

The background of the entire page is a photograph of a desert at sunset. Three camels are silhouetted against the bright, low sun, which is positioned between the second and third digits of the year "2021". The sky is a mix of deep blue, orange, and pink. The sand dunes in the foreground are textured and lit by the warm light of the setting sun. The large white numbers "2021" are superimposed over the sky and the camels.

2021

**A Resilient Journey
Across a Challenging Year**
Sustainability Report

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An aerial night view of a city, likely Toronto, with the CN Tower prominently visible on the right side. The city lights are visible in the lower half of the image, and the sky is a deep blue with some clouds. The overall mood is serene and urban.

01

About the Report

About the Report

Our 2021 Sustainability Report highlights the socio-economic and environmental impacts of Zain's activities and its dedication to creating systemic change and establishing long-term value for all. Marking Zain's 11th consecutive year of reporting, the company aims to address the impact and the integration of Environmental, Social and Governance (ESG) topics on its overall strategic direction through its Zain's five-year (2020-2025) Corporate Sustainability strategy with the objective of establishing systemic change in the communities in which it operates.

This consolidated report provides an in-depth overview of Zain's activities against the targets it set in its five-year Corporate Sustainability strategy, which is centered on Climate Change, Social Business, Inclusion and Generation Youth. Moreover, the report discloses all related performances of Zain Group and its operating companies for the year ended December 31, 2021.

An independent limited assurance was provided by Ernst & Young (Al Aiban, Al Osaimi and Partners) for the current report, details of which are included on page 176. The Vice-Chairman and Group CEO, Chief Financial Officer, Chief Sustainability Officer, and other C-Level executives within Zain Group have reviewed, assessed, and approved the Sustainability Report.

The topics included in the report are based on the annual materiality assessment where Zain addresses the most material issues while ensuring it adheres to the changing landscape and the emergence of new topics. In addition, it reports on the relevance of such topics to its overall strategy, and the impact of ESG components in establishing long-term value.

The Sustainability Report is published on an annual basis with the aim of responding to stakeholders' concerns and simultaneously communicate how the company mitigates risks and leverages opportunities.

The report includes references to all of Zain's country operations, namely: Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia, Sudan, and South Sudan. In Morocco, Zain holds a 15.5% stake in INWI through a joint venture. However, as Zain does not manage operations for INWI, this operation is not part of the scope of the Sustainability Report.

Zain utilized the AA1000 Accountability Principles (AA1000AP) 2018, the Global Reporting Initiatives (GRI) standards where Zain uses the 'In Accordance' core option of the GRI Standards. The company also adheres to the Sustainability Accounting Standard Board (SASB) where it follows the 'Telecommunications Sustainability

Accounting Standard'. The content included in the report is also aligned with the United Nations Guiding Principles (UNGP) on Business and Human Rights Reporting Framework, which was launched in February 2015 and the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, Zain is also aligned to the ESG Reporting Guide published by Bursa Kuwait that is in line with the Kuwait Vision 2035.

It should be noted that some information deemed significant and mentioned in previous reports is repeated in the current one, while redundant or easily available information may have been omitted to ensure the fluidity and relevance of the current report. The report also describes situations where considerable organizational changes have taken place during the reporting period.

Zain welcomes any comments, feedback, or suggestions regarding the content of this document.

Please reach out to us on:

[Facebook](#) / [Twitter](#) / [LinkedIn](#): @Zain

[Instagram](#): @Zaingroup

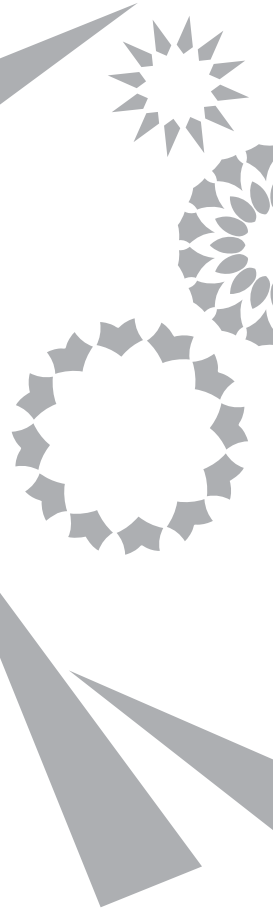
Email: cs@zain.com



02

Introduction

Introduction



Zain Group's 2021 Sustainability Report reflects its efforts in continuing to drive systemic change in the communities in which it operates by providing access to meaningful connectivity. Guided by the four pillars of its Corporate Sustainability strategy, Zain continues to track, measure and evaluate its socio-economic and environmental impacts across the board.

Driven by proactivity with regards to stakeholders' concerns, Zain addresses societal deficits and challenges across its operations. Foundational elements for the company include the furthering of its aim to safeguard the planet, fostering innovation, reducing inequalities and building prosperous communities.

With the Covid-19 pandemic continuing to impact livelihoods and stability, sustainability has become even more relevant for businesses to address the developmental challenges and mitigate risks.

Zain continues to work towards achieving the targets set under its 2020-2025 Corporate Sustainability strategy across its markets as it reassesses and improves its current practices to operate efficiently, creating maximum positive impact. Shifting towards a more sustainable outcome, Zain was able to report on its KPIs and scale up its initiatives, ultimately expanding its reach.



03

Zain's Response to COVID-19

Zain's Response to COVID-19

The pandemic continued to disrupt societies across the world, causing serious economic downturns and further exacerbating social inequalities. Moving forward with our commitment to provide meaningful connectivity and as part of Zain's social contract, the company continued to build resilience across its footprint.

Through Zain's digital transformation strategy, the company played a significant role in enabling and accelerating access to connectivity in the communities in which we operate.

Zain ensured that all its employees and their family members had access to COVID-19 vaccines and continued with the implementation of health and safety protocols across its value chain.

The following is a summary of the various COVID-related activities carried out by Zain during the course of the year:

Zain & UNICEF Ramadan Commercial

The annual Zain Ramadan commercial was executed in partnership with UNICEF. The campaign entitled "No one is safe, until we are all safe" addressed the challenge of vaccine hesitancy across the region, so as to encourage the public to take the COVID-19 vaccine and help curb the transmission of the virus. The commercial was broadcast on MBC 1, MBC Drama, Al Rai, KW TV and Shahid TV during the holy month of Ramadan and uploaded to Zain's [YouTube](#) channel, exceeding 10 million views.



Health & Safety

- To support governments where Zain operates and grant people access to vaccinations, the company organized vaccination drives for employees and their family members in Iraq, Jordan, Kuwait, Saudi Arabia and Sudan. In total, 4,794 people were vaccinated. In addition, Zain Jordan lent its mobile clinic to the National Center for Security & Crisis to facilitate vaccination drives to the public in the Kingdom. By the end of 2021, 6,900 people had been vaccinated through the Zain Mobile Clinic.
- Zain Saudi Arabia hosted a sleeping disorders session for employees to mitigate some of the mental health impacts of the pandemic. More than 300 people attended.
- To ensure Iraqi residents were able to reach government entities and health sectors at all times, Zain provided a free short code to enable users to call at no cost.
- Zain Kuwait continued to assist the Ministry of Health through the Shlonik application, which is used to ensure residents adhere to quarantine regulations and safety precautions. Since its launch, 1.77 million people have registered on the app. In addition, 630,000 people benefited from the in-app telehealth platform that provides people in quarantine a medical pass if required, access to doctors for medical consultation, and delivery of medication.



Education

Due to abrupt lockdowns and social distancing practices, the education sector has faced significant challenges throughout the pandemic. These developments required a rapid response to ensure young people continued their education. As governments were already overstretched, Zain saw this as an opportunity to provide students access to educational platforms and information relevant to their studies.

Through Zain Jordan's partnership with UNICEF, the B12 educational platform was launched to support virtual learning. Currently, 5,000 students are benefiting from the service.

To facilitate remote learning and support the educational sector in times of crisis, Zain Iraq offered data packages at no charge for students and teachers to access online educational platforms.

For the Sudanese Certificate Exam, Zain disseminated a bulk SMS to 5 million customers to raise awareness about the exam to students and their families.

Public Awareness Campaigns

The pandemic demonstrated how the spread of false or misleading information regarding health and safety can hinder the efforts to combat COVID-19. Zain's response to this was to work with governmental agencies to ensure access to the correct information.

In collaboration with the Ministry of Health, Zain Iraq installed 14 billboards in strategic locations across Baghdad to raise awareness about the vaccine. The billboards contained information on preventative measures individuals can take to avoid contracting the virus.

Financial Inclusion and supporting Small and Medium-size Enterprises (SMEs)

To provide support and build much needed resilience across the startup community, Zain introduced new cashless payment streams to alleviate financial pressures and support capacity building.

In Zain Jordan, Zain Cash, an electronic mobile payment service, provided:

- New customers the ability to open their own wallets virtually from home, without the need to visit Zain shops or dealers, benefiting more than 100,000 people
- Zain customers were provided the option to recharge their line balance online at a discounted rate during quarantine
- A channel was established to accept donations from subscribers to support the Ministry of Health's efforts
- Zain Cash customers were given access to cash-in their wallet through the Zain Jordan website using a quick-pay service through a credit card, impacting 8,000 people

- Zain Cash in Jordan was used as a main channel for processing bulk payout transactions, including government subsidies, salaries and other aid funds through e-wallets. Zain Cash handled 400,000 bulk payout transactions, totaling JOD 59 million, impacting more than 20,000 people.

Zain Jordan's Innovation Campus (ZINC) launched "Zain AI Mubadara 5", a program that supports startups' recovery during COVID-19. The initiative offers two tracks, one for entrepreneurs with a business idea and one for existing startup businesses. In total, 144 ideas and 32 startups were supported through financial and capacity building initiatives.

To support social distancing requirements, Zain Iraq launched new online payment gateway channels available through the company website and the Zain Iraq B2B mobile app.

To support enterprises of all sizes in meeting remote communication needs, Zain Saudi Arabia offered unlimited closed user group calls at no charge for one month, with the option for autorenewal.

Further details of Zain's response to the pandemic may be found here:

English: <https://www.zain.com/en/covid19/>

Arabic: <https://www.zain.com/ar/covid19/>

An aerial photograph of a city at sunset. In the foreground on the left, the Kuwait Towers are prominent, featuring two large spherical observation decks and a tall spire. The city skyline extends into the distance across a body of water, with numerous skyscrapers and buildings illuminated by the warm glow of the setting sun. The sky is a mix of orange, pink, and purple.

