knowledge of the company's obligations among stakeholders, including shareholders, employees, suppliers, customers, legal entities, institutions, the general public and the operational ecosystem.

The Board bears full responsibility for the management and supervision of the Group and its activities. It strives to lead the company's business within the approved regulatory framework, which is based on applicable regulations, laws, internal control systems and international standards. The Board continuously reviews the implementation of good corporate governance. Zain established a governance structure that enables the Board to focus on key areas of responsibility that affect the long-term success of the business.

The Board supervises compliance with the laws, company objectives, articles of association, and decisions of the General Assembly, while adhering to the principles of governance, standards of best practices and work ethics. This includes allocating sufficient time to adopt the company's vision, mission, directions, and strategies. Board members attend meetings and review and approve the main strategies and policies, as well as the financial objectives and operational plans of the company. Furthermore, the Board meets at least six times a year; during these meetings it discusses the operations, goals, plans and actions to be taken with executive management.

The Board of Directors is responsible for overseeing the organization's processes aimed at identifying and managing its impacts on the economy, environment, and people. This involves:

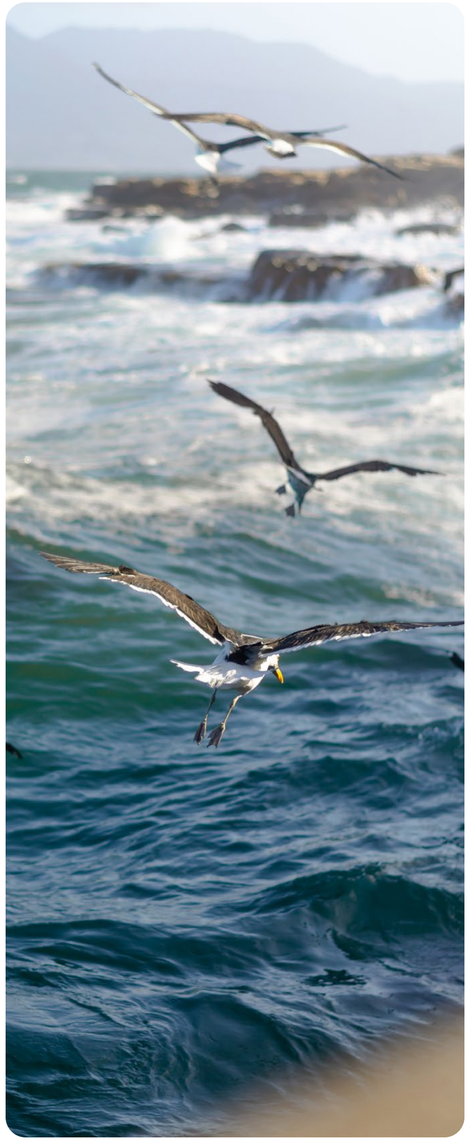
1. Engaging with stakeholders to support these processes by actively seeking input from shareholders, employees, communities, and other relevant parties to ensure comprehensive insight and alignment with diverse perspectives. This feedback is provided through surveys, whistleblowing mechanisms, open communications channels, and special events.

2. Considering the outcomes of these processes by analyzing the findings, assessing their implications for the organization's operations and objectives, and integrating them into the decision-making framework to drive responsible and sustainable practices.

Embracing innovation and its associated risks necessitates a combined effort from the Board and executive management to redefine their approach. Given the accelerating pace of change in the business landscape, emphasized by technological advancements, social shifts, and environmental concerns, the capacity for ongoing innovation stands out as a primary competitive edge for any organization. As innovation deeply impacts the company's ability to generate shared value, operational efficiency, and effectiveness, Board members assume a pivotal role in steering and fostering an innovative culture within the organization.

The responsibility of executing the approved strategy lies with the CEO and executive management, who, in turn, delegate tasks to the relevant business units. The Board holds the responsibility for crafting an articulate strategy and business model, collaborating closely with the executive management within specified time frames to steer business expansion in an evolving global context, a critical driver for the company's success and growth.





In its capacity, the Board is accountable for endorsing quarterly and annual financial statements, budgets, investments, and the operational activities of both the company and its subsidiaries. Additionally, the Board diligently examines and approves significant agreements, appoints key members of the executive management, and rigorously monitors the performance of its committees.

The Board is concerned with evaluating the adequacy of internal control and audit systems, reviewing the main potential risks, and developing a comprehensive risk management manual. It also ensures that executive management has effective systems and procedures to manage risks, implement adequate and effective internal controls, and search for new business opportunities either through innovative technologies and products, or different markets and sectors.

The board delegates responsibility for managing the organization's impacts on the economy, environment, and people through the following mechanisms:

1. Appointed senior executives with responsibility for the management of impacts:

   > The board designates senior executives, within the executive leadership team, with specific mandates for overseeing and managing the organization's impacts on the economy, environment, and people. These senior executives are accountable for developing and implementing strategies, policies, and initiatives to address these impacts in alignment with the organization's overarching goals and sustainability commitments.

   > These executive roles include Chief Sustainability Officer, Chief Diversity, Equity and Inclusion Officer, Chief Org Purpose and HR Officer, and Chief Communications Officer who oversees Corporate Governance and Compliance.

2. Delegation of responsibility to other employees for the management of impacts:

   > The executive team further delegates the responsibility for managing impacts to employees across various operational levels, depending on the organizational structure and scale. These designated employees, often from relevant departments such as sustainability, compliance, or operations are entrusted with executing specific tasks, implementing initiatives, and ensuring compliance with established policies and guidelines related to economic, environmental, and social impacts.

   > Sustainability issues, including the socio-economic, environmental and human rights impacts of Zain, fall under the responsibility of the Chief Sustainability Officer (CSO). The CSO ensures that Zain's business practices are impactful on all economic, environmental, social and human rights levels. She develops, manages, and monitors the company's Corporate Sustainability strategy with the related mission, vision and targets. The CSO works with the Board, management, employees, customers, stakeholders, suppliers, and corporate shareholders to set in place and bring forward the progression on Zain's Net-Zero ambition and drive the company's strategy for a just transition to a low-carbon economy, social, economic, environmental and human rights related impacts and other issues pertaining to these themes are reported to both Executive Management and the BOD by the Chief Sustainability Officer through a variety of tools that include periodic reports such as quarterly performance reviews and the annually published Sustainability Report. The Sustainability Report is prepared and reviewed by the Chief Sustainability Officer (CSO) and the final approval is provided by the board. The CSO's role at Zain is to develop the Corporate Sustainability Strategy and ensure that the Zain operations are aligned to the CS strategy and are working towards achieving the targets. Her role also entails developing methodologies to assess the feasibility or success of sustainability initiatives and monitoring the effectiveness of sustainability programs.

Executive Management is required to provide comprehensive reports to the board on the management of the organization's impacts on the economy, environment, and people. This reporting process often includes the following elements:

1. Regular reporting intervals, such as quarterly, semi-annually, or annually, to ensure timely updates and effective monitoring of the organization's performance.

2. Submission of detailed reports that encompass key performance indicators, progress updates on sustainability goals, initiatives undertaken, challenges faced, and future action plans.

3. Inclusion of both qualitative and quantitative data, along with relevant metrics and benchmarks, to provide a holistic understanding of the organization's sustainability performance and its impacts on the economy, environment, and people.

4. Provision of insights into emerging trends, risks, and opportunities, enabling the board to make informed decisions and provide strategic guidance for further improvement and alignment with the organization's sustainability objectives.

The Board of Directors holds the key responsibility of reviewing and approving the reported information, covering the organization's critical material topics. This involves a rigorous process that typically includes thorough assessments of the accuracy, relevance, and completeness of the disclosed data. The Board critically evaluates the alignment of the reported information with the company's strategic objectives, its commitments to stakeholders, and relevant industry standards and best practices. To ensure robust governance, this process often involves the engagement of specialized committees, independent auditors, and internal stakeholders, facilitating comprehensive discussions, analyses, and recommendations. The Board's final approval of the reported information not only reflects the company's commitment to transparency and accountability but also serves to reinforce trust and confidence among shareholders, stakeholders, and the broader business community.



ANTI-CORRUPTION

The Board plays a critical role in establishing an efficient control framework that incorporates a set of standards, processes, and structures, forming the foundation for implementing internal controls throughout the organization. Additionally, it is responsible for overseeing an anti-corruption system that effectively supports the implementation of the policy, monitoring the performance of executive management in its execution. The Board also prioritizes cultivating awareness of this policy within the corporate culture, emphasizing its significance. Notably, in 2023, Zain incurred no expenses related to corruption fines or penalties. Furthermore, the Board ensures the provision of effective communication channels with shareholders and other stakeholders, overseeing the disclosure of essential information to uphold its accuracy, coherence, transparency, and credibility, in line with the highest industry standards. Both the Board and executive management acknowledge the company's social impacts and contractual obligations to its operational communities, striving to address their needs and challenges inclusively and progressively.

The company communicated its anti-corruption policies and procedures to all relevant stakeholders, including the Board members, employees, and business partners. This communication was shared across all operating markets under Zain's footprint. Moreover, the company proactively published the anti-corruption policy on Zain's website, ensuring transparent accessibility features for all stakeholders to familiarize themselves with the company's ethical guidelines and standards.

The Board members, employees, and other stakeholders at Zain received training on the anti-corruption policy and procedures through email communication and informative video material. These resources were made readily accessible on the company's website, enabling widespread awareness and understanding of Zain's commitment to maintaining ethical business practices and preventing corrupt activities. The company also embedded tracking mechanisms to ensure that the information was received and viewed by the stakeholders and will be tracking this throughout 2024.

A total of 8 Board Meetings was held in 2023. Meetings between Zain's Executive Management and the Board of Directors take place on both a periodic basis and as required. Authority regarding economic, social, environmental, and human rights issues related to Zain is delegated by the BOD to members of the organization's Executive Management based on the pre-defined responsibilities of each Senior Executive. The company is keen to align its business values and strategy with the Corporate Sustainability strategy that is centered around providing Meaningful Connectivity leading to systemic change. . The Board must meet with the Internal Audit, Risk Management, and Finance teams on a quarterly basis at the minimum as per laws and regulations. The executive management provides quarterly updates to the board about the performance and the plans. The Board has the authority to invite any member of the executive management to the meetings when deemed necessary.

CONFLICT OF INTERESTS

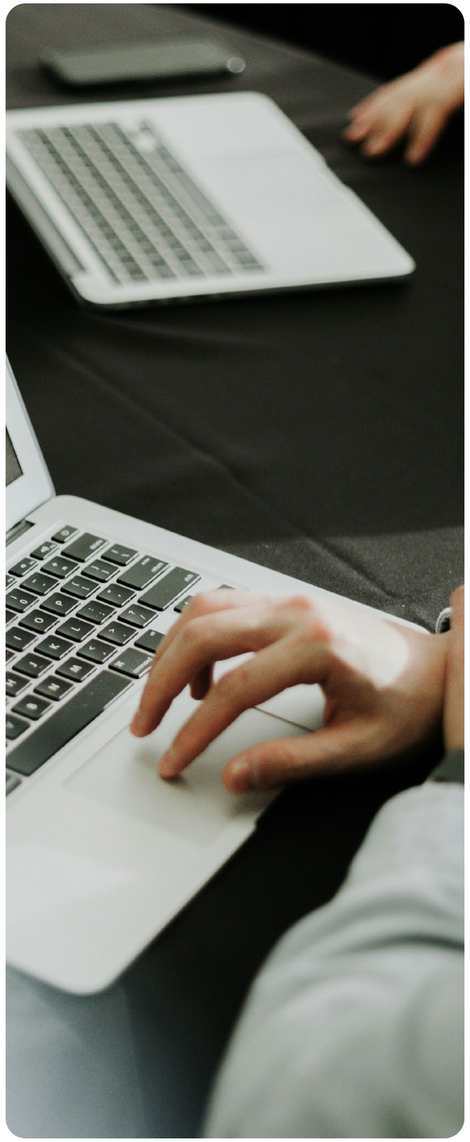
Zain implemented a comprehensive governance framework, including a group of policies dedicated to safeguarding the rights of shareholders and other stakeholders. Central to this framework is the conflict-of-interest policy, created to outline employee conduct in situations where potential conflicts between personal interests and the company's interests may arise. The policy establishes parameters within which employees must operate in scenarios involving potential conflicts. At Zain, both the Board members and executive management are mandated to disclose any actual or potential instances of conflict of interest in accordance with the company's policy, which is constructed in alignment with relevant legal regulations and global standards. Notably, Zain's conflict-of-interest policy features scenarios of conflict of interest and the corresponding procedures for their resolution. It defines a conflict of interest as a circumstance where an individual's personal concerns impact their decision-making process or actions, thereby affecting their impartiality in executing professional duties. Zain treats every case with utmost seriousness and priority. To uphold transparency, Board members are required to disclose any personal interests linked to the company's businesses or contracts, with such disclosures recorded in the meeting minutes. In instances where a Board member holds a personal interest, their participation in voting on related resolutions is prohibited. Additionally, when a Board member's personal interest is involved, a supplementary report from the auditor is added to the disclosure to ensure full transparency and accountability.

According to the CMA executive bylaw, the company assigns an independent expert to submit a report to the General Assembly or the Board regarding any transaction or arrangement whereby each of the parties enters any project or buys an asset or provides financing for it, when the value of the transaction or arrangement is equivalent to 10% or more of the company's total assets. Such reports are submitted before the deal or arrangement is approved. The Board collects relevant information and may question any involved parties. If the Board decides there is a conflict, steps are taken to address it. If there is no conflict, the investigation is documented. When an actual conflict of interest is found, any transaction that may have been affected is reviewed retrospectively. Affected parties inside and outside the company are notified, including shareholders, directors, employees, and regulatory bodies. An investigation is conducted by the Board to determine the extent of the dispute and the intentions of the parties involved. If the dispute in question concerns a member or members of the Board, that member is excused from the relevant discussions.

The Board retains the authority to ascertain suitable disciplinary measures, including the potential suspension and/or termination of employment. In line with this, the company's conflict-of-interest policy covers the roles and obligations of Board members, executive management, and employees. Based on principles that prioritize stakeholder rights and optimize shareholder value, the policy emphasizes upholding transactional confidentiality and safeguarding sensitive information issued by the Board. The Board demonstrates a proactive approach in addressing reported instances of conflict of interest by Board members, executive management, or staff, ensuring prompt and compliant resolution in accordance with applicable regulatory stipulations. Notably, all significant concerns with the potential

to materially impact stakeholder rights are duly reported to the Board for thorough assessment and consideration. The Board conducts comprehensive investigations into all such cases, guaranteeing the adoption of appropriate measures.

The executive management consistently provides the Board with updated briefings on significant business operations, potential opportunities, and associated risks. One topic that can be defined as highly critical was handled by the Board of Directors with the assistance of internal stakeholders and legal experts during 2023. This topic relates to electing one more independent board member. According to Module 15 of the CMA executive bylaw of Law 7/2010, Chapter 2, Article 2-2: The majority of Members of a Board of Directors must be Non-Executive Members, and at least 20% of the members of the board of directors are independent members. The CMA and Zain continually aim to convey optimal standards and legal obligations to shareholders, who bear the responsibility of electing board members. This obligation was not met during the April 2023 AGM. Zain is actively engaging with all stakeholders to address and resolve this matter in the near future. An independent board member is crucial to ensure impartial decision-making, effective oversight, and unbiased governance within the organization. Their presence helps prevent conflicts of interest, enhances transparency, and fosters a culture of accountability, thereby safeguarding the interests of stakeholders and promoting sustainable long-term growth.



WHISTLEBLOWING

Zain developed its Whistleblowing policy with the aim of fostering a culture of transparency, integrity, and accountability. It encourages employees and stakeholders to report any instances of misconduct, unethical behavior, or violations of environmental or social responsibilities within the organization. By providing a safe and confidential platform for reporting, a whistleblowing policy safeguards against potential risks and misconduct, helps in the early detection of irregularities, and facilitates timely corrective action. Additionally, it reinforces trust among stakeholders, upholds ethical business practices, and contributes to the company's overall commitment to responsible and sustainable operations, thereby enhancing its ESG performance and credibility.

Zain ensured that its employees and other stakeholders were well-informed about the whistleblowing policy and procedures by delivering training through email communication. Moreover, the company made these resources easily accessible on its website, promoting further awareness on the reporting channels.

BOARD EVALUATION

The self-assessment process for evaluating the Board's performance in overseeing the management of the organization's impacts involves comprehensive evaluations of the board's effectiveness in implementing sustainable practices and addressing key ESG concerns. This process typically includes an analysis of the Board's adherence to sustainability goals, its ability to identify and manage related risks, and the extent of integration of ESG considerations into strategic decision-making. Some key aspects to consider in board self-evaluation include:

- Governance and Compliance: Assessing the board's adherence to corporate governance principles, regulatory compliance, and ethical standards.
- Strategic Direction and Decision-making: Evaluating the board's contribution to setting strategic goals, overseeing strategic implementation, and ensuring alignment with the organization's mission and vision.
- Risk Management: Reviewing the board's role in identifying and mitigating risks, including its oversight of financial, operational, and reputational risks.
- Financial Oversight: Examining the board's oversight of financial reporting, budgeting, and financial controls, ensuring the organization's financial health and sustainability.
- Stakeholder Engagement: Assessing the board's communication and engagement with key stakeholders, including shareholders, employees, customers, and the community.
- Board Composition and Dynamics: Evaluating the board's diversity, expertise, and overall effectiveness as a team, including the performance of individual board members and board leadership.

By addressing these key aspects, the Board gains valuable insights into their strengths, weaknesses, and opportunities for enhancing their governance practices and overall performance.

The evaluations are conducted annually to ensure a regular and systematic review of the Board's performance in relation to the management of the organization's operations. Annual evaluations enable the Board to track progress, identify areas for improvement, and adapt to evolving ESG trends and best practices in a timely manner.

In response to the evaluations, the Board implements necessary actions, which may include refining the training plans for its members. This involves updating training modules to include relevant ESG principles, industry-specific guidelines, and emerging regulatory requirements. By enhancing the Board's understanding of issues and promoting best practices, these changes to the training plans facilitate the board's ability to proactively address sustainability challenges, drive responsible decision-making, and align the organization's operations with its broader objectives.

Zain's Board conducted a self-assessment for the year 2023. The Board decided to conduct a self-assessment covering all areas and standards as per the criteria used by PWC in previous years. In addition, the board included amendments to reflect recent trends and requirements by the regulators and best standards.

The Board conducts self-assessments to gain internal insights into their performance, dynamics, and areas for improvement. This process allows for tailored evaluations based on the board's unique context and challenges, fostering a culture of self-improvement and accountability.

The Board designs the remuneration policy. This policy sets the basis for the remuneration of the Board and executive management, and its compatibility with the objectives and performance of the company. The policy reflects the company's objectives and considers the integrity of its operations and financial position. This policy is part of the corporate governance framework and is implemented through the Nominations and Remuneration Committee (BNRC).

The company's remuneration policy was created in accordance with the following principles:

1. Link rewards to the degree of risk entailed in the role.
2. Attract and retain the best professionals.
3. Ensure parity within the company and competitiveness outside.
4. Comparison of performance levels in the market using analyzes received from specialized consulting firms in the area.
5. Ensure transparency in awarding incentives. (in alignment with MSCI)
6. Link to performance indicators (KPIs) for Board members and executive management.
7. Consistency with the company's strategy and objectives both short-, medium- and long-term.
8. Match the experience and qualifications of the company's employees at distinct levels of employment.

RENUMERATION POLICY

Zain's remuneration policy determines the reward system in line with the objectives of the company, shareholders, and stakeholders. This policy reflects standards and principles of best practices in good governance based on the relevant regulatory requirements. The BNRC is responsible for the implementation of this policy. It is also responsible for reviewing the policy on an annual basis and whenever necessary, taking into consideration the extent of compliance with the laws and guidelines issued by the relevant regulatory bodies such as the Capital Markets Authority and others. The committee submits proposed policy amendments to the Board for approval. The Board is keen to promote the principles of effective governance within the company's remuneration system. Through the BNRC, the remuneration policy is maintained in line with the company's strategy and overall risk framework. Executive management is responsible for designing the staff reward system in accordance with the approved policy, as well as the responsibility for following up the implementation of the approved system. The KPIs are based on the company's overall strategy and are approved by the Board. Executive management implements this strategy and reports thereon to the Board on a regular basis.

BOARD REMUNERATION

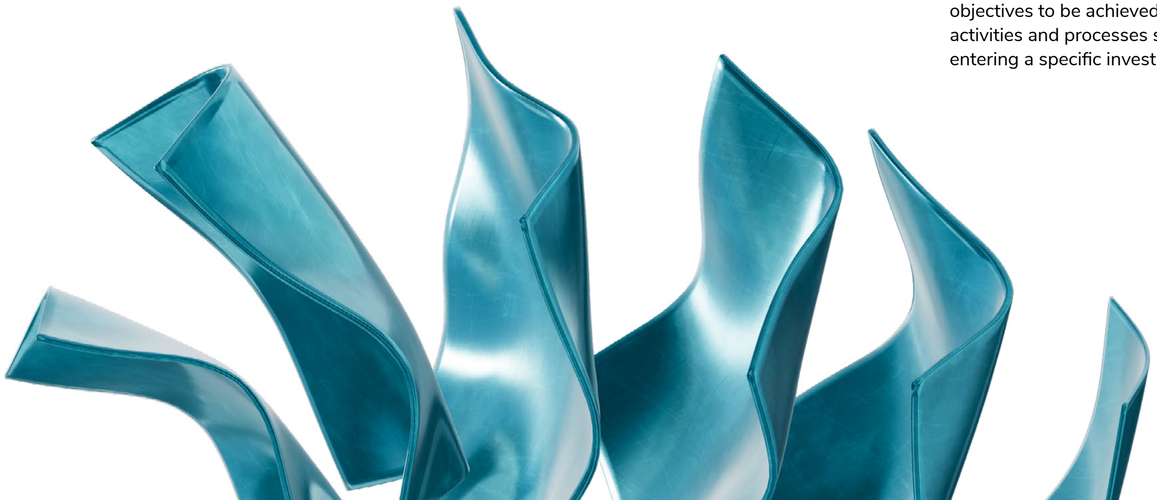
- Total Board remuneration shall not exceed 10% of the net profits of the company (after depreciation, reserves, and payment of dividends to shareholders not less than 5% of the company's capital or any higher percentage, as provided in the Articles of Association of the company).
- The Board remuneration is approved during the Annual General Meeting of shareholders as per the recommendations of the BNRC, and by the Board itself.
- Executive Management Remuneration System takes into consideration the environment in which the company operates, the results achieved, the company's risk tolerance, and includes the following key components:

FIXED REMUNERATION

Fixed remuneration is determined by the level of responsibilities assigned and the specific career path of the executive member. The remuneration index is established for each job, reflecting the value to the company. It is reviewed by the BNRC, in coordination with the relevant departments, if necessary (i.e. human resources), on an annual basis to reassess the total remuneration package, market conditions, and performance of divisions across the company. This includes salaries, allowances, and benefits (and end of service indemnity), which are awarded under the approved salary and grading structure by the Board, the applicable laws, and regulations and the manual of contractual agreements of employees issued by human resources.

VARIABLE REMUNERATION

Variable remuneration is linked to the achievement of predefined goals. This type of remuneration is designed to motivate and reward executive management members. Variable bonuses are allocated based on the individual performance of the executive Management member and the overall performance of the company. At Zain, variable remuneration may comprise of two elements: annual variable remuneration (variable remuneration granted to employees on an annual basis) and multi-annual variable remuneration (variable remuneration granted to employees over multiple years indicating that the Board focuses on short-, medium- and long-term objectives). There are two types of annual objectives: financial indicators (financial targets to be achieved by the company and departments during the fiscal year) and non-financial indicators (non-financial operational objectives to be achieved by the company through activities and processes such as product introduction, entering a specific investment, etc.).





CHAPTER 10

Enterprise Risk Management

Zain is consistently adapting to rapid technological advancements while also making certain that it embraces a strong, relevant, and agile Risk Management Framework to address existing and potential risks. The Enterprise Risk Management (ERM) department is responsible for identifying, assessing, prioritizing, and managing potential risks, and takes a proactive approach to risk mitigation and strategic decision-making. An example of this includes assessment of information security controls in place, which address the security threats that are continuously evolving at a rapid pace.

The ERM function reports directly to the Board Risk Committee (BRC), which supervises the adherence to the risk management policies and procedures and the effectiveness of the Risk Management framework. The BRC reviews and approves the framework on an annual basis, and risk trends are reviewed on a quarterly basis. Other functions such as Internal Audit and Corporate Governance departments, and their respective Board committees, along with Group Risk Management, assist the BRC in its oversight.

Zain's ERM function, in close alignment with the company's Corporate Sustainability strategy, evaluates the company's social, economic, environment, and human rights impacts from a risk standpoint through proactive research and extensive engagement with its stakeholders. Since 2019, the key considerations have been the risks and opportunities associated with climate change and its material impact, allowing for early-stage planning of mitigation strategies across Zain's operating markets.

Climate-Related Risks and Opportunities are explained in depth in the Task Force on Climate-Related Financial Disclosures (TFCD) report on page 105.

MEMBERSHIP ASSOCIATIONS FROM A RISK PERSPECTIVE

Zain Group has various memberships to global associations that ensure the company is in sync with industry standards and global best practices, including:

- The GSMA is a global organization unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change.
- The ITU is the United Nations' specialized agency for information and communication technologies to facilitate international connectivity in communications networks, to allocate radio spectrum globally, and develop the technical standards that ensure networks and technologies seamlessly interconnect, and improve access to ICT to underserved communities worldwide.
- Zain Group also participates in the Mobile World Congress and shares industry information with peers with regards interconnectivity and security.

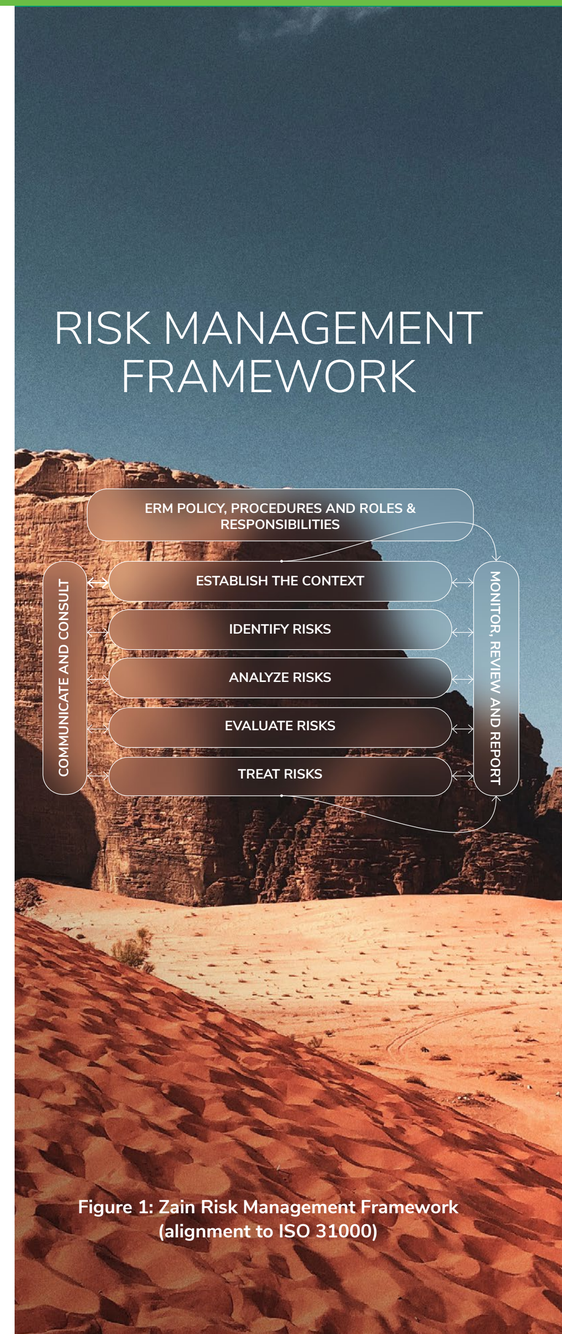


Figure 1: Zain Risk Management Framework (alignment to ISO 31000)

Zain continues to utilize an impact-likelihood matrix to determine the risk rating of the events facing the company across its operations. The impacts are assessed across multiple parameters that include financial, reputational, climate change, markets, customers, employees, and others. The rating also takes into consideration the 'pre-' and 'post-' mitigated status of the risks, providing information on both the inherent and residual risk status of the organization.

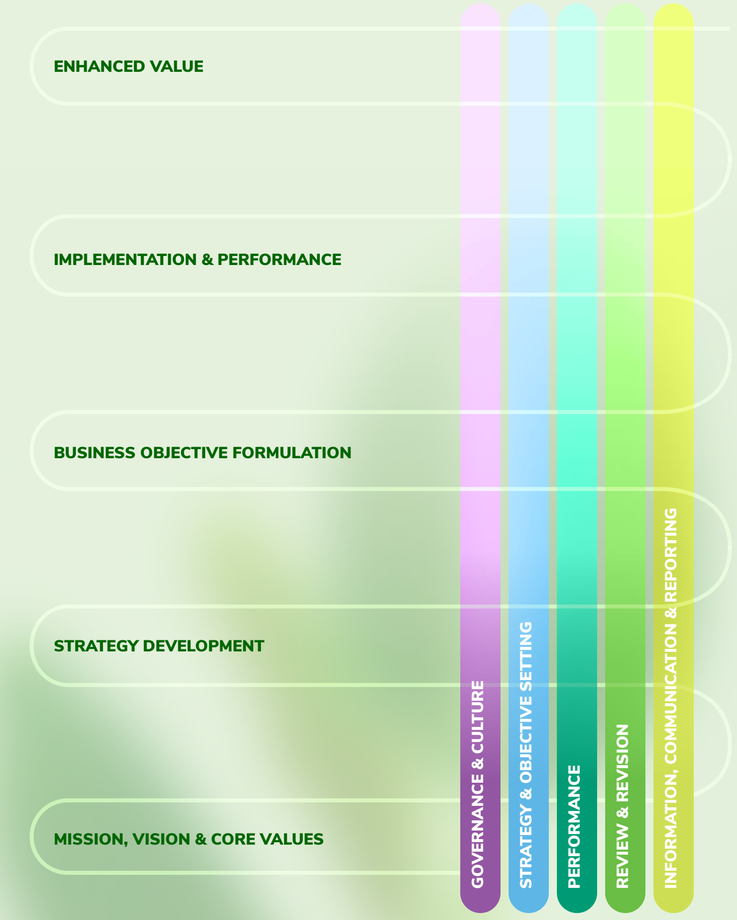


Figure 2: Zain Risk Management Framework (alignment to COSO)

PRECAUTIONARY PRINCIPLE

When Zain designs its products and delivery of services, as a precautionary principle, all applicable environmental requirements are taken into consideration. Zain's business focuses on developing and delivering low carbon products and services as customers require to align to the company's Net-Zero ambition. Climate-related considerations such as energy use and end-of-life disassembly for repair or reuse are some of the key conisderations included in the checklist when it comes to designing products and services.

The company's product design and procurement teams engage with suppliers to develop products with lower eco footprints. The checklist used as part of the design process includes climate-related considerations such as energy use, and end-of-life disassembly for repair or reuse. Through such engagements, the Board Risk Committee, Climate Action Committee (CAC) and the Board monitor key risks such as rapid advancements in technology.

DATA PROTECTION AND PRIVACY

Zain considers data privacy as a crucial part of controls to avoid data leakage. In order to comply with legal and regulatory governing bodies and their requirements, Zain regards the personally identifiable information (PII) entrusted by its customers, employees, suppliers, and other stakeholders highly, and processes involved in the collection, use, retention, and non-disclosure of this information.

In 2023, Zain updated its Data Protection and Privacy Policy to ensure that it continues to meet the highest standards of data protection and privacy for all of its stakeholders. The policy was approved by the Board, and ensures Zain remains compliant to all relevant data protection and privacy laws and regulations. The revised policy covers a range of topics including how the company collects, uses, and stores personal data and the rights of individuals to access and control their personal data.

The policy can be found here

Policies and practices related to collection, usage, and retention of customer information and personally identifiable information for each Zain operating company:

ZAIN BAHRAIN

Please refer to the link below for more details:

https://www.bh.zain.com/en/copyright/privacy-policy

ZAIN IRAQ

Zain Iraq implemented several security controls and follows best practices to ensure that all data processed is secure. In 2023, Zain Iraq was ISO 27001 certified, providing further assurance on the implemented controls to safeguard data.

ZAIN JORDAN

A new law for data protection was launched and an analysis was conducted by the Legal and Regualtory team to set workshops with all involved parties to assess the risk for PII data and to set policies and corrective actions accordingly.

ZAIN KUWAIT

CITRA's data privacy protection regulation is applicable to both public and private sectors that collect, process and store PII. Zain appointed a Data Privacy Officer responsible for overseeing appropriate technical and regulatory controls to comply with the regulations.

ZAIN SAUDI ARABIA

Zain has a data privacy policy that is established and approved by the Saudi Data and AI Authority (regulating authority).

ZAIN SUDAN

Zain ensures customer information and PII is protected through policies such as its Code of Conduct.

ZAIN SOUTH SUDAN

Zain is continuously enhancing its security controls to improve its security maturity and to defend against threats and safeguard data from such threats. Several security control assessments are carried out to identify potential improvements that can be implemented.

CUSTOMER INFORMATION FOR SECONDARY PURPOSES

As per the Sustainability Accounting Standards Board's (SASB) definition of secondary purpose, Zain's operations process data for designing products to enhance the quality of services offered to customers. However, customer information and the usage of data is not transferred or shared to a third-party unless requested by law enforcement, in which case it takes place via a judicial order.

Further information on Zain's Data Privacy governance and policies can be found in the 'Products and Services' section on page 64.

As of 2023, there have been no reports or complaints from external third-parties and regulatory bodies, or the identification of leaks or losses of customer data.

DATA SECURITY

Zain continued its commitment to safeguarding its employees and customers against phishing attacks, where the company facilitated a user-friendly reporting system, allowing individuals to report such attacks and spam emails with a simple click. This initiative streamlines the investigation process, significantly enhancing operational efficiency, and enabling the prompt implementation of corrective actions.

MANAGEMENT APPROACH TO IDENTIFYING AND ADDRESSING DATA SECURITY RISKS

Zain stores and processes information that is highly confidential and can be very valuable in the hands of cyber criminals. This is why the company's infrastructure is considered extremely critical. The threat landscape is ever evolving, which requires a continuous and rigorous enhancement of security controls.

Zain has in-place the necessary security controls and processes aligned with best practices to mitigate and reduce the possibility and impact of cyber attacks. The company has developed cyber resilience, which is the ability to effectively identify, protect, detect, respond and recover from potentially catastrophic cyber security threats. To ensure a safe and secure environment, Zain must protect its infrastructure with the necessary policies, procedures, and continuous monitoring activities to defend against threats.

Following is an illustration of a framework referenced in Zain's cyber resilience strategy.



Some examples of cyber security initiatives across Zain's markets include:

- Cyber security/vulnerability assessments
- Penetration testing
- Telecom signaling security assessment
- Reporting all security-related incidents and breaches to the National Telecom Regulatory Authority (NTRA)
- ISO 27001 Information Security Management System certification
- Information security training for all employees

MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS

Mission critical services require continuous availability where breaks in service are intolerable and can result in immediate and significant damage. Zain monitors for any disruptions that occur throughout its major systems.

Description of systems to provide unimpeded service during service interruptions

Core: Includes PS Core and CS Core (previously mentioned in prior Zain Sustainability Reports).

CS Core: Circuite Switch, handling voice calls and containig functionaities such as mobile switching center (MSC) and gateway MSC (GMSC).

PS Core: Packet Switch, handling data sessions and containig functionalities such as: S+H9erving GPRS support node (SGSN), gateway GPRS support node (GGSN), domain name server (DNS), dynamic host configuration protocol (DHCP) server, packet charging gateway, etc.

Charging: Ericsson - System for customers to recharge their accounts with credit and maintain balance information. Used by prepaid and postpaid customers.

Zain Group

System	Availability
ERP	100%
Oracle Hyperion	100%
Zain Group Website	100%

Zain Bahrain

System	Availability
Core	100%
Charging	100%
Website	100%

Zain Iraq

System	Availability
Core	100%
Charging	100%
Website	100%

Zain Jordan

System	Availability
Core	99.96%
Charging	100%
Website	99.99%

Zain Kuwait

System	Availability
Core	99.95%
Charging	99.95%
Website	100%

Zain Saudi Arabia

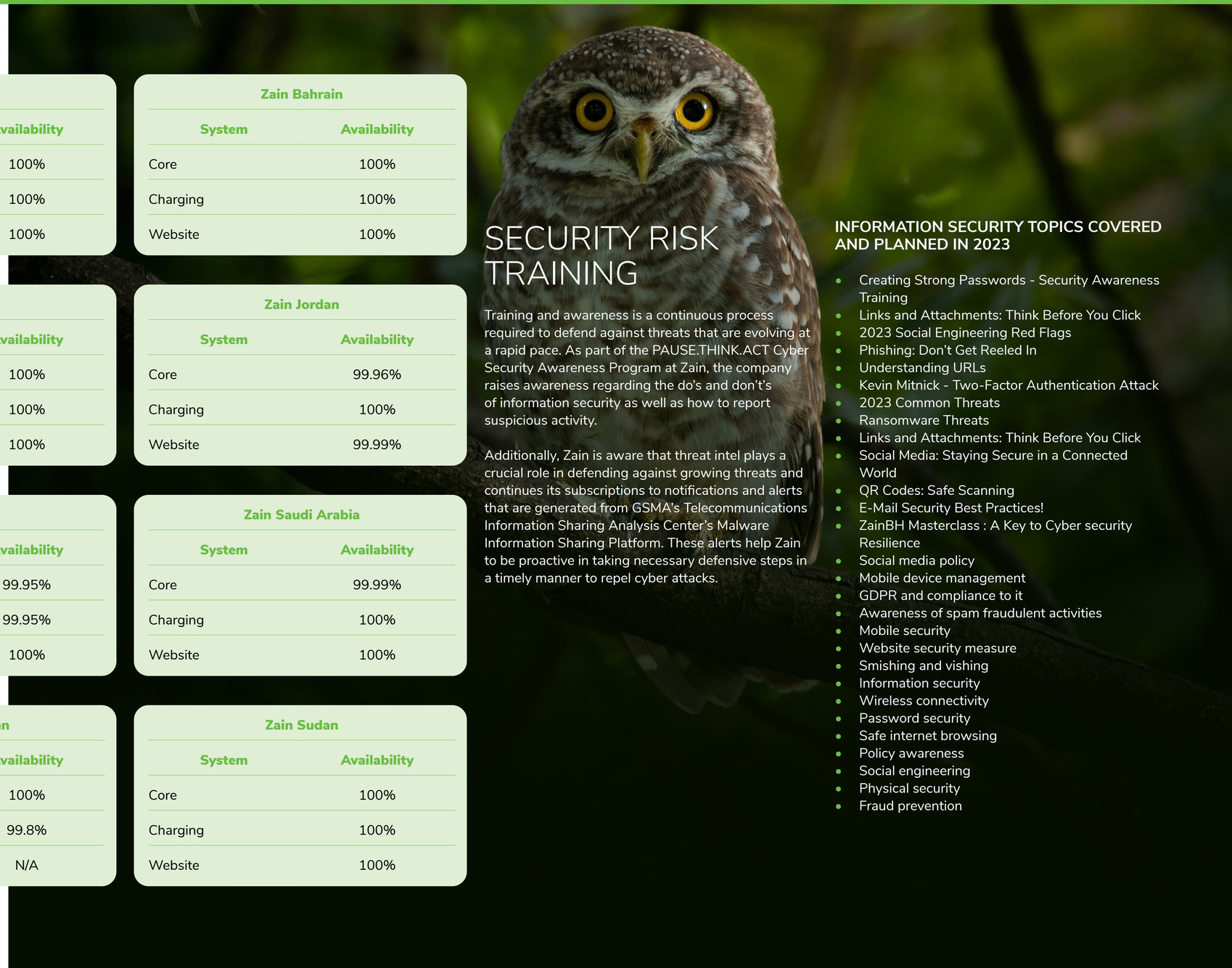
System	Availability
Core	99.99%
Charging	100%
Website	100%

Zain South Sudan

System	Availability
Core	100%
Charging	99.8%
Website	N/A

Zain Sudan

System	Availability
Core	100%
Charging	100%
Website	100%



SECURITY RISK TRAINING

Training and awareness is a continuous process required to defend against threats that are evolving at a rapid pace. As part of the PAUSE.THINK.ACT Cyber Security Awareness Program at Zain, the company raises awareness regarding the do's and don't's of information security as well as how to report suspicious activity.

Additionally, Zain is aware that threat intel plays a crucial role in defending against growing threats and continues its subscriptions to notifications and alerts that are generated from GSMA's Telecommunications Information Sharing Analysis Center's Malware Information Sharing Platform. These alerts help Zain to be proactive in taking necessary defensive steps in a timely manner to repel cyber attacks.

INFORMATION SECURITY TOPICS COVERED AND PLANNED IN 2023

- Creating Strong Passwords - Security Awareness Training
- Links and Attachments: Think Before You Click
- 2023 Social Engineering Red Flags
- Phishing: Don't Get Reeled In
- Understanding URLs
- Kevin Mitnick - Two-Factor Authentication Attack
- 2023 Common Threats
- Ransomware Threats
- Links and Attachments: Think Before You Click
- Social Media: Staying Secure in a Connected World
- QR Codes: Safe Scanning
- E-Mail Security Best Practices!
- ZainBH Masterclass : A Key to Cyber security Resilience
- Social media policy
- Mobile device management
- GDPR and compliance to it
- Awareness of spam fraudulent activities
- Mobile security
- Website security measure
- Smishing and vishing
- Information security
- Wireless connectivity
- Password security
- Safe internet browsing
- Policy awareness
- Social engineering
- Physical security
- Fraud prevention

2023 AWARENESS UPDATES

	Kuwait	Saudi Arabia	Bahrain	Iraq	Jordan	Sudan	South Sudan
Total Staff	1,773	1,798	385	912	1,186	788	145
Total Number of Staff that received awareness content	1,773	1,798	385	912	1,186	788	145
Total number of channels utilized	5	1	4	1	1	2	3
Channels utilized	Posters Banners Corporate Email Newsletter SMS Induction	Phishing Awareness Session	Corporate Email Newsletter PC Lock Screen Live Sessions Awareness Platform	Induction Session	Corporate Email Newsletter	Corporate Email Newsletter Induction Social Media	Corporate Email Newsletter WhatsApp SMS Physical Sessions

The following list consists of the cyber security training courses taken by entreprise risk management employees across Zain's operations.

- Certified Risk and Compliance Professional
- Certified in Risk and Information Systems Control
- ISO22301 Lead Auditor
- COBIT
- Security Operations Management
- Cyber Security Management

INITIATIVES WITH EXTERNAL STAKEHOLDERS

Initiative	Date of Adoption	Opcos in Scope	Nature of Initiative (Binding/Voluntary)	Range of Stakeholders involved
Information Security Management System ISO 27001:2013	10-Jan-21	Zain Bahrain	Binding	Telecommunication Regulatory Authority
	07-Jan-23	Zain Iraq	Voluntary	AQC
	2-Feb-21	Zain Kuwait	Voluntary	DNV-GL
	15-Jan-20 21-Jun-23	Zain Jordan	Voluntary	SGS
	11-Apr-21	Zain Sudan	Voluntary	DNV-GL
Business Continuity Management System ISO 22301:2012	Feb-20 28-Jan-20 29-Jan-23	Zain Kuwait	Voluntary	DNV-GL
Environmental Management System ISO 14001:2015	03-Feb-21	Zain Kuwait	Voluntary	DNV-GL
Quality Management System ISO 9001:2015	03-Feb-21	Zain Kuwait	Voluntary	DNV-GL
	15-Jan-21	Zain Bahrain	Voluntary	DNV-GL
IT Service Management System ISO 20000-1	31-Jan-23	Zain Kuwait	Voluntary	DNV-GL





CHAPTER 11

Human Rights

The company's strategy towards Human Rights is framed by the following:

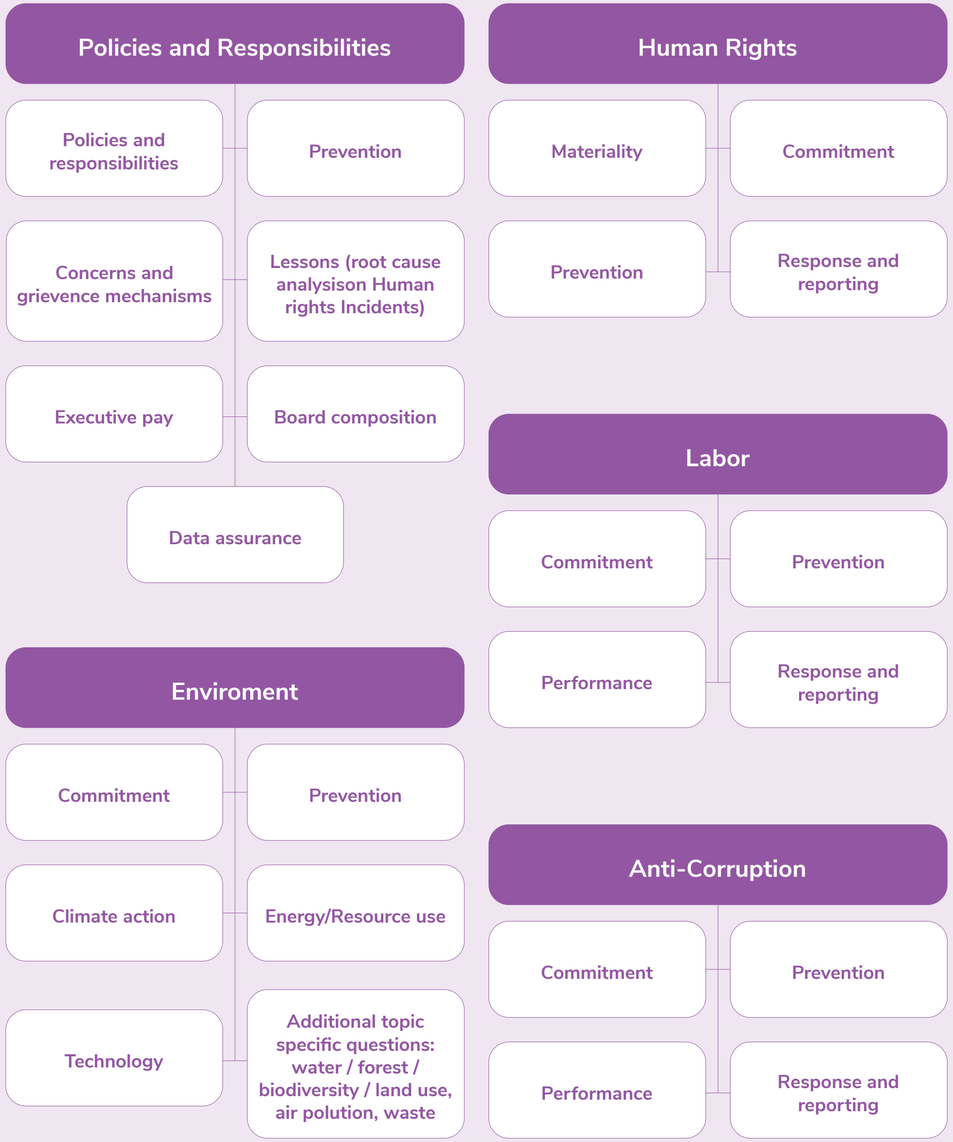
- Governance and policy
- Our approach
- Identification of salient human rights topics through engagement
- Reporting and impact

Zain continues its alignment with the United Nations Guiding Principles (UNGP) on Business and Human Rights Reporting

For its ninth consecutive year, Zain is continuing its alignment with the UNGP on Business and Human Rights. By reporting on the principles, the company provides the transparency and accountability needed to inform its stakeholders on how it addresses human rights risks.

The company's 2023 Thought Leadership Report titled, "Building Inclusive Societies Through Connectivity" emphasizes the various phases of connectivity over the four decades of Zain's operations while highlighting how such connectivity is a fundamental human right. The report also includes a section dedicated to Zain's Human Rights Impact Assessment where it highlights the company's salient issues related to the topic and how it addresses them.

Last year, Zain became a member of the United Nations (UN) Global Compact initiative, a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. In 2023, the company finalized its Communication of Progress (CoP) report and publicly submitted it through the UNGC portal. The CoP report covers the following topics:



GOVERNANCE AND POLICY

Zain demonstrates the importance of adhering to human rights through its Human Rights Policy Statement, Corporate Sustainability (CS) Policy, Code of Conduct, Supplier Code of Conduct, Climate Change Policy and Data Protection and Privacy Policy. The policies are in line with universal and local human rights rules and regulations and international standards. They also ensure that human rights requirements are applicable to all stakeholders across the company's value chain.

The policies are guided by the following standards:

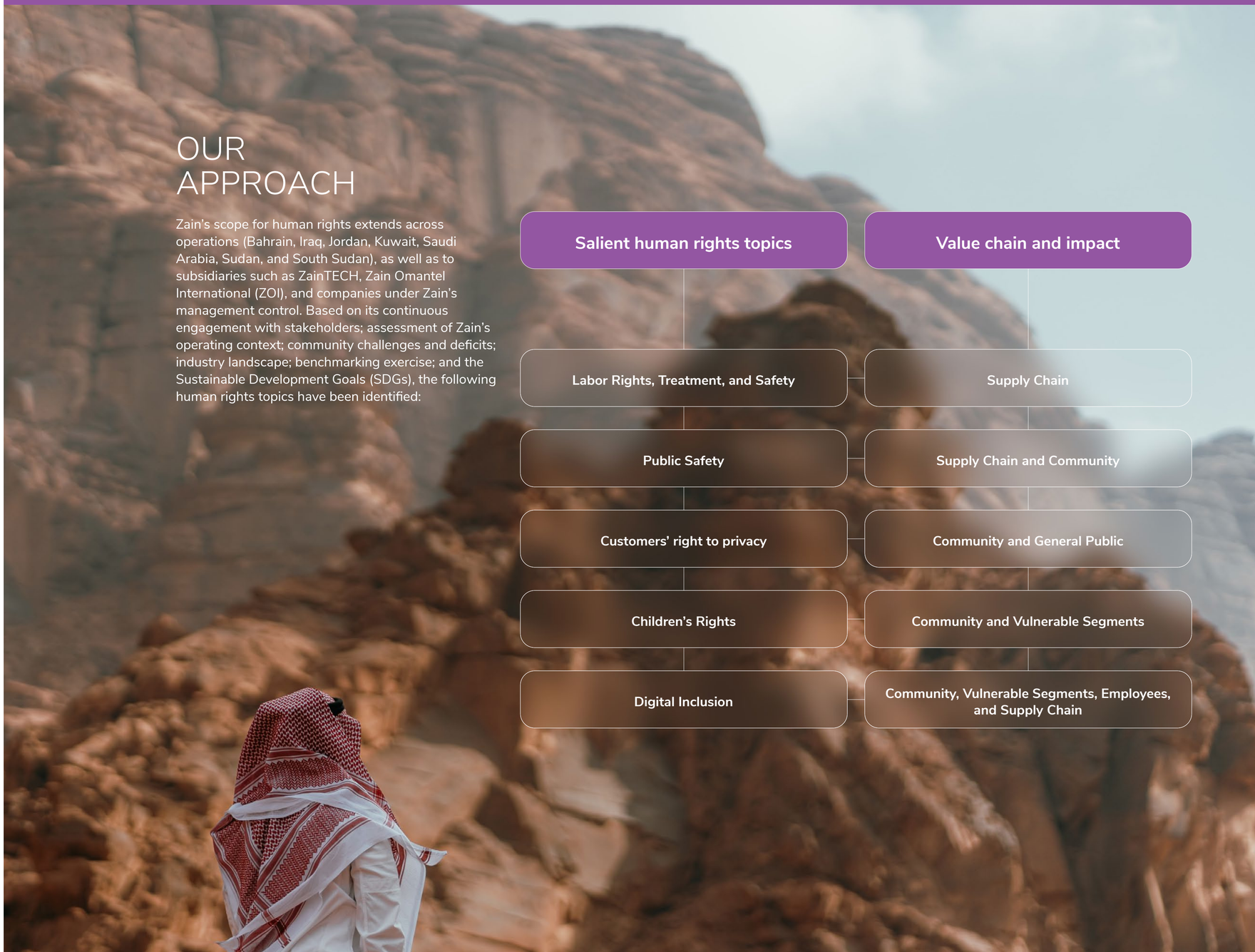
- UNGP for Business and Human Rights
- The UN Convention on the Rights of Persons with Disabilities
- The UN Convention on the Rights of the Child
- The Guidelines of the Organization for Cooperation and Economic Development for Multinational Companies
- Principles of the United Nations Global Compact
- Global Network Initiative's Principles on Freedom of Expression and Privacy – GNI Principles.

All the company's policies are publicly available on its website in English and Arabic.

OUR APPROACH

Zain's scope for human rights extends across operations (Bahrain, Iraq, Jordan, Kuwait, Saudi Arabia, Sudan, and South Sudan), as well as to subsidiaries such as ZainTECH, Zain Omantel International (ZOI), and companies under Zain's management control. Based on its continuous engagement with stakeholders; assessment of Zain's operating context; community challenges and deficits; industry landscape; benchmarking exercise; and the Sustainable Development Goals (SDGs), the following human rights topics have been identified:

Salient human rights topics	Value chain and impact
Labor Rights, Treatment, and Safety	Supply Chain
Public Safety	Supply Chain and Community
Customers' right to privacy	Community and General Public
Children's Rights	Community and Vulnerable Segments
Digital Inclusion	Community, Vulnerable Segments, Employees, and Supply Chain



IDENTIFICATION OF SALIENT HUMAN RIGHTS TOPICS THROUGH ENGAGEMENT

This section provides the different components that were taken into account when identifying the salient human rights topics for Zain in addition to any evolutions that happened in 2023.

- In 2023, the company conducted its human rights impact assessment which is disclosed in detail in its 2023 Thought Leadership Report. The company's due diligence identified the most relevant human rights issues, primarily through comprehensive stakeholder engagement. In addition, insights are gathered from leading industry associations, data analytics platforms, benchmarking exercises, industry analysts, and ESG indices.
- Zain also conducts high-level interactions within the company, namely between the Vice-Chairman and Group CEO, Chief Sustainability Officer, and other senior executives including the Board of Directors, Chief Risk Officer, Chief Purpose and HR Officer, Head of Legal/Legal Counsel, and Chief Communications Officer.
- Through the company's social media channels, Zain engages with the public on topics related to promoting the importance of child hotlines, protecting data privacy, raising awareness on vulnerable segments that include people with disabilities. The company also looks to address the digital divide, and internet safety. Zain continued to engage with shareholders and key investors; communicate with local communities regarding site selection; and abided by all laws and regulations regarding upholding people's rights through the company's Environmental and Social Management Plan (ESMP).
- Based on this year's human rights impact assessment, Zain added Digital Inclusion as a salient human rights issue and repositioned Child Online Safety to Children's Rights to ensure the topic takes a holistic approach to addressing the needs of children and safeguarding their rights. By adding Digital Inclusion, the company looked to ensure this encompasses access to connectivity and necessary skills.
- The company not only maintains its policies and ensures they are upheld, but also prioritizes educating its stakeholders that may be impacted, including its employees, suppliers, the public, and other relevant stakeholders. In 2023, Zain launched a supplier training video on human rights on its website where it monitors its viewership, verifies its completion, and solicits feedback from suppliers.
- Channels to communicate grievances are crucial for Zain. Effective mechanisms and remedies are available across its Human Rights Policy Statement, Code of Conduct, Suppliers Code of Conducts, and ESMP. Each document includes details for impacted people to communicate their grievances to the company.

REPORTING AND IMPACT

In addition, Zain ensures that its local and international suppliers also share its commitment to responsible business practices, which include human rights. Standards are expected to be upheld by Zain's suppliers and partners through compulsory compliance with the company's Supplier Code of Conduct, Human Rights Policy Statement, and a screening process that takes place prior to onboarding.

In 2022, Zain expanded the number of international and local suppliers that adhere to its human rights policies and is currently going through a process to ensure existing suppliers are all signatories to the Human Rights Policy Statement that was launched in 2020.

Furthermore, in matters related to geographical expansion or entry into new revenue streams through acquisitions of licenses or existing businesses, Zain pays attention to human rights impact assessments, including gender equality, children's rights, accessibility for people with disabilities, inclusivity, fair and equal opportunity, and labor practices such as child labor, compulsory labor, etc. This report covers all of Zain's most pertinent human rights issues that took place during the year. During this period, there were no human rights abuses committed under Zain's scope.

LABOR RIGHTS

STAKEHOLDER ENGAGEMENT

The following policies and values are publicly available on the company website:

- Code of Conduct
- Supplier Code of Conduct
- Human Rights Policy statement
- Life at Zain

The company also has its internal policy that is communicated and available to all employees:

HUMAN RESOURCES POLICY

All documents listed above are revised every three years, however the company may make changes more frequently in alignment to its stakeholders' needs and expectations in addition to aligning to evolving best practices.

IMPACT ON POLICIES

Zain maintains multiple channels for employees to report any alleged violations of their labor rights or mistreatment and ensures any updates on policies and procedures are communicated through Zain's internal channels. The company also monitors any incidents related to discrimination and assesses the corrective action necessary to address any cases across its operations. The company also has open channels for its suppliers to provide or report on any incident through its whistleblowing channel at: **whistleblowing@zain.com**

PUBLIC SAFETY

STAKEHOLDER ENGAGEMENT

Zain ensures that its activities, including the establishment of base stations, are in accordance with ESMP guidelines and are carried out in compliance with relevant regulatory authorities. In 2023, the company finalized the revision of its ESMP guidelines, approved by the Board of Directors.

IMPACT ON POLICIES

Zain maintains the policies specified in the ESMP Guidelines that safeguard against exposure to electromagnetic fields (EMF), radiation, and other potentially harmful exposures, ensuring that guidelines are aligned to Net-Zero ambitions and biodiversity requirements.

CUSTOMER RIGHTS TO PRIVACY

STAKEHOLDER ENGAGEMENT

The protection of Zain customers' personal data is communicated through the company's annual Sustainability Report in the 'Products and Customers' section, and through the website. Zain continues to place great emphasis on data privacy and information security across all areas of the business. In 2023, the company published its updated Data Protection and Privacy Policy to guarantee the company meets the highest standard of data protection and privacy.

IMPACT ON POLICIES

The company's updated Data Protection and Privacy Policy covers a range of topics including how Zain collects, uses, and stores personal data and the rights of individuals to access and control their personal data.

If there are any questions or concerns about the policy please contact the below: ZainDataProtectionandPrivacy@zain.com.

DIGITAL INCLUSION

STAKEHOLDER ENGAGEMENT

The company ensures it tackles this topic internally and externally. Internally, it has a dedicated Diversity, Equity and Inclusion (DE&I) department with specified DEI pillars consisting of: WE gender diversity initiative; WE ABLE disability inclusive program; ZY youth development program; ZAINIAC internal innovation platform; BE WELL mental health program; and REACH mentoring initiative. Through these pillars, the company embeds digital skill development across the business. Externally, the company dedicated a specific pillar to its Corporate Sustainability strategy, which addresses the digital divide. Zain has specific initiatives that aim to close this gap for women, elderly, and people with disabilities.

- Zain's Diversity, Equity, and Inclusion Policy
- Zain's Corporate Sustainability Policy

IMPACT ON POLICIES

Zain's DEI progress is reported in the 'People & Purpose' section of this report and within quarterly updates on the Zain Group website. Progress on specific initiatives under the Corporate Sustainability strategy can be found on the 'Sustainability Agenda' section on page 84.

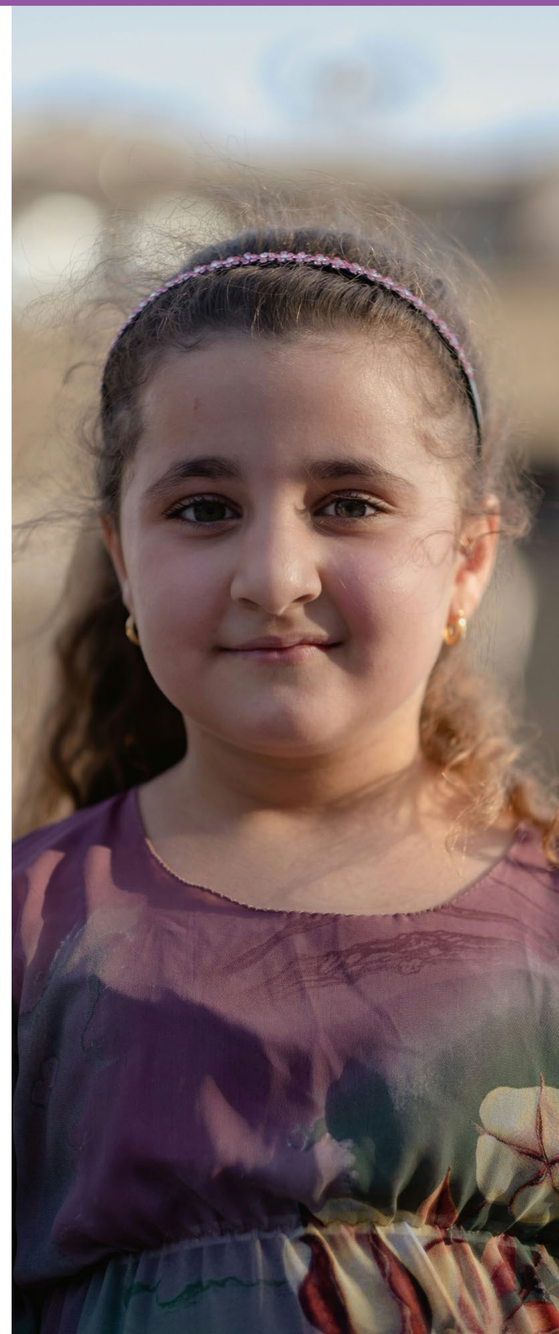
CHILDREN'S RIGHTS

STAKEHOLDER ENGAGEMENT

Zain's Human Rights Policy Statement and Data Protection and Privacy Policy protects children's rights and safety online including handling children's information. The company dedicated one pillar of its Corporate Sustainability strategy to youth, focusing on Child Online Safety, Digital Literacy, and Youth Unemployment. In 2023, the company participated in the revitalized GSMA Mobile Alliance against Digital Child Sexual Exploitation initiative. The mobile alliance is comprised of international mobile operators within the GSMA committed to working together to take proactive steps to fight technology-facilitated child sexual exploitation. The mobile alliance adopts a multi-stakeholder approach by engaging with key international stakeholders to ensure a well-coordinated response and effort in countering digitally facilitated child sexual exploitation and abuse.

IMPACT ON POLICIES

More information on Zain's progress in achieving the targets in this area are included in the 'Our Sustainability Agenda' section on page 84.

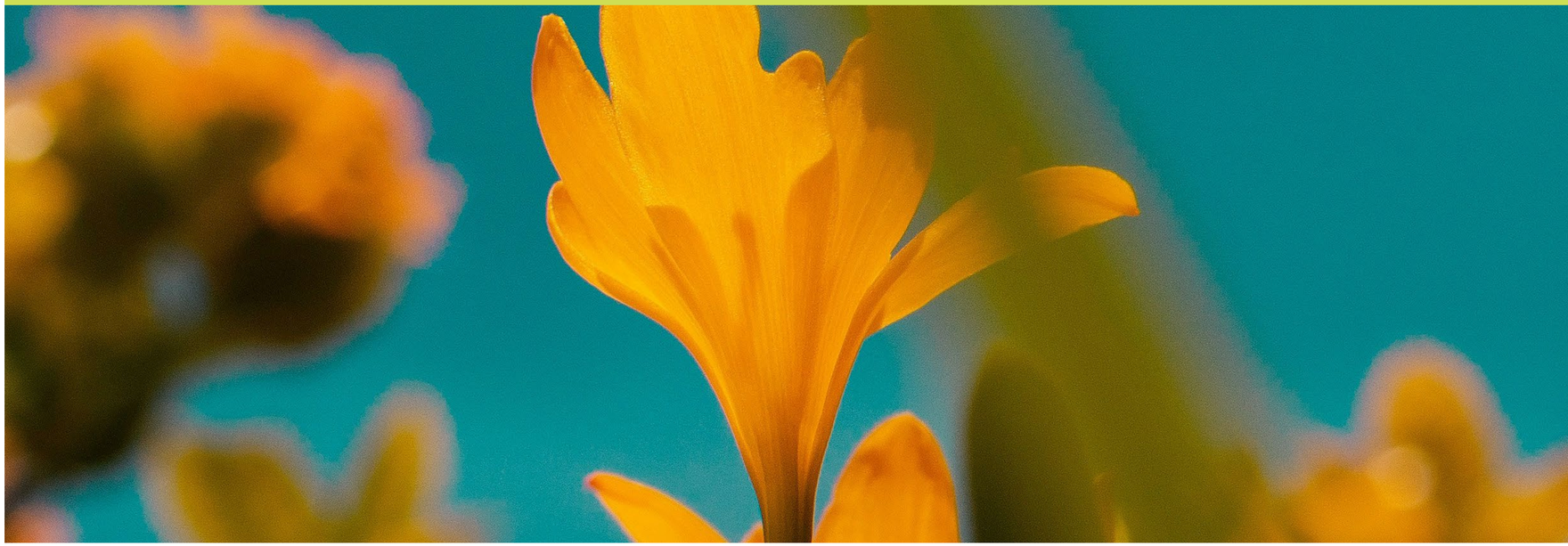


CHAPTER 12



Materiality Assessment

Zain conducts its materiality assessment on an annual basis, providing the company with the ability to identify and prioritize sustainability-related topics and the risks and opportunities for the company and its stakeholders. Zain continued to engage with internal and external stakeholders to understand their concerns and address their needs.



DETERMINING MATERIALITY TO ZAIN

UNDERSTANDING ZAIN'S CONTEXT

In reference to the Global Reporting Initiative (GRI) standard, Zain assesses and identifies its sustainability topics on an ongoing basis. The company does so by conducting a high-level overview of its activities, business relationships, sustainability context, and stakeholder groups to identify the topics that have both financial and non-financial impacts.

- Activities: Embedding the strategic objectives set in its 4Sight strategy; digital service offerings; the industry sector, and its employee demographics allow the company to better understand the impact of its activities on a Group-wide basis.
- Business relationships: Based on its activities, the company established relationships with business partners that are aligned to Zain's vision. Throughout the value chain, the company prioritizes its engagement with suppliers to mitigate risks and ensure business continuity.
- Sustainability context: Zain's regional landscape gives rise to a set of unique challenges that includes youth unemployment, gender equality, climate-related disasters, infringement of human rights, biodiversity, lack of regulatory reform in adopting data security, data sovereignty frameworks, children's rights, socio-political conflicts, skills mismatch, and retention of local talent.
- Stakeholder groups: Engaging with the company's stakeholders is crucial in understanding their needs, concerns and how Zain is impacting them on a socio-economic, environmental, and human rights basis.

CHANGES IN 2023

The company conducted a double materiality approach for its 2023 materiality assessment to ensure it captures both financial and societal impacts. Through this assessment, the company can capture a comprehensive assessment of both financial and non-financial risks that supports greater transparency in its reporting mechanisms. The double materiality assessment also provides greater insights on sustainability-related topics that contribute to long-term value creation. As regulatory frameworks further evolve to include environmental, social, and governance (ESG)-related requirements, double materiality is essential in meeting such standards and requirements.

ASSESS THE SIGNIFICANCE OF THE IMPACTS

IDENTIFYING ACTUAL AND POTENTIAL IMPACTS

In 2023, Zain continued to use Datamaran, a software analytics platform that monitors current and emerging ESG-related risks, to conduct its materiality assessment. The automated analysis is conducted by benchmarking peers, assessing wider ESG regulations, online news, and media outlets, in addition to gathering insights through stakeholder engagement surveys.

Zain leverages the analytics derived from Datamaran's platform and uses its telecom industry list to ensure that emerging risks are included in the company's analysis. The updates are then subject to the approval of Zain's Chief Sustainability Officer.

A shortlist of 27 topics were compiled that are based on previous reports and upcoming trends, and which included:

- Datamaran's machine learning telco industry list
- The macro-business environment
- Benchmarking against other prominent players in the industry and region
- Inputs gathered from operational review meetings, business plan meetings, and from leadership and Executive Management
- Sustainability interests raised by stakeholders
- Socio-economic and political factors

Zain bases its annual Sustainability Report on the results of the materiality assessment exercise to further understand the consequential issues for the company and its stakeholders.

STAKEHOLDER INCLUSIVENESS

Zain defines stakeholders using the definition provided by the GRI as follows:

"Stakeholders are entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products and services, and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives."

The stakeholders considered in this process range from those that directly invest in the organization such as employees, shareholders, investors, and suppliers, to those who are indirectly impacted by the company's operations, including local communities, civil society, non-governmental organizations, and vulnerable groups.

Based on this definition, Zain identifies its main stakeholders for the purposes of this report as:

Internal	External
• Employees • Executive Management	• Regulators • Shareholders • Suppliers • Business Partners • Financial Institutions • General Public • Customers • Media

Zain frequently carries out stakeholder engagement activities throughout the course of the year, which enable the organization to address the needs and expectations of its stakeholders. Related engagement activities include:

1. **Corporate Sustainability (CS) Social Media Outreach**: Engaging Zain's internal and external stakeholders to adopt a sustainability mindset. Zain encourages its audiences to provide feedback on the highlighted issues through social media engagement tools such as polls, surveys, and questions highlighted in the posts' caption. Some topics covered through social media included climate change, biodiversity, human rights, children's rights, online safety, socio-economic development, green skills, and diversity, equity, and inclusion.
2. **Internal forums**: These activities are designed to engage both the Group and the operating companies to measure priorities, share best practices, and discuss issues related to their specific business areas. In 2023, the following function-specific forums were conducted: Dizlee (Zain Group API Platform), Risk Management, Human Resources, Technology, and Corporate Sustainability.
3. **Stakeholder engagement process through various corporate functions**: Zain ensures it conducts frequent engagement sessions with stakeholders through analyst, investor and shareholder meetings, frequent communication with regulatory bodies, meetings with partners, customer polling, and other engagement activities related to each relevant function. In October 2023, ZainTECH, Zain Group's ICT arm, participated in GITEX, a global tech exhibition that takes place in Dubai annually. Zain Saudi Arabia participated in LEAP, the annual tech event founded by the Ministry of Communications and Information Technology, the Saudi Federation for Cybersecurity, Programming and Drones, and Tahaluf, an Informa company.