04

Our 2021 Highlights

Our 2021 Highlights

Our Economic Impacts:

- Zain South Sudan partnered with Trinity Technologies Limited (TTL) and launched m-Gurush, a mobile money platform. As at end of 2021, the platform counted 617,000 registered customers.
- This year, the company developed a human rights policy statement in which 100% of newly registered suppliers are signatories to the policy statement.
- Zain continued to establish a unified approach to financial technology services by launching mobile money platforms in Iraq, Jordan, Saudi Arabia and South Sudan.

Our People:

- Zain launched BE WELL a Group-wide initiative, under its diversity and inclusion program, which aims to foster the mental well-being of employees across operations.
- The company continues to prioritize required skills to achieve its strategic objectives whilst also addressing the challenges of the workforce in its markets of operation. Zain continued to leverage accessible digital platforms to provide the highest quality of training to its employees, which reached 10 hours of training per employee this year.
- Under Zain's WE ABLE initiative, the company aims to create an inclusive workplace environment with the objective of increasing the number of people with disabilities hired. WE ABLE activities include ensuring restroom accessibility, elevator voice announcements and braille, ramps, and accessible parking spots across Zain's headquarter buildings.

Our Sustainability Agenda:

- Zain launched a media campaign entitled 'Internet Monsters' raising awareness on online safety for children and the risks children might face whilst online. The campaign successfully reached 66.3 million impressions across Zain's footprint.
- To foster the development of girls and women in Science, Technology, Engineering and Math (STEM), Zain Group launched the Women in Tech program across its operating markets where 32 female STEM students were matched with seasoned experts from Zain's operations to be mentored. The mentorship sessions spanned a course of four months with the first phase including monthly meetings and the second included bi-weekly sessions.
- Zain continued to provide access to free wi-fi connectivity to 10 refugee centers across Jordan. This year, Zain was able to attract 4,012 unique new users, bringing the total to 728,000.
- 6 networks sites underwent expansion in remote and rural areas in Iraq to provide access to connectivity for 14,798 people in rural communities in 2021.

Our Products & Customers:

- Zain Jordan continues to offer the Basma Line+, targeting the deaf and mute community; providing people with disabilities (PWDs) discounted bundles packages that address their needs.
- This year, Zain Kuwait launched two different discounted packages for PWD in collaboration with the Communication and Information Technology Regulatory Authority (CITRA) and the Public Authority of the Disabled in Kuwait.
- In Sudan, Zain continued to provide youth with discounted data bundles reaching 6.2 million youth subscribing to the service.
- Zain launched a Child Online Safety Booklet in collaboration with UNICEF that promotes safe esports and games to schools and universities. The booklet aims to educate students, parents, and academic administrators on the risks children and youth may face while connected online or gaming and provide tips and tools on how to address them.

Our Climate Action:

- Zain continued to disclose its climate management to CDP, earning an A- score in 2021. This ranking is higher than the regional average for Asia of B-, and higher than the Media, Telecommunications & Data Center Services sector average of B. Additionally, Zain took a cohesive step in expanding its Scope 3 emissions inventory to report more accurately.
- This year, Zain started to measure its water consumption across its operations and began implementing water reduction initiatives in its headquarters.
- Based on Zain's corporate sustainability strategy, the company aims to eliminate its plastic consumption in addition to managing and reducing the waste in its warehouses by 50% by 2025. As such, the company is working towards standardizing warehouse inventory management across its operations in addition to upcycling packages.



- Zain Bahrain established the “Enablement Line” which acts as a helpline for People with Disabilities.
- This year, Zain Bahrain continued to provide youth ranging in age between 16-24 years with a specialized package that provides a monthly rate of 50 GB of data. 800 active users are subscribed to this package.
- Zain Bahrain hosted an e-waste recycling competition that extended to four middle schools in Bahrain. The aim of the contest was to raise awareness and instill a practice of recycling old electronic devices amongst the youth in the Kingdom. 10.5 tons of e-waste was collected.
- In Iraq, Zain Cash reached over 92,000 active customers in 2021. The mobile money entity offers the ability to conduct payments through a mobile wallet, supporting payment for goods, money transfer and salary disbursements. Currently, there are 8,100 Zain Cash agents operating in Iraq.
- 6 networks sites underwent expansion in remote and rural areas in Iraq to provide access to connectivity for 14,798 people in rural communities in 2021.
- To address the needs of people with disabilities, Zain Iraq launched priority cards for customers with registered disabilities, to bypass waiting lines at Zain’s branches and kiosks, providing faster service.
- Through Zain Jordan’s partnership with UNICEF, the B12 educational platform was launched to support virtual learning. Currently, 5,000 students are benefiting from the service.
- Zain Jordan’s Innovation Campus (ZINC) launched “Zain Al Mubadara 5”, a program that supports startups’ recovery during COVID-19. In total, 144 ideas and 32 startups were supported through financial and capacity building initiatives.
- Through Jordan’s Al Aman Fund for the Future of Orphans, Zain provided 96 scholarships for the year 2020-2021.
- Zain Kuwait continued to assist the Ministry of Health through the Shlonik application, which is used to ensure residents adhere to quarantine regulations and safety precautions. Since its launch, 1.77 million people have registered on the app.
- This year, Zain Kuwait launched two different discounted packages for PWDs in collaboration with the Communication and Information Technology Regulatory Authority (CITRA) and the Public Authority of the Disabled in Kuwait.
- Zain is currently working with the Canadian Center for Children Protection to integrate Project Arachnid, software to reduce the availability of Child Sexual Abuse Material (CSAM) globally. The company successfully integrated Project Arachnid in Kuwait.

Saudi Arabia

2,111

Annual Revenues (USD m)

8.0

Customers (m)

1,751

Full-Time Employees

271

Total Capex (USD m)

- Zain Saudi Arabia (KSA) launched a campaign targeting e-waste. The campaign explained the process of dismantling old electronic devices, such as smart phones and assurance for deleting all data before undergoing a recycling process to reuse its components and hardware.
- In 2021, Zain Saudi Arabia provided sign language trainings for frontline customer service staff to ensure the service is inclusive of members of the deaf and mute communities.
- Established direct customer billing relationships with digital brands such as with Amazon Prime (includes Amazon Prime Video), Sony (Play Station Store), Likee, and Uber.

Sudan

330

Annual Revenues (USD m)

16.3

Customers (m)

741

Full-Time Employees

55

Total Capex (USD m)

- In Sudan, Zain continued to provide youth with discounted data bundles reaching 6.2 million youth subscribing to the service.
- Zain Sudan collaborated with Hawatif outsourcing company to train fresh graduates to be employed at call centers. Since 2020, 870 agents have been hired through this program, showcasing the company's willingness to provide growth opportunities for youth.
- In October 2021, Zain supported the launch of the Learning Passport in Sudan with UNICEF and the Ministry of Education providing zero-rated access to the platform across Zain's network. To date, the platform has approximately 2,112 active users.

South Sudan

1.1

Customers (m)

96

Full-Time Employees

32

Total Capex (USD m)

- Zain South Sudan continues the installation of hybrid solutions, which resulted in a reduction of the fuel consumption on sites. This year, 25 DG-battery hybrid solutions and 25 outdoor solutions were installed.
- Zain South Sudan partnered with Trinity Technologies Limited (TTL) and launched m-Gurush, a mobile money platform. As at end of 2021, the platform counted 617,000 registered customers.

05

Awards



Awards

Zain Group: Best in Diversity Award 2021, Leadership in Sustainability Award 2021, and Championship Award in Women Empowerment 2021

Zain Group received three accolades at the annual Global Good Governance Awards 2021 for being Best in Diversity; Leadership in Sustainability; and Championship in Women Empowerment. These annual awards are organized by UK-based think tank Cambridge IFA and celebrate individuals, governments, public and private sector institutions and NGOs that exhibit governance and sustainability as their strategic priority. The awards were based on five pillars: The organization's commitment on operating transparently; promoting best practices in social responsibility; promoting sustainable practices and initiatives that embrace the triple bottom line: social, economic, and environmental impacts sustainability reporting; and the company's commitment to drive innovation in its business practices and governance. The three awards reflect the company's firm commitment towards embedding a sustainability and inclusion agenda into its business practices.



Zain Group: 'Best Corporate Governance Award 2021'

Zain Group was presented with the 'Best Corporate Governance Award 2021' for Kuwait at the World Finance Awards 2021 ceremony. These annual awards select and analyze diverse and succinct corporate governance platforms and recognize leading organizations in this area. Zain was highlighted for its principles and integrity as reflected by its Investor Relations and Corporate Governance Framework, which drives its ongoing ability to provide shareholder returns and pursue long-term objectives whilst ensuring ongoing transparency and accountability in its reporting. Zain's selection for this award demonstrates the company's pursuit of transparency and best practice in its Investor Relations and general operating and reporting functions.

Zain Kuwait: Best Mobile Operator

In February 2021, Zain won the 'Best Mobile Operator' category in Kuwait for 2020' by Service Hero, the only entirely consumer-powered customer satisfaction index, by providing the best quality service standards in Kuwait. After an in-depth evaluation by Service Hero's independent advisory council, Zain was recognized for its leadership in offering the best innovative digital services, as well as for its relentless pursuit of excellence and innovation with the aim of achieving superior digital lifestyle transformation for its customers.





Zain Group: “New Technology Leadership”, “Innovation Collaborations and”, and “Ground-breaking Products and Services” Awards

Zain Group was presented with three awards at the prestigious SAMENA Council - endorsed MEA Business Technology Achievement Awards 2021, in the categories of New Technology Leadership; Innovation Collaborations and Partnerships; and Ground-breaking Products and Services.

Pioneering 5G deployments in Kuwait and Saudi Arabia, and later Bahrain led to Zain's recognition as the 'New Technology Leadership' award recipient. An early adopter of 5G, in May 2019, Zain announced its 5G network in Kuwait was fully ready for the commercial launch of services. In October that year, Zain Saudi Arabia launched the largest 5G network in the region at the time, and third largest in the world.