Zain updated its topics for assessment based on the activities conducted by Datamaran. The materiality topics did not change, however, the following subjects were added:

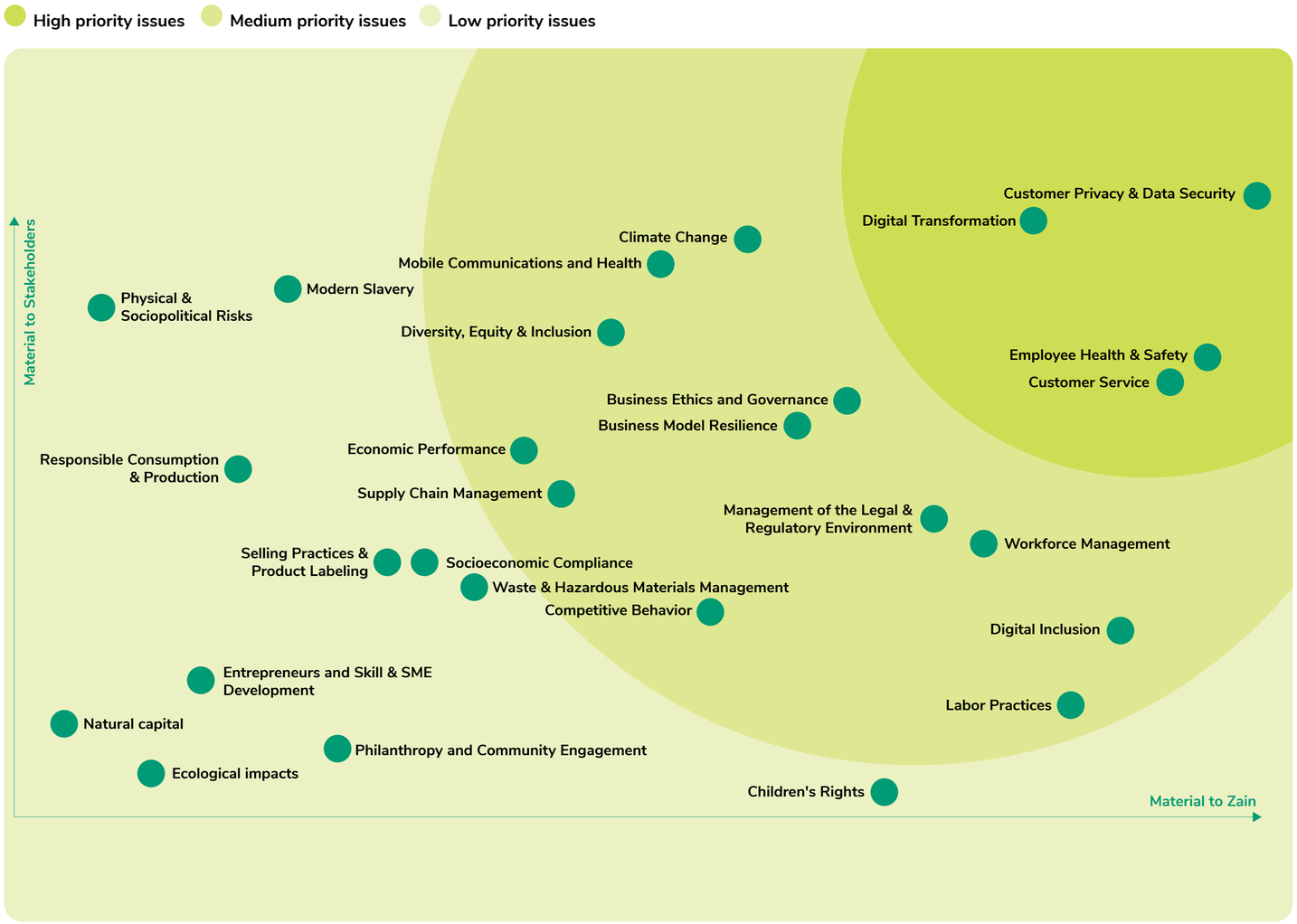
- Online safety was added to Business Ethics and Governance
- Public Health was added to Mobile Communications and Health
- Geo-political and socio-economic risk were added to Physical and Sociopolitical Risks

The following table showcases the changes that have been made and provides a year-on-year comparison of the rankings based on the results from Datamaran and survey responses.

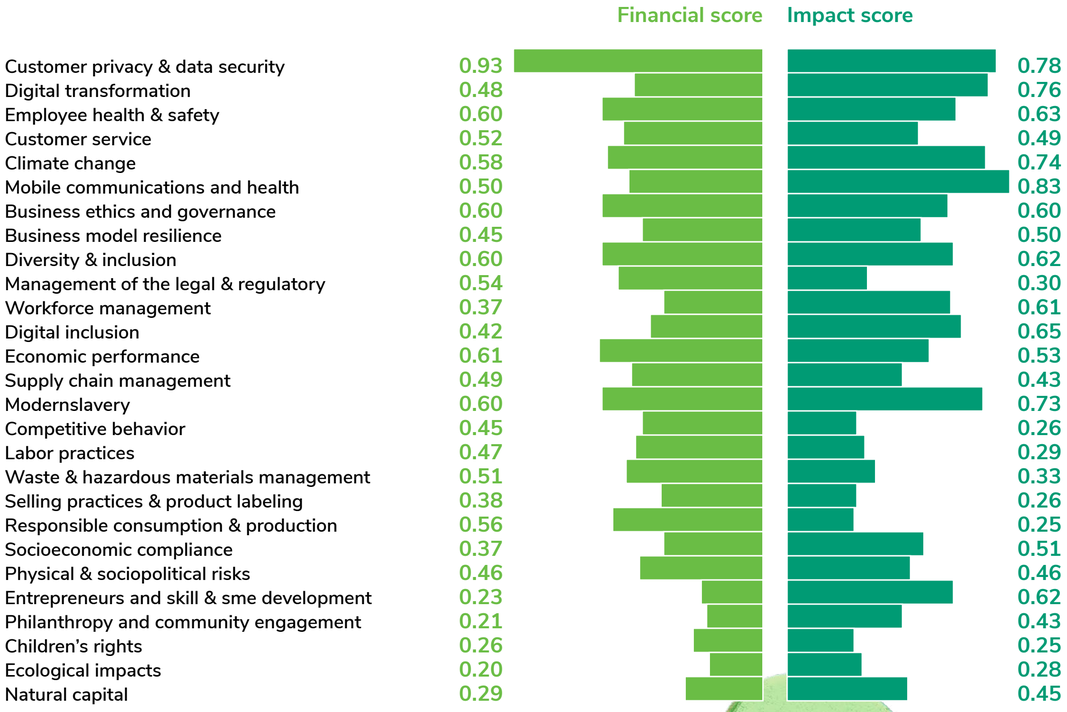
Material Topics	Ranking Order 2023	Ranking Order 2022
Customer privacy & data security	1	1
Digital Transformation	2	5
Employee health & safety	3	3
Customer Service	4	2
Climate Change	5	4
Mobile Communications and Health	6	11
Business Ethics and Governance	7	7
Business model resilience	8	10
Diversity, Equity & Inclusion	9	6
Management of the legal & regulatory environment	10	20
Workforce management	11	8
Digital Inclusion	12	9
Economic Performance	13	15
Supply Chain Management	14	12
Modern Slavery	15	14
Competitive behavior	16	18
Labor practices	17	13
Waste & Hazardous Materials Management	18	17
Selling practices & product labeling	19	27
Responsible consumption & production	20	19
Socioeconomic Compliance	21	16
Physical & sociopolitical risks	22	22
Entrepreneurs and Skill & SME Development	23	21
Philanthropy and Community Engagement	24	24
Children's Rights	25	23
Ecological impacts	26	25
Natural capital	27	26

** Indicates there has been changes to the name (combined or divided) in comparison to last year's topics

ZAIN'S MATERIALITY MATRIX



ZAIN'S DOUBLE MATERIALITY MATRIX



DISCLOSURES ON MATERIAL TOPICS

The company assesses and addresses its impacts across the value chain on a continuous basis to identify its ESG and human rights impacts. This enables Zain to embed such impacts in its decision-making priorities.

The table below provides an overview of its top 17 material topics:

Material Topics	Overview of social, economic, environmental, and human rights impacts	Actual/ Potential	Does the company impact this topic positively or negatively?
Customer Privacy & Data Security	Enables societies to optimize data handling practices to build strong digital pathways by strengthening Zain's data privacy mechanisms as per best practices and adhering to the laws and regulation per country. This allows its stakeholders to avoid exposure to improper account charges, privacy intrusions, or identity theft.	Actual	Positive
Customer Service	Providing top quality and inclusive products and services, the company can empower and uplift its customers. By ensuring Zain's customers have access to connectivity, it allows for the reduction of information asymmetries, increased economic activity, and allows for greater efficiencies. The company continues to track Net Promoter Scores (NPS) and ensure open communication channels across its footprint to engage and respond to its customers' needs.	Actual	Positive
Employee Health & Safety	Failure to ensure a healthy and safe work environment for employees can lead to fatalities, serious injuries, and illnesses. Impacting the quality of life of employees may also damage the businesses' productivity, finances, and reputation. Zain continued to prioritize employee health & safety, and well-being from a physical and mental standpoint by assessing the possible risk and addressing any work-related injury, fatalities, or illnesses. Activities conducted include enabling employees to work remotely and provide equitable insurance packages in addition to the various programs under Zain's 'BE WELL' wellness streams. BE WELL emphasizes the importance of employees' mental health, which is crucial in times of conflict and socio-political upheaval in the region.	Actual	Negative

Material Topics	Overview of social, economic, environmental, and human rights impacts	Actual/ Potential	Does the company impact this topic positively or negatively?
Climate Change	The company continues to address its emissions across its footprint while also tackling the increase in data consumption. Climate change continues to be a driver for Zain to adapt and mitigate its risks while continuously rolling out green solutions to help other sectors do the same. Moving beyond ambition, Zain is dedicated to taking the necessary steps and use its sphere of influence to lobby for policy reform, introduce green technologies, and spread the awareness needed to combat climate change.	Actual and Potential	Positive / Negative
Digital Transformation	Digital transformation has profound impacts on the world, affecting all industries. Zain's 4Sight strategy aims to enhance the digital ecosystem through its core services, which includes roaming and wholesale, but also to develop other industries, under its digital transformation and investment arm tackling areas such as fintech, ventures, application programming interface (API), and esports.	Actual	Positive
Diversity, Equity & Inclusion	Zain continues to proactively promote diversity, equity, and inclusion (DE&I) to foster social cohesion, further economic development, and gain access to a larger set of potential employees. Establishing DE&I competencies, launching strategic Group-wide initiatives, and creating greater awareness allows Zain to nurture a diverse and inclusive culture.	Actual	Positive
Business Ethics and Governance	The company emphasizes the importance of strengthening its integrity among all stakeholders to build trust. By developing a strong relationship, Zain can address stakeholder concerns in an effective and accurate manner. Having a well-equipped governance model provides management with the ability to oversee and address the organization's impacts. Online safety falling under this topic is crucial as it protects customer data, maintains trust, and ensures the integrity of the network.	Potential	Positive
Workforce Management	With around 7,900 employees across seven markets, Zain impacts its workforce through its policies, practices, recruitment, retention, and skill development.	Actual	Positive

Material Topics	Overview of social, economic, environmental, and human rights impacts	Actual/ Potential	Does the company impact this topic positively or negatively?
Digital Inclusion	Bridging the digital divide and ensuring that no one is left behind leads to a multitude of socio-economic benefits. The company explores the needs of excluded and marginalized segments to provide opportunities that are inclusive by design. Zain targets various segments that include children and youth, elderly, and people with disabilities, and sets targets accordingly.	Actual	Positive
Business Model Resilience	Zain continues to embed business continuity in its risk management policies, practices, and processes. The pandemic highlighted the need to ensure resilience as it leads to better business and societal outcomes. Other external crises such as natural or humanitarian disasters, in addition to geopolitical instability, continue to underline the need to systemically embed business resilience mechanisms within the company's practices.	Actual	Positive
Mobile Communications and Health	According to the GSMA, no health risks have been established from exposure to the low-level radio signals used for mobile communications. Zain ensures that it follows official guidelines and maintains the policies and practices specified in its Environmental and Social Management Plan (ESMP) to safeguard its communities against exposure to electromagnetic fields (EMF). To ensure this topic covers all aspects of health, public health was included under this topic's assessment.	Potential	Negative
Supply Chain Management	Societies with highly developed supply chain management systems are proven to have great influence on all facets of societies. Numerous stakeholders depend on the supply chain as it provides vast employment opportunities where some are then able to gain access to healthcare. However, the risk of human rights abuses, including labor rights, child labor, corruption, and health & safety concerns, are more prominent across supply chains. Zain continues to expand and scale its mechanisms and processes across all markets to address human rights impacts and biodiversity across its entire value chain.	Actual	Negative

Material Topics	Overview of social, economic, environmental, and human rights impacts	Actual/ Potential	Does the company impact this topic positively or negatively?
Labor practices	There are several economic implications to upholding local and international labor laws. Through adherence to such practices, the company can influence employment practices not only for its own workforce but also throughout its supply chain. This reduces the risk of any abuses or discrimination occurring. Zain impacts this topic from a positive aspect by upholding the rights of its employees, workers, and supply chain.	Actual	Positive
Modern Slavery	Modern slavery, including forced labor, has increased significantly in recent years, where most cases of forced labor are found in the private sector with migrant workers being the most vulnerable. Improving and enforcing laws, regulations and inspections helps progress towards addressing modern slavery. Operating in seven markets and working with a high volume and range of suppliers, Zain aims to expand its influence and uphold its social and environmental values across its supply chain.	Potential	Positive / Negative
Economic Performance	Achieving its economic goals and objectives allows the company to create and distribute wealth to its stakeholders. Through the economic value generated, Zain identifies key investment areas such as infrastructure, assets, and its workforce.	Actual	Positive
Socioeconomic Compliance	Compliance with laws and regulations showcases a company's ability to manage and conform to certain performance parameters. By ensuring the company complies with all social and economic-related laws and regulations protects the communities in which it operates.	Actual	Positive
Children's Rights	Child online safety continues to be an important area where a variety of risks can arise from online addiction, access to child sexual abuse material, cyber bullying, widespread online scams and other threats. Zain's approach to spreading awareness and engaging with stakeholders to strengthen child protection mechanisms such as child helplines, allows the company to tackle the negative effects of connectivity. Through monitored use, children can reap the benefits of accessing the internet through e-education and edutainment services.	Actual	Positive / Negative





CHAPTER 13

Regulatory Context

ZAIN BAHRAIN

CHALLENGES	ZAIN'S RESPONSE
Cross Border Interference	
Operators using 2.6 GHz and 3.5 GHz spectrum have continued to face significant cross border interference from neighboring countries.	• In Q2-Q4 2022, operators conducted extensive measurements to demonstrate the accuracy of the claim of interference and to showcase such to national regulatory authorities. • Following extensive engagements and discussions, a frequency coordination agreement was signed in Q2 2023 amongst national regulatory authories in Saudi Arabia, Kuwait, Bahrain, Qatar, UAE, Oman, and Iran to cover bands such as 2.6 GHz and 3.5 GHz. • In Bahrain, the Telecommunications Regulatory Authority (TRA) is reviewing a coordination agreement with Saudi Arabia and Qatar for 4G and 5G services. Coordination with the operators in Iran has also commenced.
Regulatory Fees	
The recent amendment to the Telecom Law has changed the annual license fee cap from 1% to 2%. The TRA issued a public consultation to change the effective rate in the Schedule of Fees regulation. The TRA has issued the final report on the consultation document confirming the 2% annual license fee. Schedule of Fees regulation has been amended accordingly from 1st Jan 2024.	All mobile network operators (MNOs) sent a letter to the Ministry of Transportation and Telecommunications to push back the Annual Fee increase. Another letter is being drafted including other local operators to be sent to the TRA. Zain is studying the actions to be taken after the confirmation of the 2% annual license as it will increase significantly 2024 OPEX.
Spectrum Award/Auction	
In 700 MHz, 1400 MHz, 2300 MHz, 2500 MHz and 3800 MHz bands.	Zain is lobbying for a managed assignment of the spectrum process and the TRA has sent a survey about frequency efficiency and future use of bands.
Group Regulatory Compliance	
Compliance is an important aspect of any organization's activities, irrespective of the industry as it ensures the organization can avoid penalties or reputational damage.	• Zain recognizes the criticality of adherence to various compliance requirements and has adopted a structured approach towards ensuring the same. • Zain Group Regulatory Affairs officially launched the Regulatory Compliance Program (RCP) in Zain Bahrain to embed robust regulatory compliance control frameworks in line with ISO 37301 (Compliance Management) and ISO 31000 (Risk Management) standards. • In January 2023, the RCP portal was launched to track all compliance obligations.

ZAIN IRAQ

CHALLENGES	ZAIN'S RESPONSE
Quality of Service (QoS) Fine	
Communication & Media Commission (CMC) has issued a penalty notice to Zain Iraq for purportedly failing to meet LTE QoS targets.	The penalty is not justified because: A. CMC did not follow established procedures outlined in the licensing contract, regulations, and corrective measure instructions, B. CMC made an error in its calculation of the penalty by using the overall subscriber count (including 2G, 3G, and 4G) instead of exclusively considering the number of 4G subscribers, C. CMC's measurements did not comply with the existing regulations, D. CMC did not comply with the license articles regarding coverage obligations, E. Zain challenged the decision before the Board of Appeal.
Spectrum Fees	
The high spectrum fees have historically been a topic of concern for telecommunication operators in Iraq due to their substantial impact on operational costs.	• Ongoing advocacy efforts by MNOs to address QoS targets, spectrum availability and spectrum pricing to align these with international standards. • Extensive workshops held in Q4 2023 to address QoS and to lower spectrum pricing.
Spectrum Shifting in 900 MHz band	
Zain reported the interference during the process of shifting the 900 MHz band MHz refarming.	• A Joint arrangement with Asiacel to conduct measurement across the 900MHz, 2100 MHz, and other bands with an international vendor to: > Identify the source of interference > Check the clearness of the 2600 MHZ band. • Lobbying targets with CMC > Interference in different bands. > QoS imposed unachievable due to the interference. > convince the CMC to release more spectrum. > compensation to Zain such as waiving the penalty imposed.
Group Regulatory Compliance	
Compliance is an important aspect of any organization's activities, irrespective of the industry as it ensures that the organization can avoid penalties or reputational damage.	• Zain recognizes the criticality of adherence to various compliance requirements and has adopted a structured approach towards ensuring the same. • Zain Group Regulatory Affairs officially launched the Regulatory Compliance Program (RCP) in Zain Iraq to embed robust regulatory compliance control frameworks in line with ISO 37301 (Compliance Management) and ISO 31000 (Risk Management) standards. • In Q3 2023, the RCP Portal went live in Iraq.

ZAIN JORDAN

CHALLENGES	ZAIN'S RESPONSE
5G Spectrum	
Licence issued (3700-3800 MHz) but previously used by the army.	• A letter to the Telecommunication Regulatory Commission (TRC) asking for the spectrum utilization time and the evacuation process by the army as competitors been granted clean spectrum. • Zain is coordinating with the Army (SCC) to provide backhauling links to expedite the evacuation process • The spectrum evacuation process is completed. Waiting an official confirmation.
TRC Collusion Claim	
The TRC and the Ministry of Industry and Trade claim that Orange and Zain colluded to raise their prices.	• In response to macro-economic challenges, Zain and other MNOs have sought to increase prices. • Zain independently raised prices to match Orange's offering. • Challenging TRC claim against prices increase by Zain and other operators due to the macro-economic situation.
Group Regulatory Compliance	
Compliance is an important aspect of any organization's activities, irrespective of the industry as it ensures that the organization can avoid penalties or reputational damage.	Zain is taking steps to introduce its Regulatory Compliance Program in 2024 in Jordan to ensure compliance with laws, regulations, and other instruments issued by the national regulatory authority.

ZAIN KUWAIT

CHALLENGES	ZAIN'S RESPONSE
Tower and Sites Regulation	
Decisions from several government authorities (Ministry of Finance, Public Authority for Industry, and the Communication and Information Technology Regulatory Authority (CITRA)) to significantly increase the rental fees for towers.	• In July 2023, Zain sent a letter to CITRA to challenge the proposed rental increase. • An objection was filed on CITRA new regulations (8/2023) 18 September 2023.
Fixed Network Development Project	
Ministry of Communications (MOC) is seeking a reputable international telecommunications operator to partner with it to manage and extend the fixed communications network. The tender to recruit the partner has been launched.	• Zain met with MOC and its consultants. • In October, Zain shared a document containing a list of questions that are organized across five main aspects of the PPP setup.
Group Regulatory Compliance	
Compliance is an important aspect of any organization's activities, irrespective of the industry as it ensures the organization can avoid penalties or reputational damage.	• Zain recognizes the criticality of adherence to various compliance requirements and has adopted a structured approach towards ensuring the same. • Zain Group Regulatory Affairs officially launched the Regulatory Compliance Program (RCP) in Zain Kuwait to embed robust regulatory compliance control frameworks in line with ISO 37301 (Compliance Management) and ISO 31000 (Risk Management) standards. • In Q3 2023, the RCP Portal went live in Kuwait.

ZAIN SAUDI ARABIA

CHALLENGES	ZAIN'S RESPONSE
600,700,3800-400 MHz Auction	
Communications, Space & Technology Commission (CST) postponed the auction supposed to take place on 16 October 2023.	Zain to participate in the committee that will include CST, MCIT and operators to discuss the obligations further. Committee still not formed.
Cross-Border Interference	
Operators using 2.6 GHz and 3.5 GHz spectrum have continued to face significant cross-border interference from neighboring countries.	• In Q2-Q4 2022, operators conducted extensive measurements to demonstrate the veracity of the claim of interference and to showcase such to national regulatory authorities. • Following extensive engagements and discussions, a frequency coordination agreement was signed in Q2 2023 amongst national regulatory authories in Saudi Arabia, Kuwait, Bahrain, Qatar, UAE, Oman, and Iran to cover bands including 2.6 GHz and 3.5 GHz.
Coverage and Speed Commitments	
CST issued new regulations and KPI's regarding coverage and speed commitments for service providers in Saudi Arabia.	In 2023, Zain, STC, and Mobily lost the court case against CST's KPI's for network coverage and speed. Currently awaiting a Supreme Court decision.
Group Regulatory Complianc	
Compliance is an important aspect of any organization's activities, irrespective of the industry as it ensures that the organization can avoid penalties or reputational damage.	Zain is taking steps to introduce its Regulatory Compliance Program in in 2024 in Saudi Arabia to ensure compliance with laws, regulations and other instruments issued by the national regulatory authority.

ZAIN SUDAN

CHALLENGES	ZAIN'S RESPONSE
2023 Spectrum Auction	
Telecommunication and Post Regulatory Authority (TPRA) allocated 20 MHz in 700 MHz band for trial.	• Commercial utilization is allowed. • The allocation will be renewed annually. • The annual cost is set based on the auction results in the 800 MHz band. (USD 13 m per year for the 20 MHz block).
Landing Station	
Final approval and agreement sign-off pending for environmental survey and other minor approvals (localities and power authorities).	• Final landing station approvals for Africa-1 submarine cable were successfully secured. The landing station will contribute positively to both revenue increase and cost reduction. • Zain is currently seeking some other minor approvals from localities and power authorities.
Annual License Renewal Fee	
TPRA is requesting 1.3% of gross revenue. (Current fee is 2.5% net profit as per the license agreement).	• Zain Sudan is insisting on the 2.5% of net profit as per the license agreement. • Before the conflict, Zain has filed a case at the Court of Appeal, which was rejected. • Zain will escalate this matter further at the appropriate time.
Group Regulatory Compliance	
Compliance is an important aspect of any organization's activities, irrespective of the industry as it ensures the organization can avoid penalties or reputational damage.	• Zain recognizes the criticality of adherence to various compliance requirements and has adopted a structured approach towards ensuring the same. Zain Group Regulatory Affairs officially launched the Regulatory Compliance Program (RCP) to embed robust regulatory compliance control frameworks in line with ISO 37301 (Compliance Management) and ISO 31000 (Risk Management) standards. Unfortunately, the RCP implementation plan is delayed due to the conflict in Sudan the program will resume by January 2024.

ZAIN SOUTH SUDAN

CHALLENGES	ZAIN'S RESPONSE
800 MHz Spectrum Acquisition	
Zain network has reached its capacity. National Communication Authority (NCA) offered Zain the opportunity to acquire 800 MHz spectrum.	• A total of 2 x 10 MHz in the 800 MHz band for 4G LTE acquisition, to bring Zain's total holdings to 2 x 60 MHz, is on hold. > The acquisition fee is USD 3M + 5% admin fee + USD 200K annual fee. > Acquisition payment schedule, payment currency, and interest payable for deferred payments are not clear yet. > Ongoing discussion with NCA for a final price and licence duration of 800MHz band. > Spectrum license will have a term of 5+ years (from Q3 2023 until January 2029) as per the Harmonization Agreement. • Utilization of the current holding of the 2100 MHz band to increase the capacity.
International Roaming (ONA)	
NCA requested MNOs feedback regarding the implementation of the ONA via a questionnaire.	• The traffic over 30 days to be considered as international roaming and not ONA roaming traffic. • Billing system still could not be updated to cater the requirements of the ONA regulation. • In October 2023, a questionnaire was provided to all MNOs seeking their feedback regarding the ONA implementation. • Zain provided its feedback and is awaiting the NCA response.
NCA Tariff adjustment	
NCA exchange rate is at SSP 618.75 : USD 1, market exchange rate is now at SSP 1150 : USD 1.	• Zain will seek the NCA's feedback regarding the tariff adjustment in 2023 to match the current exchange rate set by the Central Bank. • Discussion put on hold due to engagement with NCA regarding the 800 MHz spectrum acquisition.
Group Regulatory Compliance	
Compliance is an important aspect of any organization's activities, irrespective of the industry as it ensures that the organization can avoid penalties or reputational damage.	• Zain is taking steps to introduce its Regulatory Compliance Program in in 2024 in South Sudan to ensure compliance with laws, regulations, and other instruments issued by the national regulatory authority.



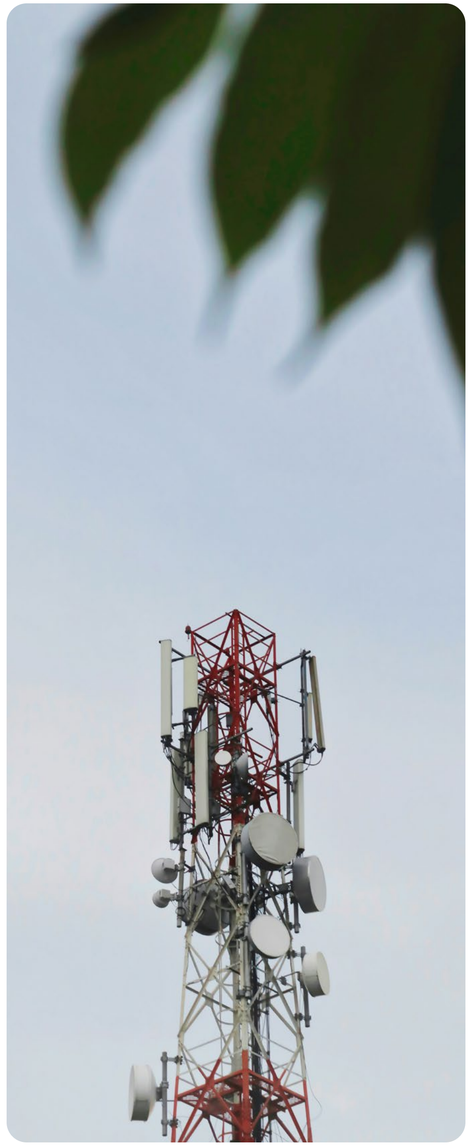
CHAPTER 14

Stakeholder Engagement

Zain is committed to actively engaging with all its stakeholders, in an open and transparent manner. This section details the company's interactions with the different groups of stakeholders, their key concerns on how the company responds to those concerns, and the frequency of these interactions.

Zain actively interacts with a diverse range of stakeholders, encompassing Customers, Shareholders and Investors, Employees, General Public and Community Institutions, Business Partners, and Government and Regulators. Zain selected its stakeholders based on its business activities and value chain. Based on the relationship the company has with its stakeholders, it assesses the appropriate channels used to gather insights and embed them into the company's decisions. This engagement occurs through multiple communication channels, including but not limited to social media, meetings, the website, press releases, and the Zain app.

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 51 million customers	Reliable and accessible service	Investments in network quality and coverage and continuous investment in networks to provide the latest and most reliable network coverage and quality	Continuously
		Review network performance through monthly and quarterly reviews with all operations	Monthly and continuously
	Innovative service	Provide customers with access to the latest technology	Continuously
		Continued to expand 5G networks in Bahrain, Jordan, Kuwait, and Saudi Arabia; and 4G/LTE in South Sudan to address the data services gap	Continuously
		Diversified and explored additional products and services in our line of business	Daily
	Affordable service	Launch tailored products and services covering different value segments, and catering to the connectivity needs of customers for both voice and data	Daily
	Accessible service	Provide customers with basic connectivity and value-added services at affordable prices	Daily
		Ensure services are available through multiple channels (mobile app, online, retail outlets, and contact centers)	Daily
		Availability of packages for the hearing-impaired	Currently available in Jordan, Kuwait, and assessment being conducted for remaining operations
		Provided connectivity in remote areas in South Sudan through network expansion	Annually
		Ensuring sales channels are disability inclusive	Quarterly
		Continued to provide network and cellular service in countries during crises	Continuously
		Providing digital and alternative channels for product delivery representatives such as inbound customer service agents and telesales	Daily



Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: **51 million customers**	Accessible service	Training sales agents in sign language	In all operations
		Providing a customer service hotline for people with disabilities	Currently in Zain Bahrain
		Providing a repository of sign language word libraries	Available on the Zain Group's website
		Partnered with eSSENTIAL Accessibility to ensure that the Zain website complies with the Web Content Accessibility Guidelines (WCAG) 2.1, Level A	Continuously
	Stay informed about promotional offerings and relevant information	Communicate via direct messaging, social media platforms, and various media outlets	Daily
		Provide updated information on Zain channels	Daily
		Provide professional assistance in all retail stores, outlets, contact centers, and various digital channels such as the Zain app, MyZain, and WhatsApp	Daily
	Customized services – inclusive products and services that fit different needs and lifestyles	Maintain ongoing engagement with customers to ensure an accurate understanding of customer needs - examples of engagement processes include customer research and collecting feedback within retail outlets and contact centers	Daily
		Design and offer converged value propositions including mobile service, internet, and others	Daily
		Offer customized packages for specific segments such as youth, students, women, refugees, disabled, and the disadvantaged	Offered continually across all operations. Details are provided in the 'Products and Services' section of the report on page 64
		Zain is a signatory to the GSMA's 'Principles for Driving the Digital Inclusion of Persons with Disabilities'	N/A

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: **51 million customers**	Ease, clarity, and transparency of billing	Offer support through contact centers and other accessible channels	Zain's branches, social media, and call centers are available to answer inquiries 24/7
		Provide online services and billing options	Zain online services are available to all customers across all communications channels
		Customer bills and data usage are readily available for customers through our digital channels and call centers	Daily
	Information security and data protection	Zain implements the ISO/IEC 27001 standard, to include technical, operational, managerial, and physical security controls to protect information from unauthorized access, or disclosure	Information security policies are reviewed on an annual basis
		Zain launched its updated Data Privacy Policy to provide guidance to operations on the collection, processing, and usage of personally identifiable information in compliance with applicable laws and regulations	The Data Privacy Policy is published on Zain's website
		Ensuring that Zain's networks block all child sexual abuse materials (CSAM) content	Working towards having additional CSAM blocking mechanisms Group-wide per country regulations and international best practices. CSAM content is blocked in six operating countries
	Efficient Grievance Mechanisms	Operate contact centers and respective contact channels such as the branches, call centers, and social media channels, and Zain apps where complaints are routed to the resolution department	Continuously

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 51 million customers	High-quality customer care	Continue to address the shift in customer needs and behavior	Continuously
		Maintain various channels to keep customers informed, receive feedback and measure performance through customer satisfaction surveys, store experience surveys, contact centers, and brand trackers	Continuously
		Track Net Promoter Scores – the rate to which customers would recommend our services to others – across operations	On a weekly basis
		Continued to provide an interactive digital channel called zBot, a smart customer service channel utilizing artificial intelligence (AI) to respond to customers' needs	N/A
	Provide a fair and transparent understanding of the company's strategy and business to current and potential investors	Market disclosure	As deemed necessary
		Provide updates through Investor Relations portal and the Investor Relations app (available in iOS & Google Play Store)	Weekly
		Maintain healthy relationship with sell-side and buy-side stakeholders	Daily
		Attend sell-side conferences	Quarterly
		Open channels of communication with shareholders	Daily
		Increase transparency and efficiency	Daily
		Conduct earnings conference calls, earnings call transcript	Quarterly

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Shareholders and Investors: Zain's major shareholders are: 1. **Group of Oman Telecommunications 21.90%** 2. **Kuwait Investment Authority (KIA) 15.90%** 3. **The Public Institution for Social Security 5.50%** 4. **Group of Al-Sharq Holding Co. 5.05%**	Provide a fair and transparent understanding of the company's strategy and business to current and potential investors	Quarterly Presentations	Quarterly
		Company Financials	Quarterly
		Host an Annual General Assembly Meeting (AGM)	Annually
	Management excellence	Ensure access to c-suite through field visits or roadshows and the participation in investor conferences in different regions	Quarterly
		Targeting potential investors that may be interested in the company, sector, or region	Monthly
Employees: Around 7,900 Full-time employees	Job security and satisfaction	Engage employees, maintain open communication channels, and develop action plans based on employee feedback	Communicate with employees through various channels, including social media and internal communications
		Ensuring job security	The company continues to provide salaries even in times of crisis and political unrest
	Employee benefits	Offer competitive benefit packages comparable to the local market	N/A
		Offer recreational services and packages for employees at a discount	Bi-annually
	Opportunities for development, growth, and skills development	Developed a comprehensive training and development program	Offering training programs whenever requested, in addition to periodically sharing training opportunities to employees in their relevant fields

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Employees: Around 7,900 Full-time employees	Opportunities for development, growth, and skills development	Established succession management plans and employee guides to facilitate career growth	Ongoing
		Continued to drive ZAINIAC as an internal e-platform for employees to share innovative ideas and create solutions to stimulate creativity within the company	Annually. Details are provided in the 'People & Purpose' section of the report on page 76
		Continued the WEABLE GROW initiative, a development program facilitated by Zain employees for people with disabilities, providing them with an opportunity to enhance their knowledge of disability inclusion with our customers and employees, and potentially offering them employment opportunities	Annually
		Launched the Diversity, Equity, and Inclusion University (DEIU) in collaboration with IE University, which provides employees access to furthering their education through an online Digital Transformation program with the option of attaining a Master's degree	Continuously. The program is curated for 2,000 employees
		Launched PACE with IE University and Nokia. The program consists of two talent development tracks: 1. Zain & IE University's Talent Onboarding program, which focuses on data analysis and digital transformation 2. Zain and Nokia ESG Action for Leadership program, which aims to drive design thinking embedded in sustainability	 13-month program for 25 young professionals from across Zain 5-month program for 10 female staff from across Zain
	Competitive salary	Conduct benchmark exercises and salary surveys for similar regional and international organizations and implement a salary scale	Annually
	Working for a company that matches their values	Provide access to the internal HR policy available to all employees through internal channels	Continuously
		Implement multiple engagement channels for employees to propose ideas and voice their concerns	Continuously

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Employees: Around 7,900 Full-time employees	Working for a company that matches their values	Working towards achieving a gender target of 25% female representation in leadership roles by 2025 through the WE initiative	Quarterly. Details are provided in the 'People and Purpose' section of the report on page 82
		Conduct an employee engagement survey to gauge and improve overall employee satisfaction, motivation, and commitment within the organization	Annually
		Conduct workshops and webinars that tackle sustainability, gender diversity, disability inclusion, and mental health and wellbeing	Quarterly
	Access to international conferences and networking opportunities	Enable employees to participate in conferences, exhibitions, and forums	Employees are encouraged to develop and further their skills on an ongoing basis
	Health and safety protection	Maintain a Health and Safety policy for employees and temporary workers	Continuously
		Conduct fire and emergency drills by selecting two employees per floor to be trained as fire marshals in case of emergencies	Annually as per policy, after obtaining approval from the Department of Civil Defense. In addition, risk teams check emergency access doors monthly to ensure that there are no obstructions to pathways
		Provide insurance coverage for all employees	Continuously
	Mental health and wellbeing	Provide employees with tools and resources for mindfulness and mental wellbeing	Continuously. Unlimited access to the Tuhoon app throughout the year
		Provide employees confidential therapy sessions in collaboration with the Kuwait Counseling Center	Each employee is entitled to up to four sessions at no charge

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Employees: Around 7,900 Full-time employees	Mental health and wellbeing	Provide workshops on mental wellbeing in the workplace	Quarterly
General Public and Community Institutions: Neighborhoods near base stations, media, civil society, NGOs, advocacy groups, children, charities, associations, foundations, schools, universities, and medical institutions	Minimal visual and noise pollution	Deploy super silent diesel generators in urban areas	Continuously
		Install environmentally-friendly solutions for base stations, where applicable	Continuously
		Minimize the use of space through the deployment of outdoor cabinets where feasible	Continuously
	Commitment to upholding Health and Safety standards	Uphold Environmental Social Management Policy Guidelines that include health and safety provisions	Continuously
		Conduct electromagnetic field (EMF) assessment as part of safety procedures for radio operations	Continuously
		Comply with TRA/Ministry of Health base stations frequency ranges	Continuously
	Address priority community needs such as education, health, and economic development, and mitigate societal deficits such as youth unemployment, human displacement, and lack of job readiness	Ensure that the company aligns and tracks the 2020-2025 Corporate Sustainability (CS) strategy.	Monitoring the CS strategy and tracking the progress and status of its initiatives on a monthly and quarterly basis internally. More information can be found in the 'Sustainability Agenda' section on page 84
		Support and develop locally relevant CS activities and establish partnerships that further the CS agenda and that address prevalent societal deficits	Zain CS internally tracks the progress and status of its initiatives on a monthly and quarterly basis
		Launch awareness campaigns on the company's social media channels	Monthly
		Working with Child Helpline International to facilitate and mobilize helplines across Zain countries of operation	Quarterly

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
General Public and Community Institutions: Neighborhoods near base stations, media, civil society, NGOs, advocacy groups, children, charities, associations, foundations, schools, universities, and medical institutions	Build climate change mitigation and adaptation plans that address physical and transition risks	Install DG Battery hybrid solutions where feasible	Continuously
		Promote the use of solar energy within our operations	Continuously
		Retrofit data centers and headquarter buildings	Continuously
		Install higher efficiency DC power systems	Continuously
		Utilize outdoor cabinets where feasible	Continuously
		Explore possibilities for site-sharing and implement the 'right-sizing concept'	Continuously
		Implement e-waste recycling and reuse initiatives	Continuously
		Implement ESMP guidelines	Continuously
		Set short, medium, and long-term carbon emission reduction targets	Continuously
		Benchmark energy efficiency progress with similar regional and global organizations	Continuously
		Actively develop Zain's Climate Action Journey to achieve its Net-Zero ambition	Quarterly through the Climate Action Committee
		Membership of the Carbon Disclosure Project (CDP)	Quarterly through the Climate Action Committee
		Launched social media campaigns raising awareness on the increasing risks of climate change to impact behavioral change	Continuously
		Committed to furthering the Post-2015 Sustainable Development Goals by joining the United Nations Global Compact Initiative	Continuously
		Track the company'water consumption in order to reduce it	Quarterly

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
General Public and Community Institutions: Neighborhoods near base stations, media, civil society, NGOs, advocacy groups, children, charities, associations, foundations, schools, universities, and medical institutions	Build climate change mitigation and adaptation plans that address physical and transition risks	Promote biodiversity initiatives and ensure minimal biodiversity impacts to all activities	Continuously. Details are provided in the 'Sustainability Agenda' section of the report on page 93
	Engage Zain in relevant community events and forums	Participate in relevant community events and forums	Regularly
Business Partners: Suppliers, contractors, and distributors	Provide favorable terms	Encourage discussions with relevant departments through upper management	To ensure that certain clauses are made with the highest level of transparency and fairness, Zain continuously revises its terms and conditions to make sure they are aligned with best practices
		Discuss and negotiate contracts and terms	To ensure contracts and terms are made with the highest level of transparency and fairness, Zain continuously revises its terms and conditions to make sure they are aligned with best practices
	Provide timely payments	Conduct periodic evaluations	Daily
		Maintain open channels of communication and clearly articulate contract terms and agreements to ensure parties agree on method and date of payments	Quarterly and depending on each contract
	Maintain opportunities for frequent interaction and engagement with Zain	Maintain open channels of communication	Zain communicates with its business partners on a continuous basis

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Business Partners: Suppliers, contractors, and distributors	Maintain opportunities for frequent interaction and engagement with Zain	Participate in forums that include all Zain's operating markets, to ensure alignment in strategic approach	Annually
		Automate processes of engagement with suppliers to ensure transparent and timely responses	Continuously
	Remain informed about Zain's guidelines and standards regarding human rights, health and safety, the environment, and labor standards	Communicate Zain's Supplier Code of Conduct, which is included in contracts	Zain communicates the Supplier Code of Conduct when onboarding new suppliers and reminds existing suppliers on an annual basis. Annually
		Provide Supplier Assessment Questionnaire when onboarding new suppliers and recommunicate to existing ones	Annually
		Communicates and tracks suppliers' alignment to the Human Rights Policy Statement	Quarterly
		Trains suppliers on relevant sustainability topics	
	Access to information about the company including financial and customer data, and other relevant information	Publish a financial report and issue other periodic reports	Annually
		Publish a sustainability report	Annually
		Publish disclosure reports	Quarterly
		Maintain open direct channels and frequent engagement with public officials	Continuously

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Government and Regulators: Boursa Kuwait, Competition Protection Agency, Anti-Corruption (Nazaha), Ministry of Finance, Ministry of Commerce and Industry (MOCI), Capital Markets Authority (CMA), Communication and Information Technology Regulatory Authority (CITRA), Kuwait Foundation for the Advancement of Science (KFAS), other national telecommunications regulators, ministries of communication, GSMA and ITU	Access to telecommunications services	Maintain network quality and coverage	Continuously
		Comply with laws and regulations	As per laws and regulations, reports are provided annually or semi-annually and provide up-to-date disclosures on material information
	Compliance with tax laws and regulations	Submit corporate income tax returns, and Zakat and National Labor Support Tax (NLST) declarations, where applicable	Annually
		File indirect tax declarations	Monthly, depending on the local tax regulations, where applicable
		Submit payroll income tax declarations to the tax authorities, where applicable	Monthly, depending on the local tax regulations, where applicable
		Conduct meetings and ongoing contact with tax authorities to ensure we are up to date with the most recent tax laws	Continuous engagement with tax authorities
		Engage with external tax advisors and receive newsletters on the most recent tax laws and regulations	Continuously
	Compliance with regulations	Ensure and oversee compliance through Corporate Governance and Compliance, Regulatory departments, and other relevant functions	Continuous engagement with regulatory authorities
		Ensure compliance with the regulatory requirements in the countries in which we operate	Continuous cooperation between internal and external parties to make sure any changes in regulations are addressed immediately

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Government and Regulators: Boursa Kuwait, Competition Protection Agency, Anti-Corruption (Nazaha), Ministry of Finance, Ministry of Commerce and Industry (MOCI), Capital Markets Authority (CMA), Communication and Information Technology Regulatory Authority (CITRA), Kuwait Foundation for the Advancement of Science (KFAS), other national telecommunications regulators, ministries of communication, GSMA and ITU	Stakeholders' Rights Protection	Implemented through the Corporate Governance framework	Continuously, including periodic reporting
		Policies are approved by the Board of Directors, shared with Executive Management, and publicly published on Zain's website: Stakeholders' Rights Protection / Code of Conduct / Conflict of Interest and Related Party Transactions Policy (within the Corporate Governance Framework) / Whistleblowing Policy / Disclosure Policy and other policies	Annually. Revision is undertaken by the corporate governance team
		Ensures that principles of transparency are applied throughout the organization with the focus by Corporate Governance and Investor Relations departments on working collectively to guarantee transparency and efficiency throughout operations	Continuously, including periodic reporting
	To develop the company's reputation and provide insurance against unforeseen events	Invest in network quality and coverage	Continuously
		Maintain business continuity and contingency plans	Continuously
		Maintain insurance coverage for critical assets such as data centers and employees	Continuously
	Awareness of key organizational risks	Update Risk Register	Annually
		Update Key Risk Indicators	Quarterly
		Maintain mitigation plans for all significant company risks that are communicated directly to the Board Risk Committee	Quarterly



CHAPTER 15

Products & Services

This section explores the company's implementation of its 4Sight and Sustainability strategies through the diversification of its products and services. It demonstrates how Zain's services create economic impacts across its different operating markets and how the company adapts its services to address the unique challenges in each of its operations. Throughout the year, Zain further embedded its environment, social, and governance (ESG) indicators to increase the company's resilience through its various business activities.

The following are the topics covered:



FINANCIAL PERFORMANCE

+10%
YOY NET PROFIT IN 2023

In 2023, Zain achieved a solid financial performance, representing an 10% year-on-year (Y-o-Y) net profit growth with consolidated revenues growing 10% recording USD 6.2 billion.

USD BILLION 6.2
REVENUE

The Annual General Meeting for the year ended 31 December, 2023 to be held in Q2 2024 approved distribution of cash dividends amounting to 35 fils per share for the year 2023.

Financial Performance: Direct Economic Value Generated and Distributed

	2023		2022	
	KD m	US$ m	KD m	US$ m
Revenues	1,909	6,212	1,728	5,644
Cost of Sales	(617)	(2,009)	(566)	(1,847)
Operating Costs	(587)	(1,909)	(490)	(1,599)
Net Profit	215	701	196	640
Retained Earnings	457	1,488	393	1,285
Dividends Paid	(151)	(492)	(142)	(463)
Dividends paid to non-controlling interests	(25)	(80)	(2)	(7)
Staff Costs	(166)	(541)	(147)	(479)
Finance Costs Paid	(104)	(339)	(53)	(174)
(Repayment of)/ proceeds from bank borrowings (net)	(65)	(210)	38	125
Income Tax Payments	(7)	(24)	(11)	(37)
Kuwait Foundation for the Advancement of Sciences Paid	(2)	(7)	(7)	(22)
National Labor Support Tax and Zakat Paid	(6)	(18)	(3)	(10)

ZAIN'S ECONOMIC IMPACT THROUGH THE VALUE CHAIN

The company's value chain spans across different streams with each playing a significant role in supporting Zain's key activities and meeting customer needs. The company assesses the impact of its value chain from a social, economic, environmental, and human rights standpoint. Zain's value chain primarily comprises network and equipment providers, product research and development, hardware and software manufacturers, cloud solution providers, system integrators and distribution channels.

CORE PRODUCTS AND SERVICES

The section below explores the channels used to provide Zain's products and services to its customers and employment opportunities created through such channels. It also provides examples of different core related services that were created specifically for a targeted community.

ZAIN'S DISTRIBUTION CHANNELS

This year, through its distribution channels, Zain generated 92,252 jobs that helped boost economic activity across its markets.

Jobs provided in 2023

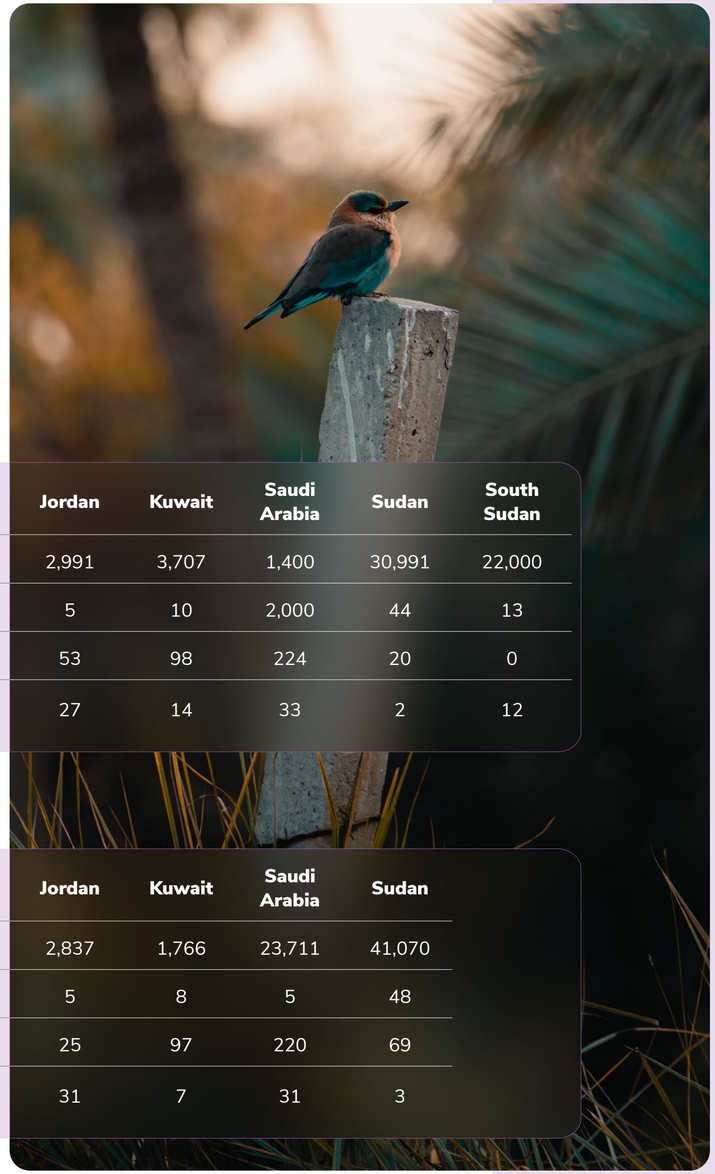
Bahrain	300
Iraq	1,308
Jordan	6,402
Kuwait	7,998
Saudi Arabia	3,100
Sudan	31,958
South Sudan	41,186

Zain's Economic Impact through its Value Chain - Our Supply Chain 2023

	Bahrain	Iraq	Jordan	Kuwait	Saudi Arabia	Sudan	South Sudan
Outlets	3,000	14,100	2,991	3,707	1,400	30,991	22,000
Distributors	6	3	5	10	2,000	44	13
Franchise shops	0	80	53	98	224	20	0
Flagship and Zain-owned stores	17	27	27	14	33	2	12

Zain's Economic Impact through its Value Chain - Our Supply Chain 2022

	Bahrain	Iraq	Jordan	Kuwait	Saudi Arabia	Sudan
Outlets	2,500	73,000	2,837	1,766	23,711	41,070
Distributors	2	3	5	8	5	48
Franchise shops	0	77	25	97	220	69
Flagship and Zain-owned stores	16	28	31	7	31	3



ADDRESSING VULNERABLE SEGMENTS

SUPPORTING COMMUNITIES IN SUDAN DURING THE CONFLICT

Due to the civil conflict that erupted in Sudan, Zain helped support citizens. To ensure secure communication and information dissemination, Zain launched different bundles to help support the community, which included:

- 100 minutes and 100 MBs free of charge in April 2023
- WhatsApp texting free of change from April, which is ongoing
- Facebook Messenger provided free of change from May and is ongoing
- Provided specific Hajj offer during Eid, starting June 2023
- Eid roaming offer was extended for United Arab Emirates and Egypt as many Sudanese migrated to those countries during the conflict

BASMA LINE+

Zain Jordan's Basma Line is now revamped to Basma Line+, which is a mobile bundle package tailored for deaf and mute customers. The revamped line was developed based on focus group sessions conducted with the target audience. Based on the feedback, Zain Jordan doubled the cellular data available within the bundle to 25GBs, 3,000 minutes of video calls, 20,000 minutes on Zain lines, 3,000 minutes local calling minutes on other networks and 3,000 local SMS and zero rating on calling the 114 emergency line.

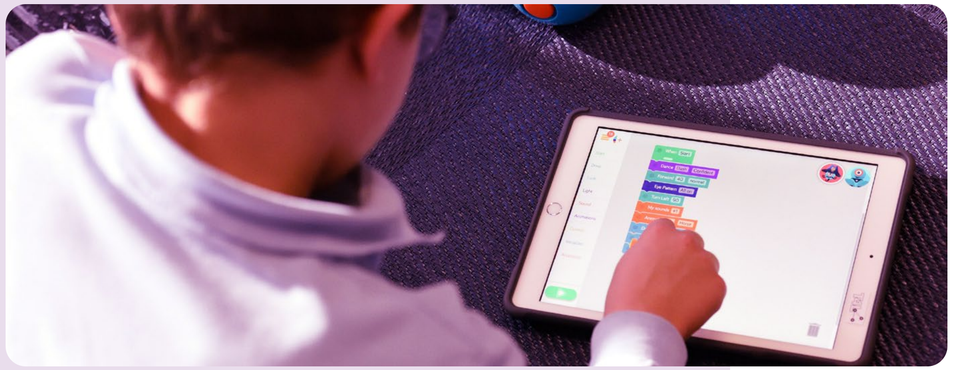
In addition, during the year, Zain Jordan launched the 114 emergency application that provides a video platform feature for the emergency number of the Kingdom to enable people from the deaf community to report emergencies across any mobile network. This application is a continuation of the development of the emergency line project for the deaf community (114), under a specialized work stream that focuses on developing tools to support persons with disabilities to access communications and information technology services. Current Basma Line subscribers number 290. Zain Jordan is working on migrating subscribers from the older version to use Basma Line+.

KASPERSKY SAFE KIDS

In 2023, Zain Kuwait launched Kaspersky Safe Kids, an all-in-one parental control app to protect children online. Features of this application include:

- **GPS tracking and alerts: Ability to find a child on a map, geofence a safe area for them to remain in, and receive an alert should the child leaves it**
- **YouTube safe search: Ability to view a child's YouTube search history and restrict inappropriate content**
- **Website filters: The ability to block adult content and customize a list of sites and applications that a child can only visit with the adult's permission.**
- **Screen time and application usage: Manage the child's screen time per day, per device in alignment to the schedule and rules.**

Launched in June 2023, there are a total of 1,052 active subscriptions.



NON-CORE PRODUCTS AND SERVICES

To further diversify the company's products and services, Zain continued to establish different lines of business that are scalable and applicable across markets.

FINANCIAL INCLUSION

Zain FinTech, the financial services arm of Zain Group, is operating services across its Middle East and Africa footprint. Zain FinTech offers a rich and much needed range of innovative products and services related to payments, remittances, credit cards, and micro-finance within Zain's ecosystem and beyond. Zain FinTech's B2B software as a service (SaaS) solution provider FOO specializes in empowering businesses with fintech offerings built entirely in-house, which optimize digital capabilities for clients across diverse industries and enables them to deliver an unparalleled user experience.



ZAIN CASH IRAQ

Mobile wallet licensed by Central Bank of Iraq

Secured license to offer credit cards in 2023

Launching new and improved banking core system to cater for the increase in transaction volumes

ZAIN CASH JORDAN

Largest mobile financial services provider in the country

Launched credit card services

Launched remittance services in collaboration with Western Union

TAMAM SAUDI ARABIA

First micro-financing license in the region

Licensed by Saudi Central Bank (SAMA)

Launched Murabaha Financing - digital instalments service

BAHRAIN FINTECH

Awarded financing license by the Central Bank of Bahrain, and planning to launch services by early 2024

SUDAN

Prior to the conflict, Zain Sudan received the initial approval from the Central Bank of Sudan to launch digital financial services offering.

Due to the political unrest, the telecom services infrastructure was impacted including the planned launch of the fintech platform.

SOUTH SUDAN

Partnership with M-Gurush to offer financial services to Zain customers

KUWAIT

Acquired electronic payment company licensed by Central Bank of Kuwait

Revamping the platform and product offering to provide innovative products and services for SMEs and unbanked

zain esports

Launched in response to the uptake in gaming during the pandemic, Zain Esports was established in 2020 with the objective of creating a gaming ecosystem to develop gaming talent in the region. Zain Esports hosted online tournaments in 2023, through PLAYHERA reaching 65,000 participants with 50 million+ social media impressions across its channels.

Zain Esports took significant steps in 2023 to advance the local scene in Bahrain. In partnership with Tamkeen and through Zain Bahrain, the Zain Esports Lab was established at Zain's premises with the aim of creating the next generation of world-class esports teams by training and supporting young people. The goal of the lab is to create opportunities for young people in Bahrain to become professional esports players, ultimately providing them with the tools to compete in international competitions such as the esports World Cup in 2024.

The management of the lab is conducted by a team of young Bahrainis, with women making up most of the team. In 2024, Zain Esports will look to replicate this concept across multiple locations in Zain's countries of operation.

Zain Iraq and Jordan continued its activations throughout the year, promoting young Jordanian talents in the field of gaming and streaming through their studios in the ZINC premises in Amman and the Zain Iraq premises in Baghdad, respectively. A notable new achievement from Zain Jordan was the start of a series of workshops on esports, healthy gaming practices and the role of esports and gaming in the economy.



ZAIN SUBSIDIARIES

ZainTECH

ZainTECH is a regional integrated digital solutions provider, unifying Zain Group's ICT assets to offer a unique value proposition of comprehensive digital solutions and services and an accelerated time to value from technology investments. The company is positioned to drive transformation of enterprise and government customers in the MENA region by providing a center of excellence and managed solutions, across cloud, cybersecurity, data & AI, drones and robotics, modern infrastructure, and digital solutions.

ZainTECH leverages Zain's global reach, unique regional footprint, and infrastructure across its operations in Kuwait, Saudi Arabia, Bahrain, Jordan, Iraq, Oman, as well as other key markets in the Middle East and Africa.

Contributing significantly to the digital transformation of businesses and governments, ZainTECH offers digital solutions that enhance productivity, efficiency, and competitiveness. These solutions not only create opportunities for job growth but also facilitate the establishment of a more digitally enabled population, while improving safety and security.

Key achievements since ZainTECH's establishment include:

MARCH 2022

Announcing the launch of world-class managed cloud services and cybersecurity solutions to enterprises and government entities with Zain Kuwait (Zain Business).

OCTOBER 2022

Acquisition of BIOS Middle East, a leading managed cloud service provider.

NOVEMBER 2022

Launch of services with Zain Bahrain.

MAY 2023

The acquisition of Adfolks, a UAE-based cloud-native engineering firm that provides a comprehensive range of cloud transformation services. Adfolks was founded in 2016 and is recognized for its expertise in modern infrastructure, application modernization, security, data, and machine learning, and automation.

OCTOBER 2023

Agreement to acquire Specialized Technical Services Company (STS), Jordan's largest digital transformation solutions company, which has a further presence in Saudi Arabia, the United Arab Emirates and Bahrain.

DECEMBER 2023

Completion of a substantial investment initiative marking the establishment of its state-of-the-art Information and Communication Technology (ICT) Hub and the expansion of its operations at Dubai Internet City, the region's leading community for technology and digital transformation that is part of TECOM Group PJSC.

DIZLEE – ZAIN GROUP'S API PLATFORM

Dizlee, Zain's API platform provider, is a digital monetization ecosystem operator offering an appealing array of content and gaming services, direct billing, messaging, and digital authentication, among other services, on one platform. To standardize the digital services offerings in Zain's markets, Dizlee is a one-stop-shop with one of the largest premium customer bases in the region, enabling growth opportunities for digital content providers. Dizlee, a sub -brand that acts as an independent entity, is also committed to streamlining partners' needs regarding contractual relationships and financial reconciliations.

In 2023, Dizlee expanded its service offering to create a safer ecosystem for Zain's subscribers, launching its own advertising services in partnership with Mobibox. Dizlee established an AI-powered advertising platform that provides owners of digital services as well as telecom operators, access to all the leading channels of customer acquisition including Facebook, Instagram, TikTok and Google. It also provides additional optimization features by providing service providers the opportunity to acquire customers in a manner that is compliant with all local and international rules and regulations.

Dizlee also partnered with Evina, one of the leading names in cybersecurity within the digital services space, to add a layer of protection for all its connected digital service providers. With over 15 years of research and development experience, in-depth knowledge of the mobile payment and advertising market, and top tier engineers, researchers, and entrepreneurs, Evina turns cybersecurity into a major growth lever for its partners.

In 2024 and beyond, Dizlee aims to provide a 360-degree ecosystem for digital service providers to maximize their return on investment while maintaining the highest level of compliance and security.



50.4
MILLION CONNECTED CUSTOMERS

7
COUNTRIES

275
MILLION SUCCESSFUL TRANSACTIONS

$271
MILLION END USER SPEND

ZAIN OMANTEL INTERNATIONAL

Zain Omantel International FZ LLC (ZOI) was established in partnership with Omantel in May 2023. ZOI aims to revolutionize the international telecommunications wholesale landscape as the premier wholesale powerhouse serving regional operators, international carriers, and global hyperscalers. Throughout the year, four main projects have emerged under this partnership, which span Zain and Omantel's operating markets.

JEDDAH TO MARSEILLE:

Jeddah to Marseille (J2M) is initially a 7,000 km submarine cable from Kingdom of Saudi Arabia to France, which also extends on east towards Singapore for an additional 6,500 km. The cable lands in Singapore, Pakistan, Kingdom of Saudi Arabia, Kenya, Egypt, France, Maldives, Malta, and Cyprus.

BLUE RAMAN:

The Blue Cable System connects France, Italy, Greece, and the Raman Cable System connects Jordan, Saudi Arabia, Djibouti, Oman, and India. We are building this cable system in a small consortium comprising Google and Telecom Italia Sparkle.

AFRICA 1:

The Africa-1 submarine cable system spans 10,000km, initially landing in Kenya, Djibouti, Pakistan, United Arab Emirates, Saudi Arabia, Egypt, and France. The cable system will land in in Zain Sudan with us, cross Egypt on the way to France, and further connect other countries in the Mediterranean such as Algeria, Tunisia, and Italy.

THE SAUDI TERRES-TRIAL NETWORK

Undertaken in collaboration with Zain Saudi Arabia in order to extend Zain KSA fiber network across the Kingdom and connecting all the neighboring countries.

Facts and Figures

Service	Number of Subscribers in 2022	Number of Subscribers in 2023	Y-O-Y Change	Markets Available	Targeted Community
Basma Line+	341	273	-20%	Jordan	People with Disabilities
Free Basics v2	2 million	2 million	0%	Iraq	Youth
Zain Kids	870,512	12.8 million	-47%	Iraq, Jordan, Kuwait, Saudi Arabia, Oman	Children
Salamtak Insurance Program	30,437	24,400	-19.8%	Iraq	Low-income community
Busuu	431,249	447,689	4%	Iraq	Low-income community
XR Academy (launched in 2022)	24,508	41, 239	68%	Saudi Arabia, Iraq and Oman	Children and Youth

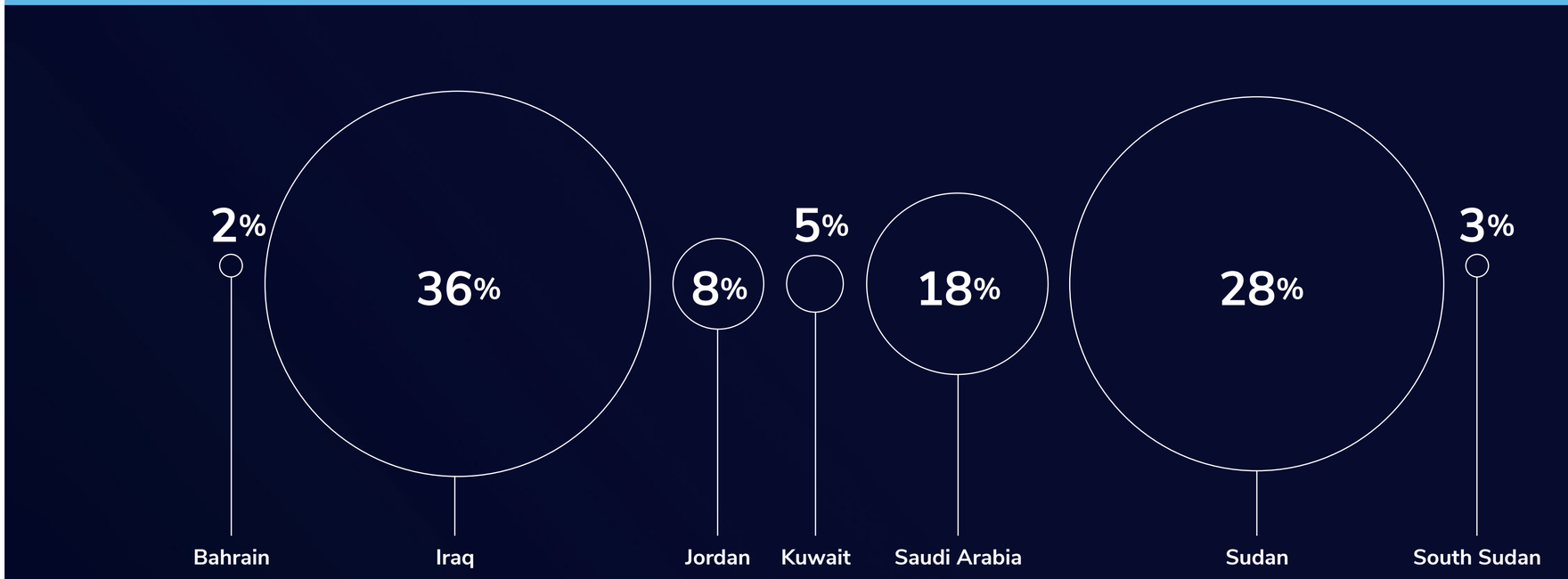


CHAPTER 16

Customer Base

Zain Group's total customer base reached 51 million by end of December 2023. Zain's overall customer base decreased by 4% compared to 2022, mainly due to the social unrest in Sudan.

The Group customer base remains dominated by the markets with the largest populations and highest potential for growth acquisition - namely Iraq, Sudan and KSA in order of contribution.



	Ownership (%)	Active Customers (000S) December 31, 2023	Active Customers (000S) December 31, 2022	Y-O-Y Change
Iraq	76%	17,920	18,405	-3%
Jordan	96.5%	3,964	3,841	3%
Kuwait	100%	2,706	2,603	4%
Saudi Arabia	37%	8,892	8,644	3%
South Sudan	100%	1,744	1,431	22%
Sudan	100%	14,178	16,358	-13%



CHAPTER 17

People & Purpose

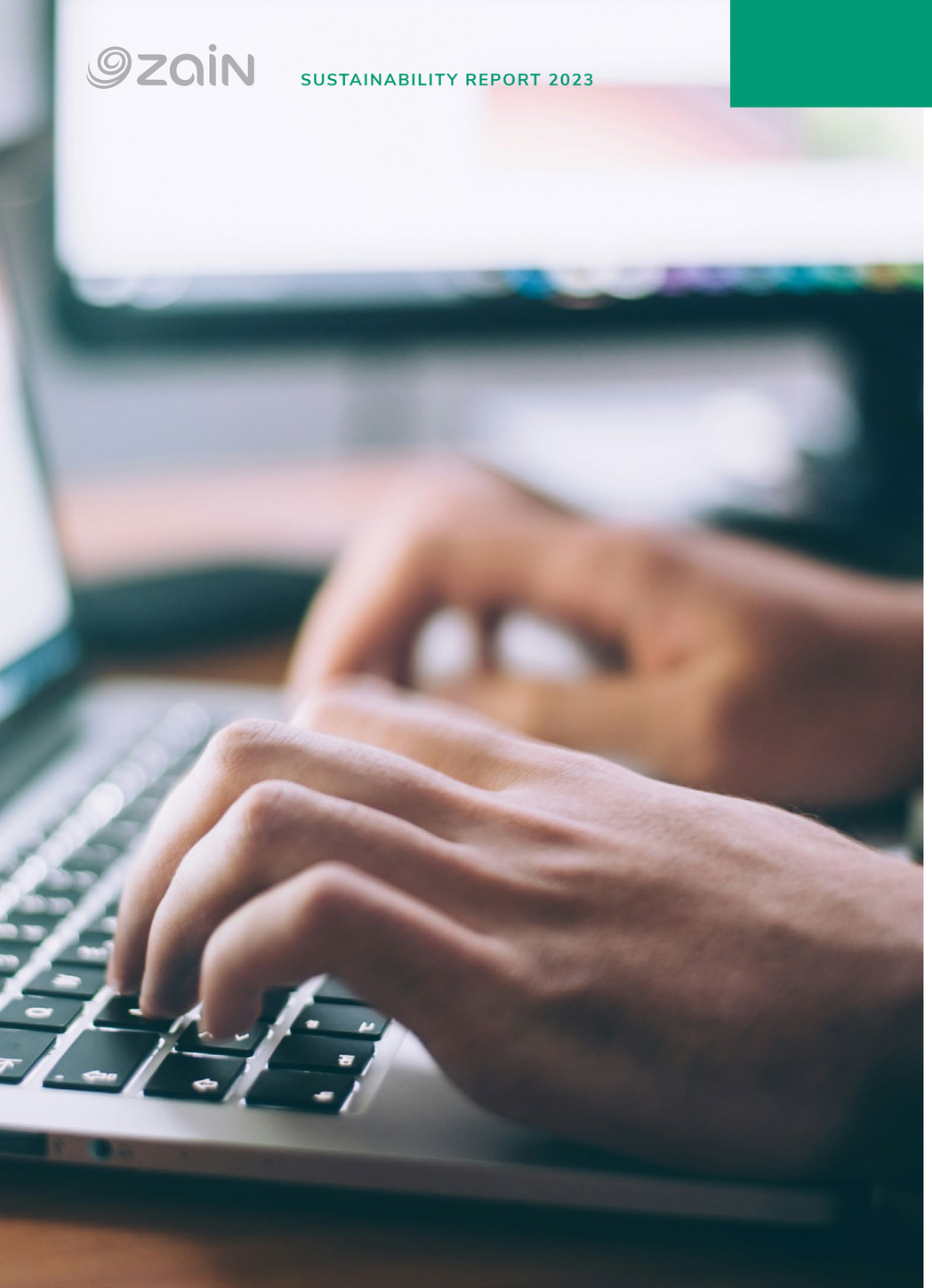
MAJOR MILESTONES

Established the Zain Diversity, Equity, and Inclusion University (DEIU) in collaboration with IE University in Spain, extending the opportunity to 2,000 Zain employees to participate in an inclusive online Digital Transformation program.

Zain Jordan, ZainTECH, and Zain Kuwait achieved women in leadership targets.

Launched ZYxGreenSkills, an initiative that focuses on the development of green skills, as the company recognizes the importance of equipping young individuals with the knowledge and tools related to circularity to address the impacts of climate change.

Continued to provide counseling and therapy sessions at no charge, offered by Kuwait Counseling Center to all Zain employees Group-wide.



Skills and employment trends in the Information and Communication Technology (ICT) sector have continued to evolve throughout the year. The impact of the Fourth Industrial Revolution coupled with geopolitical, social, and environmental disruptions globally have ultimately impacted workforces.