Zain Esports received an award from the 'Innovative Collaborations and Partnerships' category for its collaboration with YaLLa Esports and other entities in the region's ecosystem such as Playhera in Saudi Arabia and AIHub in Kuwait. Zain Esports' presence in the region as a gaming powerhouse is creating an ecosystem that reduces reliance on traditional telco services and opens growing opportunities for fast developing and lucrative digital services and online gaming.

Zain was awarded the 'Ground-breaking Products and Services' recognition for its Tamam financial technology company in Saudi Arabia, which provides consumer micro-lending services. The operation was established in 2019 with a goal to increase financial inclusion in the Kingdom in line with the Financial Sector Development Plan, part of Saudi Arabia's Vision 2030. Taman offers individuals requiring financing the opportunity to access Islamic Shari'a compliant loans without physically visiting a bank location.





Zain awarded 'Best Brand' at Telecom Review Excellence Awards 2021

The Zain brand was identified as the 'Best Brand' for telecom in the Middle East for 2021 at the Telecom Review Summit Excellence Awards gala ceremony held in Dubai in December, 2021. Telecom Review is a leading industry publication and the award recognizes the outstanding performance of Zain's brand across all its markets, which has come to represent the highest standard of customer service across all of its touchpoints. Winners were chosen based on demonstrable capabilities in their specific sector by an independent panel of 15 experienced industry veterans. Zain has been a recipient of the 'Best Brand' accolade at other regional events in the past, confirming the success of its media campaigns, corporate sustainability, and diversity and inclusion initiatives, as well as its ongoing innovation and investment in network upgrades. These factors combined have resulted in exceptional customer experience since the introduction of the Zain brand in 2007, making it one of the most respected and recognized corporate brands in the Middle East and Africa.



Zain Saudi Arabia awarded 'Best 5G User Growth' and 'Most Innovative Service' for its Yaqoot mobile-only platform.

At the Telecom Review Summit Excellence Awards in December 2021, Zain Saudi Arabia was awarded the 'Best 5G User Growth' accolade for reaching new heights in the Saudi telecom market, having established itself as the leading provider of 5G services in the Kingdom, having one of the largest 5G networks across the globe. Moreover, the operator's digital-only mobile platform Yaqoot received the 'Most Innovative Service' award due to its enormous growth during 2021, counting over one million installations of the app, and offering customer centric services such as eSIM, Apple Pay, and a chatbot services, as well as coordinating the delivery of SIMs to over 170 cities in the Kingdom.

Zain Iraq: "Best Marketing Campaign 4G-LTE launch" and "Most Innovative Digital Transformation Telecom Company" (oodi)

Zain Iraq was granted the "Best Marketing Campaign 4G-LTE launch" award and the "Most Innovative Digital Transformation Telecom Company" (oodi) at the International Finance Awards 2021. This recognition was in respect to the introduction of 4G LTE service in Iraq and the launch of Iraq's first all-digital telecom service with oodi providing Iraqi customers with complete flexibility, transparency, and ease-of-use for their mobile experience, helping bridge the digital divide in the country. The International Finance Awards 2021 highlight innovation, entrepreneurship, and success stories that focus on the importance of digital transformation. The two accolades reflect the company's vision of achieving digital transformation alongside renewed offers, initiatives and projects that address customers' growing and changing needs.

06

Message from the Board of Directors



Mr. Ahmed Tahous Al Tahous
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

Operating in a diverse and complex region, with a multitude of challenges makes us inherently aware of the duty we have as the Board of Directors to ensure and foster the promise of meaningful connectivity across our footprint.

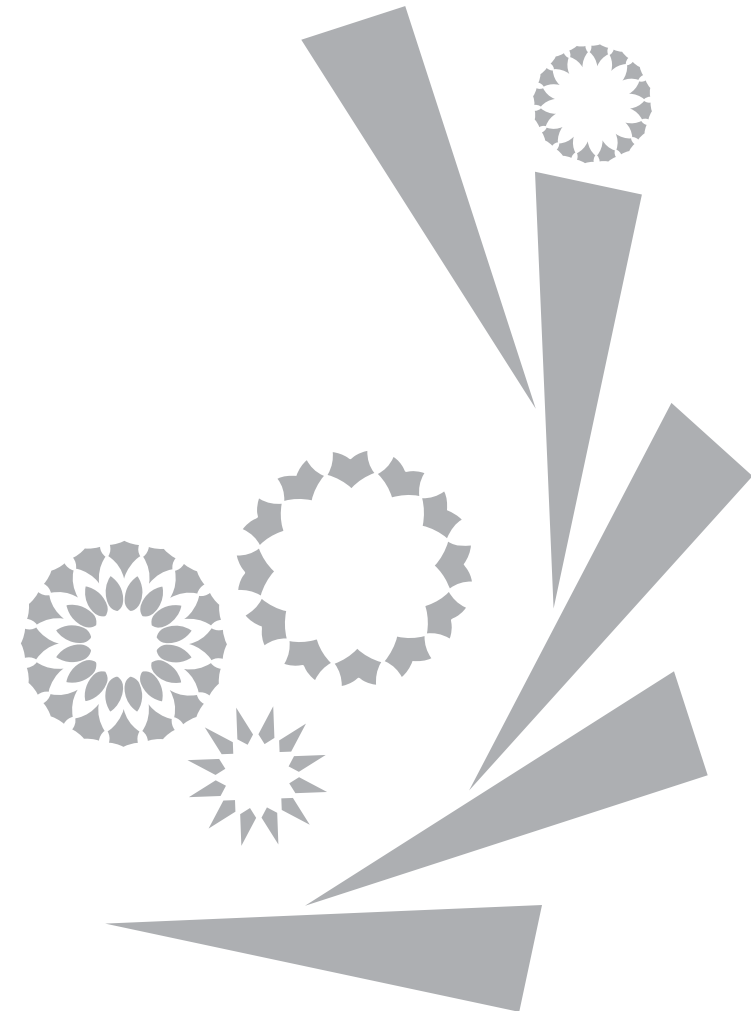
We realize that the best way for Zain to contribute towards socio-economic development in the markets in which it operates is to work towards building the internal resilience of the company, ensuring that our foundations are strong, adaptive, and can lead us to transform towards our new reality. During 2021, we saw the business grow steadily despite the COVID-19 pandemic continuing to impact our operating markets.

Socio-economic impacts coupled with the effects of climate change underscored the need to upskill employees, set in place more aggressive greenhouse gas reduction targets, as well as the requirement to further contribute to the innovation ecosystem. To do so, we acknowledge the need to continue developing the workforce of the future to be able to play a catalytic role in our communities.

As we move forward, Zain will continue to push its transformative agenda with an inclusive and equitable approach to strengthen our communities and together work towards a prosperous future.

We would like to take this opportunity to extend our gratitude to His Highness the Amir of the State of Kuwait, Sheikh Nawaf Al Ahmed Al Jaber Al Sabah; His Highness the Crown Prince, Sheikh Meshal Al Ahmed Al Jaber Al Sabah, His Highness the Prime Minister Sheikh Sabah Al Khalid Al Hamad Al Sabah, as well as the members of the governments in which we operate, for their invaluable support, instrumental in the continued achievements of our organization.

Sincerely yours,
Zain Group Board of Directors



07

Message from the Vice Chairman and Group CEO



Bader Nasser Al Kharafi
Vice-Chairman and Group CEO



Challenges arising from the COVID-19 pandemic continued to impact the world throughout 2021. Yet, despite the difficulties brought forth by the pandemic, such as supply chain disruptions, government restrictions, economic downturns, and socio-political instability, coupled with the unfolding crisis of climate change, Zain witnessed a determined recovery of its operational performance across our markets.

We continued to focus on developments related to our 4Sight strategy by formally launching ZainTech – Zain's digital arm – which will play a transformative role in propelling the internal digital transformation of the company, while also playing a significant role in fostering systemic change in our markets. ZainTech will contribute to the growth of the enterprise ecosystem, transforming society, governments, and businesses as well. Cloud services, big data, smart cities solutions, and cyber security are some of the services ZainTech will provide. Through the 4Sight strategy, we are set to reinvent ourselves, becoming increasingly relevant to the needs of our customers, which is a key factor in the sustainability of our business.

Throughout 2021, Zain identified opportunities that resulted from the pandemic, pushing forward with the automation of many of its processes, including its online sales outbound sales channels, which compensated for gaps in the Kuwait market. To be less dependent on physical retail space, Zain Kuwait revamped its app and introduced an e-commerce platform affording customers an effective and superior online customer experience. The move towards broader online presence resulted in having less dependence on physical points of sales, a strategic direction we are aiming to replicate in our other operations. To ensure our customers were provided with best-in-class customer experience, we further enhanced our call centers, resulting in greater efficiency as all customer center employees worked remotely and were provided with all the necessary tools.

Changes in the regulatory environment across our footprint slowed, and technology uptake was also impacted by delays related to supply chain challenges. Pandemic-related delays resulted in a drop in device sales due to lack of availability. Zain addressed these challenges by proactively engaging with our suppliers and communicating regularly with our operating companies to factor-in possible delays and place orders well in-advance to compensate for the challenges being faced in logistics globally.





It was pleasing to see Zain Saudi Arabia receiving a non-binding offer from the Kingdom's Public Investment Fund to buy all the company's passive tower infrastructure, following our pioneering sale of Zain Kuwait's towers. We are keen on to finalizing similar infrastructure deals in both Jordan and Iraq. In Kuwait, the launch of a new MVNO is looming and we are well prepared to deal with the new competition.

Moreover, our operations in Iraq and Sudan experienced socio-political instability with Iraq continuing to be politically unstable, while also facing significant currency devaluation. Sudan witnessed occasional disruptions to the provision of internet services in the country for periods of time, which did eventually stabilize. In South Sudan, the entrance of a third operator in Juba is set to alter dynamics in the marketplace and we are also preparing for such a challenge. In Bahrain, the doubling of the VAT from 5% to 10% commencing January 2022, will impact consumer spending, a challenge we are prepared to cope with through customer centric initiatives.

Our digital verticals experienced significant growth across the ecosystem. The launch of Zain Ventures is a major step towards propelling digital innovations in the entrepreneurial start-up environment. Our investment in Pipe.com and swvl.com will further accelerate their growth across our footprint, as our digital investment team is set to play a strategic role in helping them realize more potential growth across our markets.

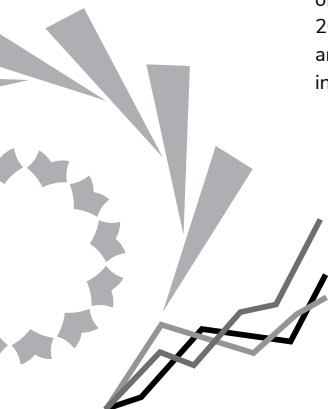
We have a priority today on obtaining a digital banking license and becoming the first telco-led challenger bank across the Middle East. We are keen on fostering innovations in the fintech space, given the success and exponential growth we have achieved to date with Tamam in Saudi Arabia, which is the first entity in the region to be licensed by a regulator to offer consumer micro loans via a digital app. Similar success is evident through Zain Cash in Iraq and Jordan, these significant Fintech moves leading to systemic change in the lending ecosystem.

Zain Esports also witnessed growth by partnering with multiple prominent developers to progress the gaming ecosystem, holding 24 tournaments during 2021 with over 20,000 participants and attracting over 40 million social media impressions. The Middle East is one of the fastest growing regions for gaming in the world due to its ever-growing youth bulge.

Climate action also continued to be a critical item for Zain as the effects of climate change are evident across regions. We launched several initiatives across our markets to further reduce our environmental footprint and moved towards setting in place mitigation and adaptation plans. We understand the risks that climate change bring to all, and we are identifying future opportunities to drive green solutions as well. Our aim is to continue furthering our agenda towards systemic change while simultaneously building resilience in our various communities.

We would like to extend our gratitude to His Highness the Amir of the State of Kuwait, Sheikh Nawaf Al Ahmed Al Jaber Al Sabah, His Highness the Prime Minister, Sheikh Sabah Al Khalid Al Hamad Al Sabah, as well as the members of the governments in which we operate, for their invaluable support, instrumental in the continued progress and achievements of our organization.

Sincerely yours,
Bader N. Al-Kharafi



08

Message from the Chief Sustainability Officer



Jennifer Suleiman
Chief Sustainability Officer

For Zain, 2021 was a year defined by a focus on recovery and turning the business around to re-establish growth across the organization. Impacts from the COVID-19 pandemic continued well into the year, which the company addressed proactively.

Throughout our markets, the company adhered to the , imposed restrictions to continue to ensure the health and well-being of our employees while also being responsive to our customers' needs.

Further progress on our digital transformation strategy continued to gain traction, demonstrating its intrinsic value to the company's overall development.

During the year, climate change was a topic of material significance for the organization. Our operations began to take a lead in this area by setting in place waste reduction targets, classifying and categorizing waste, and addressing our water consumption levels by automating water faucets at the Group and Zain Kuwait headquarters. We also began conducting pilot projects to eliminate the consumption of single use water bottles.

In order to address climate change head-on and to proactively manage our own emissions across our footprint, we continued to develop our Scope 3 inventory and further cemented the mechanisms and governance models related to CO2 emissions reductions. The company continued with its participation in the Carbon Disclosure Project (CDP), and fully disclosed our climate action management.

Our operations continued to make substantial progress and align closely with the Group's corporate sustainability strategy throughout the year. Digital literacy initiatives were launched across the organization to ensure that we play a pivotal role in uplifting our communities. We recognize that as the world becomes increasingly digital, those without digital skills will be left behind. Upskilling is critical for society and as such is a core aspect of Zain's 4Sight strategy.

As part of our ambition to provide meaningful connectivity, our operations continued to use their reach to build public awareness to foster and attract attention to sustainability topics such as diversity & inclusion, climate change, youth empowerment, and child online safety.

Strong progress was achieved in blocking child sexual abuse material (CSAM) by installing blocking mechanisms through Project Arachnid across our operations. Zain Kuwait fully installed additional blocking mechanisms for CSAM, with Zain Sudan placing extensive CSAM blocking mechanisms through the Internet Watch Foundation (IWF); Zain Iraq has allocated the necessary budgets to install the needed blocking mechanism; and Zain Jordan will continue to enhance developments in this area as well. Zain Saudi Arabia launched parental control guidance on its website.

Realizing the possible risk and material impact the pandemic potentially brought to millions of young people across the world by being exposed to harmful material online, Zain launched a unique social media campaign across its operating companies, entitled "Internet Monsters". The campaign centered on classic fairy tales that were given a modern twist, touching on issues such as cyber bullying, child abuse material, identity theft, and awareness on agreeing unconditionally to terms and conditions online. The campaign drew 66.3 million impressions.

2021 undoubtedly brought forth the need to establish resilience as well as the requirement to set in place mitigation and transition plans across the business given that the material impact of climate change could further destabilize our communities and the region at large.

Zain is committed to continuing to evolve its approach to corporate sustainability and will be refining our sustainability targets during 2022 with the aim to forge greater cohesion across our operations in order to achieve our sustainability agenda.

We will continue to engage with all our stakeholders across our value chain, and we welcome interested parties to read our report and support us in our transformational journey in the hope to provide sustainable and meaningful value.

Yours sincerely,
Jennifer Suleiman



09

Company Overview

 zain

A modern multi-story office building with a central curved section featuring blue-tinted glass windows. The top of the building is a green, cylindrical structure with horizontal slats, displaying the Zain logo. To the left, another part of the building with a similar green top is visible. The sky is clear and blue.

Company Overview

Zain Group is headquartered in Kuwait and was established in 1983 by an Amiri decree. The company is the first mobile telecommunications company launched in the Middle East, formally known as Mobile Telecommunications Company (MTC). It was rebranded as Zain in 2007, which then became the Group's corporate brand.

The company is listed on the Kuwait Stock Exchange (KSE) as a publicly traded organization with no restrictions on shares as the company's capital is 100% free float. The largest shareholder is the Kuwait Investment Authority, which has an equity stake of 24.22%. Zain owns a 37.05% stake in Zain Saudi Arabia (formally Mobile Telecommunications Company Saudi Arabia), which is traded on the Tadawul Stock Exchange as a Saudi joint stock company.

Zain also holds majority equity in Zain Bahrain and Zain Iraq, both of which are listed entities on their respective local stock markets. Relevant information on net sales and total capitalization is available in the consolidated financials in the financial reports section on the Zain official website.

The company's brand reflects its purpose and fuels its vision. Our signature, "A Wonderful World" slogan drives the company's commitment to establishing long-term value through an inclusive approach. Valued at US\$2.4 billion by the Brand Finance Middle East Top 50 Brands annual report, Zain's brand is a significant asset that the company guards fervently.

This year, Zain reached a base of 48.9 million active customers, providing them an array of innovative telecommunication products and services that meet their needs. These include postpaid and prepaid packages, cloud services, mobile devices, entertainment and e-gaming services, B2B services, education and health related services. The number of prepaid and postpaid customers can be found in the 'Our Network' section of the report.

At a certain point in time, Zain's operational footprint extended to 23 countries across the Middle East and Africa, though in 2010 the company decided to refocus on its core region and divested out of 15 of its operations in Africa for an enterprise valuation of US\$ 10.7 billion. In the following year, Zain separated its networks in Sudan and South Sudan as the latter became an independent country. Zain South Sudan formally became an independent operating company in January 2012. Zain's presence currently extends across seven countries: Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia, Sudan, and South Sudan.

Zain Group continues to be an active member of the GSM Association (GSMA) community. Zain takes guidance from the GSMA in areas related to sustainability, regulatory and other related affairs. The company continued to be part of the Advisory Board and member of the GSMA's Principles for Driving the Digital Inclusion of Persons with Disabilities group.

This year, Zain began to explore the possibility of deploying the Mobile Internet Skills Training Toolkit (MISTT), which acts as a guide for training people in basic internet skills including modules such as: WhatsApp, Online Safety, Accessibility Features, and more. Zain also became a member of the GSMA's working group on the Environment, Sustainability & Governance (ESG) and KPIs to work towards establishing a common framework of indicators for the mobile industry.





48.9
MILLION

Active Customers

5.0
USD BILLION

in consolidated revenues

616
USD MILLION

in net income

Zain's Internet Monsters Campaign tackling Child Safety online achieved

66.3

million impressions across Zain's social media accounts.

86

Solar and Hybrid solutions were installed with the aim to reduce emissions across all operations.

Under Zain's API Platform, the company reached

1.8 million

customers offering them services such as Busuu and Zain Kids.

Zain Kuwait installed a blocking mechanism called Project Arachnid to block Child Sexual Abuse Material (CSAM) from Zain's networks.

650

families in Iraq received food packages during the Holy month of Ramadan.

Through Jordan's Al Aman Fund for the Future of Orphans, Zain provided

96

scholarships for the year 2020-2021.

Zain Bahrain established the "Enablement Line" which acts as a helpline for People with Disabilities

Under the Takaful Foundation, Zain KSA provided

5,000

students with free 10GB for three months.

32

women studying Science, Technology, Engineering and Math participated in the Group-wide Women in Tech Mentorship Program with Zain employees supporting the cause as mentors across our seven operations.

The background features a dark blue space with vibrant, curved light trails in blue and red. A network of white lines connects various icons, including clouds with upward arrows, a server tower, and a globe. A semi-transparent globe is centered in the upper half of the image.

10

Our Strategy

Our 4Sight Strategy

The strategy centered on evolving Zain's core telecom business to maximize value and build on the company's strengths to selectively invest in growth verticals beyond standard mobile services, supports Zain's vision of becoming a leading ICT and digital lifestyle provider.

4Sight is centered on evolving Zain's mobile telecom business through digitalization, optimization, and modernization to scale up resources in order establish new cores that bring growth for the business and contribute to the economic growth and technological evolution of the region.

The pillars that fall under **4Sight** can be summarized as below:

Evolution of Telco

1. Digital Transformation

2. Enterprise and Government

3. Fixed Connectivity

4. Portfolio Optimization

Growth Verticals

1. ICT

2. Digital Infrastructure

3. Fintech

4. Digital Services

Evolution of Telco:

1. Digital Transformation:

Over the last couple of years, Zain continued to enhance customer experience through digitalization which led to an increase of online transactions. This was achieved by continuously developing the company's digital channels such as the Zain App, Zbot and Zain esports.

Zain's digital transformation journey entails a deeper use of analytics in managing operations. A more profound understanding of what individuals need, permits the company to offer tailored, relevant, and timely value propositions. From an operational perspective, Zain's strategy promotes the more efficient approach of using software defined networks and asset sharing in addition to streamlining the back-end operations for a more rationalized and efficient utilization of effort, energy and physical resources.