Some of the key findings in the World Economic Forum's Report 'Future of Jobs 2023' include:

- The largest job creation and destruction effects are from environmental, technological, and economic trends.
- Adoption of big data, cloud computing and AI feature highly on likelihood of incorporation into organizations.
- The fastest growing roles relative to their size today, are driven by technology, sustainability, and digitalization.
- Analytical and creative thinking remain the most important skills for workers in 2023.

Zain's commitment to establishing meaningful employment opportunities is centered around the adoption of new technologies in addition to inclusive access to digital services and skills. The company's sustainability strategy is aligned to this objective, where the transition to Net-Zero and embedding environmental, social, and governance (ESG) standards to the company's KPIs are included. The graph above mirrors Zain's commitment to not only meeting its business objectives but also ensuring it does so in alignment to its core values and mission of creating systemic change.

This dedication is showcased by Zain's upskilling and reskilling programs and the various opportunities the company provides its employees, which are underpinned by diverse, equitable, and inclusive principles. This alignment highlights the company's commitment to business growth through sustainable development.

Employee Breakdown

In 2023, Zain's workforce remained stable, however significant changes occured in Sudan due to the conflict impacting part time and temporary employees. Zain will continue to monitor the safety and wellbeing of its employees impacted by the conflict.

To further increase transparency and accuracy in reporting, Zain included Zain Tech and FOO as separate entities.

	BAHRAIN	IRAQ	JORDAN	KUWAIT	SAUDI ARABIA	SUDAN	SOUTH SUDAN	ZAIN TECH	FOO	BOOKEY	TOTAL
No. of Full Time Employees	211	1,227	1,333	1,807	1,788	788	145	377	16	190	**7,882**
No. of Part Time and Temporary Employees	181	1,524	425	0	0	0	0	12	4	19	**2,165**
No. of Employees all contract types	392	2,751	1,758	1,807	1,788	788	145	389	20	209	**10,047**
No. of Males (full time)	150	884	929	1,499	1,439	427	119	270	8	154	**5,879**
No. of Females (full time)	61	343	404	308	349	361	26	107	8	36	**1,852**
% of Males (full time)	71%	72%	70%	83%	80%	54%	82%	72%	50%	81%	**73%**
% of Females (full time)	29%	28%	30%	17%	20%	46%	18%	28%	50%	19%	**27%**
No. of New Hires Male	12	152	44	182	153	0	20	89	1	43	**563**
New Hires % - Males	6%	12%	3%	10%	9%	0%	14%	24%	6%	23%	**7%**
No. of New Hires Females	11	61	25	71	77	1	5	30	0	4	**251**
New Hires % - Females	5.21%	5%	2%	4%	4%	0%	3%	8%	0%	2%	**3%**
Total No. of New Hires	23	213	69	253	230	1	25	119	1	47	**814**
Total New Hire - %	11%	17%	5%	14%	13%	0%	17%	32%	6%	25%	**10%**
Staff with disability - %	0%	0.2%	0.4%	0.3%	1%	1%	1%	0%	0%	0%	**0%**
Employee Turnover - Males	5	156	67	159	142	14	3	43	1	17	**546**
Employee Turnover - Males %	2%	13%	5%	9%	8%	2%	2%	11%	6%	9%	**7%**
Employee Turnover - Females	1	59	28	59	70	8	1	18	0	7	**226**
Employee Turnover - Females %	0.5%	5%	2%	3%	4%	1%	1%	5%	0%	4%	**3%**
Total Turn Over	6	215	95	218	212	22	4	61	1		**772**
Return to work rate after parental leave - males	100%	100%	100%	100%	100%	100%	100%	80%	N/A	100%	**100%**
Return to work rate after parental leave - females	75%	100%	100%	95%	91%	100%	100%	100%	N/A	100%	**97%**
Retention rate after still working for Zain one year after return from parental leave - males	100%	96%	42%	82%	87%	94%	100%	0%	N/A	100%	**85%**
Retention rate after still working for Zain one year after return from parental leave - females	100%	84%	65%	73%	71%	86%	100%	100%	N/A	67%	**82%**

* New Hire % - Females is calculated by dividing No. of New Hire Females with Total No. of Full Time Employees

* Employee Turnover % - Males is calculated by dividing Employee Turnover - Males with Total No. of Full Time Employees

*Staff with disability are persons with disabilities who have a long-term physical, mental, intellectual, or sensory impairments, which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.

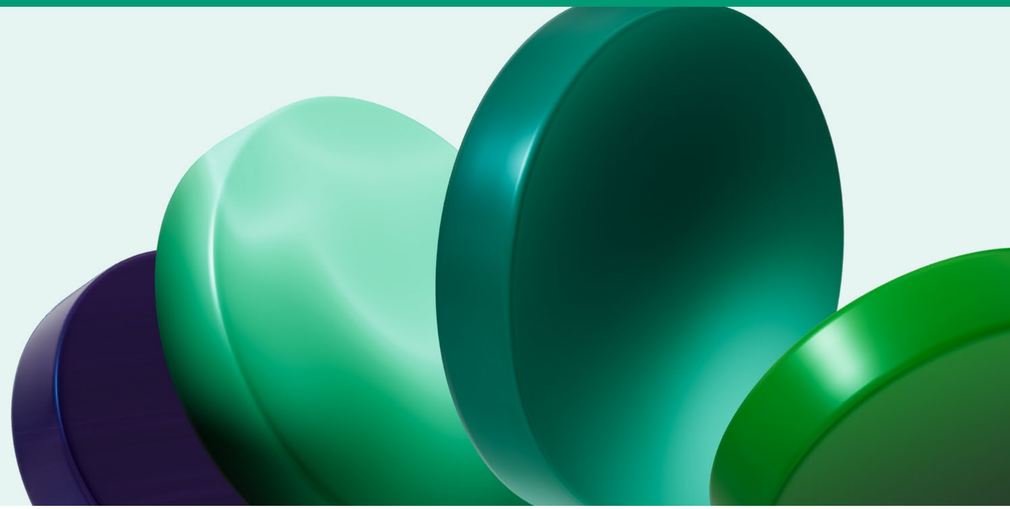
* Employee Turnover % - Females is calculated by dividing Employee Turnover - Females with Total No. of Full Time Employees

* Return to work rate is defined as employees returning to work after their respective maternity or paternity leave

Employee Age Structure Table



*Includes full-time employees only



ACHIEVING RESULTS THROUGH ENGAGEMENT

EMPLOYEE ENGAGEMENT SURVEY

Zain conducts its Employee Engagement Survey every two years. As it was last conducted in 2022, this year the company focused on communicating the results of that survey and created a plan to address its findings. Human resources departments across operating companies presented the results to Executive Management and conducted division-specific sessions with the heads of departments. Due to confidentiality, departments' specific results were provided only to teams that consisted of more than five respondents.

In addition, to ensure full anonymity and privacy, the survey was conducted using Glint's survey platform. Glint is a company that specializes in employee engagement surveys that provide companies with valuable insights into their workforce dynamics.

Based on the outcomes of the survey conducted in 2022, Zain is establishing a newly revised reward and recognition program that is set to be launched in 2024. A specified Group-wide survey was conducted in 2023 on this topic to ensure Zain devises a recognition scheme that aligns to its employees' values and feedback.

INTERNAL INNOVATION

ZANIAC, Zain's internal innovation platform was established in 2017. It aims to foster internal ideation and intrapreneurship for all employees, to support the incubation and development of business ideas through sprints, exchange programs, speaker sessions, and competitions.

Throughout the year, ZANIAC conducted various activities that focus on internal innovation, in which employees can submit ideas to tackle challenges and drive innovation from within.

- The company established ZAINIAC online platform, where employees can submit ideas, collaborate, register, and participate in sprints and events to streamline the internal innovation process at Zain.
- ZAINIAC's vanguard is a committee of innovative employees from diverse backgrounds that assess, mentor, and work on implementing the ideas that are submitted on the platform. 52 members are part of the vanguard committee, with each operation having its own specific committee to assess employees on innovation, ideation, operations, and nature conservation.
- On World Nature Conservation Day, a super sprint under the title 'Nature and Me' was launched Group-wide across the following Zain markets: Bahrain, Iraq, Kuwait, Jordan, Saudi Arabia, and South Sudan. With over 140 employees joining the sessions, attendees brainstormed creative solutions to topics such as climate change, plastic reduction, and the circular economy, in line with the company's Corporate Sustainability strategic objectives.

Active users on the ZAINIAC Platform	Q1 Target: **500 users** Actual: **1,098 users**	Q2 Target: **1,000 users** Actual: **671 users**	Q3 Target: **750 users** Actual: **877 users**	Q4 Target: **250 users** Actual: **616 users**
Submitted Ideas	Q1 Target: **391 ideas** Actual: **210 ideas**	Q2 Target: **220 ideas** Actual: **156 ideas**	Q3 Target: **180 ideas** Actual: **211 ideas**	Q4 Target: **60 ideas** Actual: **32 ideas**
Ideas in Progress	Q1 Target: **20 ideas** Actual: **34 ideas**	Q2 Target: **25 ideas** Actual: **33 ideas**	Q3 Target: **30 ideas** Actual: **48 ideas**	Q4 Target: **5 ideas** Actual: **8 ideas**

TRAINING AND DEVELOPMENT

Zain continues to place a high priority on enhancing the skills of its employees either by upskilling or reskilling its workforce in line with the company's 4Sight digital transformation strategy. In 2023, the Zain Diversity, Equity, and Inclusion University (DEIU) was established in collaboration with the highly rated IE University in Spain.

Through the partnership, Zain is extending the opportunity to 2,000 employees to participate in an inclusive online Digital Transformation program, which also offers the possibility of attaining a master's degree. This program is designed to provide an immersive, interactive, and engaging learning experience that aligns with the demands of the contemporary digital landscape. It will serve as a route for Zain professionals to enhance their skills in the digital transformation space.

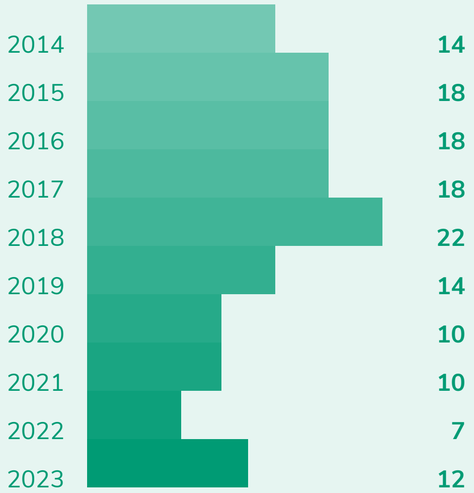
In 2023, there are a total of 938 active students with 28% of them being female. Zain also provides an opportunity for employees to redo their final assignments, which accounts for 60% of their total grade if they do not pass the course. So far, there has been a 93% pass rate.

Additionally, the company launched PACE, a talent development program which recently collaborated with IE University and Nokia. Under PACE, which stands for Purposefully – Accelerate – Catalysis – Engage, are two programs:

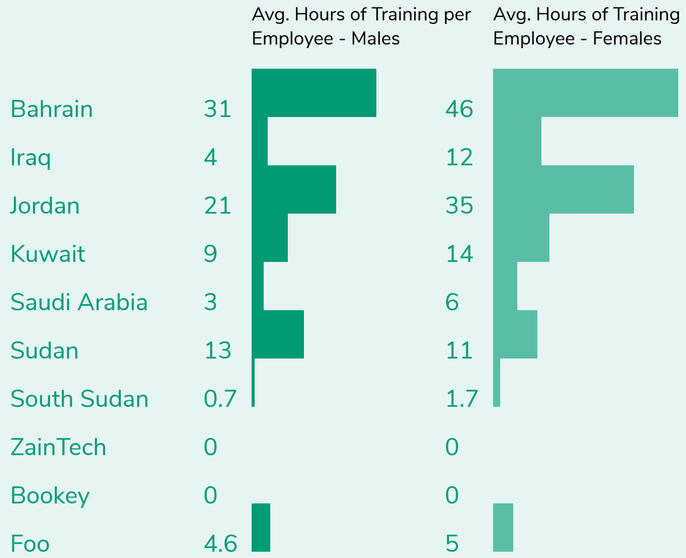
- Zain and IE University's Talent Onboarding Program include a select group of 25 young professionals from across Zain operating companies to undergo a 13-month program with a focus on data analytics and digital transformation. This program was launched in September 2023 and will be completed in October 2024.
- Zain and Nokia ESG Action for Leadership Program selected 10 female staff from Zain's operations to join with Nokia and UN Women for an intensive five-month program with goals to create business solutions through design thinking for ESG related challenges.



Year on Year Average Hours of Training per Employee



Developing Our Talent: Training and Development



ZAIN YOUTH (ZY)

ZY, another DEI pillar focuses on the development of youth employees by providing them with skills, knowledge, and resources to reach their full potential in the workplace. ZY launched various programs such as Generation Z, ZY Counsel, and ZYxGreenSkills, among others.



GENERATION Z PROGRAM

Through the program's eighth cycle, Generation Z is a year-long extensive graduate development initiative under Zain Group. It selects six graduates annually who possess leadership skills to undergo various development opportunities. This year, the program focused on cultivating an entrepreneurial mindset that supports Zain's 4Sight strategy. Under the GenZ program the following activities took place:

- Completed a creativity and innovation program with Dr. Mark Batey
- Rotated across different departments based on the candidate's preference, such as Corporate Sustainability, Group Digital Investment, Finance, and Technology departments
- Traveled to China to explore Huawei's headquarters and engage in insightful training on ICT and the upcoming 6G technology
- Completed Positive Young Leaders Workshop by Alnowair to develop leadership skills, enhance personal growth, and cultivate a positive mindset
- Microsoft Excel and Leadership Certification awarded by STL
- Cybersecurity Training Certificate awarded by KCST
- Data Analytics Entry Track Certificate awarded by Coursera, featuring proficiency in Python and SQL

ZAINERS 2.0, 2016
Focused on a rotation in different departments throughout Zain Group with a focus on conducting research of various digital verticals

GENERATION Z, 2017
Centered on establishing a business, gaining entrepreneurial skills and studying innovative trends in the market

GENERATION Z, 2018
The theme for this cycle was to enhance digital skills such as coding and agile project management in addition to a focus on self-growth and development

GENERATION Z, 2019
Enhancing corporate culture and teamwork when managing projects were the main focus of this edition

GENERATION Z, 2020
This cycle incorporated three themes: corporate culture, leadership styles, and future trends

CODE 7, 2021
Focused on developing digital skills for future data analysts, this cycle addressed topics that included big data, artificial intelligence, and sustainable innovation

ZTWENTY TWO, 2022
Geared towards cultivating internal entrepreneurs, innovators, and new thinkers who already possess a mindset capable of supporting Zain's strategic goals

GENZ, 2023
Focused on cultivating entrepreneurial mindset that supports Zain's 4Sight strategy.

ZY COUNSEL

ZYx GREEN SKILLS

ZY Counsel comprises youth employees appointed to advise, strategize, and develop concepts alongside the CEO of each operation. The counsel was created to provide youth employees with the opportunity to share their solutions and insights to their respective CEO. Each CEO poses a strategic challenge to the counsel, which then works closely with mentors and leadership team to solve the problem.

The counsel covers topics such as team dynamics, creativity, stakeholder management, presentation skills, idea generation, storytelling, and progress updates. It also includes a bootcamp with diverse activities like evaluating ideas, practicing pitches with senior leaders, interviews with Zain leaders, and exploring organizational processes for innovation. The schedule involves engaging sessions, challenges, and opportunities for participants to refine their ideas and contribute to the innovative culture at Zain. Each Operation nominated a participant for the program, selected by the respective CEO. In 2023, the pilot program for ZY Counsel was launched consisted of 8 youth across all of Zain's operations except for Sudan.

ZYxGreenSkills focuses on the development of green skills, as the company recognizes the importance of equipping young individuals with the knowledge and tools to address circularity and the impacts of climate change. Green skills encompass a range of specialized abilities and knowledge related to technologies, practices, and solutions that contribute to environmental sustainability and the mitigation of climate change.

The program is aimed at youth internally and externally aged between 18 – 27 years, with the objective of preparing them with both the technical and soft skills that can be used in a variety of situations and work settings to improve their prospects for success.

In 2023, the program's focus was to build awareness and establish the baseline of the program. To do so, Zain launched a Group-wide survey and conducted focus groups to assess youth's understanding of green skills, as well as to assess their appetite and feedback on the construction of the program. Based on the results, the program's activities will be launched in 2024.

Other initiatives launched under ZY:

- Zain Jordan launched the Zain Youth tab on the Zain Learning website, which is customized to develop youth skills.
- Zain Iraq arranged She Invents, a science competition for young employees and external women students to come up with ideas related to the STEM field.
- Zain Bahrain launched CODE 2030; a tech-based employment program that aims to support and empower Bahraini youth in the technology sector.
  - > 7 graduates joined the program
  - > Rotated in different departments to understand how the company operates
  - > Enrolled in advanced professional courses and classes
  - > Designated as a full-time staff member in AI/ ML, Automation, Data Science, UI/UX, and Fintech units

SUPPORTING LOCAL TALENT

In 2023, the average percentage of locals in senior management positions was 70%, where Jordan,Sudan and Bahrain marked the highest percentages. The following tables demonstrate the year-on-year percentages of senior management (defined as the top two management levels) comprised by locals in each operation.

The table below represents the percentage of total local employees in each of our operating markets:

Operations	Percentage of local employees
Bahrain	88%
Iraq	97%
Jordan	99.5%
Kuwait	34%
Saudi Arabia	82%
Sudan	99.9%
South Sudan	97%
ZainTech	18%
FOO	72%

Supporting Local Human Capital: Percentage of Locals in Senior Management

Bahrain

2014	50%
2015	63%
2016	100%
2017	86%
2018	90%
2019	90%
2020	82%
2021	82%
2022	82%
2023	76%

Iraq

2014	35%
2015	64%
2016	57%
2017	40%
2018	66%
2019	66%
2020	56%
2021	54%
2022	59%
2023	52%

Jordan

2014	100%
2015	100%
2016	9%
2017	9%
2018	100%
2019	100%
2020	100%
2021	100%
2022	100%
2023	96%

Kuwait

2014	76%
2015	88%
2016	79%
2017	81%
2018	81%
2019	42%
2020	43%
2021	40%
2022	42%
2023	46%

Saudi Arabia

2014	38%
2015	31%
2016	33%
2017	51%
2018	60%
2019	63%
2020	61%
2021	61%
2022	77%
2023	58%

Sudan

2014	96%
2015	99%
2016	100%
2017	93%
2018	95%
2019	95%
2020	96%
2021	97%
2022	96%
2023	97%

South Sudan

2016	82%
2017	88%
2018	60%
2019	93%
2020	92%
2021	80%
2022	50%
2023	67%



CREATING A DIVERSE AND INCLUSIVE CULTURE

WE ABLE

Zain's disability inclusion initiative, WE ABLE, launched in 2019, aims to embed disability inclusive practices in the company by 2025 across four main targets to be achieved by 2025.

1. Increase the employment of people with disabilities across operations.
2. Ensure all training programs provided to employees are disability inclusive.
3. Ensure all Zain operating premises are disability inclusive.
4. Identify and implement assistive technologies that will enable employees with disabilities to perform independently.

The below efforts were conducted throughout the year, to achieve the targets set above:

- Created Bahraini, Iraqi, Jordanian and Kuwait sign language databases and published them on the Zain website.
- On World Hearing Day, Zain Iraq celebrated by showcasing the success stories of the employees who completed sign language training. Eight employees underwent training and shared their experiences, highlighting various life stories that demonstrated the positive impact of the training.
- Continued to train 88 employees in sign language.
- Hosted focus groups with people with disabilities (PWD) Group-wide to hear the successes and challenges they face and implement plans based on feedback:
  - Seven sessions were conducted
  - 45 attendees
  - Selected three PWDs to conduct awareness sessions Group-wide
- Hosted awareness sessions by three Zain employees with disabilities to combat bias and raise awareness on the importance of disability inclusion.
  - 90% satisfaction rate on the PWD awareness sessions
  - 5% increased awareness of disability etiquette
- Celebrated Global Accessibility Awareness Day on May 18 by hosting a Digital Accessibility Bootcamp in collaboration with ZAINIAC and conducting a Technology and Disability session.
- During the Digital Accessibility Bootcamp, participants provided invaluable feedback on enhancing accessibility to the ZAINIAC website using web accessibility tools. This enabled Zain's employees to actively contribute to the development of a more inclusive and user-friendly digital platform. Their valuable insights and contributions have already begun to make an impact as more than 30 accessibility features have begun development.
- Launched the inclusive hiring guides and hosted sessions separately with each operation's human resources department
- Committed to an inclusive workplace, Zain currently employs 70 individuals with disabilities across its markets. The breakdown is as follows:

INCLUSIVE HIRING GUIDE TRAINING

Target: **to train 50% of HR employees**
Actual: **100% of HR employees were trained**

INCREASE AWARENESS OF DISABILITY ETIQUETTE (BASED ON A SURVEY THAT WAS CONDUCTED TO MEASURE THE PROGRESS)

Target: **50%**
Actual: **75%**

BE WELL

Launched in May 2021, Zain's BE WELL program aims to cultivate a holistic approach to DEI to support Zain employees' well-being and mental health.

In 2023, Zain revamped its BE WELL strategy to focus on four pillars that enable the company to emphasize the importance of mental health at work and advance Zain's objective of "Nurturing Belonging, Mindfully."

1. Movement: Focusing on movement activities to enhance one's mood and reduce stress.
2. Mindful: Proactively facilitating mindfulness at work.
3. Me: Focusing approach to identify signs of distress in oneself and one's team.
4. Mental Health: Providing mental health resources such as Employee Assistant Programs.

BE WELL offers Zain employees different ways to foster a mindful and productive working environment through the following:

- The first approach is free counseling and therapy sessions that are offered by Kuwait Counseling Center to Zain employees Group-wide. Kuwait Counseling Center is one of the region's leading psychological facilities, having provided psychoeducation, comprehensive assessments, therapy, and training services for over 10 years. The Center provides Zain employees with confidential and comprehensive assessments and therapy sessions that can support them through difficult times. "In 2023, over 293 therapy sessions were conducted, reaching out to more than 230 clients at KCC.
- Another approach that was taken was to focus on Mental Wellness Awareness. BE WELL hosted a series of workshops in collaboration with Ayadi, the GCC's first teletherapy platform. The workshops were open to Zain employees and were especially beneficial to managers in supporting them in identifying signs of depression, anxiety, and/ or stress in their teams. The workshop topics focused on depression, anxiety, stress, and burnout, and were hosted by trained psychotherapists and counselors.

In addition, Zain launched various activities that fall in line with achieving the BE WELL strategy:

- Zain operating companies hosted several wellness zones for employees with a focus on the importance of physical health to foster a holistic approach to well-being that included: walkathons; exercise challenges; meditation sessions; dealing with difficulties at the workplace; and workshops on the effects of physical well-being and mental health.
- Launched an Embrace Your Best Self program for Zain employees' children, where they learned more about self-awareness, coping with emotions, online safety, and several other topics to boost confidence and offer support. This program was launched in Zain Group, Zain Kuwait, Zain Jordan, and Zain South Sudan, where more than eight sessions were conducted and a total of 44 children attended.
- 16 Zain employees from all operating companies were certified as Mental Health First Aiders as provided by the Light House Arabia Clinic in Dubai. The aim of this certification is to create an internal community of support and guidance for mental health challenges.
- Launched Couch to 5K, creating a movement community across Zain operations on a journey toward a synchronized 5K run. 661 Zainers signed up to participate in the 5K run.
- Zain celebrated World Mental Health Day by granting a day off for all employees on October 10th.



WE

Established in 2017, the WE initiative is divided into different areas that include:

- Women in Leadership: Ensure WE leadership targets are achieved through middle management succession planning and promotions.
- WE STEM: An internal pool of experts working towards supporting tech-related competitions, mentorships, and development programs.
- WE Disrupt: Transforming mindsets through awareness programs and curated training sessions on Diversity, Equity, and Inclusion.

Activities conducted throughout the year to support the achievement of WE gender parity target of 25% female representation in leadership roles by 2023 across all Zain markets included:

- The WE STEM team hosted Data Visualization and Data Modeling training sessions.
  - > More than 100 participants
  - > 87.5% satisfaction rate for both bootcamps
  - > 100% attendance of future bootcamps
- Launched two data science competitions, attracting participants from 8 locations. During these events, 30 participants collaborated for 48 hours, addressing a telecom industry challenge and developing in-house machine-learning solutions.
- Family Leave Policy: Group HR and DEI teams made significant improvements to the Group-wide Family Leave Policy.
  - > Two months of remote work (where applicable) for mothers to further bond with their newborns after their maternity leave, conditioned to ensuring operational efficiencies and customer experience continue seamlessly.
  - > Extending paternity leave from two working days as per national labor laws to five days for working fathers.
  - > 45 days of leave for working mothers who experience the pain of a miscarriage and a maximum of five days for working fathers.

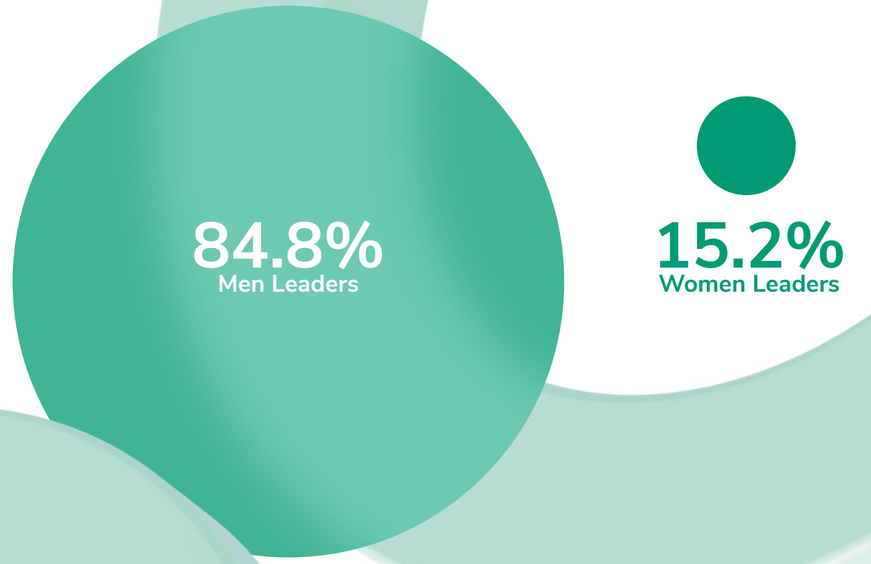
WE SUCCEED: This program is an 8-month exceptional developmental journey catered to middle management employees based on McKinsey's research into "adaptability". The skillset developed throughout this program allows people to learn, grow and thrive under difficult and uncertain conditions. The top 50% of WE SUCCEED participants were assigned to a senior Zain sponsor, to accelerate their careers in 2023 and beyond through sponsorship meetings. A total of 17 successful promotions were conducted in 2023 under this program. Following dedicated initiatives, Zain Jordan, ZainTECH, and Zain Kuwait exceeded their target of 25% women in leadership positions, paving the way for a more inclusive future.

The breakdown is as follows:

Operation	Zain employees (WE SUCCEED promotions)
Jordan	10
Group	3
Iraq	2
Kuwait	1
South Sudan	1

The current progression of Zain's status of its 2025 target of women in leadership positions is found below:

Group wide leadership
Target 25% of Women in Leadership



GENDER PAY GAP

Zain continues to measure its remuneration ratios across its markets to ensure it tracks and manages any gaps across the different hierarchal levels in its operations.

Average Remuneration Ratio Females to Males by Employee Category

	BAHRAIN	IRAQ	JORDAN	KUWAIT	SAUDI ARABIA	SUDAN	SOUTH SUDAN	ZAINTECH
Employee Level 1 (Executive Management)	78%	98%	N/A	97%	43%	103%	N/A	78%
Employee Level 2 (Senior Management)	85%	32%	80%	95%	48%	87	36%	93%
Employee Level 3 (Middle Management)	86%	95%	90%	103%	40%	93%	N/A	85%
Employee Level 4 (Team Leaders)	N/A	109%	94%	N/A	46%	98%	N/A	N/A
Employee Level 5 (Professionals)	107%	90%	92%	111%	58%	N/A	32%	76%
Employee Level 6 (Team Members)	N/A	94%	99%	N/A	55%	N/A	90%	N/A





CHAPTER 18

Sustainability Agenda

In 2020, Zain established its five-year Corporate Sustainability (CS) strategy that incorporates the company's operating context and focuses on establishing sustainable long-term value for its stakeholders. Over the course of the year, marking the fourth since the implementation of the strategy, Zain conducted various activities to achieve the objectives set in its CS agenda.

MISSION

To provide Meaningful Connectivity leading to equitable systemic change to empower Zain's communities.

VISION

- Safeguard the planet
- Address societal challenges through the core business
- Enable an inclusive digital society
- Build the youth of the future

STRATEGIC PILLARS

Climate Change

Decarbonize our business & transition towards Net-Zero by 2050



Operating Responsibly

Embed ESG across our value chain



Inclusion

Reduce the digital inequality gap



Generation Youth

Build resilience across our communities by targeting 16 million children and youth



Climate Change

The company took strides to further its climate action agenda and transition to a Net-Zero economy. Through its adaptation and mitigation plans, Zain is able to take the necessary steps to mitigate its climate change risks. The company also ensures it adheres to the unique challenges of each of its operating markets now and into the future. Some of the challenges include severe weather events such as flooding; inadequate infrastructure; and the lack of a comprehensive regulatory environment.

Zain's aim is to deploy energy efficient solutions in line with SBTi guidance set in each operation, and integrate mitigation and adaption plans through the following:



1. NETWORK AND ENERGY CONSUMPTION TRANSITION

Zain follows the Greenhouse Gas (GHG) protocol guidelines for the inventory of its emissions. The emissions guidance are set based on SBTi recommendations:

- Emissions reductions are in absolute value
- A minimum reduction of 4.2% annually
- Five-year timeline for short-term targets, 10 years for medium-term, and a Net-Zero target by 2050
- All the relevant gases such as the CO_2, CH_4, N_2O and HFCs are considered in the inventory
- Renewable energy deployment is the main mitigation strategy
- Carbon capture and storage solutions will help abate residual emissions

Boundary: All Zain operating companies are included in the organizational boundary for its emissions inventory. The towerco emissions related to the energy consumption of the company's active equipment is Zain's responsibility and therefore included in the boundary.

Emissions Baseline: The baseline used for setting the emissions targets is 2022, based on nine months of data and three months of forecasted data (9 + 3). Zain will consider re-adjusting its baseline if it finds a material differences between the actual emissions and the forecasted data.

Emissions reductions: The reductions in CO_2 emissions are estimated based on the type and quantity of energy efficient solutions planned to be deployed in each operation. Those reductions are affected by network expansions and the addition of new sites. The balance between the emissions reductions through energy efficient solutions and the emissions resulting from network expansions constitute the net emission reduction.

Targets calculations: The net emissions reduction of each operation is compared to the baseline emissions to derive the CO_2 emissions target for each operation.

Zain's Target: The total net emissions for all operating markets is divided by the baseline emissions to arrive at the total target for Zain.

2023 – 2027 CO_2 Emissions targets for Scope 1 and Scope 2

OPCOs	Baseline - 2022 Scope 1 & 2 Emissions (Metric Tons)	Targets				
		2023	2024	2025	2026	2027
Bahrain	42,606	-4.6%	-8.8%	-11.5%	-14.3%	-29.3%
Iraq	239,542	-0.9%	-8.9%	-7.9%	-13.1%	-12.7%
Jordan	52,130	-86.7%	-83.8%	-83.2%	-82.5%	-81.9%
Kuwait	132,115	-1.4%	0.4%	-2.2%	-0.3%	-15.6%
Saudi Arabia	501,069	-2.6%	-7.6%	-10.4%	-13.1%	-23.1%
Sudan	82,509	-10.3%	-17.0%	-30.2%	-34.8%	-36.1%
South Sudan	12,590	-5.4%	-26.0%	-44.3%	-62.2%	-77.3%
Total	**1,062,561**	**-6.8%**	**11.41%**	**14.15%**	**16.99%**	**-24.5%**

CO_2 Emissions Reduction (YoY) (2022-2023)

		Bahrain	Iraq	Jordan	KSA	Kuwait	Sudan	South Sudan
CO_2 emissions per base station (Scope1+2)	Kg	57,449	41,029	3,550	48,511	47,256	28,144	43,161
Year-on-Year Decrease/ increases in emission per base station	%	-3.42%	-7.83%	-75.43%	-0.75%	1.99%	3.31%	-11.34%

BAHRAIN

In Bahrain, half of the country is covered by urban areas, while the remaining land is predominantly occupied by oil fields. Zain's towers in this landscape are primarily linked to the grid, posing challenges for the integration of renewable energy sources. However, there are approximately 30+ off-grid sites, offering Zain Bahrain the potential to deploy energy-efficient solutions such as solar and hybrid technologies that the company kickstarted in 2023. Furthermore, Bahrain's compact size introduces spatial constraints that make installing additional energy-efficient solutions such as a solar farm a noteworthy challenge.

IRAQ

Iraq has made slight improvements to its electricity grid, addressing challenges posed by aging infrastructure and inadequate maintenance, which historically led to frequent outages. Notably, Zain Iraq's towerco has commenced deploying solar and hybrid solutions resulting in CO_2 emission reduction by 3.3% year-on-year.

JORDAN

Zain Jordan completed the transition towards utilizing decarbonized grids on 8 February, 2023 for 75% of its sites across the Kingdom. The transition resulted in over 74% of CO_2 emission reduction year-on-year, with a target of further reducing emissions by 84% in 2024. Additionally, Zain Jordan optimized the power features of all mobile technologies across its 2G, 3G, 4G and 5G networks to conserve energy utilization.

KUWAIT

Despite formidable challenges in Kuwait's infrastructure and the obstacle of low fuel costs hindering decarbonization incentives, Zain continues to tackle through strategic climate change mitigation efforts such as the deployment of inverter cooling solutions, the installation of more efficient DC power solutions, and the connection of 16 sites to the grid.

Kuwait, being a country with one of the highest temperatures globally, faces a potential exponential increase in energy consumption if temperature rises persist, leading to a surge in CO_2 emissions. However, Zain remains committed to engaging with stakeholders to initiate crucial discussions and advocate for necessary reforms with the local government to accelerate the deployment of renewable energy solutions on a large scale, and with exploring and building an opportunity of positioning itself to capitalize on the transition to renewable energy sources in the near future.

The Zain Kuwait Car Park solar plant is designed for a power capacity of 663KWp. The project was planned to be completed by end of 2023 but was delayed to accommodate for additional approvals required by local authorities. Those approvals are related to a validation of the structural integrity of the car park structure based on the additional wind loading of the planned solar panels. The project is now planned to be completed by the end of the 2nd quarter of 2024.

SAUDI ARABIA

Zain faced several challenges in its quest to implement its climate change mitigation plans. Firstly, the reliance on on-grid power, fueled predominantly by traditional sources like fuel and gas, poses a hurdle. Despite the government's goal to achieve net zero by 2060, the current lack of alternative on-grid power sources complicates this endeavor. Secondly, Zain's decision to transfer 80% of its sites' passive infrastructure to LATiS, a new towerco, through which Zain explored the conversion of diesel generators to on-grid power to align with emission reduction goals. Lastly, the Kingdom's escalating summer temperatures contributed to heightened power consumption and subsequent CO_2 emissions, amplifying the need for sustainable solutions. Addressing these challenges is pivotal in steering Zain towards a greener and more efficient future.