2. Enterprise and Government:

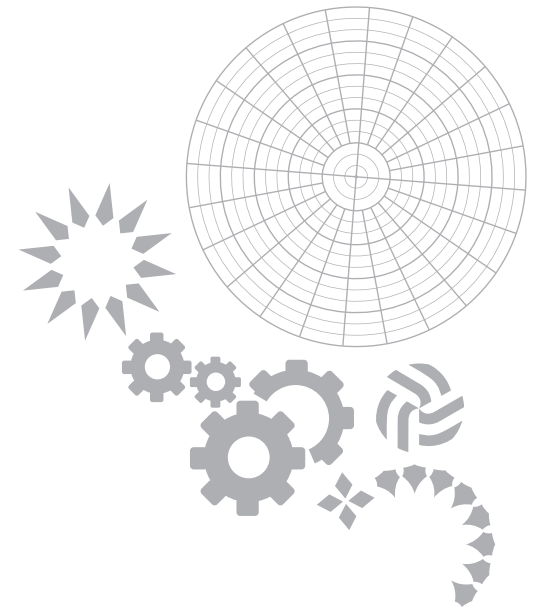
Zain is committed to working closely with organizations and businesses to provide necessary connectivity and latest solutions needed to grow their businesses efficiently and effectively.

3. Fixed Connectivity:

Zain firmly believes that superior broadband connectivity will enable and accelerate the evolution of information, education and the digital transformation of societies. Across the footprint, Zain strives to provide reliable fixed connectivity to residential and business customers whether through own deployment of fiber networks or by strategically partnering with third-party providers. This commitment transcends any market limitations, where Zain uses fixed-like technologies to fulfill customers' needs. Across Zain's markets, customers enjoy the latest and best broadband connectivity through the technologies offered by the company (5G, 4G and fixed LTE).

4. Portfolio Optimization:

To ensure the company maximizes the use of its resources, Zain actively participates in sharing its assets with other market players. This approach allows Zain to allocate its assets in a more efficient and sustainable way. The direction that the company is following is to sell its towers and lease them back allowing the sharing of passive network infrastructure, fostering a wiser use of energy resulting in a lower carbon footprint.



Growth Verticals:

The new cores that Zain is investing in are all leading the technological evolution and bringing the latest digital developments to the region to evolve Zain's resilience and embed inclusion across all its digital offerings:

1. ICT:

4Sight places special emphasis on enterprises and governments, helping businesses of all sizes and governments achieve their strategic, operational, and financial objectives. Zain recently launched ZainTech, servicing enterprises and governments across the region is uniquely positioned to play a transformational role across our ecosystem. Zain Tech is the group's center of excellence providing managed solutions for Cloud, Cybersecurity, Big Data, IoT, AI, Smart Cities and Emerging Technologies incorporating NXN and Zain Data Park. Additionally, Zain Tech leverages the Group's unique foot-print and global reach and offers a single point of contact for sales and customer care for multinational corporation.

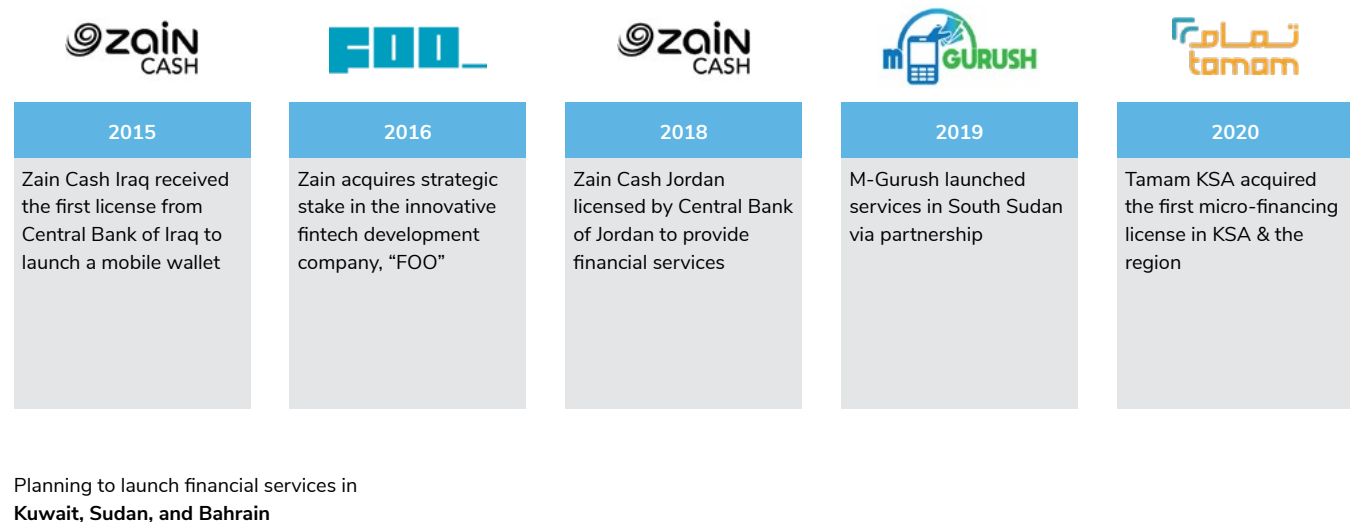
2. Digital Infrastructure:

As a continuation of the direction adopted by Zain in the recent years of separating the network operations from the telecom business and the ensuing sale of the company's passive network infrastructure in Kuwait and in Saudi Arabia during the course of next year, Zain entered a strategic partnership with TASC Towers Holding. TASC Towers is an independent tower operating company with a focus on developing markets. With Zain's vision of becoming a leading digital infrastructure player and TASC's solid experience and strong operating skills in the field, this digital infrastructure partnership will significantly contribute to the technological and digital evolution of the region.

3. Fintech:

Through the Fintech pillar of Zain's 4Sight strategy, the company continued to achieve key objectives in scaling its mobile banking services across operating markets. Zain is keen on fostering innovations within the Fintech space through Tamam in Saudi Arabia, Zain Cash in Iraq and Jordan as well as M-Gurush in South Sudan.

The below infographic illustrates Zain's Fintech journey over the years:



4. Digital Services:

Digital Health

Continuing to foster a culture of digital transformation, Zain aims to expand the digital healthcare ecosystem within our footprint and transform the patient care journey by implementing a series of digital initiatives. The COVID-19 pandemic accelerated the need for digitizing the healthcare sector across the world with the aim to bridge the gap providing solutions that are accessible, inclusive, and efficient.

Zain has been working closely with health authorities (both public and private sector) in Kuwait and other markets in this digitization journey. Key priorities have been selected, and the transformation exercise commenced accordingly.

- Zain worked closely with the Central Medical Stores at the Ministry of Health in Kuwait to structure and digitize the national medications list based on latest industry standards. This initiative was the pre-cursor to launching the Electronic Medical Record (EMR) project.
- An EMR platform in Kuwait that provides e-prescriptions, e-dispensing, patient medication history, x-ray imagery, and additional personal data via a platform that connects public health care facilities and private polyclinics under one roof via cloud infrastructure. The Ministry of Health intends to connect 163 governmental healthcare facilities, with the aim for doctors and pharmacists to have visibility of each patient's medication history, allergies and medication needs.

- The second phase of the digital healthcare strategy is to connect private healthcare facilities with governmental locations to ensure full awareness on a country-wide basis. We aim to create societal benefit across our footprint by allowing doctors to gain access to best-in-class digital tools to make informed medical decisions for their patients.
- The next phase will involve the launch of a nationwide telehealth platform with a focus on enhancing and transforming the overall patient journey.
- Zain is also working closely in a public private partnership model to engage in a series of major Hospital Management System (HMS) upgrades across multiple hospitals in Kuwait, ensuring an end-to-end implementation of the digital healthcare roadmap.

To learn more about Zain's Digital Health initiatives, visit '[Our Products and Services](#)'.



Zain Group Investment and Digital Transformation:

In 2021, the company continued to move forward in its digital transformation journey to expand its services and better serve its communities across its operations. Zain leveraged on identified opportunities to adapt to the needs of the markets it serves.

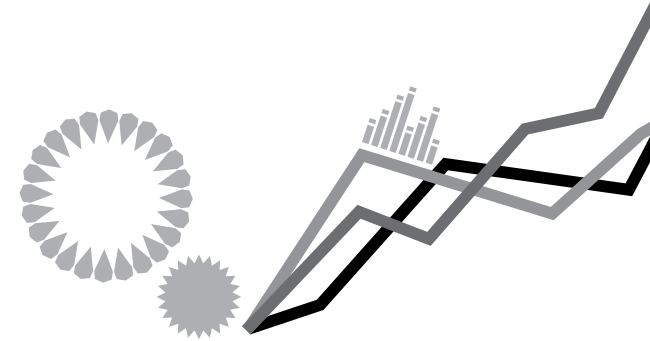


Zain Ventures:

In light of the pandemic, Zain continued to push the agenda of fostering digital transformation in its operating markets by investing in innovative digital services to create opportunities that bridge the digital divide, ensure business continuity, and advance socio-economic development.

Zain Ventures was established to spearhead Zain's existing investment portfolio to diversity its reach and open the door to future investment opportunities. Zain expanded its relationship with regional and international venture capital funds such as MEVP, Wamda and Colle Capital, supporting the respective portfolio companies whenever appropriate. Zain also continued its active engagement in strategic direct investments in a variety of startups in the region offering them access to Zain's wide geographical reach and expansive customer base. During 2021, Zain Ventures achieved the following:

- Invested and signed a Memorandum of Understanding (MoU) with Pipe, a US-based fintech that successfully developed a trading platform that transforms recurring revenue into up-front capital for growth without debt or dilution. Pipe is one of the fastest growing fintechs, recognized as the world's first trading platform for recurring revenues with a value in excess of US\$2 billion.
- Invested and signed an MoU with Swvl, a mass-transit industry leader that offers diversified transit solutions and evolved its services to Software as a Service ("SaaS") and Transport as a Service ("TaaS") offerings for businesses, schools, universities and other critical service organizations. Mass transit platforms benefit the environment as they reduce the number of people driving single occupancy vehicles. By increasing mass transit customers, more fuel is conserved, air pollution decreases, and the region's carbon footprint is reduced.
- Investment in ZoodPay, the Buy Now Pay Later (BNPL) app's series B US\$38 million fundraising round, joining other global investors. The ZoodPay and ZoodMall apps count over 8 million users and ten offices across the Middle East and Central Asia, providing a mobile-only high-quality shopping experience and cross-border services to merchants and shoppers across emerging markets.