SUDAN

In the aftermath of the 2023 political conflict in Sudan, the electricity grid faces considerable challenges stemming from damaged infrastructure and disruptions. The country predominantly relies on natural gas, oil, and diesel generators for power generation. Zain faced challenges in the Western region of Sudan, being one of the most impacted regions and hence this accelerated the deployment of solar power solutions. Furthermore, amid Zain's climate change mitigation efforts, over 150 DG-battery hybrid solutions, backup battery extensions, and electrification solutions were installed during the year. This was pivotal not only for grid reliability, but it also helped in optimizing energy consumption across mobile sites.

SOUTH SUDAN

South Sudan continued to experience devastating flooding and excessive rainfalls during 2023, impacting 12 mobile sites. Due to the unstable grid availability in the country, Zain must rely on diesel generators for its base stations. However, tremendous efforts were put in place to mitigate climate change among which Zain shifted 55 sites from DG-battery hybrid to solar solutions resulting in 10% reduction in CO_2 emissions year-on-year.

Throughout 2023, Zain continued to install energy efficient solutions across its operating markets, including the following:

Hybrid Solutions Installations

Operating Countries	DG-Battery Hybrid solution	Solar Hybrid solution
Bahrain		
Iraq		213
Jordan		
Kuwait		9
Saudi Arabia		
Sudan	96	
South Sudan		20
Total	**96**	**242**
	338	

Driving Operational Efficiency: Our Sites (Tower Sharing Program)

Operating Countries	Zain Sharing Others' Sites	Others Sharing Zain's Sites
Bahrain	19	
Iraq		
Jordan		
Kuwait	3	
Saudi Arabia	6	14
Sudan		
South Sudan		

Improvements to Energy Efficiency and Site Optimization (Units)

Operating Countries	Smaller Size Generators	Outdoor (BTS/Power) Solutions	Small Shelters (<2.5Mx2.5M)	Grid Connection	Upgrade to Efficient DC Power Solution
Bahrain		38		8	
Iraq					
Jordan	13			16	50
Kuwait		168		99	
Saudi Arabia					
Sudan					
South Sudan					
Total	**13**	**206**	**0**	**123**	**50**

Spending related to initiatives – 2023

Initiatives	Total Direct cost (USD)	Total Indirect cost (USD)
Zain sharing others' sites	0	178,098
Others sharing Zain sites	0	0
Outdoor (BTS/Power) solution	2,446,675	2,446,675
Small shelters (≤ 2.5m x 2.5m)	0	0
DG-Battery Hybrid solution	2,210,000	0
Smaller size Generators	0	61,201
Solar Hybrid solution	950,000	0
Grid Connection	792,870	0
Free Cooling system	0	0
Total	**6,399,545**	**2,685,974**





Scope 1, 2 and 3 Emissions (including Sites, Data Centers and Head Quarter Buildings)

Descriptions	Units	Bahrain	Iraq	Jordan	Kuwait	Saudi Arabia	Sudan	South Sudan	Total
Scope1 - Fuel	liters	1,260,497	35,852,428	273,558	11,752,102	56,979,768	18,983,451	3,049,379	**128,151,183**
Scope2 - Electricity	KWh	57,320,934	183,287,211	120,645,056	174,669,751	576,399,096	39,649,844	5,018,899	**1,156,990,790**
Scope1 - Fuel	CO_2e KG	3,378,132	96,084,508	711,230	31,495,633	152,705,778	50,875,649	8,172,336	**343,423,266**
Scope1 - Refrigerants	CO_2e KG	743,948	7,608,078	747,436	3,090,116	2,581,917	1,089,081		**15,860,576**
Scope1 emissions	Kg CO_2	4,122,080	103,692,586	1,458,666	34,585,749	155,287,695	51,964,730	8,172,336	**359,283,842**
Scope2 emissions	Kg CO_2	40,050,137	121,519,421	11,080,248	107,352,029	351,891,648	12,120,957	4,222,902	**648,237,341**
Total Scope 1 & 2 emissions (including refrigerants)	Kg CO_2	44,172,217	225,212,006	12,538,914	141,937,778	507,179,343	64,085,687	12,395,237	**1,007,521,182**
CO_2 emissions per base station [Scope1 & Scope2]	Kg	56,582	41,029	3,550	47,239	48,511	28,144	43,161	
Baseline-year 2023 Decrease/ increases in emission per base station [Year 2022 vs 2023]	%	-3.42%	-7.83%	-75.43%	-1.99%	-0.75%	3.31%	-11.34%	

Note:

- For the conversion from liters of fuel to KWh, we considered that 1 L = 3KWh on the basis that 1 liter produces 10KWH with diesel generator efficiency of 30% as recommended by the GSMA
- DG-battery hybrid solutions usually lead to approximately 50% savings on fuel consumption
- Estimate of KWh for solar system is based on the data provided by Zain Jordan as per site monitoring and management solution. 750KWh is produced per site on average
- In Sudan, some of our base station sites were shut down due to the civil conflict, leading to a reduction in energy consumption across our network which resulted in lower emissions compared to the previous year.

Scope 3 Emissions Breakdown 2023

Category name		Total tCO_2e
Category 1	Purchased goods and services	97,893.46
Category 2	Capital goods	137,572.18
Category 3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	138,583.95
Category 4	Upstream transportation and distribution	39,218.09
Category 5	Waste generated in operations	16,931.23
Category 6	Business travel	1,054.08
Category 7	Employee commuting	12,401.40
Category 8	Upstream leased assets	18.66
Category 9	Downstream transportation and distribution	-
Category 10	Processing of sold products	-
Category 11	Use of sold products	17,174.75
Category 12	End-of-Life of sold products	-
Category 13	Downstream leased assets	-
Category 14	Franchises	-
Category 15	Investments	29,480.91
Total Scope 3 Emissions		490,328.71
Y-O-Y Change (2022-2023)		-1.27%

- Business Travel data assumes that CO_2 emissions per passenger is equal to (Passengers' fuel burn * 3.16) / Seat occupied. For flights above 3000 km, CO_2 emissions per passenger in premium cabin is equal to 2 x CO_2 emissions per passenger in economy, in compliance with the ICAO Carbon Emission Calculator and Zain's internal policies.
- Business Travel data encompasses both flights and long-distance business trips taken by car in KSA.
- Employee Commute data for Sudan is based on 3.5 months of actual data – up to the break of the war on April 15, 2023.

2. STRATEGIC APPROACH AND COMMUNICATIONS

CLIMATE CHANGE AWARENESS

Regarding the Climate Change Awareness target set in the corporate sustainability agenda and in alignment with guidance provided from CDP, Zain aims to address 40% of its customers by 2025 on climate-related issues. The goal of this target is to spark behavioral change with respect to addressing the impacts of climate change.

Each market conducted a variety of communications campaigns in which Zain embedded pre- and post-surveys to assess and measure generated impacts. The following are examples of the awareness campaigns launched in each market.

BAHRAIN

TECH-FACILITATED BEACH CLEAN UP

Zain Bahrain collaborated with the entity, 'Our Sea Remediation and Waste Management', to offer a beach clean up using robotic technology 'bebot', which operates using solar panels to generate its energy. This technology aims to keep marine shorelines free from waste and pollution, with this program initiated in November 2023. So far, 5.8 tons of waste covering 24,750 square meters has been removed, with the ambition of segregating the waste collected and either recycling, reusing, or disposing in an environmentally friendly manner. The partnership will continue to cover larger areas across Bahrain in 2024.

E-WASTE CAMPAIGN

Zain Bahrain continued to partner with the Supreme Council for Environment and the Ministry of Education to launch a competition across all public and private schools in Bahrain.

Initially, 24 school registered for the competition, and 16 completed their participation.

The competition consisted of different catergories:

1. Highest amount of e-waste collections

2. Best Awareness Campaign

3. Best Digital Creativity

7
PARTICIPATING SCHOOLS WON

13.6
TONS OF E-WASTE COLLECTED

100%
OF E-WASTE COLLECTED WAS RECYCLED



IRAQ

In 2023, Zain Iraq launched a series of social media campaigns leveraging its reach throught its multiple social media channels. The below are the campaign with the number of people reached:

We Are Nature
533.683

World Wetlands Day
313,050

World Water Day
333, 475

Earth Hour
8,879

World Environment Day
1.1 million

Free Plastic Campaign
816,000

JORDAN

In 2023, Zain Jordan reached 10.3 million people through its social media channels, which touched on topics including climate change, water, waste management, and plastic pollution. The company also conducted various activities to have more efficient operational facilities in the headquarter (HQ) building, which included upgrading to motion censored kitchenettes and restroom water taps, saving 100 cubic meters of water. The HQ building also saw switches and parking to motion censored lighting, and collaborated with Tetra-Tech and USAID on an internal water audit where the findings will be implemented in 2024.

Zain Jordan also collaborated with the Ministry of Environment on a national project for remote water quality monitoring by providing internet services to monitoring stations. These stations operate automatically, conducting hourly sampling and analysis of water quality. The collected data is sent in real-time to a central database, facilitating swift and continuous monitoring of water quality.





KUWAIT

Zain Kuwait launched its impactful “Badilha Bil Zain” social media campaign designed to shed light on the pressing issue of excessive waste generation in Kuwait. With a focus on fostering a sustainable lifestyle, the campaign encourages individuals to opt for reusable items. The movement has gained significant traction, reaching an impressive audience of 50,899 on Instagram.







SOUTH SUDAN

Zain South Sudan reached 55,6203 people this year through its engagement activities on social media. Some of the topics that the company focused on included water conservation and plastic pollution.



3. WASTE MANAGEMENT

Zain developed a Waste Management Policy in 2023 with the goal of eliminating all forms of waste, including e-waste, plastic waste, and wood and paper waste by 2030. The policy is applicable to all Zain's operations, subsidiaries and entities where Zain has management control. It encompasses the entire value chain and is broken down into specific areas of application. The Policy will become effective as of 2024, when Zain will establish the compliance framework and roles and responsibilities of all stakeholder groups.

4. WATER MANAGEMENT



As water continues to be a scarce resource, Zain aims to maintain sustainable water usage practices, reduces its water consumption and commits to efficient water use. This is achieved by implementing a comprehensive water management plan that entails water security steps based on the FTSE4Good index:

- Commitment on water use reduction
- Progress against quantified targets to reduce water use applied at specific sites.
- Water management plan (including water recycling system)
- Identifying water-stressed/scarce regions the company operates in
- Disclosing water withdrawals/consumption in water stressed regions
- Financial quantification of:
  - Time-specific target(s) to reduce water consumption/withdrawal at water stress areas.

Zain developed its water management plan to the unique conditions of each country where Zain operates in. The plan detailed specific measures aimed at improving water usage across all of Zain's offices. The objective was to integrate water conservation practices, that takes into consideration with the specific conditions of each Zain operation, including geographical factors such as the current water stress observed in South Sudan.

2023 WATER MANAGEMENT PLAN

Under 2023 water management plan, Zain tackles water consumption by adhering to the following specified targets:

Target 1: All Zain operations were required to integrate smart water meters into their water supply systems by the end 2023.

Target 2: All Zain operations were required to decrease their overall water consumption by 10% compared to the usage in 2022 by selecting one of the following methodologies:

A. Deploy water conservation measures for washrooms, toilets, etc.

B. Deploy a water treatment system to recycle on-site used water.

The following table shows the improvement in each operation in 2023 regarding water conservation measures:

OpCo	2023 Water Management Performance
Bahrain	In 2023, Zain Bahrain prioritized water conservation through awareness campaigns, hosting a workshop featuring a guest speaker from the Electricity and Water Authority, with 32 Zainers in attendance. Furthermore, an initial phase has been launched to implement water reduction methods at the Zain Bahrain Headquarters, with official implementation to be taking place in 2024.
Iraq	In 2023, Zain Iraq made substantial strides in minimizing its water usage. Sensor-equipped water faucets were successfully implemented at the company's headquarter, enabling better control of water flow and minimizing waste. In addition, 8 generators have been replaced with new units to optimize the central cooling system. Consequently, there has been 20% reduction in overall water consumption in 2023 when compared to the figures from 2022.
Jordan	During the first quarter of 2023, Zain Jordan started the restoration process of water sanitation facilities at its headquarters. To assess the efficiency of the current water conservation measures and monitor water flow, Zain Jordan conducted a water audit at its headquarters. Subsequent audits were performed following various installations on the premises to gauge improvements. The outcomes revealed an overall reduction of 8% in total water consumption. The results of Zain Jordan's efforts resulted in 11% total reduction in water consumption in 2023 compared to 2022.
Kuwait	In comparison to 2022, Zain Kuwait have reduced water consumption by 9% in 2023.
Saudi Arabia	Compared to the year 2022, Zain KSA has achieved a 14% reduction in water consumption in 2023.
Sudan	The water management plan could not be implemented in Sudan due to the persisting conflict and ongoing war in the region.
South Sudan	Zain South Sudan have worked on identifying water leakages at their premises to reduce wasted water sources.

The plan facilitates a substantial decrease in water consumption across all of Zain's operations in 2023 compared to 2022.

	2016	2017	2018	2019	2020	2021	2022	2023
Total Water Consumption in m^3	95,036	94,864	90,254	93,705	64,972	90,683	80,565	64,733

2023 results exclude Sudan and South Sudan total water consumption.

5. BIODIVERSITY

Zain demonstrates a commitment to biodiversity conservation and nature preservation as integral components of its broader dedication to climate action. Through strategic partnerships with subject matter experts and innovative solutions, the company actively works to minimize its ecological footprint and contribute significantly to biodiversity and nature preservation.

A significant driver of biodiversity loss is the expanding use of land by industries, agriculture, and transportation. As a telecommunications and digital service provider, land and water consumption is considered relatively minimal compared to other sectors, nonetheless Zain continues to assess its impacts across its value chain. The company prioritizes biodiversity conservation in its operations, acknowledging the environmental impact of its business. Through the implementation of the Environmental Social Management Plan (ESMP), Zain integrates biodiversity protection into the site selection process for its telecommunication base stations sites. Rigorous site assessments are conducted and considerations for ecological sensitivities and biodiversity protection are done to minimize negative impacts on nature in accordance with the ESMP. In addition, Zain acknowledges the risks of building stations in relation to biodiversity including, pollution, impact on wildlife, and changes in natural distribution of ecology, in addition to emphasis on conducting diligent risk assessments, lays out procedures, follows local laws and regulations, and adhering to best practice to ensure minimal impacts on nature and biodiversity. Moreover, as part of its ESMP, Zain is committed to ongoing monitoring and periodic reassessment of our operations' environmental impact leading to adapting and enhancing Zain's strategies for biodiversity protection.

Some of Zain's strategic partnerships to support biodiversity conservation and nature preservation include:

ZAIN KUWAIT

KUWAIT DIVE TEAM

Zain Kuwait continued its longstanding partnership of 25 years with the Kuwait Dive Team to champion ecological preservation and biodiversity conservation in Kuwait's sea. Through targeted coastal cleanups and school beach cleanup initiatives, including participation of 80 female middle school students, this partnership aims to raise awareness about the vital role of preserving biodiversity in marine ecosystems. The contribution of a boat further underscores Zain Kuwait's commitment to supporting initiatives that safeguard and enhance coastal biodiversity. Through this partnership, the team managed to remove up to 4,165 tons of waste from coastal areas and coral reefs.

Lastly, as part of Zain Kuwait's commitment to supporting the Kuwait Dive Team's mission, a notable contribution was made in the form of a boat donation. This is the fourth boat presented by Zain to Kuwait, showcasing the company's determination to help protect marine life in the country.







ZAIN JORDAN

ZAIN FOREST

As part of its ongoing commitment to combat climate change and preserving nature, Zain Jordan established the Zain Forest in 2008 in Jerash Governate. In its ongoing partnership with the Arab Group for the Protection of Nature, both entities maintain and fertilized the forest trees to ensure their growth and preservation. In addition, the team noticed a localized soil erosion issue that prompted significant migration of birds and animals, thus addressing this ecological imbalance by planting, watering, and cultivating 8,500 hardwood trees, mitigating any adverse impacts of soil erosion. Consequently, the Forest experienced an influx of wildlife including migratory birds into the ecosystem. Lastly, through the Zain Forest, Zain achieved 711 tons of CO_2 emissions reduction in accordance with our emission reduction strategy.



ALMA'WA WILDLIFE RESERVE

In 2019, Zain established a pivotal partnership with the Princess Alia Foundation. This collaboration aimed to contribute to the advancement of Al Ma'wa for Nature and Wildlife, a project initiated in 2011 in collaboration with Four Paws, an international animal welfare organization, for rehabilitating confiscated and rescued wildlife. Zain's contribution involves providing in-kind support and essential connectivity to facilitate real-time monitoring and management of the rescued wildlife at the Al Ma'wa Wildlife Reserve in Jerash. This connectivity aids in securing specific areas during feeding times and enables the live transmission of vital signs of the animals, ensuring their well-being. Zain's commitment underscores the convergence of technology and conservation efforts, enhancing the overall effectiveness of Al Ma'wa in providing a secure and caring environment for rescued wildlife.





ZAIN SAUDI ARABIA

RED SEA GLOBAL INITIATIVE

Zain Kuwait continued its longstanding partnership of 25 years with the Kuwait Dive Team to champion ecological preservation and biodiversity conservation in Kuwait's sea. Through targeted coastal cleanups and school beach cleanup initiatives, including participation of 80 female middle school students, this partnership aims to raise awareness about the vital role of preserving biodiversity in marine ecosystems. The contribution of a boat further underscores Zain Kuwait's commitment to supporting initiatives that safeguard and enhance coastal biodiversity. Through this partnership, the team managed to remove up to 4,165 tons of waste from coastal areas and coral reefs.

Lastly, as part of Zain Kuwait's commitment to supporting the Kuwait Dive Team's mission, a notable contribution was made in the form of a boat donation. This is the fourth boat presented by Zain to Kuwait, showcasing the company's determination to help protect marine life in the country.

UM AL SHOGOG

In 2021, Zain KSA started an annual reforestation campaign in Um Al Shogog, covering 18 million square meters. This strategic initiative aligns with Zain's commitment to biodiversity conservation and climate action, specifically addressing carbon emissions, desertification, and land degradation within the Kingdom. The efforts of Zain employees, in conjunction with the local community, volunteers, and charity workers, result in the annual planting of over 12,000 trees, making a significant contribution to the Kingdom's Sustainable Green Initiative's broader objective of planting 10 billion trees by 2030.





Operating Responsibly

Target for 2023

25% of active suppliers to answer the supplier self-assessment questionnaire and watch the supplier training video and existing suppliers to align to policies

ZAIN'S RESPONSE

RESPONSIBLE SUPPLY CHAIN

Zain established a holistic approach for supply chain management to address sustainability-related risks and ensure suppliers align to Zain's ESG standards, promote sustainable practices across its value chain, and mitigate reputational risks.

Over the year, the company advanced its efforts in this space by amending its targets from numerical to percentile targets to ensure the unification of KPIs across markets. To do so efficitively,

Zain standardized its baseline total active suppliers to be able to set targets as percentages. Such a process required collaboration between the sustainability and procurement teams across Zain's operations. To create a unified approach, in the first half of the year a Supply Chain Management Forum was conducted for the two departments to ensure consistency and alignment on approach and the process moving forward.

Zain Supply Chain Management Process

Adhere to Zain's supplier code of conduct, and human rights policy statements

↓

Complete Zain's training video available on the website and complete feedback form

↓

Complete Zain's self -assessment questionnaire

↓

Complete physical audit for high-risk suppliers

- Supplier Code of Conduct, and Human Rights Policy Statements are available in Arabic and English on the Zain Group website.
- Supplier Training: Based on the feedback survey shared to all suppliers in 2022 to confirm they had viewed the training videos, Zain also included a portion of the survey where it was able to gain insights on what topics suppliers would want to learn more about. The results of the survey highlighted the interest suppliers had on human rights. In 2023, Zain launched its second training video highlighting the importance of upholding human rights, promoting ethical labor practices, and grievance mechanisms were set in place. This year, 182 suppliers were reached marking an increase of 45% compared to 2022.
- Supplier Self Assessment Questionnaire: The supplier self-assessment questionnaire is a tool Zain embedded in its process to validate suppliers' commitment and alignment to its sustainability policies and ethical principles. Zain established a clear workflow process to ensure quality controls are set in place to verify the response provided by suppliers.

Supplier Self Assessment Questionnaire Completion per Operation

Operation	Number of Suppliers Target	Number of Suppliers Completion	Percentage achieved
Bahrain	25% of Active Suppliers in 2023	41	19%
Iraq		42	35%
Jordan		84	34%
Kuwait		121	25%
Saudi Arabia		90	24%
Sudan*		21	5%
South Sudan		42	31%
Total/Average		**441**	**23%**

* Sudan's figure reflect the efforts pre-conflict (January 31 – April 14 2023).

Supplier Physical Audit Completion per Operation

Operation	Target of Number of Suppliers	Number of Suppliers Physically Audited:	Completed
Bahrain	8	8	No
Iraq	8	10	Yes
Jordan	8	8	Yes
Kuwait	8	5	No
Saudi Arabia	8	8	Yes
Sudan*	8	N/A	No
South Sudan	8	12	Yes

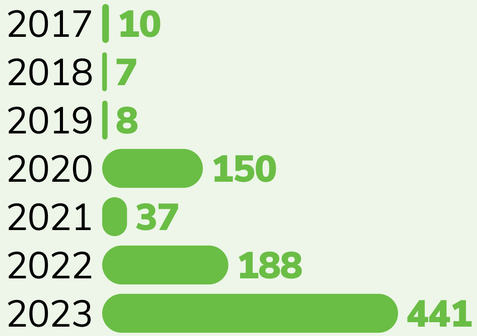
* Due to the political crisis, Sudan was not able to conduct the physical audit this year.

2023 Procurement Spending Per Operation

Operation	% Spending on Local Suppliers	% Spending on Foreign Suppliers
Bahrain	50%	50%
Iraq	54%	46%
Jordan	57%	43%
Kuwait	58%	42%
Saudi Arabia	95%	5%
Sudan	93%	7%
South Sudan	93%	7%
Total	76%	24%

* The table above does not include Zain Group suppliers.

Progression of Supplier Self-Assessment Questionnaire



* In 2023, the number of responses reflects those from Group and suppliers across operations

- In 2023, Zain further developed its physical audit process by creating an additional level of verification by establishing an observation form. This form ensures Zain reports on risks identified as a result of physical audits. The observation form ranks the severity of the observation raised and if considered high-risk and a violation of the supplier code of conduct, the supplier undergoes a termination process. Throughout the year, zero suppliers were terminated based on results of the physical audit.



PROCUREMENT SPENDING

To align to best practice, in 2023 Zain revised the definition of local suppliers to geographic location.

Procurement Spending:

Average % Spending on Local Suppliers

Average % Spending on Foreign Suppliers

DATA PRIVACY

Target

Educate marginalized communities by creating a data privacy and protection training program by 2025

ZAIN'S RESPONSE

Throughout the year, each of Zain's operations finalized their plan on the data privacy programs and identified the target segment. Some of the operations progressed their efforts while others will be conducting them in 2024. Sudan was not able to finalize its plan due to the impact of the war.

Operation	Target Segment	Progression in 2023
Bahrain	Elderly Community Migrant Workers	Zain Bahrain conducted awareness sessions for the elderly community on the importance of data privacy and provided tips on how to stay safe online. In addition, through the company's engagement with its suppliers, Zain Bahrain elevated the partnership by training migrant workers from its suppliers on data privacy. This approach strengthens the relationship with suppliers and empowers its value chain with the skills needed to become digitally proficient.
Iraq	Students	Zain Iraq hosted a cyber security awareness session for students that interned with the company during the summer vacation. The topics covered in the session included: Information, devices, wireless security, social engineering, and safe internet browsing.
Jordan	Students	30 summer interns working in Zain Jordan's mobile maintenance centers participated in a cybersecurity awareness session to educate them on the significance of data security, providing essential knowledge and skills to safeguard themselves against cyber threats.
Kuwait	Target group is under development	Zain Kuwait will work on adapting the employees' data privacy training program to a marginalized segment. Throughout the year, Zain Kuwait worked on identifying the segment they plan to target.
Saudi Arabia	Students	In 2023, 3,093 participants from Zain Saudi Arabia subsidiaries, vendors, and partners underwent the 'Be aware-Be secure' cybersecurity training and awareness program, reinforcing a robust cybersecurity culture across the organization and its extended network. The plan is to customize the program for university students.
South Sudan	Students	Zain conducted a session for 10 students from the Catholic University in Juba on the importance of data privacy.







Inclusion

Zain's inclusion pillar is focused on closing the digital divide with a focus on vulnerable segments. By addressing the digital gap across its communities, the company continues to contribute to having a positive societal impact and increasing access to digital resources that are integral to the advancement of economic, educational, and healthcare.

In its strategy, Zain focuses on targeting the following segments:



ELDERLY COMMUNITY

Target

260,000 elderly people across Zain's footprint by 2025 through products and services, marketing campaigns, and benefit features

ZAIN'S RESPONSE

In 2023, Zain worked on gaining a better understanding of the needs and challenges of the elderly community across its markets as it is considered an untapped segment for Zain. Identifying this segment presents a challenge due to the fact that mobile lines are typically created by relatives and not the users themselves. The company is working on addressing these challenges but targeting organizations related to the elderly and homes. Below are some of the activites that were initiated this year, with remaining operations planning on conducting further activites to address this segment in 2024.

Zain Bahrain signed an MoU with Al Hekma Society for the retired to establish a better understanding of the elderly community. This partnership provided visibility of this segment's needs, challenges, and issues to access digital and mobile services. Through the agreement, Zain aims to establish initiatives and awareness sessions on topics such as cyber security, and provide customized solutions. Zain Bahrain also aims to leverage the knowledge and expertise of the retiree community to help mentor Bahrain youth across the country.

- Zain Saudi Arabia launched a SMS awareness campaign for 10,000+ elderly people on data protection and tips on avoiding scams and fraud online.
- In a collaborative effort, Zain Jordan took the initiative to better understand this segment's requirements and explore potential offerings, establishing a baseline validated by our data analytics team. A customized SMS awareness campaign was launched to address cybersecurity challenges faced by the elderly in the digital world, emphasizing scam avoidance, phishing awareness, and fundamental digital skills. The first batch, reaching 100,000 users, was launched on December 10. This ongoing campaign aims to keep the elderly community informed about technological advancements, regularly updating them on new features, apps, and security measures. Discussions for are underway for 2024 to implement an AI-powered conversational learning platform to implement micro-training sessions via WhatsApp to effectively uplift the elderly with cyber threats and data security knowledge.

PEOPLE WITH DISABILITIES (PWD)

Target

All marketing and communications to be disability inclusive by 2023



ZAIN'S RESPONSE

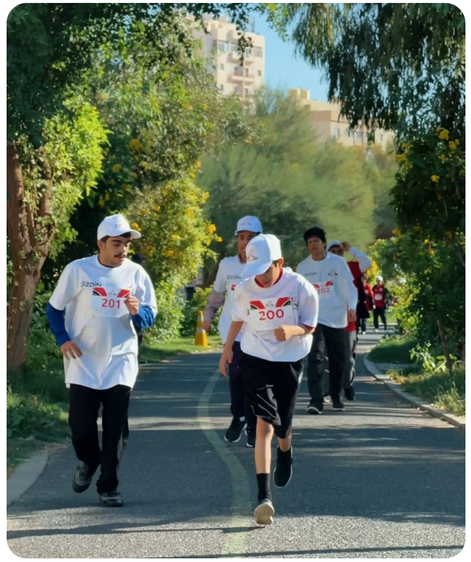
NOTHING LIKE ZAIN

Zain's Play, Nothing Like Zain, achieved remarkable success with its innovative and inclusive design, featuring a meticulously crafted three-tier stage. The event attracted over 55,000 attendees and reinforced Zain's commitment to pushing creative boundaries for all customers. This year, the emphasis on inclusivity was demonstrated through sign language interpretation in the recorded version and English subtitles, highlighting Zain's dedication to accessibility on a global scale.

Click here to view Zain's Play.







Target

Launch core data bundles and packages in 2023



DATA BUNDLES AND PACKAGES

Under Zain's 2020-2025 sustainability strategy, the company allocated targets to have all operating markets launch data bundles and packages for people with disabilities (PwDs) by 2023. Currently, Zain Bahrain, Jordan, Kuwait, Saudi Arabia, and South Sudan have curated data packages and/or bundles for people with disabilities. Due to the conflict, Zain Sudan halted its customized commercial offerings.

Operation	Data Bundle for PwDs
Zain Bahrain	Yes – Plans to revamp the service to reach more people and better address their needs in 2024.
Zain Iraq	No – Due to the lack of available countrywide statistics on PwD's, Zain Iraq did not launch a specific bundle for this group. However, the company provided special offerings that include priority cards in branches.
Zain Jordan	Yes – Zain Jordan's Basma Line bundle was revamped this year based on a focus group conducted with PwD's in 2022. More information on the bundle can be found in the 'Products and Services' section of the report on page 64.
Zain Kuwait	Yes – Zain Kuwait launched its data bundle based on a requirement imposed by the Telecommunication Regulatory Authority. On PwD Day, Zain Kuwait visited the center for PwD's to raise awareness on the bundle and conduct engagement activities with the segment.
Zain Saudi Arabia	Yes – Launched the core bundle titled Lifetime, which provides a 50% discount for PwD's. On Purple Saturday, Zain Saudi Arabia launched a social media campaign in partnership with the Association for PwD's reaching 18.5K people, and service subscriptions reached a growth of 247% for the year.
Zain South Sudan	Yes - Zain South Sudan launched a specific people with disability bundle in September 2023 that included free 50 minutes, 50 SMS, and 250 MB. 60 people with disabilities have benefitted from the bundle.









INCLUSIVE PRODUCTS AND SERVICES

Zain Bahrain continued to develop its 'Natawasel' service, the first sign language video call center at government health centers in the Kingdom. The goal of Natawasel is to ensure that deaf and hard-of-hearing people do not receive medical misdiagnosis due to miscommunications with doctors. The initiative was undertaken through an extensive engagement process with the Bahraini Deaf Society, which highlighted the pain points people from the deaf community face when visiting government medical facilities. 27 health centers across Bahrain are equipped with video call services and successfully logged more than 891 calls to date. In 2024, Zain Bahrain plans to use this service for the traffic and emergency lines in the country.



WOMEN IN TECH

Target in 2023

To mentor 120 women university students studying STEM in each market

Women in Tech was a program established in 2021, based on research conducted on women in STEM-related fields in the MENA region. Zain continued to scale its Women in Tech program across its operating markets where it matches female STEM students with experts from Zain's operations to be mentored. Through these successful matches, the program aims to enable future generations of females to enter the field with the promise of becoming change-makers in the industry.

In 2023, the third cycle of Women in Tech was launched in Iraq, Jordan, and Saudi Arabia. Every year, the program evolves to better address the needs of the target community through focus groups, surveys, and feedback sessions. The constant assessment of the effectiveness of the program plays a crucial role in its success.

Operation	Context	2022 Target	2022 Achievement	2023 Target	2023 Achievement
Zain Bahrain	Zain Bahrain is exploring options to collaborate with stakeholders who can help support in mentorship opportunities and reaching STEM students.	100	-	120	-
Zain Iraq	800+ applicants received, the program delivered a total of six sessions for each student from 26 different universities. In 202 3, Zain experienced a 60% growth in the number of applicants in comparison to 2022, and increased the number of mentees to 136 women and mentors from 14 Zain employees to 22.	100	115	120	136
Zain Jordan	Zain Jordan's Women in Tech stream was established, and collaborative efforts were made between various stakeholders to reach 122 students where 4-5 sessions were conducted. The company leveraged its Zain Innovation Center (ZINC) to reach out to universities to help raise awareness of the program.	100	100	120	122
Zain Kuwait	Zain Kuwait is exploring options to collaborate with INJAZ to support in mentorship opportunities and reaching STEM female students.	100	-	120	-
Zain Saudi Arabia	4,900 applications received. The program was started in collaboration with the Ministry of Communications and Information Technology (MCIT) and Communications, Space & Technology Commission (CST).	100	100	120	150
Zain Sudan	The team needed to halt the program due to the conflict in the country.	100	69	120	-
Zain South Sudan	Zain South Sudan is exploring options to identify entities to collaborate with to support in mentorship opportunities and to reach STEM female students.	100	-	120	-











Generation Youth

CHILD ONLINE SAFETY

DIGITAL LITERACY

YOUTH UNEMPLOYMENT

CHILD ONLINE SAFETY

While the online world plays a pivotal role in children's lives, it is important to acknowledge the benefits and risks of the digital environment. In current times, children start using the internet from a young age, noting that studies show that 95% of 3-4-year-olds access the internet for an average of eight hours per week. Additionally, the prevalence of social media amongst young users is notably high, with more than two-thirds of children under the age of 12 engaging in social media platforms. This interconnectedness showcases the importance of understanding and managing the digital realm for children to ensure a safe and positive online environment for their development.

At Zain, we recognize the importance of balancing the advantages and realizing potential hazards in the digital landscape, especially for children. The company actively engages with key stakeholders through its public activities and initiatives, such as children, parents, caregivers, governments, and child protection organizations to ensure it holistically addresses this topic. Through educational campaigns and collaborations with local entities, Zain aims to raise awareness about responsible online usage. The company's dedication is demonstrated through the development of practical tools and partnerships, including its ongoing collaboration with Child Helpline International, the Canadian Center for Child Protection, and UNICEF. These efforts equip families with the necessary knowledge to navigate the digital space securely. Zain strives to maximize the positive opportunities technology presents while minimizing associated risks, contributing to a digital space that prioritizes the overall well-being of children across its operating markets.

As part of Zain's commitment to ensuring safety for children throughout its networks, the company published its Data Protection Policy that reinstates its firm stance in not deliberately processing the personal data of children under the legal age permitted in the relevant jurisdiction (13, 16 or 18 in some countries), unless the company attains consent from their guardians.

In an everchanging digital landscape in the Middle East and North Africa (MENA), the urgency of addressing children's rights and online safety is further exacerbated by the widespread conflicts that are present in the region. The challenges and opportunities presented by the digital world are intertwined with the hazards arising from conflict, creating a pressing need to safeguard children's rights.

Under its Generation Youth pillar, Zain set strategic targets applicable across all its markets.



Target

Partner and support the functionality of child helplines and hotlines across markets

ZAIN'S RESPONSE

During 2023, Zain worked towards implementing its three-year MoU with Child Helpline International (CHI) to facilitate child helplines across its footprint. The partnership aims to mobilize, facilitate and support child helplines in Zain's markets of operation. Through the MoU, Zain is able to access new ways of developing engagements between child helplines and key child protection stakeholders, including governments and regulators, as well as ways to evolve child helpline platform software and technologies, and expand services to include instant messaging and social media channels. Through its first year, Zain and CHI successfully collaborated to enhance the effectiveness of helplines across Zain's operational markets.

ZAIN BAHRAIN

Helpline: 998

PROGRESSION OF HELPLINE

The existing 998 child helpline in Bahrain is activate, but requires substantial improvements. Despite this, Zain actively engaged with the Ministry of Social Development, conducting multiple collaborative sessions to address and enhance the services provided by the helpline. As of Q4, both entities are in the final stages of negotiating an agreement, with the anticipated launch scheduled for Q1 2024, focusing mainly on integrating technology-based solutions into the helpline software to ensure that it accessible to all.

ZAIN IRAQ

Helpline: 497

PROGRESSION OF HELPLINE

Zain Iraq has been actively engaging with multiple organizations across the nation that provide helpline services to citizens. The team is focusing on evolving the helpline by the Community Police and held multiple engagement sessions to understand the needs of current helplines as they focus on the elderly, women, and children. Both parties are planning to continue engaging and understanding the landscape, focusing on the importance of helpline software upgrades.

ZAIN JORDAN

Helpline 110

PROGRESSION OF HELPLINE

Zain has a longstanding relationship with the 110 Jordan River Foundation (JRF) helpline, which has been operational since 2007. Zain Jordan continues to support the helpline by providing cellular service through microwave and two sim cards. In addition, Zain continues to zero-rate outgoing calls from Zain users.

This year, Zain worked towards reinstating its agreement with the JRF. In addition, the entities focused on a year-long strategy to raise awareness and hold capacity building exercises for the helpline whereby the organizations launched an awareness campaign through social, traditional media, and radio to raise awareness of the helpline to parents and caregivers. The campaign reached 110,230 individuals. In addition, the company sponsored the participation of 11 dedicated helpline advisors (call center agents and phycological professionals) in a comprehensive Dialectical Behavior Therapy training program to enhance interpersonal effectiveness skills, improved ability to handle crises and high-stress situations involving children and adolescents, problem-solving skills, helping advisors to find practical and constructive solutions to issues faced by children and development of skills to help children cope with distressing situations in a healthier manner.

ZAIN KUWAIT

Helpline 147

PROGRESSION OF HELPLINE

Zain Kuwait has been working with the Kuwait National Child Protection Program 147 National Child Helpline to create a joint awareness campaign to raise the awareness of the importance of child protection and the helpline. The company is planning on launching it in Q1 2024.

ZAIN SAUDI ARABIA

Helpline 116111

In 2023, Zain formulated an official partnership with the National Family Safe Program (NFSP) after conducting multiple stakeholder engagement sessions to understand the deficits the helpline is currently facing. After the launch of the partnership, Zain conducted awareness sessions for its employees' children on bullying and the importance of the helpline, where 70 children attended. Externally, Zain held multiple communication campaigns raising awareness of the helpline, reaching more than 392,000 individuals on Zain Saudi Arabia's communications channels, including partnering with two well-known influencers to communicate Zain's commitment to the helpline. Zain also held various on-the- ground initiatives to raise awareness, such as hosting booths in several events in collaboration with the NFSP across three regions, reaching 3,450 children and providing give-aways and activities to ensure they were aware of the helplines.

To learn more about the partnership, please visit the press release.

ZAIN SUDAN

Helpline: 9696

Prior to the conflict, Zain Sudan worked on an official agreement with the country's Family and Child Protection Unit. This involved expanding the main call center building with support from the Italian agency in Sudan. 14 agents were allocated to the child helpline in the call center and trained by Zain Sudan. In addition, selected Zain call center staff were also prepared to handle calls on behalf of the child unit. This initiative aimed to enhance Zain Sudan's responsiveness to child protection.

ZAIN SOUTH SUDAN

In South Sudan, a child helpline is not available, however, Zain plans to discuss its establishment with relevant parties in 2024.



Target

Install CSAM blocking mechanisms within our networks across all markets

ZAIN'S RESPONSE

Zain continued to take major strides in installing blocking mechanisms that prevent child sexual abuse material (CSAM) through Project Arachnid and the Internet Watch Foundation (IWF) across its operations. As part of the ongoing commitment to online safety, Zain remains vigilant in adopting technologies that enhance the detection and prevention of CSAM, thus contributing to a safer and more secure digital space for all.

Opco	Progress
Bahrain	Already installed an extensive CSAM blocking per TRA requirements
Iraq	Launched Q4 2023
Jordan	Launched Q4 2022
Kuwait	Launched Q3 2021
Saudi Arabia	Launched Q2 2023
Sudan	Throughout the conflict, Zain maintained its installation and operations with the Internet Watch Foundation
South Sudan	Initiated the process of installation with related stakeholders

In addition, the company is a part of the revitalized GSMA Mobile Alliance against Digital Child Sexual Exploitation. The Mobile Alliance is centered on taking proactive steps to fight technology-facilitated child sexual exploitation, adopting a multi-stakeholder approach and engaging with key international stakeholders to ensure a well-coordinated response in countering digitally facilitated child sexual exploitation and abuse which includes:

1. Setting and promoting standards against child sexual exploitation in our community and value chain.
2. Offering online safety education programs to prevent sexual abuse and exploitation.
3. Supporting national child helplines and digital services for victims of digital child sexual exploitation.
4. Collaborating with law enforcement units investigating digital child sexual abuse and advocating for their creation.
5. Using our influence to encourage multi-stakeholder action against digital child sexual exploitation.
6. Consulting with partners to stay informed and adapting our response within the Alliance.

DIGITAL LITERACY

Target

To equip 471,000 children and youth with digital literacy skills by 2025

In the MENA region, digital literacy is evolving rapidly, influenced by a combination of technological advancements, socio-economic factors, political instability, and educational initiatives. As the region witnesses an increasing integration of digital technologies into daily life, the demand for digital literacy skills has become apparent. Governments and organizations recognize the importance of equipping youth with the ability to navigate the digital landscape, fostering critical thinking, and promoting responsible online behavior.

However according to PwC, communities and individuals in the MENA region face obstacles in leveraging digital advancements due to gaps in connectivity, information and communication technology (ICT) infrastructure, and access to affordable technology. The prevalence of disparities, coupled with gaps in digital literacy, hinders equal participation and opportunity of growth. This digital gap disproportionately impacts marginalized communities, low-income households, people with disabilities, children, rural areas, and the elderly, contributing to societal inequalities.

ZAIN'S RESPONSE

ICT LAB

Demonstrating its commitment to the advancement of education in Sudan, Zain provided 60 computers to the computer laboratory at the University of Sudan. This initiative, tailored to benefit the Faculty of Computer and Information Technology, reflects Zain's dedication to fostering digital literacy and academic upskilling within Sudan. Zain will continue to monitor the impacts of the war on infrastructure and devices donated to the lab.

BAIMS

In a strategic collaboration, Zain Kuwait partnered with the national e-learning platform, Baims, to spearhead the digitalization of the education sector, tailored for high school and university students across five countries in MENA (Kuwait, Saudi Arabia, Bahrain, Jordan, and Turkey). Over the past year, the platform recorded 30 million views, and the outreach extends to over 150,000 active monthly users, showcasing the its dynamic role in facilitating educational engagement. Zain Kuwait, through this partnership, contributed to enhancing the accessibility and quality of education in the MENA region, marking a commitment to revolutionize the education sector.

B-12

In collaboration with UNICEF, Zain Jordan proactively supported online education in 2023, recognizing its crucial role in the evolving learning landscape. Through its B12 initiative, Zain Jordan has provided comprehensive online education to 20,000 students, ensuring a secure internet service for effective learning. This commitment aligns with the urgent need to bridge educational gaps and empower the younger generation with the skills necessary for the digital age. B12 has also fostered collaborations with private schools and universities, extending educational outreach to an additional 3,000 students.

Through these strategic partnerships, Zain Jordan is contributing to the immediate educational needs of students and laying the groundwork for a more inclusive and technology-enabled education system in the region.

GIRLS FOR TECH

For the fourth consecutive year, Zain Bahrain partnered with the Supreme Council for Women to offer the Girls for Tech program, powered by Clever Play, an organization that embeds STEM learning in children's education. The program provides girls aged 8-14 with skills on coding, website creation, and basic robotics. Due to the popularity of the program, Zain Bahrain maintained its commitment to train girls in the field of technology and successfully enrolled 585 girls for its fourth iteration of the widely successful program.

	Number of users
2020	1,000 girls
2021	100 girls
2022	250 girls
2023	585 girls

YOUTH UNEMPLOYMENT

Target

- Reach unemployed youth through training, developing skills, conducting workshops, and mentorship opportunities
- Foster startup community and capturing jobs generated
- Five startups by December 2023

The MENA region struggles with a critical challenge as young people face barriers in transitioning from education to meaningful employment. Research shows that young people in the region are three times more likely to be unemployed than older age groups. Despite governmental efforts over the years, the youth, especially young women and those in conflict areas, encounter challenges to gain employment, ultimately reverting to low-wage, informal jobs with limited benefits. The lack of essential skills, weak education, and inadequate vocational training contribute to persistently high youth unemployment rates. As industries undergo rapid digital transformation, a significant gap in digital skills also hamper the employability of youth, limiting their access to emerging job markets. Bridging the gap in digital skills through targeted education and job employment opportunities is essential to empowering youth with the tools necessary to navigate the evolving employment landscape in the MENA region.

ZAIN'S RESPONSE

EVOLVE PROGRAM

Continuing its success from last year, Zain Saudi Arabia continued its Evolve program, which targets fresh graduates to develop their skills to prepare them for the market's demands. The objective of the program is to provide fresh graduates with technological skills and help them become part of the workforce of the future. With a target of training 100 youth, since the start of the program Zain Saudi Arabia received 36,479 applicants where 154 people have been accepted and are part of the year-long on-the-job training program.

MOBILE MAINTENANCE CENTER

Launched in 2008, Zain Jordan continued to provide training for youth with mobile maintenance skills to increase employment opportunities under its Mobile Maintenance Center. This year, the company trained youth in mobile maintenance, fixing fiber technology, and gaming devices. Across six governorates where the centers are located, 203 graduated the program and 162 were employed in 2023.

RA'IDAT

The Ra'idat Program, a local competition initiated by the French Embassy in Iraq and executed in collaboration with Zain Iraq and the Station, the first co-working space for entrepreneurs in Baghdad, aims to support and empower female Iraqis in their entrepreneurial pursuits. This initiative provides a platform for women across different cities in the country, fostering their business development and implementation. In 2023, the program achieved significant participation, with over 150 females engaging in the competition, underscoring its impactful role in promoting and nurturing entrepreneurship among Iraqi women.

The top three projects initiated from the Ra'idat program were:

Top Three Projects

Happy Mushroom:
For mushroom production

Chocopedia:
For cake and chocolate

Anana:
For filming prduction











ZAIN'S COMMUNITY OUTREACH:

SANAD – THE HOME HOSPICE ORGANIZATION:
In 2018, Zain solidified a resilient and sustainable partnership with SANAD. This year signifies the sixth year of their collaboration. SANAD is an independent non-governmental non-profit organization that provides home hospice care to advanced chronically and terminally ill patients and their families. SANAD incorporates a holistic approach to address any medical, social and psychological challenges faced by patients and their families. In addition ,SANAD aims at increasing access to palliative care in the Middle East region through its capacity building programs to support other organizations in developing their own palliative care services, build the capacity of health care professionals, and increase the awareness of the general public.

In 2023, SANAD was recognized for the 2023 leadership award for its palliative care capacity building programs from the European Association of Palliative Care (EAPC) and European Palliative Care Academy (EuPCA). Between 2018 and 2023, SANAD provided generalist training to more than 350 healthcare professionals that were conducted either in-person or virtually in the following countries: Kuwait, Lebanon, Iraq, Sudan, Saudi Arabia, Qatar and Jordan.

As a result of these collaborations and capacity building programs, palliative care has been introduced into such communities with the aim of challenging the stigma associated with this topic and integrating palliative care as a new health approach into the healthcare infrastructure in the region. Some of the countries started to assess governmental readiness, resources required, and pave the way for more integrated palliative services in their healthcare systems..

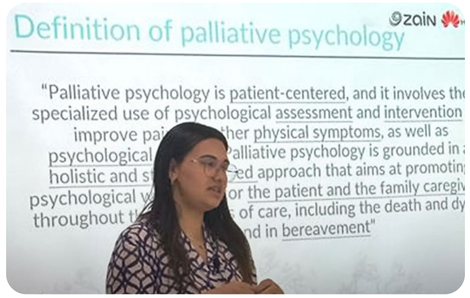
From an organizational aspect, Zain contributed to SANAD's growth and sustainability through the following:

	2017-2020	2021-2023
Support Services	• Home hospice care service provision in greater Beirut • Clinical psychological support • Home hospice care service provision in Mid-Beqaa	• Home hospice care service provision in greater Beirut • Clinical psychological support • Home hospice care service provision in Mid-Beqaa and some areas in West-Beqaa
Human Resources	• 4 Medical Doctors • 7 Hospice Nurses • 2 Psychologists • 1 Research Officer • 2 Research Assistants • 1 Accountant • 2 Admin • 1 Fundraising Officer • 2 Fundraising Assistants • 2 Drivers	• Medical Unit • Nursing Unit • Mental Health Unit • Quality, Research, and Development Unit • Fundraising and Communications Unit • Admin Unit
Projects	• National Capacity Building Projects • Regional Capacity Building Projects	• National Capacity Building Projects • Regional Capacity Building Projects • Acknowledgment from International Organizations





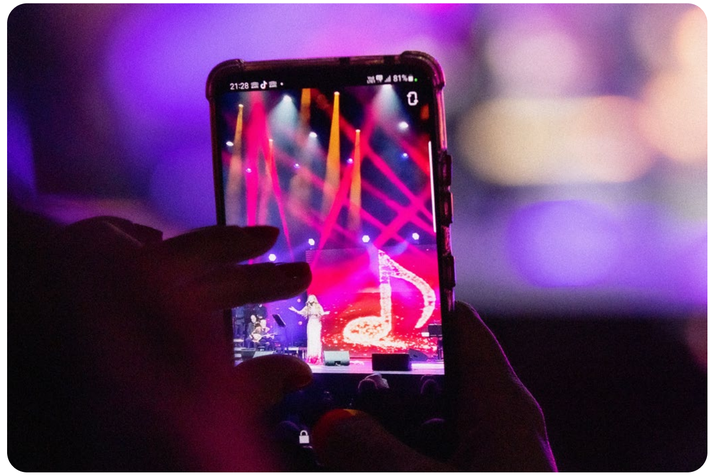














CHAPTER 19

Task Force on Climate Related Financial Disclosures

The following section addresses Zain's response to the Task Force on Climate-Related Financial Disclosures (TCFD) in alignment with the guidance of the framework. The section represents a detailed response on Zain's approach towards TCFD's recommendations. The information covers the period January to December 2023.



Zain's Climate Action Journey

2012

- First Sustainability Report

2016

- Completed first five-year target cycle

2017

- Aligned the CO_2 emission factors for IEA Standards
- Set new CO_2 emissions reduction targets for five years

2018

- Updated Zain's Environmental and Social Management Plan to include IFC-recommendations

2019

- Became a member of the GSMA Climate Action Task Force
- Disclosed to CDP - private

2020

- Disclosed to CDP - public.
- Established a Climate Action Committee (CAC)

2021

- Achieved A- score (leadership) through CDP
- Plan to introduce Internal Carbon Pricing (ICP)
- Plan to commit to SBTi
- Published Zain's Climate Change Policy

2022

- Developed the Climate Change Compliance Framework (approved by the Board).
- Formal commitment letter approved by SBTi and received acceptance letter on January 6, 2023.
- Set new CO_2 emissions Targets for five years

2023

- BoD approved waste management policy
- Submission of Science-Based Targets to the BoD for approval
- The joint creation of Sustainability Innovation Hub under the GCC Telco Alliance

GOVERNANCE

A. Describe the Board's oversight of climate-related risks and opportunities

The Vice-Chairman of Zain Group's Board of Directors (BOD), who is also the CEO of the company, is responsible for setting up the strategic direction for the Company. He is also responsible for the implementation of the company's strategy, which includes climate change-related adaptation and mitigation plans. Zain performs an annual review of its five-year business plan to align future investments with its strategic direction set by the Board. The revised five-year business plans and the annual budgets are consolidated and submitted to the Board for approval at the end of each year. These plans and budgets include capex requirements for the implementation of energy- saving initiatives that would help achieve the company emissions' targets.

The Board reviews and approves the business plans and budgets, which become the reference for the execution of the company's strategy. The Board, through the Group CEO, monitors the implementation of all initiatives including those related to climate change mitigation and adaptation. The Group CEO has given the responsibility of management of the day-to-day climate-related issues to the Group Chief Sustainability (CSO) and Group Chief Technology Officers (CTO) who co-chair the Climate Action Committee (CAC), and whose role is to make sure that the approved climate change mitigation and adaptation initiatives are properly implemented. The CSO & CTO report directly to the Vice-Chairman and Group CEO.

The CAC is a cross-functional committee appointed following an internal consultation process, with the purpose of providing the Board with oversight on climate-related matters. Through the CSO and CTO, the CAC provides recommendations to the Board on how to manage climate-related risks and opportunities. The Board reviews and approves the recommendations from the CAC, and these approvals are reflected by the CAC in the company strategy for identifying, assessing, and managing climate-related risks and opportunities.

The CAC meets quarterly to discuss climate-related risks and opportunities that are immediately reported to the Board through the Group CEO, who provides recommendations and guidance. The reports to the Board by the CAC are done during regular quarterly Board meetings whereby all management issues are also discussed. Board decisions on reported climate-related issues are made as frequently as needed, with the quarterly reviews focusing on ensuring that the company is meeting its climate specific key performance indicators (KPIs) in terms of greenhouse gas (GHG) emission levels, fuel and electricity consumption, waste management, and public awareness on climate change. By monitoring such KPIs on a quarterly basis, the Board can assess, evaluate, and support the company's performance with regards to climate change-related issues. In addition, the Board has a clearer viewpoint of the progress the company is making in this regard.

B. Describe management's role in assessing and managing climate-related risks and opportunities.

The Board, through the Group CEO, sets the direction that shapes the strategy of the company for addressing climate change. All management issues including climate-related matters such as the company's CO_2 emission reduction targets status, risks associated with ambient temperature increase, the possible changes in precipitation pattern, as well as the transition to new technologies due to climate change, are the responsibility of the Group CEO, who delegates the day-to-day operations and control of climate-related issues to the CAC co-chaired by the CSO and the CTO.

Below is a summary of the roles and responsibilities of each major management function within the CAC:

i. CFO: Reviews climate-related initiatives business cases and approves budgets. Reviews decisions about investments in new technology such as the use of renewable energy and the deployment of energy efficient solutions.

ii. CTO: Oversees the selection, testing, and implementation of new technologies within the company. To ensure that transition risks and opportunities such as the deployment of energy efficient solutions are properly managed, the CTO's contribution is key. He is responsible for energy efficiency improvements and energy use. He also measures and reports energy use against targets. The CTO sets emissions-related KPIs and monitors the implementation of low emissions solutions. The CTO co-chairs the CAC with the CSO. Both CTO and CSO provide an oversight to the Board for climate-related issues and ensure that recommendations from the Board are considered in the company's strategy for addressing climate-related issues.

iii. CSO: This executive has a central position with respect to Zain's climate agenda. The CSO strategically drives the company's net-zero ambition by ensuring that all value chain emissions are properly addressed through a framework that run from the emissions boundary to the scopes; the timeline; and the engagement with suppliers and local authorities. The CSO has a day-to-day responsibility for the implementation and reporting of all climate-related issues within the company. She provides guidance and recommendations for climate change and sustainability strategy, monitors climate-related KPIs (emissions, renewable energy objectives, climate awareness and engagement), and climate-related incentives. The CSO co-chairs the CAC with the CTO. Both CSO and CTO provide an oversight to the Board for climate-related issues and ensure that recommendations from the Board are considered in the company's strategy for addressing climate-related issues.

iv. Chief Risks Officer (CRO): The CRO integrates climate-related risks and opportunities into a Group-wide risks & opportunities identification and management process to ensure that climate-related risks and opportunities are properly managed.

- The CRO identifies and quantifies climate change risks and opportunities, performs scenario analysis, prepares mitigation plans for the identified climate change risks, monitors those risks, and ensures proper response whenever the risks materialize.
- The CRO ranks the risks on an annual basis to prioritize them and provides recommendations for mitigation and adaptation.
- On a quarterly basis, the CRO reports the status of all the identified risks, including climate change-related risks to the Board Risk Committee (BRC).
- The BRC reviews the risks and sets priorities for mitigation and adaptation when required.
- Those priorities are part of the recommendations that the Board provides to the CAC through the Vice-Chairman and Group CEO.



STRATEGY

The information included below reflects figures and analysis for the year 2023.

A. Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.

	From (years)	To (years)	Comment
Short-term	1	3	This definition follows our business planning process. Our short-term business plan considers this period for the operational risks arising due to climate change events that need to be addressed to enhance our services to remain competitive in our markets. The normal lifetime of some of our assets such as diesel generators used on off -grid sites is approximately three years. Hence, we consider three years to be a reasonable period for assessing the impact of physical risks on such assets. From a financial and strategic perspective, our short-term horizon is focused on development and achievement of revenue forecasts, cost targets, and profitability targets based on the existing consumer and enterprise business portfolio.
Medium-term	3	5	Our medium-term business planning process uses a five-year horizon for the operational risks arising due to climate change events. This period is also in line with the lifetime of other assets such as deep cycling batteries, which are used to mitigate the risks associated with some of the physical and transition risks. Our five-year business plan is prepared every year while monitoring the progress of the previous year's five-year plan. The business plan is updated with actuals of the first year and revised forecast for four years, subsequently an incremental year is added.
Long-term	5	15	Our long-term business financial planning process is planned over five and 15 years to align with our climate change goals. This is the time frame that gathers a big portion of the company assets such as the cooling systems, the DC power systems, the radio systems, and other active equipment in transmission and core sections. The impact of physical risks on such assets is evaluated and mitigated to ensure that the company remains competitive in its markets of operation. From a strategic perspective, our business plan entails the long-term horizon and is focused on forecast of cashflows and revenue potential from the initiatives that we identify as part of our organizational strategy.



RISKS IDENTIFIED

TRANSITION RISKS: INCREASE IN ENERGY TARIFFS

Energy costs represent 30-40% of our sites' total operating costs. In 2023 the energy cost for offices, data centers, and base station sites amounted to USD 180.5 million, decreased by 12% year-on-year, which amounted to USD 198.7 million in 2022.

The consumption data, namely fuel and electricity volumes, and the associated per unit costs are sourced from Zain operations across its footprint (opcos). Further, we synchronize with opcos in the design and implementation of green power solutions as a mitigation effort to identified risks.

Our total energy consumption in 2023 was 1.157 million MWh and 128.15 million liters of diesel, down from 142.92 million liters consumed in 2022.

With our long-range planning process of 15 years, we estimated that energy operating costs could increase by over 72% to USD 310.18 million as per SSP2 4.5 scenario for 2039 and by 251% to USD 454.08 million as per SSP 5 8.5 scenario. The estimated figures factor in the underlying per unit grid power and diesel fuel hikes as per macroeconomic indicators.

As energy consumption features across multiple facilities (offices, stores, branches, technical sites), we are exploring opportunities to deploy green power solutions, smaller size shelters, outdoor cabinets, and use smaller diesel generators.

CHRONIC PHYSICAL: RISE IN MEAN TEMPERATURE

In the MENA region, we experience extremely hot weather temperatures, which led to energy consumption increases in 2023. According to multiple studies, including the projections of the World Bank Group (WBG), the MENA region will continue to face increasingly high temperatures for longer periods under current scenarios (SSP2 4.5 - means business as usual).

As an example, in 2022, the cost for cooling sites, data centers, and office premises in KSA was USD 23.04 million, which rose 17.7% to USD 27.13 million in 2023 due to an increase in diesel prices by 90%. Although diesel rose by 90% per liter YoY, the rise was slightly offset by a decrease in consumption of diesel.



OPPORTUNITIES IDENTIFIED:

RETURNS ON INVESTMENT IN LOW EMISSION TECHNOLOGY

We noticed that we could achieve some savings in energy consumption by reducing our dependency on fossil fuels, which would lead to CO_2 emissions and OpEx reductions. The driver for this initiative was the erratic availability and pricing of diesel in our markets, especially in Sudan and South Sudan.

According to the report, Tracking SDG 7: The Energy Progress Report (2023), just 8% of the population in South Sudan has access to electricity. This indicates that more than 20 million people are not connected to the national electricity grid, hence the need to have continuous availability of diesel fuel at cell sites and data centers.

For South Sudan, as per IEEE spectrum, with an estimated only 1% of the country's 11.2 million population connected to the nation's electricity power grid (and most of those are in the capital, Juba and the two other main cities of Wau and Malakal), those who are lucky enough to have mains electricity have an infrequent service and forced power outages. The availability of a reliable universal grid supply is essential for economic growth and the alleviation of poverty. While the South Sudanese government's desire to modernize and extend on-grid coverage and introduce additional generation capacity is commendable, until such time as a stable political and conflict-free environment exists in the country, the current poor state of the nation's mains utility supply is likely to persist for the foreseeable future.

To capitalize on this, we deployed green power alternatives such as battery-hybrid solutions, solar systems, outdoor equipment, connection of base station sites to the grid, and undertook site-sharing with other mobile network operators. The strategy followed by Zain is to transform the identified physical and transition risks into opportunities by responding in a way that helps reduce our operating costs with payback periods that do not exceed six years. The implementation of energy efficient solutions has led to a reduction of our opex of USD 1.8 million in 2023. The benefits of such initiatives will continue for at least five more years (during the lifetime of the equipment that was deployed). The initiatives have also helped Zain reduce its CO_2 emission by 11,107 metric tons in 2023.

The opportunity refers to Zain's broader operations. We highlighted Sudan and South Sudan as these opcos are the major beneficiaries of this opportunity due to grid availability and the high cost of diesel due to the devaluation of the local currencies.

B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

The success of risk management will depend on the effectiveness of the management framework providing the foundations and arrangements that will embed it throughout the organization at all levels. Our risk management framework operates at varying levels and within specific contexts of the organization. The framework ensures that information is adequately reported and used as a basis for decision-making and accountability at all relevant organizational levels.

The Group Enterprise Risk Management team develops an annual risk calendar plan to include all Zain opcos for the purpose of scheduling periodic risk assessment exercises. During the assessment for a particular opco, the leadership of commercial and corporate divisions, and technology, define their risk attitude, including climate-change risks, which may affect their businesses. Risk severity is reviewed to ensure alignment and acceptability.

As per our risk management methodology, our risk assessment impact matrix has a five-point scale based on financial indicators, namely revenue, capex intensity, and operational EBITDA margins. The highest impact grading is "extreme," which would be applicable for an event when its financial impact exceeds the most significant thresholds. For substantive financial impact, we identified thresholds to determine if a risk has the potential to significantly affect the company and needs to be reported.

Our risk management corporate policy defines an acceptable risk as the degree of exposure that the company is ready to accept in as much as it allows the creation of value, achieving the right balance between growth, performance, and risk. This threshold is considered when reviewing our strategy to ensure we operate within the established risk appetite.

The following are the thresholds for substantive or high financial impact as per our risk matrix:

Whenever there is a risk that results in an impact on our gross revenue of more than 4% of opco's annual revenue.

When capex intensity planned for the fiscal year exceeds 10% (where capex intensity is the ratio between capex to gross income).

When the impact of the risk event exceeds EBITDA margins of the opcos by more than 3%.

C. **Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

Climate-related Scenario	Scenario Analysis Coverage	Parameters, assumptions, analytical choices
Transition Scenario IEA 450	**Company-wide**	Temperature alignment: We explored changes in energy costs under one of the IEA scenarios namely the IEA 450, which is aligned with temperature increases to or below 2°C compared to pre-industrial levels. Parameters, assumptions, and analytical methods increases in energy tariffs will lead to an increase in energy costs for the operation of our telecom/IT sites. During the assessment of climate-related risks for our core site, offices, and base station sites, we identified that there could be an increase in opex due to tariff hikes for fuels and grid power units in our areas of operation. Energy prices are subsidized in our oil rich operations in Kuwait, Saudi Arabia, and Bahrain. Our biggest operating costs are energy-related to cater for cooling our telecom and IT systems, which require temperatures of 25°C, which is much lower than the average ambient temperatures in our markets. Our total energy consumption in 2023 was 1162 MWh, up 4% YoY. We consumed 133.4 million liters of diesel in 2022, down 4% YoY. Overall energy costs including diesel in 2023 was USD 180 million. With our long-range planning process of 15 years, we estimate that energy operating costs could increase by over 72% to USD 310 million. The estimated figures factor in the underlying per unit grid power and diesel fuel hikes as per macroeconomic indicators due to inflation and gradual reduction of subsidies. The estimates are based on consumption in 2022. The increase in costs is primarily due to two main variables: 1. A rise in energy tariffs due to inflation and reversal of subsidies in some operations, and 2. A rise in mean temperature. We aligned the estimated impact to our risk matrix to classify the risk profile. In 2022, EBITDA amounted to USD 2.209 billion, and as per our climate risk analysis, the delta increases due to SSP 2 4.5 2039 scenario for 2039 on account of increased grid and fuel costs is estimated at USD 129.6 million. We chose the RCP 8.5 scenario to estimate the likely outcome if the governments in our operating countries do not make concerted efforts to cut GHG emissions. We took the net present value with a discount rate of 4% to arrive at USD 69 million, which when compared to 2022 EBITDA will be graded in the high category due to a substantive financial impact of 3.1% to 2022 EBITDA figure.
Physical Climate Scenarios RCP 8.5	**Company-wide**	This business-as-usual scenario assumes temperature increases by 2°C by 2040 and 3°C by 2059 compared to pre-industrial level. Parameters, assumptions, and analytical methods: Zain relies on World Bank Group (WBG) forecasts, that use data from the CMIP5 models included in the IPCC - AR5 as a reference to help project climate change states for the entire company. Two-time horizons were considered: 2020 – 2039 and 2040 – 2059. These two horizons are the default horizons proposed by the WBG using the CMIP5 models for climate change projections. Within these horizons, and considering a linear progression, a 15-year climate change analysis from 2020 to 2035 (our main time horizon) was derived to align with our corporate risk management long-term timescale and the life cycle of our assets. We explore both physical and transition risks for our base stations, data centers, and office buildings. As per RCP 8.5 Ensemble, there will be an average temperature increase of 2°C by 2035. A vulnerability assessment of our operations revealed that some of our assets in our seven opcos will consume more power to maintain the same level of temperature because of the positive correlation between external temperatures and energy consumption. We estimate the rise in mean temperature will have an impact of adding USD 11.68 million on cooling energy costs, and an anticipated increase of 72% on energy costs, an impact of USD 310 million by SSP 2 4.5 2039. After mapping these costs to our corporate risk identification and management matrix, the rise in mean temperature was categorized as high risk for our business. We also found that there will be some changes in the precipitation pattern from 2022 to 2035 with some consequences felt in 2022. Our operations in Sudan and South Sudan have witnessed unprecedented flooding resulting in fiber cuts in Sudan and delayed service rollout in South Sudan. Using 2020 as a baseline, we established a relationship between the level of precipitation and revenue loss. Flooding was found to be a medium risk for our businesses in Sudan and South Sudan. Hence, the change in precipitation became one of our physical risks. To reduce the energy consumption due to increased cooling requirements, a set of initiatives have developed under one of our strategic pillars which is, "operational effectiveness." These initiatives helped reduce 11,107 metric tons of CO_2 emission in 2023.
Physical Climate Scenarios RCP 1.9	**Company-wide**	Temperature alignment: Our ambition is to be net-zero by 2050. To understand the impact of such a move on our business, we looked to uncover associated costs. This analysis is based on RCP 1.9 pathway that limits the rise in mean temperature to 1.5°C compared to the pre-industrial era. Parameters, assumptions, and analytical methods: The parameters considered in this analysis are the number of sites, energy consumption per site, and the share of renewable power. We projected our energy consumption based on the number of sites in 2050. We then laid down a set of initiatives ranging from the deployment of hybrid battery solutions, outdoor cabinets, and solar power solutions. While we observed that our energy consumption is likely to increase, the fact that the share of solar-based power increases at a faster rate helps predict substantial reductions in CO_2 emissions. It is assumed that solar plants will be deployed in our operations in Bahrain, Sudan, South Sudan, Kuwait, and Jordan for us to be able to achieve 80 – 90% reduction of CO_2 emissions by 2050. The remaining 10 – 20% of the emissions will be offset through carbon sink and the implementation of carbon capture solutions.



RISK MANAGEMENT

A. **Describe the organization's processes for identifying and assessing climate-related risks.**

We recognize that climate change poses several physical and transition-related risks for our business.

We identified three risks in line with Task Force on Climate Related Financial Disclosures guidance. We quantified the business impacts of all climate-related risks under each scenario over different time horizons.

Key climate-related risks and opportunities arising include:

Long-term Physical Risk: Rise in mean temperatures that could negatively impact margins and operating costs.

Short-term Physical Risks: Increase in frequency and impact of extreme weather events to disrupt services.

Long-term Transition Risks: Increase in unit economics of energy costs.

Our risk assessment process consists of four steps: Risk identification, analysis, evaluation and treatment: The scope of the risk assessment processes includes all people, processes, and technology within Zain Group and its operating countries.

Risk Identification: Risk owners and the risk management team review the risks specific to the division and identify any emerging issues based on changing market conditions and business dynamics.

Risk Analysis: For the identified risks, likelihood for each is based on the probability of occurrence and the impact severity of the identified consequences.

Risk Evaluation: For the identified risks, the management team assigns risk owners who perform detailed root cause analysis of their respective risk, and take actionable steps considering the following risk mitigation strategies based on the risk management policy.

Risk Treatment: Mitigation plans are agreed between the opco risk manager and the risk owners. Opco risk managers present the status of current and proposed plans for the approval of opco CEO. Once the mitigation plans are approved by the respective CEOs, risk managers share the risk register with the Group risk management team.

Climate change risks are considered in Zain's risk universe as defined in our Risk Management Policy and included in the company's risk assessment.

RISKS & OPPORTUNITIES IDENTIFICATION & ASSESSMENT

The climate risks and opportunities identification process follow a bottom-up approach by advising opcos to analyze historical and projected data related to physical and transition risks and opportunities.

Risk assessment exercises are conducted annually, yet we identify risks across short-, medium-, and long-term timeframes. Risks arising from climate change impact on operations, and macroeconomic factors are some of the long-term risks in our register.

Risks are quantified based on the likelihood and impact as per the risk management criteria for revenue, EBITDA, and other metrics.

Physical risks: Increase in energy prices due to additional cooling caused by temperature increases.

Each opco monitors the pattern of fuel and electricity consumption and reports to the Group on a quarterly basis. Fuel and electricity consumption patterns are analyzed to assess variations. In case the energy consumption increases more than 10% quarter-on-quarter, the concerned opcos are required to provide details and justifications for such.

We took the reference of Coupled Model Intercomparison Project, Phase 6 (CMIP6) models included in the IPCC's Fifth Assessment Report (AR5).

Global warming of 1.5°C relative to 1850–1900 would be exceeded during the 21st century under the intermediate, high, and very high GHG emissions scenarios considered in this report (SSP2-4.5, SSP3-7.0 and SSP5-8.5, respectively).

For our analysis, we selected the following SSP scenarios:

SSP2 – 4.5: Middle of the Road
SSP5 – 8.5: Fossil fuel development

We have the taken the following estimations per opco:

SSP5 8.5 2039 and 2050

Kuwait (1.06,2.33), Saudi Arabia (1.1, 2.41), Bahrain (0.99, 2.15), Iraq (1.18, 2.52), Jordan (1.06, 2.3), Sudan (0.9, 2.03), South Sudan (0.68, 1.59).

SSP2 4.5 2039 and 2050

Kuwait (0.98, 1.76), Saudi Arabia (1.02, 1.79), Bahrain (0.86, 1.55), Iraq (1.1, 1.86), Jordan (1.02, 1.71), Sudan (0.86, 1.54), South Sudan (0.65, 1.26).

For each of the above scenarios, we have summarized below the projected temperature increase for our 2039 long-term and 2050 net-zero goals.

Knowing the total cooling energy requirement for the previous year, we can estimate the total energy consumption increases that would result from the impact of that physical risk. When mapped to our risk criteria, this is minor as it is represents approximately 3.1% of our EBITDA.

The risk is said to manifest across all seven countries of our operation, as the underlying energy consumption data is an aggregate from operations.

For mitigation, we continue to deploy outdoor and DC cooling solutions that are more energy efficient than the conventional shelters and cooling solutions. Such energy efficient solutions are part of a list of initiatives developed and included in our company's operational strategy for managing climate issues.