Zain Group API: A Single Digital Hub

In 2021, Zain continued to scale various digital services across its footprint with the aim of expanding its reach and increasing accessibility.

To help achieve this, the company operations used multiple services on the Group API Platform to keep their customers connected and engaged with the aim to become the global digital services hub in the MENA region. The platform, established in 2018, allows all Zain Opcos exposing their APIs to the digital economy, with Zain exposing its APIs commencing June 2018 and thereby helping remove a significant barrier to the development of profitable digital partnerships from across the globe, enhancing the roll-out of appealing entertainment and gaming services to both individual and enterprise customers, so as to reap the lucrative opportunities in the digital space.

The API platform allows Zain to connect with various services across entertainment, education and social networking to ensure that Zain customers had seamless access to quality education (via services like Busuu/Zain Kids) and mental wellbeing (via entertainment/social networking services) during the second wave of COVID. This is also in line with UN Sustainable Development Goals (SDG) representing "Quality Education" and "Good Health and Wellbeing".

In line with the SDG 9: "Industry, Innovation and Infrastructure", the API program has allowed Zain to work with global and regional partners of all sizes, as well as startups. This has also permitted Zain to acquire the skills required to develop and innovate, assisting in the company's efforts to become a digital leader.

To date, 105 million transactions were processed through this program with a reach of 49.6 million customers. There are a total of seven countries that are on board, with a plan to reach 10 by the end of 2022.

This year, the following list of services were added to the program: OSN, Bigo live, Apple app store, Google Play store, and Qualtrics.



In order to digitalize sustainably, Group API was able to acquire the skills required to develop and innovate, which are helping Zain become a digital leader.

The Group API platform provides a unique ecosystem in the region with one-stop shop access to international developer communities and digital service providers to a network of seven telecom providers and a reach of 49 million customers. Onboarding and all operational activities are fully digitized to allow easy connections offering tremendous opportunities to skilled and ambitious players to innovate and monetize their services.

Opening up and exposing our APIs has allowed Zain to work with global and regional partners of all sizes, as well as startups, with the Group API contributing to digitalizing the entire economy.

Group API has become a digital ecosystem enabler where we have provided the right tools to our operations to provide premier digital lifestyle services to their customers.

The Group API platform plays a strategic role in attracting and addressing the need to link skilled, innovative and ambitious players – who would traditionally not have access to a regional telecom leader such as Zain Group, contributing to sustainable development.

From its initiation stages, Group API has contributed towards sustainable digitalization.

The Group API promotes access and offers opportunities to players in the digital world to develop their skills.

Zain Group API

ZAIN esports

A sub brand launched in December 2020, Zain esports continued to target the youth of the region and find additional propositions for the multiple broadband services. Throughout the year, Zain esports hosted a wide range of tournaments, along with multiple engagement activities.

Zain is inspired by the competitive spirit of the 20,000 plus professional and amateur gamers who have played in the various tournaments held so far and the enormous social media following that we have garnered, which exceeds 40 million views on Zain's YouTube, Twitch and other social media channels.

By establishing this entity, Zain is able to identify and foster gaming talent in the region in various ways, including:

- Selecting commentators for Arabic commentary
- 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

Zain esports plans to create an esports incubator creating opportunities for aspiring coders and producers to contribute technically to Zain esports initiatives on an ongoing basis.





11

Corporate Governance

Corporate Governance

The Board believes that good corporate governance complements and significantly promotes business success. The Board, our management and all employees at Zain are committed to principles of good corporate governance consistent with wise management and maximization of shareholder value. These principles lay emphasis on transparency, accountability, and independence. As the meaning of good corporate governance continues to evolve, the Board of Directors and the Executive Management assess changes to ensure that our commitments match expectations. As the highest governing body at Zain, the Board reviews its governance practices on an ongoing basis to reflect its commitment to continuous improvement.

Corporate governance completes Zain's corporate strategy (4Sight) under ethical principles including transparency and integrity embedded in sustainable business practices. The principles of corporate governance and best practices are formed through the laws and regulations and international standards. Zain meets its legal duties under the laws and regulations issued by the Ministry of Commerce and Industry (MOCI), Bursa Kuwait, the Capital Markets Authority (CMA), the Communication & Information Technology Regulatory Authority (CITRA), the Ministry of Finance (MOF), the Anti-Corruption Authority (KANCOR), the Competition Protection Authority (CPA), and other regulatory entities. Additionally, ESG indicators are integrated in our business operations across all stages to ensure that the company addresses the long-term interests of its key stakeholders. Zain has maintained its alignment with the international standards of ESG provided by FTSE, S&P and MSCI aligning to the following reporting frameworks: Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosure (TCFD). This report describes the principles of corporate governance for Zain Group and provides background information as of December 31, 2021.

The Company has created the "Corporate Governance Framework" to ensure that corporate governance principles are implemented across all markets according to laws and regulations and international best practices. Our Corporate Governance Framework, which includes internal policies, charters, and guidelines, caters for evolving and aligning with the requirements and expectations through effective engagement with our stakeholders. These internal rules and guidelines ensure that the Board will have the necessary authority and processes in place to make decisions that are independent of the Management. The Board may change these guidelines regularly to achieve different objectives. Our Board, comprised of proactive, seasoned, and competent members is the cornerstone to maintaining strong and effective corporate governance. The Board of Directors oversees the performance of the Management to serve and protect the long-term interests of our stakeholders. It is responsible for establishing the company's values, mission and vision, corporate strategies that are intended to build sustainable long-term value and accordingly delegates tasks to the Executive Management. The board reviews and approves the Company's business plans, significant company policies and the inherent level of risk in these plans in coordination with Board Risk Committee. Hence, the board approves authorities delegated to the Executive Management and develops policies that regulate the relationship with stakeholders.



The Board and the Executive Management are dedicated to fulfilling a defined purpose and work towards a collective goal which encompass economic, environmental, and social (ESG) Indicators. The creation of long-term value is the definitive measurement of successful corporate governance. Therefore, it is important that shareholders and other stakeholders understand why the company has chosen to use particular governance structures, systems, and processes to achieve its objectives and strategies.

The Board of Directors has formed three committees. The purpose and responsibilities of each of these committees are outlined in the committee charters, based on the laws and regulations and best practices, and adopted by the Board. According to the regulatory requirements of the CMA, Board committees (BCs) have been revised and reformed to comply with regulatory requirements. All BCs maintain communication with the Vice Chairman & Group CEO, the CFO, and executives from related functions within the Group. The current Board committees at Zain are:



Board Audit Committee (BAC)

The Audit Committee is responsible for assisting the Board in fulfilling its responsibilities relating to the oversight of the quality and integrity of the accounting, auditing, internal control, and financial reporting practices at Zain Group. The committee also manages the performance and qualifications of the independent registered public accounting firm (external auditors), and the company's relationship with its external auditors. The role of this committee also involves supervising the performance of the company's Internal Audit Function. BAC also oversees the company's compliance with legal and regulatory requirements.

Board Risk Committee (BRC)

The BRC advises the Board on the Company's risk strategy and risk appetite and monitor the Executive Management in the implementation of this strategy. It also reviews the Company's risk profile, risk strategy, risk appetite and risk control framework on an annual basis. The committee's role extends to assist the Board to set and evaluate accepted risk limits in the Company and ensure that the Company's risk tolerance levels are not exceeded. Any breaches are escalated to the Board of Directors.

The committee reviews and approves the Company's overall risk governance framework annually, and reviews the Company's risk management structure, roles, responsibilities, and methodologies prior to the Board's approval.

The Company's Risk Appetite is reviewed by the BRC and approved by the Board. Risk limits are then cascaded from the approved Risk Appetite to the material risk takers through the BNRC. The Board, in coordination with BRC, is responsible for reviewing the level of risk, maintaining a clear mapping of the risks faced by Zain, ensuring that appropriate systems of risk-management and control have been put in place including climate-related risks, evaluating options, and taking decisions on possible options for mitigating risks. The board ensures that the strategic plans are consistent with the company's risk profile.

Board Nominations and Remunerations Committee (BNRC)

This committee is responsible for nominating and re-nominating members of the Board of Directors and the Executive Management. It also conducts an annual review of the required skills and competencies in the Board and Executive Management, considering the Company's approved strategic objectives and corporate governance rules issued by the Capital Markets Authority. In coordination with the Executive Management, the Committee shall prepare the succession plan for the Executive Management, including emergency cases or unexpected vacancies to ensure the sustainability of the company's business. The Committee maintains a training system to develop the skills of employees. The committee also evaluates the performance of the Executive Management and facilitates the evaluation of the Board of Directors. BNRC also plays a key role in the remuneration of the Board and the Executive Management in accordance with applicable rules and regulations. The BNRC works with the board to obtain the approval of the mechanism for calculating and distributing annual remuneration for Executive Management, proposal of the Board remuneration to be approved by the AGM. It is also involved in the evaluation mechanism and subsequently the training programs for Board members.



The Board appoints a well-qualified chief executive officer (CEO) to lead the company where they oversee the performance of the CEO and Executive Management in implementing the company's long-term growth plans and strategies and managing risks under the company's code of conduct.

The Board holds periodic meetings with the Executive Management to discuss the operations, challenges and opportunities. Accordingly, performance standards are set for Executive Management consistent with the company's objectives and strategy. The Executive Management leads the company's business and operations by managing activities and operations to ensure profit optimization and cost reduction in accordance with the company's strategy and objectives. The Board, in approving the charters for the various committees, recognizes the important role management must play and has given the various committees sufficient authority to involve management in their meetings and discussions to the extent the committee members feel this will prove beneficial to the decision-making process. To facilitate the Board's oversight role, the Executive Management shall provide the Board and concerned committees with periodic performance reports during a given period against Key Performance Indicators set by the Board. The Board approves the principles and codes, and the Executive Management is responsible for implementing them. Each executive ensures that their respective policies and procedures are in compliance with the company's ethics and principles and has the ownership of the department's policies and procedures.