Our guidelines for network deployments mandate that sharing our passive infrastructures with other operators is a first-course action.

To mitigate risks associated with additional energy costs, Zain developed a set of initiatives ranging from infrastructure sharing to the deployment of green power solutions, and the use of smaller size diesel generators.

TRANSITION RISKS: INCREASE IN ENERGY TARIFFS

Energy costs represent 30-40% of our sites' total operating costs. In 2023, the energy cost for offices, data centers and base station sites was USD 180 M, down by 12% compared to 2022.

The consumption data, namely fuel and electricity volumes, and the associated per unit costs are sourced from the opcos. Further, we synchronize the design and implementation of green power solutions with opcos as mitigation to the identified risks.

Our total energy consumption in 2023 was 1.157 million MWh and 128.5 million liters of diesel, down from 142.9 million liters consumed in 2022.

With our long-range planning process of 15 years, we estimate that energy operating costs could increase by over 72% to USD 310 million as per SSP2 4.5 scenario 2039 and by 251% to USD 454 million as per SSP 5 8.5 scenario 2059. The estimated figures factor in the underlying per unit grid power and diesel fuel hikes as per macroeconomic indicators.

As energy consumption is across multiple facilities (offices, stores, branches, technical sites), we are exploring opportunities to deploy green power solutions, smaller size shelters, deploy outdoor cabinets, and use small size diesel generators.

B. **Describe the organization's processes for managing climate-related risks.**

We are sharing a case study of a particular climate change risk, its impact, and the mitigation strategies.

RISK 1:

Transition Risk: Increases in energy tariff will lead to an increase of energy costs for the operation of our telecom/IT sites.

During the assessment of climate-related risks for our core site, offices, and base station facilities, we identified that there could be an increase in operational expenditure due to fuel tariff hikes and grid power units in our areas of operations.

Our biggest operating costs are energy-related to cater for cooling requirements for our telecom and IT systems that require temperatures of around 25°C for optimum performance, which is much lower than ambient temperatures in our operations. Our total energy consumption in 2023 was 1.157 million MWh and 128.15 million liters of diesel. The 2023 overall energy cost was USD 180 million.

For the SSP2 – 4.5 2039 scenario, we estimated that energy operating costs could increase by over 72% to USD 310 million. The estimated figures factor in the underlying per unit grid power and diesel fuel hikes as per macroeconomic indicators due to inflation and gradual reduction of subsidies.

The increase in costs is primarily due to:

1. Rise in energy tariffs due to inflation

2. Rise in mean temperatures

We estimate the increase in tariffs per liter of diesel and per kWh of grid power as per inflation rates in each of our seven operations due to varying macroeconomic profiles.

MITIGATION

Our guidelines for network deployment mandate that sharing our passive infrastructures with other operators is the first course action before exploring other options. Generally, site sharing results in savings in energy consumption because of the optimum utilization of power systems. At the same time, in countries such as Sudan and South Sudan where most of our base stations are running on diesel generators due to lack of stability of the grid, being able to reduce fuel consumption would have the double advantage of reducing the energy cost and reducing emissions. Based on previous year electricity tariffs and fuel prices, and data analysis for our opcos, we have estimated that if the trends continue, the operating cost of our base stations will double by 2035. As an example, most of our sites in Sudan and South Sudan are powered by diesel generators. This means that if the fuel cost increases, our energy cost will increase as well. To mitigate this, we deployed 242 solar solutions and 96 battery hybrid power solutions in 2023. This represents approximately a 60% reduction in fuel consumption over a period of five years from year 2023. In 2023, the deployed energy saving solutions led to a reduction of 3,624 metric tons of CO_2, with the annual CO_2 reductions expected to be higher in the coming years.

To mitigate the risks associated with additional energy costs, Zain has developed a set of initiatives ranging from infrastructure sharing to the deployment of green power solutions, and the use of smaller size diesel generators.

We have instituted telecom site-sharing with other mobile network operators, which can lead to up to 40% energy saving on shared sites. In 2023, 14 sites were shared with other operators for a total cost of USD 178 thousand. The installation of 242 solar solutions and 96 hybrid battery power solutions cost USD 3.1 million. Furthermore, we deployed 13 smaller-size diesel generators to reduce fuel consumption at a cost of USD 61.2 thousand and installed 206 outdoor cabinets for a cost of USD 5.8 million, while the connection of 123 sites to the grid to reduce the dependency on diesel generators was undertaken at a cost of USD 0.79 million. The total cost of these initiatives amounted to USD 9.1 million, which led to an overall CO_2 saving of 11,107 metric tons of emissions.

While we strive to reduce dependence on fossil fuel sources, we must appreciate that part of the cost to realize this is indirect because it comes as a business necessity and opportunity, which means that it would have been spent regardless of the need to save on energy consumption.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

We recognize that climate change poses several physical and transition-related risks for our business.

We identified three risks in line with Task Force on Climate Related Financial Disclosures guidance. We quantified the business impacts of all climate-related risks under each scenario over different time horizons.

Key risk and opportunity areas arising from the scenario-based climate risk and opportunity assessment are as follows:

Long-term Physical Risk: Rise in mean temperatures that could negatively impact margins and operating costs.

Short-term Physical Risk: Increase in frequency and impact of extreme weather events to disrupt services.

Long-term Transition Risk: Increase in unit economics of energy costs.

Our risk assessment process consists of four steps: Risk identification, analysis, evaluation and treatment.

The scope of the risk assessment processes includes all people, processes, and technology within Zain Group and its operating countries.

RISK IDENTIFICATION

Risk owners and the risk management team review the risks specific to the division and identify any emerging risks based on changing market conditions and business dynamics.

RISK ANALYSIS

For the identified risks, likelihood for each risk based on the probability of occurrence and the impact severity based on the identified consequences are determined.

RISK EVALUATION

For the identified risks, the management team assigns risk owners that perform detailed root cause analysis, build actionable steps considering risk mitigation strategies that follow the risk management policy.

RISK TREATMENT

Mitigation plans are agreed between the opco risk manager and the risk owners. Opco risk managers present the status of current and proposed plans for the approval of opco CEOs. Once the mitigation plans are approved, opco risk managers share the register with the Group risk management team.

Climate change risks are considered in Zain's Risks Universe as defined in our Risk Management Policy and included in the company's risks assessment and evaluation. Our climate change risk process monitors both physical and transition risks.

RISKS AND OPPORTUNITIES IDENTIFICATION AND ASSESSMENT:

The climate risks and opportunities identification process follows a bottom-up approach by advising operations to analyze historical and projected data related to physical and transition risks and opportunities.

The frequency of the risk assessment exercise is annual, yet we identify risks across short-, medium-, and long-term timeframes. Risks arising out of climate change and macroeconomic factors are some of the long-term risks in our register.

The risks are quantified based on the likelihood and impact as per the risk management criteria for revenue, EBITDA, and other metrics.

METRICS AND TARGETS

The information included below reflects figures and analysis for the years 2022 and 2023.

A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Metrics used by Zain include emissions, energy consumption, capital deployment.

Metrics	Performance	
	2022	2023
Energy		
Diesel Fuel Consumption (Liters)	Diesel fuel consumption increased by an average of 15.42% across all operations YoY.	Diesel fuel consumption decreased by 10.3% YoY across all operations.
Grid Consumption (KWh)	The total electricity consumption increased by an average of 21.75% across Zain's operations – excluding South Sudan.	The total electricity consumption increased by 3.6% across all operations
Average Fuel price per Liter	Kuwait – 0.4 KSA – 0.16 Bahrain – 0.52 Jordan – 1.03 Iraq – 0.5 Sudan – 0.9 South Sudan – 1.8	Kuwait – 0.4 KSA – 0.31 Bahrain – 0.52 Jordan – 1.19 Iraq – 0.5 Sudan – 1.6 South Sudan – 2.8
Average Grid unit price	Kuwait – 0.016 KSA – 0.08 Bahrain – 0.077 Jordan – 0.25 Iraq – 0.090 Sudan – 0.1 South Sudan – 5.5	Kuwait – 0.016 KSA – 0.08 Bahrain – 0.077 Jordan – 0.18 Iraq – 0.090 Sudan – 0.1 South Sudan – 0.44
Capital Deployment		
Investment in climate mitigation	USD 5.1 million across operations. 78 sites towards shared infrastructure, 383 outdoor cabinets for a cost of USD3.5 million, deployment of 283 smaller size generators, implementation of five solar hybrid solutions for USD120K, implementation of battery hybrid solutions for USD 1.3 million, as well as the connection of 18 sites to the commercial grid for USD 160K.	42 infrastructure sharing sites for USD 178 thousand, deployment of 206 outdoor cabinets for a cost of USD 4.9 million, the deployment of 13 smaller size diesel generators, the implementation of 242 solar hybrid solutions and 96 hybrid battery solutions, as well as the connection of 123 sites to commercial power for an estimated cost of USD 4.01 million.

B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

The following tables summarize the GHG emissions and related risks for 2023 across Zain Group.

Scope of emission	Unit	Total
Scope 1 emissions	tCO_2e	359,283.84
Scope 2 emissions	tCO_2e	648,237.34
Total Scope 1 & 2 emissions	tCO_2e	1,007,521.18
Total Scope 3 emissions	tCO_2e	490,328.71

In Sudan, some of our base station sites were shut down due to the civil conflict, leading to a reduction in energy consumption across our network which resulted in lower emissions compared to the previous year.

EMISSIONS RISKS:

Scope	Related Risks	Summary
Scope 1 emissions	Increase in consumption of diesel.	Sporadic availability of grid across operations due to natural or man-made events may entail an increase in diesel consumption as a backup energy source. As 5G is launched across operations and coverage of 4G sites increases, there could be an increase due to the demand of fuel for the greenfield sites.
Scope 2 emissions	Increase in consumption of grid power.	As 5G is launched across the operations and coverage of 4G sites increases, the primary energy source is grid power, which could lead to further increase in consumption and incremental emissions.
Total Scope 3 emissions	N/A	As Scope 3 is not in the ambit of Zain's initiatives for climate change, it would be difficult to quantify and articulate the risks from the value chain. As a general principle, we advise our suppliers to assist Zain through deployment of energy efficient solutions.

C. **Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**

Initiatives	Target	Narrative
Enhance share of renewable power source	2.5% increase per year.	The current energy source mix between fossil fuel and renewable sources is 98.7% and 1.3%. We intend to increase this mix by 2.5% annually to reduce Scope 1 and 2 emissions .
Scope 2 emissions	4.2% CO_2 emission reduction per year.	As 5G is launched across operations and with the addition of 4G for enhancing cellular coverage, the primary energy source of grid power will witness additional demand, and this could lead to further increase in consumption and incremental emissions.
Virtualization of core network	75% in core.	Core network equipment such as CS Core, PS Core (2G,3G, 4G) and IMS for VoLTE require power on 24*7. The migration from legacy bare metal system design to virtualized core entails benefits of approximately 40% reduction in energy consumption as smaller equipment footprint translates to lower cooling and power consumption.
Digitalization	2.5% per year.	The current mix for prepaid recharges and postpaid payments between online and traditional channels is approx. 35:65. We want to enhance the online segment as this will entail a reduction of branch operation costs due to savings in energy costs at the branches for lighting and air-conditioning.

The data used to calculate energy consumption from renewable sources is based on actual data for Iraq, Jordan, Kuwait, and South Sudan. While the data for Sudan is based on 2022 actual data due to the conflict in Sudan.





CHAPTER 20

Looking Forward

Zain's 2023 Sustainability Report 'A Pathway to Value Creation' reflects our unwavering commitment to environmental and socio-economic development. As the company navigates the ever-changing impacts of climate change, Zain recognizes the pressing need to continue working towards achieving its net-zero ambition. Moving forward, Zain plans to further intensify efforts on reducing its carbon footprint, investing in renewable energy sources, and implement innovative sustainability practices for effective waste management and promotion of a circular economy. By setting ambitious targets and collaborating with a wide range of stakeholders, Zain aims to contribute to creating value for both society, as well as being nature positive.

Recognizing the vital role of biodiversity, Zain revised its sustainability agenda to include this aspect with a focus on preserving and restoring ecosystems through strategic partnerships and supply chain practices. Zain also places emphasis on creating an environment where children's rights are not only protected but prioritized. The company's approach is demonstrated by initiatives such as ZYxGreenSkills, showcasing our commitment to equipping young people with green skills to address the impacts of climate change, and the three-year memorandum of understanding (MoU) signed with Child Helpline International.

Lastly, Zain recognizes the importance of fostering fair working conditions throughout its supply chain, by aligning to Zain's Human Rights Policy Statement, which reinforces its commitment to human dignity and equality.

Moving forward, the company will place greater emphasis on value creation measured across the short-, medium- and long-term. This shift will ensure that Zain's efforts address its stakeholders' needs, foster sustainable outcomes, and contribute to the overall growth and development of the business and its operating communities.

The table below highlights Zain's plans for 2024, addressing the company's Corporate Sustainability targets and related progression:

Corporate Sustainability Target	Comments
Set strategic targets to address climate change and reduce greenhouse gas emissions by addressing risks, unlocking new market opportunities, and improving resource efficiency	• Coordinate across Group functions, operations, and subsidiaries to ensure full adoption of the newly revised CO_2 emission targets based on the Science Based Target initiative (SBTi) Framework • Implementation of the climate change compliance framework across the entire value chain • Drive further efforts with the GCC Telco Alliance MoU on lobbying efforts on net-zero commitment • Finalize CO_2 reduction targets and submit to SBTi.
Develop strategic approaches to address ecological risks and safeguard biodiversity through risk mitigation and sustainable practices	• Set KPIs and measure impact of biodiversity across Zain's markets and value chain • Focus on nature-driven initiatives with scientific impact reporting methodologies • Ensure minimal biodiversity impact throughout our value chain
Aiming to bridge the divides that exist in our operating markets, focusing on marginalized segments	• Ensure data privacy capacity-building programs for vulnerable groups across all markets are implemented • Integrate accessibility features into Zain's communications • Work on creating inclusive products and services to ensure that no one is left behind • Hold extensive stakeholder engagement with the elderly to explore their challenges and address them through core services and digital inclusion • Continue to scale Women in Tech program to reach targets set in the Corporate Sustainability strategy
Ensuring a responsible supply chain across Zain business practices	• Create training programs for suppliers on various sustainability topics • Develop automation mechanism for supplier assessment on sustainability risks for self-assessment questionnaire and physical audits • Develop anti-corruption compliance program including verification mechanisms for suppliers
Committing to safeguard and empower 16 million youth across Zain's footprint, enabling them to reach their full potential	• Continue to assess challenges, gaps and opportunities related to children's rights across all business activities • Continue the progression and achievement of operation-specific KPIs included in the MoU with Child Helpline International • Work towards achieving the commitments set in the GSMA Mobile Alliance to combat Digital Child Sexual Exploitation • Continue to drive advocacy on children across Zain's value chain • Implement ZYxGreenSkills program across all operating markets to advance youth's skills to address climate change

Corporate Sustainability Target	Comments
Building human capital within the organization	• Develop training programs on ethical standards that cover all employees including part-timers, suppliers, and contractors • Continue interaction with the Diversity, Equity, and Inclusion University (DEIU) and IE University, providing employees access to furthering their education through an online Digital Transformation program with the option of attaining a Master's degree
Expand and improve Zain's stakeholder engagement strategy across all functions	• The company continues to uphold its commitment to improving its stakeholder engagement processes by having open, effective, and frequent communications with major stakeholders. For more details about Zain's stakeholder engagement, please visit 'Stakeholder Engagement' on page 56
Continue to improve governance policies and practices to maintain compliance with Kuwait's Capital Markets Authority (CMA) regulations	• Zain complies with CMA regulations in Kuwait, as related to transparency and governance, and takes steps to further refine its compliance in alignment with global best practices
Continue to optimize the company's risk management policies and practices	• Zain's Risk Management and Internal Audit functions continue to coordinate in union with the Board Risk and Audit committees to improve the organization's effectiveness in identifying and mitigating organizational risks
Expand and broaden the organization's Innovation Agenda	• Continuing developing the innovation agenda through strategic activities and partnerships such as Dizlee (API platform), ZainTECH, Zain Esports, and Zain Fintech, amongst others • Contributing to national innovation by establishing innovation centers, ZINC in Kuwait, Iraq, and Jordan • Aiming to further enhance the intrapreneurship ecosystem within the company through the ZAINIAC program
Continue to take steps to address and improve gender and disability disparity and encourage greater inclusivity within the organization	• Continue to take steps to address and improve gender and disability disparity and encourage greater inclusivity within the organization • Pioneering the Diversity, Equity, and Inclusion (DEI) agenda across the board, to further the targets set in each of the DEI focus areas: > WE – tackling gender gaps within the company > WEABLE – supporting people with disabilities in the workplace > ZAINIAC – internal innovation > BEWELL – promoting mental health and well-being > ZY – empowering young Zain employees through skills development, including ZYxGreenSkills > Reach – embed a mentoring culture within the organization



We look forward to receiving your thoughts and feedback on this report. Kindly send comments and/or questions to cs@zain.com.



CHAPTER 21

Appendix

ESG METRICS FOR MOBILE

GSMA ESG METRICS FOR MOBILE INDUSTRY REPORTING FRAMEWORK

ESG Metrics for Mobile code	Topic	Metric (family)	Metric (name)	2023 response
	Mobile foot-print	**Mobile connections (customers)**	Total number of mobile connections	44,466
		Science-based targets	Total cellular data traffic (last 12 months, exabytes)	29.5
GSMA-ENV-01	Emissions	**Science-based targets**	1.1 Have you set, or committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement? (yes/no)	Zain has set reduction targets in line with SBTi however they are not officially approved yet as Zain has 2 years to submit targets. However, Zain is officially committed to SBTi on January 2023. Please find this link for reference.
GSMA-ENV-02		**Scope 1, 2 and 3 emissions**	1.2a i. Absolute Scope 1 and 2 emissions (tonnes CO_2e)	1,003,495,338
			1.2a ii. Percentage change in absolute Scope 1 and 2 emissions since last reporting period	24.50%
			1.2b i. Absolute Scope 3 emissions (tonnes CO_2e)	490,328.71
			1.2b ii. Percentage change in absolute Scope 3 emissions since last reporting period	-1.27%
GSMA-ENV-03	Energy	**Energy consumption**	1.3a. Total energy consumed across group (MWh)	1.562 million MWh
			1.3b. Total network-related energy consumed (MWh)	1.562 million MWh
			1.3c i. Network energy mix: percentage renewables	1.3%
			1.3c ii. Network energy mix: percentage grid (fossils)	74.1%
			1.3c iii. Network energy mix: percentage diesel	24.6%

ESG Metrics for Mobile code	Topic	Metric (family)	Metric (name)	2023 response
GSMA-ENV-04	Waste reduction	**Materials repaired or reused**	1.4a i. Percentage of network equipment repaired or reused, by units	Refer to Sustainability Agenda, page 92.
			1.4a ii. Percentage of network equipment repaired or reused, by purchase price	Refer to Sustainability Agenda, page 92.
			1.4b i. Percentage of handsets and CPE repaired or reused, by units	Refer to Sustainability Agenda, page 92.
			1.4b ii. Percentage of handsets and CPE repaired or reused, by purchase price	Refer to Sustainability Agenda, page 92.
GSMA-ENV-05		**Waste generated**	1.5a Total waste generated (tonnes)	Refer to Sustainability Agenda, page 92.
			1.5b Network waste (tonnes)	Refer to Sustainability Agenda, page 92.
			1.5c Handset and other CPE waste (tonnes)	Refer to Sustainability Agenda, page 92.
			1.5d All other waste (tonnes)	Refer to Sustainability Agenda, page 92.
GSMA-ENV-06		**Materials recycled**	1.6a i. Percentage of network waste (from 1.5b) recycled, by units	Refer to Sustainability Agenda, page 92.
			1.6b i. Percentage of handset and CPE waste (from 1.5c) recycled	Refer to Sustainability Agenda, page 92.
			1.6c i. Percentage of all other waste (from 1.5d) recycled	Refer to Sustainability Agenda, page 92.

ESG Metrics for Mobile code	Topic	Metric (family)	Metric (name)	2023 response
GSMA-INC-01	Network coverage	**Population covered by mobile network**	2.1 Percentage of population covered by operator's mobile network. Please disclose each network generation (3G, 4G, 5G) separately	
GSMA-INC-03	Digital skills	**Digital skills programmes**	2.3 Number of people (excluding employees) who have completed a basic, intermediate or advanced digital skills training programme divided by total subscribers	Refer to Sustainability Agenda, page 97-104.
GSMA-INT-01	Data protection	**Customer data incidents**	3.1a Number of data breaches, per million subscribers	In 2023, there was 0 reported cases related to breaches of customer privacy, data leaks, theft or loss.
			3.1b Percentage of data breaches involving Personal Identifiable Information (PII)	0
			3.1c Number of customers affected, per million subscribers	0
			3.1d Number of regulatory actions for data protection violations (e.g. marketing-related complaints, data breaches), per million subscribers	0
GSMA-INT-02	Digital rights	**Digital rights policy**	3.2 Is there a policy specifically covering digital rights protection and transparency, privacy, freedom of expression, government mandates to shut down or restrict access, and/or government requests for data? (yes/no)	Yes, Privacy Policy available via: link

ESG Metrics for Mobile code	Topic	Metric (family)	Metric (name)	2023 response
GSMA-INT-03	Online safety	**Online safety measures**	3.3 Do you have controls or programmes in place to improve online safety for children and other vulnerable groups? Please state which vulnerable groups it covers	Yes, Privacy Policy available via: link
GSMA-SUP-01	Sustainable supply chain	**Sustainable procurement policy**	4.1a Do you have a sustainable procurement policy in place? (yes/no)	Yes, Supplier code of conduct is available via: link
			4.1b If answer to 4.1a is yes, how many of the following elements does it cover? Please state which elements it covers. a. Organisational governance b. Human rights c. Labour practices d. Environment e. Fair operating practices f. Consumer issues g. Community involvement and development	We cover the following: • Human Rights • Labour Practices • Enviroment • Fair operating practices • Community involvement and development (not included in the supplier code of conduct, however we train our suppliers on various sustainability topics)
GSMA-SUP-02		**Supplier assessments**	4.2a Percentage of suppliers screened against the sustainable procurement policy using company defined and documented assessment procedure, within the previous two years to the reporting period	24% of active suppliers
			4.2b Percentage of suppliers assessed against the sustainable procurement policy through site visits, within the previous two years to the reporting period	3% physical audit, 31% self assessment questionnaire

SASB - TELECOMMUNICATION SECTOR

SASB STANDARDS
Now part of IFRS Foundation

Topic	SASB Code	SASB Standard/Metric	Section	Comments	External Assurance
	TC-TL-000.A	Wireless Subscribers		44,466	
	TC-TL-000.C	Broadband Subscribers		6,100	
	TC-TL-000.D	Network Traffic		29.05	
Environmental Footprint of Operations	TC-TL-130a.1	Total energy consumed		5,622,428 Gigajoules	Yes
		Percentage grid electricity		74%	
		Percentage renewable energy		1.30% - the data used to calculate energy consumption from renewable sources is based on actual data for Iraq, Jordan, Kuwait and South Sudan. While the data for Sudan is based on 2022 actual data due to the conflict in Sudan.	
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to behavioral advertising and customer privacy	Enterprise Risk Management		Yes
	TC-TL-220a.2	Number of customers whose information is used for secondary purposes	Enterprise Risk Management		Yes
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		This information is considered confidential, as such Zain does not disclose this indicator.	
	TC-TL-220a.4	1. Number of law enforcement requests for customer information		This information is considered confidential, as such Zain does not disclose this indicator.	
		2. Number of customers whose information was requested			
		3. Percentage resulting in disclosure			
Data Security	TC-TL-230a.1	1. Number of data breaches	Enterprise Risk Management		Yes
		2. Percentage involving personally identifiable information (PII)	Enterprise Risk Management		
		3. Number of customers affected	Enterprise Risk Management		
	TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Enterprise Risk Management		Yes

Topic	SASB Code	SASB Standard/Metric	Section	Comments	External Assurance
Product End-of-Life Management	TC-TL-440a.1	1. Materials recovered through take back programs, percentage of recovered materials that were, (2) reused, (3) recycled and (4) landfilled	Sustainability Agenda		
Managing Systemic Risks from Technology Disruptions	TC-TL-550a.1	1. System average interruption frequency and		Zain does not yet report on this metric.	
		2. Customer average interruption duration			
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	Enterprise Risk Management		
Competitive Behavior & Open Internet	TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations		This information is considered confidential, as such Zain does not disclose this indicator.	
	TC-TL-520a.2	Average actual sustained download speed of		Zain does not yet report on this metric	
		1. Owned and commercially associated content			
		2. Non-associated			
	TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices		Zain does not yet report on this metric	

GLOBAL REPORTING INITIATIVE (GRI)

General Disclosure		Section	Comments	External Assurance
2-1	Organizational details	About the Report, Company Overview		Yes
2-2	Entities included in the organization's Sustainability Reporting	About the Report		Yes
2-3	Reporting period, frequency and contact point	About the Report		Yes
2-4	Restatements of information		There is no significant information restated in the 2023 Report	Yes
2-5	External Assurance	About the Report, Independent Assurance Report		Yes
2-6	Activities, value chain and other business relationships	About the Report, Products & Services		Yes
2-7	Employees	People & Purpose		Yes
2-8	Workers who are not employees	People & Purpose	All outsourced labor-related services are provided through third parties that go through the company's procurement practices.	Yes
2-9	Governance structure and composition	Corporate Governance		Yes
2-10	Nomination and selection of the highest governance body	Corporate Governance		Yes
2-11	Chair of the highest governance body	Corporate Governance		Yes
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance		Yes
2-13	Delegation of responsibility for managing impacts	Corporate Governance		Yes
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance		Yes
2-15	Conflicts of interest	Corporate Governance		Yes
2-16	Communication of critical concerns	Corporate Governance		Yes
2-17	Collective knowledge of the highest governance body	Corporate Governance		Yes

General Disclosure		Section	Comments	External Assurance
2-18	Evaluations of the performance of the highest governance body	Corporate Governance		Yes
2-19	Remuneration policies	Corporate Governance		Yes
2-20	Process to determine remuneration	Corporate Governance		Yes
2-21	Annual total compensation ratio	Corporate Governance	This information is considered confidential however detailed information on remuneration can be found in Zain Annual Report on page 76.	
2-22	Statement on sustainable development strategy	Message from the Board of Directors, Message from the Vice-Chairman and Group CEO, Message from the Chief Sustainability Officer		Yes
2-23	Policy commitments	Corporate Governance, Human Rights		Yes
2-24	Embedding policy commitments	Corporate Governance, Human Rights		Yes
2-25	Processes to remediate negative impacts	Human Rights		Yes
2-26	Mechanisms for seeking advice in raising concerns	Corporate Governance, Human Rights		Yes
2-27	Compliance with laws and regulations		This information is considered confidential.	Yes
2-28	Membership associations	Enterprise Risk Management		Yes
2-29	Approach to stakeholder engagement	Stakeholder Engagement		Yes
2-30	Collective bargaining agreements		Iraq 5% Sudan 100%	Yes

Disclosure on Material Topics		Section	Comments	External Assurance
3-1	Process to determine material topics	Materiality Assessment		Yes
3-2	List of material topics	Materiality Assessment		Yes
3-3	Management of material topics	Materiality Assessment		Yes

General Disclosure		Section	Comments	External Assurance
Topic Specific Disclosures				
Customer privacy & data security				
GRI 418 - Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Enterprise Risk Management		Yes
Employee health & safety				
GRI 401 - Employment				
401-1	New employee hires and employee turnover	People & Purpose		Yes
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees		Found in Zain's Financial Statement on Page 128.	
401-3	Parental leave	People & Purpose		Yes
Customer Service				
GRI 416 - Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories		In accordance to industry standards, the company ensures that all its products and services are in accordance to health and safety best practices when it comes to network equipment. When it comes to launching new products and services into the market, the company abides by health and safety standards set by the local regulatory entities. Furthermore, the company covers all health and safety impacts of its products and services in its Environmental and Social Management Plan (ESMP) which includes public exposure to Electro- Magnetic Fields, compliance to International Commission on Non-Ionizing Radiation Protection (ICNIRP).	Yes
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There has been 0 incidents concerning health and safety of Zain's products and services.	Yes
Climate Change				
GRI 302 - Energy				
302-1	Energy consumption within the organization	Sustainability Agenda		Yes
GRI 305 - Emissions				
305-1	Direct (Scope 1) GHG emissions	Sustainability Agenda		Yes
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Agenda		Yes

General Disclosure		Section	Comments	External Assurance
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Agenda		Yes
Business Ethics & Governance				
GRI 205 - Anti-Corruption				
205-1	Operations assessed for risks related to corruption		100% of Zain's operations are assessed for fraud risks and violations of the Code of Conduct which include anti-corruption risks	Yes
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance	Through its onboarding process, the company communicates its anti-corruption policies and procedures to all new joiners. Furthermore, it ensures that such policies and procedures are accessible to all through the company's internal portal.	Yes
205-3	Confirmed incidents of corruption and actions taken		There were 0 incidents	Yes
Diversity & Inclusion				
GRI 405 - Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	Corporate Governance, People & Purpose		Yes
405-2	Ratio of basic salary and remuneration of women to men	People & Purpose		Yes
GRI 406 - Non Discrimination				
406-1	Incidents of discrimination and corrective actions taken		This indicator is not disclosed.	
Workforce managment				
GRI 202 - Market Presence				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		This indicator is not relevant to the industry we operate in, as such data is not collected for this measure. The company's pay scales are reviewed on regular bases and adhere to each operating country's labor law guidelines.	
202-2	Proportion of senior management hired from the local community	People & Purpose		Yes
Economic performance				
GRI 201 - Economic Performance				
201-1	Direct economic value generated and distributed	Products and Services		
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Agenda, TCFD		Yes

General Disclosure		Section	Comments	External Assurance
GRI 203 - Indirect Economic Impact				
203-1	Infrastructure investments and services supported	Products and Services Sustainability Agenda		Yes
203-2	Significant indirect economic impacts	Products and Services Sustainability Agenda		Yes
Supply Chain Management				
GRI 204 - Procurement Practices				
204-1	Proportion of spending on local suppliers	Products and Services		Yes
GRI 308 - Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	Products and Services		Yes
308-2	Negative environmental impacts in the supply chain and actions taken	Products and Services	There were no negative environmental impacts identified through Zain's supply chain in 2023.	Yes
GRI 414 - Supplier Social Assesssment				
414-1	New suppliers that were screened using social criteria	Products and Services		Yes
414-2	Negative social impacts in the supply chain and actions taken	Products and Services	There were no negative social impacts identified through Zain's supply chain in 2023.	Yes
Philanthropy and Community Engagement				
GRI 413 - Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs		100% of our operations include local community engagement and development programs	Yes
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Agenda	The company aligns to the Zain Environmental and Social Management Plan (ESMP) Guidelines. The ESMP Guidelines were developed to minimize Zain's potential harmful environmental impacts, protect the safety of its surrounding communities and address negative impacts of the company's business activities. The processes in the ESMP Guidelines include reviewing environmental and social risks, notifying local communities before undertaking any installation or maintenance work and issuing policies that address grievance from local community members. Zain's equipment is tested regularly to ensure compliance is maintained with the International Commission on Non-Ionizing Radiation Protection (ICNIRP) for occupational public exposure to electric and magnetic fields, and to guarantee that the public is protected and made aware of EMF zones by restricted access and appropriate signage of Antenna propagation zones that exceed the ICNIRP maximum public level.	Yes

TCFD RECOMMENDATIONS

		External Assurance
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Yes
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Yes
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Yes
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Yes
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Yes
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Yes
	b. Describe the organization's processes for managing climate-related risks.	Yes
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Yes
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Yes
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Yes
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Yes



CHAPTER 22

Independent Assurance Report

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

Building a better working world

To the Board of Directors and Management of Mobile Telecommunications Company K.S.C.P.

Scope

We have been engaged by Mobile Telecommunications Company K.S.C.P. ("Zain Group") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on material areas / performance metrics (as described below, the "Subject Matter") in Zain Group's 2023 Sustainability Report (the "Report") for the year ended 31 December 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Our limited assurance engagement covered disclosures reported in full or partially by Zain Group in the Report against the indicators in the Global Reporting Initiative Sustainability Reporting Standards 2021 (GRI Standards), Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard Codes and, Recommendations of the Task Force on Climate-related Financial Disclosures June 2017 (TCFD). Our assurance is limited to indicators as specified in the table below:

Global Reporting Initiative (GRI)	• The organization and its reporting practices: 2-1, 2-2, 2-3, 2-4, 2-5 • Activities and workers: 2-6, 2-7, 2-8 • Governance: 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20 • Strategy, policies and practices: 2-22, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28 • Stakeholder engagement: 2-29, 2-30 • Disclosure on material topics: 3-1, 3-2, 3-3 • Economic performance: 201-2 • Market presence: 202-2 • Indirect economic impacts: 203-1, 203-2 • Procurement practices: 204-1 • Anti-Corruption: 205-1, 205-2, 205-3 • Energy: 302-1 • Emissions: 305-1 [Direct (Scope 1) GHG emissions], 305-2 [Energy indirect (Scope 2) GHG emissions], 305-3 [Other indirect (Scope 3) GHG emissions] • Supplier environmental assessment: 308-1, 308-2 • Employment: 401-1, 401-3 • Diversity and equal opportunity: 405-1, 405-2 • Non-Discrimination: 406-1 • Local communities: 413-1, 413-2 • Supplier assessment for labor practices: 414-1, 414-2 • Customer health and safety: 416-1, 416-2 • Customer privacy: 418-1
Sustainability Accounting Standards Board (SASB)	• Environmental footprint of operations: TC-TL-130a.1 • Data privacy: TC-TL-220a.1, TC-TL-220a.2 • Data security: TC-TL-230a.1, TC-TL-230a.2
Taskforce on Climate-Related Financial Disclosures (TCFD)	• Governance – Board oversight and management role in assessing and managing climate-related risks and opportunities • Strategy – Climate-related risks and opportunities identified and its impact on the organization along with the climate-related scenario analysis • Risk management – Organization process of identifying, assessing and managing climate-related risks and the integration of these into the organization's overall risk management • Metrics & targets – Metrics includes energy consumption from diesel fuel and grid electricity and emissions (Scope 1, Scope 2 and Scope 3) and climate-related targets

The scope excludes future events or the achievability of objectives, targets and expectations of Zain Group. EY has not conducted an audit, review or conduct an examination of any of the Zain Group's financial statements or any other financial information.

Criteria applied by Zain Group

In preparing the Subject Matter, Zain Group applied the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), the Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard and, Recommendations of the Task Force on Climate-related Financial Disclosures June 2017 (TCFD) (Collectively the "Criteria")

Zain Group's responsibilities

Zain Group's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and the terms of reference for this engagement as agreed with Zain Group on 24th October 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance

engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

a. Conducted interviews with personnel in the Group Corporate Sustainability Department, Networks team, Procurement team, Human Resource team and Legal and Risk Management team to understand the business and reporting process;

b. Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;

c. Checked documents and internal communications received by the Group Corporate Sustainability Department to validate the accuracy of information reported;

d. Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;

e. Undertook analytical review procedures over the Subject Matter and made inquiries of relevant personnel;

f. Tested, on a sample basis, underlying source information to check the accuracy of the data;

g. Tested the disclosure and presentation of the subject Matter within the report against the criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the subject matter as of 31 December 2023 and for the period 1 January to 31 December 2023, in order for it to be in accordance with the Criteria.

For Ernst & Young (Al Aiban, Al Osaimi & Partners)



Signed by Waleed Al-Osaimi
27 March 2024
Kuwait

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