Management develops and implements the corporate strategy and operates the company's business under the Board's oversight, with the goal of producing sustainable long-term value creation. The Executive Management shall carry their responsibilities as delegated by the Board of Directors and in accordance with laws and regulations issued by the CMA and related regulatory authorities. The role of the management extends to ensure the proper implementation of the Company's approved Corporate Governance Framework. Executive management ensures that internal control and risk management systems are in place, monitors the adequacy and effectiveness of such systems and ensures compliance with the Company's risk appetite approved by the Board of Directors.

The Board and management should engage with long-term shareholders on issues and concerns that are of interest to them and that affect the company's long-term vision. In making decisions, the board considers the interests of all of the company's stakeholders, including shareholders, regulators, employees, customers, suppliers, and the community in which the company does business, as doing so contributes in a direct and meaningful way to building long-term and inclusive value creation.

The Board has direct responsibility for a number of important matters, including the relationship with external auditors and setting the "tone at the top" highlighting the company's commitment to integrity and putting the basis for a corporate culture that is well communicated to employees at all levels within the organization.



Zain has a system to ensure the proper operation of business in the Group by specifying the guiding principles and procedures to management through its internal policies and charters. The company works to improve structures for business operations, through complying with the Zain group Code of Conduct and the Articles of Association. Zain provides guidance and management of its subsidiaries in accordance with relevant laws and regulations and best standards.

It is important to ensure the availability of adequate and effective management information systems for risk reporting and decision making that is in accordance with the scope, complexity, and nature of the Company's activities. The BRC reviews the compliance risk processes that are in place to anticipate and effectively manage the impact of regulatory change on the Company's operations. In addition, it ensures the existence of clear lines of authority and accountability for managing, monitoring, and reporting risks as performed internally and as required by applicable laws and regulations.

Sustainability issues, including the socio-economic and environmental 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, and social levels. She develops, manages, and monitors the company's sustainability strategy, in a manner that improves the organization's environmental, social, and economic impact. The CSO works with the Board, management, employees, customers, stakeholders, suppliers, and corporate shareholders to minimize the company's the company's environmental footprint in alignment with the Paris Agreement and the GSMA and ITU Mobile Industry Pathways. 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.





The Chief Diversity and Inclusion Officer (CDIO) at Zain is responsible for leading Diversity and Inclusion across Zain with specific focus on Gender Diversity, Disability Inclusion, Internal Innovation and Youth Development. The CDIO connects the dots between diversity and inclusion efforts across the organization. The CDIO develops a broad company-wide strategic diversity and inclusion plan, including training programs for employees. The CDIO works with the Board and the management to promote a more vibrant, inclusive, and supportive environment. The CDIO facilitates opportunities for employee training, and collaborates with management to enhance recruitment, hiring, promotion and retention of diverse communities at Zain, and to provide support to employees with diverse experiences and backgrounds. The CDIO builds relationships with stakeholders to drive diversity-related messages throughout the organization.

Governance and compliance topics are handled by the Chief Communication Officer (CCO). The corporate governance and compliance function reports to the CCO. The corporate governance and compliance function is how Zain fulfills its regulatory obligations by adopting laws and regulations and adapting to the environment in which it operates. The governance department allows Zain to have appropriate decision-making processes and

controls in a way that balances the interests of different stakeholders while maintaining effective management, clear lines of communication and a good relationship with the different involved parties. The CG department stays up to date on the responsibilities of the company and its Board and management. The department provides recommendations on corporate governance matters including board affairs, board committees, disclosure and transparency, and the effectiveness of internal control systems within the company. The main objective is to protect the shareholders and other stakeholders' rights through sound systems and integrity. The Annual Corporate Governance Report is prepared and reviewed by the Chief Communications Officer and the final approval is provided by the Board. The frequency of revision for social, economic, and environmental issues depends on the relevant laws and regulations, international standards, and urgency of the matter. It ranges from annual, semiannual, to ad-hoc as follows:

Annual review:

- Internal Control Review done by an independent auditor through the governance team.
- Annual review of all policies and charters including risk and remuneration
- Annual assessment of the board
- Annual sustainability report
- Annual risk framework review including Company's risk profile, risk strategy, risk appetite and risk control framework.
- Annual assessment by MSCI – this review is continuous throughout the year
- Annual Assessment by FTSE
- Annual Assessment by S&P

Semiannual review:

- Governance checks semiannually as required by the CMA

Ad-hoc:

as raised by the Board, Executive Management, shareholders, regulators, and other stakeholders.



The Board seeks to identify new business opportunities and to identify gaps in expertise to improve the company's business strategy and capacity for innovation. The board follows a third-party evaluation process which provides an unbiased independent recommendation to assist the board in taking their roles and responsibilities to the next level. The Company appointed Price Waterhouse Coopers (PWC) to conduct this impartial review of the Board assessment. The BOD consists of nine Members, with two Members of the Board appointed by the Kuwait Investment Authority (the investment arm of the Kuwait Government and Zain's largest shareholder). The remaining Board Members represent other shareholder groups (companies and individuals) and one independent board member. Members of the BOD maintain independence and hold no major equity in the company. The Vice Chairman is an executive member since he has been appointed as the Group CEO by the Board. The Board was elected during the Annual General Meeting for shareholders which was held in March 2020. The Board of Directors are elected every three years for a renewable period by a secret ballot. Each shareholder, regardless of the number of shares held thereby, shall have the right to attend General Assembly meetings, and shall have a number of votes equal to the number of the votes allocated for that class of shares. There are nine members, all of whom are male with a three-year membership and age ranging from 37-63.

The company is committed to ensuring that all shareholders exercise their rights fairly. In addition, the company is committed to protecting shareholders' assets from any misuse by the company's Executive Management, Board of Directors, or key shareholders. The company treats all shareholders of the same class equally and without any discrimination, in line with the company's interests, and in accordance with the laws and regulations.



Zain continually strives to ensure open and constructive communication with all key stakeholders, as well as transparency in relation to the company's performance. At Zain, communications with shareholders and investors are handled by the investor relations department (IR), which reports to the CCO. Through the Investor Relations Department, the company maintains ongoing dialogue with the financial community, including analysts, current and prospective investors, and other market communities such as Boursa Kuwait. In addition, our Investors Relations team supports management in their decision making by taking into account feedback received from the community. In addition to the periodic calls, road shows, reports, and events which the IR holds, the stakeholders can access all information through a user-friendly IR app on their mobile devices. The IR's main objective is to increase the visibility of the company to the financial communities and to guarantee a smooth user experience in doing so. The IR department enables the company to reflect the fundamental value of the company by representing the company to investors and vice versa. The IR team provides financial information to investors in a timely and accurate way and provides nonfinancial data to support company valuations.

NAME	CLASSIFICATION	COMMITTEE MEMBERSHIP	PROFESSIONAL EXPERIENCE
Mr. Ahmed Tahous Al Tahous Chairman	Non-executive	BNRC	34 years in the banking and investment sectors in the global and Kuwaiti markets
Mr. Bader Nasser Al-Kharafi Vice Chairman & Group CEO	Executive	BRC BNRC	Industrial and banking sector, investment and business sectors, non-profit institutions, telecommunications, and mechanical engineering sector
Mr. Talal Said Al Mamari	Non-executive	BRC (Chairman) BNRC	Finance experience in the telecommunications sector
Mr. Zaki Hilal Saud Al Busaidi	Non-executive	BNRC (Chairman)	20 years of experience in various fields and sectors including port services, insurance, telecommunications, and government.
Mr. Atif Said Rashid Al Siyabi	Non-executive	BRC	Over 17 years of experience in information technology, business transformation, innovative technology solutions, system operations, and investment
Mr. Alaa El-Din bin Abdullah Bait Fadel	Non-executive	BAC	18 years of expertise in multi domain business operations, including network operations, sales, quality control, contact center, customer service and customer experience, and composite operational environments
Mr. Nasser bin Suleiman Al-Harthy	Non-executive	BAC (Chairman)	Over 21 years of experience in investment, economic, financial affairs, management, international investment operations, Information Management, legal affairs and compliance.
Mr. Abdulrahman Mohammad Ibrahim Al Asfour Independent	Independent	BAC BNRC	Technical expertise in the application of IT solutions, audit and finance
Mr. Yousef Khaled Al-Abdulrazzaq	Non-executive	BAC BRC	Audit and investment expertise within the general reserve sector and investment funds

As indicated in the table above, the Chairman of the Board is a non-executive officer. This is in accordance with CMA regulations and the commercial law.



New members of the Board are provided with the key information including financial reporting, risk management, internal audit, HR, marketing, legal, sustainability and governance related affairs of the company. In addition, all members go through training sessions during the year to address any concerns related to expertise and performance as per the annual board assessment results.

The company's Stakeholders as per internal policies include: the shareholders, regulators, customers, employees, vendors, community, and counterparties (partners, competitors, etc.).

A total of 6 Board Meetings were held in 2021. Meetings between Zain's Executive Management and the BOD take place on both a periodic basis and as required. Authority regarding economic, social, and environmental issues related to Zain are 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 which includes social and economic needs while embedding responsible and ethical business practices into every activity carried out by the company.

Zain has in place specific policies and procedures for handling unethical or unlawful behavior. These are articulated in the company's whistleblowing, insider trading, Code of Conduct, conflict of interest, sanctions,

anti-corruption, human rights policy statement, corporate sustainability, and stakeholders and shareholders' rights protection policies. New board members are provided with all policies and charters as part of their initiation process after the AGM. The Corporate Governance Framework at Zain ensures the implementation of control systems to prevent conflicts of interest and improper conduct. The company developed its Conflict of Interest Policy which sets out the guidelines for the identification, reporting, disclosure, prevention, or strict limitation of potential conflicts of interest. Each member of the Board of Directors and Executive Management shall be responsible for disclosing to the Board any cases that may result in a conflict between their interests and the interests of the company. The Board shall monitor and deal with cases of conflict of interest reported by the members of the Board, the Executive Management or the company's employees and ensure that such cases have been dealt with in an appropriate and timely manner with the necessary approvals in accordance with the relevant regulatory requirements. The Board also reviews all proposed transactions with related parties to ensure that no conflict may arise as a result of such transaction. Any Board member shall not attend or participate in any discussion or decision-making or voting that involves a subject, transaction, or proposed transaction where there is a potential conflict of interest.

Zain's whistleblowing policy covers the mechanism of reporting any misconduct internally and investigation of suspicious activities. This policy is intended to encourage and enable employees to raise any concern by offering a reporting and investigation mechanism that is objective, confidential, and independent so that appropriate corrective action can be taken.

The remuneration policy of the company sets out the basis for the remuneration of Board of Directors and the Executive Management and its alignment to the local laws and regulations in addition to the company's long-term performance and risk tolerance. The policy reflects the company's objectives and takes into consideration soundness of the company's operations and financial position. Zain considers that the remuneration system is a key element in value creation. Thus, it has an advanced remuneration scheme in line with the interests of shareholders.

The entire BOD shall be fully accountable for promoting effective governance and sound practices of the remuneration system of the company. The BOD, through the Nomination and Remuneration Committee, is responsible for drafting and updating the remuneration policy consistent with the company's risk strategy. The BNRC is responsible for monitoring the implementation of the remuneration system and ensuring that there are no significant deviations from the policy and the system of rewards. The BNRC is also responsible for reviewing the policy on an annual basis and when 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 overall strategy of the Company is set and approved by the BOD and is translated into Key Performance Indicators (KPIs). KPIs are documented and communicated to ensure alignment of the management activities to the strategy applied. The KPIs are based on the Company's overall strategy and are approved by the Board of Directors. The Executive Management implements this strategy and reports thereon to the Board of Directors on a regular basis.



The total annual remuneration of each board member shall be determined and approved annually during the Annual General Meeting of shareholders as per the recommendations of the BNRC, and by the Board of Directors. It shall comprise of Board Membership, Committees membership, and Performance Bonus. The 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 Executive Management remuneration considers the environment in which it operates and the results it achieves. It includes the following key components:

Fixed remuneration: it is reviewed by the BNRC, in coordination with concerned departments if required on an annual basis. Fixed Remuneration includes salaries, allowances and benefits and is granted according to the Company's salary and grading structure approved by the BOD.

Variable remuneration: The variable annual remuneration is linked to the achievement of previously established targets. Variable remuneration awards are allocated to individuals depending upon individual and companywide performance.

Zain complies with all local laws and regulations with regards to disclosure and transparency as stipulated by the CMA, Company's Law issued by the MOCI and Boursa Kuwait guidelines. The disclosure policy at Zain ensures that timely and accurate disclosures are made on all material information, including the financial situation, performance, ownership, and governance of the company. The timely disclosure and simultaneous reporting of all material information that arise between regular reports are necessary to ensure equitable treatment of all stakeholders. Zain takes pride in its strong disclosure system that promotes real transparency which is central to shareholders' ability to exercise their rights on an informed basis. Through zain's website stakeholders have access to regular, reliable, and consistent information to assess the performance of the board and management and make informed decisions accordingly.

Additionally, internal policies and procedures are created on the basis of the said laws and regulations and as per best practices. The company outlines its measures and guidelines in its Disclosure and transparency Policy. The internal disclosure and transparency policy clearly defines It includes the types of information that qualify as material, basic principles, responsible persons and teams, timeliness, process, and other matters. In 2021, no violations were reported against Zain regarding its disclosure and transparency practices. Under the sponsorships of the Chairman, and through the board nomination and remuneration committee (BNRC) the Board shall conduct, at least annually, an assessment of its performance as well as the performance of each committee and each individual director which will address its composition, responsibility, structure, processes, and effectiveness in accomplishing its remits and responsibilities. Board evaluations reassure



stakeholders, and particularly shareholders, that the Board is committed to the company's improvement. An external party has been appointed by the Board to facilitate the assessment process which is of a great help in discussing the results and resolving issues. A balance of qualitative and quantitative KPIs are included. In addition, the assessment tool is focused and user friendly. The annual assessment enables the Board of Directors to assess the efficiency and effectiveness of the Board in discharging its responsibilities. Since the Board of Directors determines the general climate of professional and ethical conduct within the organization, it is necessary to regularly assess the governance and performance of the Board. This provides the Board with a comprehensive overview of performance and allows the Board to fill the gaps through the training plan and work to improve the performance of the Board and its supervisory capacity. This process will help in solving the company's problems and challenges related to governance and compliance which is in the best interest of shareholders and stakeholders. The assessment of the Board of Directors is also a means of improving performance and reducing constraints that may prevent the full implementation of their responsibilities. In 2021, the Board of Directors continued with the method of assessing the performance of the Board as approved previously. Members and Committees were evaluated by

an independent third party. The third-party evaluation is conducted by a neutral, seasoned third party. The objective of this assessment is to provide an unbiased assessment of the operations of the Board of Directors. This assessment helps the company to raise the efficiency and improve the performance of the Board and its members and committees, which is reflected on the performance of the company. Such assessment helps the company to identify potential problem areas, improve its ability to manage risks related to Board performance, and measure Board performance indicators against governance standards and applicable legal and regulatory requirements.



The Board Chairman shall review the training and development needs based on the assessment results and in coordination with BNRC. The Board members are always keen to develop their skills and competencies through attending training, awareness, and development sessions on key technical subjects. All members of the Board are committed to allocating sufficient time to perform the tasks assigned to them. Accordingly, all members allocate time to review any material / reports related to the meetings of the Board or any of the committees of which they are members. They also review the performance reports received from the Board Committees and the Executive Management and make recommendations on any problems to the Board; the members commit to the proposed development plan as by the Nomination and Remuneration Committee as it provides an added value in relation to the interests of the Board of Directors and the company. As a result of the Board's assessment process, a training plan is prepared for all members covering all development needs identified during the evaluation process. Training is given to new

board members as part of the induction program which was created by the corporate governance department and is handled through the board secretary. In addition, all employees are provided with the company's principles and values upon joining the company through internal policies and procedures.

MSCI upgrades Kuwait indexes to emerging market status in November

S&P Dow Jones includes Kuwait in its Global Broad Market Index with an emerging market classification in September

Kuwait's stock market enters FTSE Russell's emerging market index in two stages in September and December

Submission of 1st ICR Report to CMA and CG, BAC & Remuneration Reports to AGM

Issuance of Modified Companies Law No. 1 for year 2016

Submission of 1st CG report to CMA by 30 Jun 16

Modified Executive Bylaw issued in November 2015

Modified Corporate Governance Rules Based on Resolution No (48) for year 2015

Issuance of Governance Rules No (3) for year 2013 for Companies Subject to CMA's Supervision

Issuance of Companies Law and its Subsequent Modifications in 2013

Issuance of the Executive Bylaw of the CMA and Companies Subject to its Supervision

Issuance of CMA Law

CMA Instructions and publications on Disclosures

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

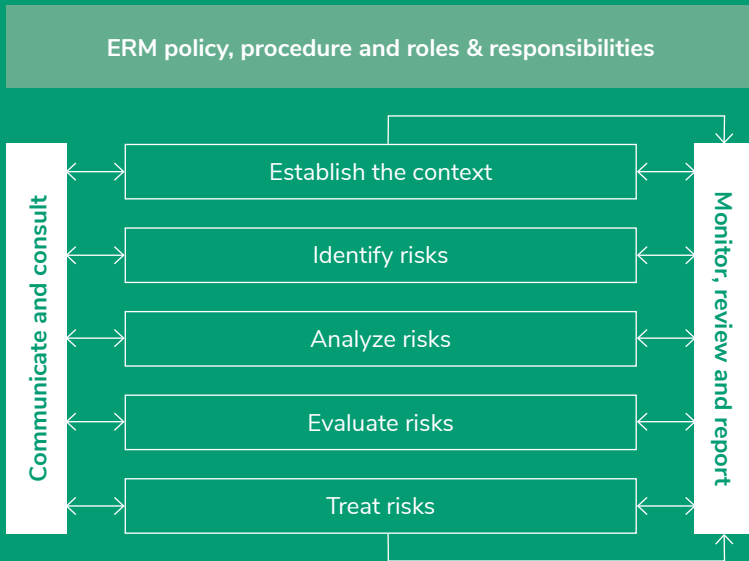
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Enterprise Risk Management



Enterprise Risk Management

Zain's operational landscape is changing at a fast pace largely due to the ever-evolving technologies and their adoption to meet customer needs. Achieving long-term strategic objectives set by the company have required adopting a robust, relevant, and agile Risk Management Framework that is continuously revised and aligned with international best practices such as COSO Framework and ISO 31000 guidelines. Figure 1 below depicts the Risk Management Framework adopted by Zain.



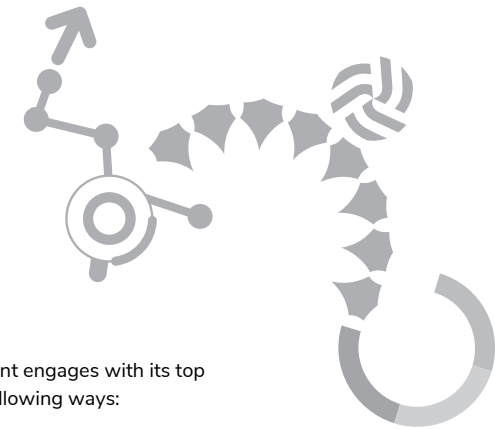
Enterprise Risk Management reports directly to the Board Risk Committee (BRC), exemplifying the importance of the long-term sustainability of the business. The BRC oversees compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the organization. Framework changes are reviewed and approved by the BRC on an annual basis, and changing risk trends occurs on a quarterly basis. Zain's assurance 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 assesses its social, economic, and environmental impacts from a risk perspective and has continued to align them with the Corporate Sustainability strategy since 2019. These assessments take into account climate change-related risks and opportunities as well as the rights of children including child online safety and child labor. Risks that matter and have the most material impact on Zain are identified through proactive research and comprehensive engagement with stakeholders, so mitigation can be planned at a much earlier stage.

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

The Risk Management department engages with its top four stakeholder groups in the following ways:

1. **Employees:** Group Risk Management continues to engage with and educate all users on various security threats and promotes a culture of reporting. The awareness campaign was launched in 2020 and continues to run across all operations.
2. **Government & Regulators:** Engagement with governmental entities is done through the Corporate Governance and Regulatory teams.
3. **Shareholders:** Group Risk Management reports to the Board Risk Committee on a quarterly basis.
4. **Executive Management:** Group Risk Management and the operation's Risk Management teams continually engage with executive management to ensure that risks are being identified, addressed and mitigated as per the direction of the Board of Directors.



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.

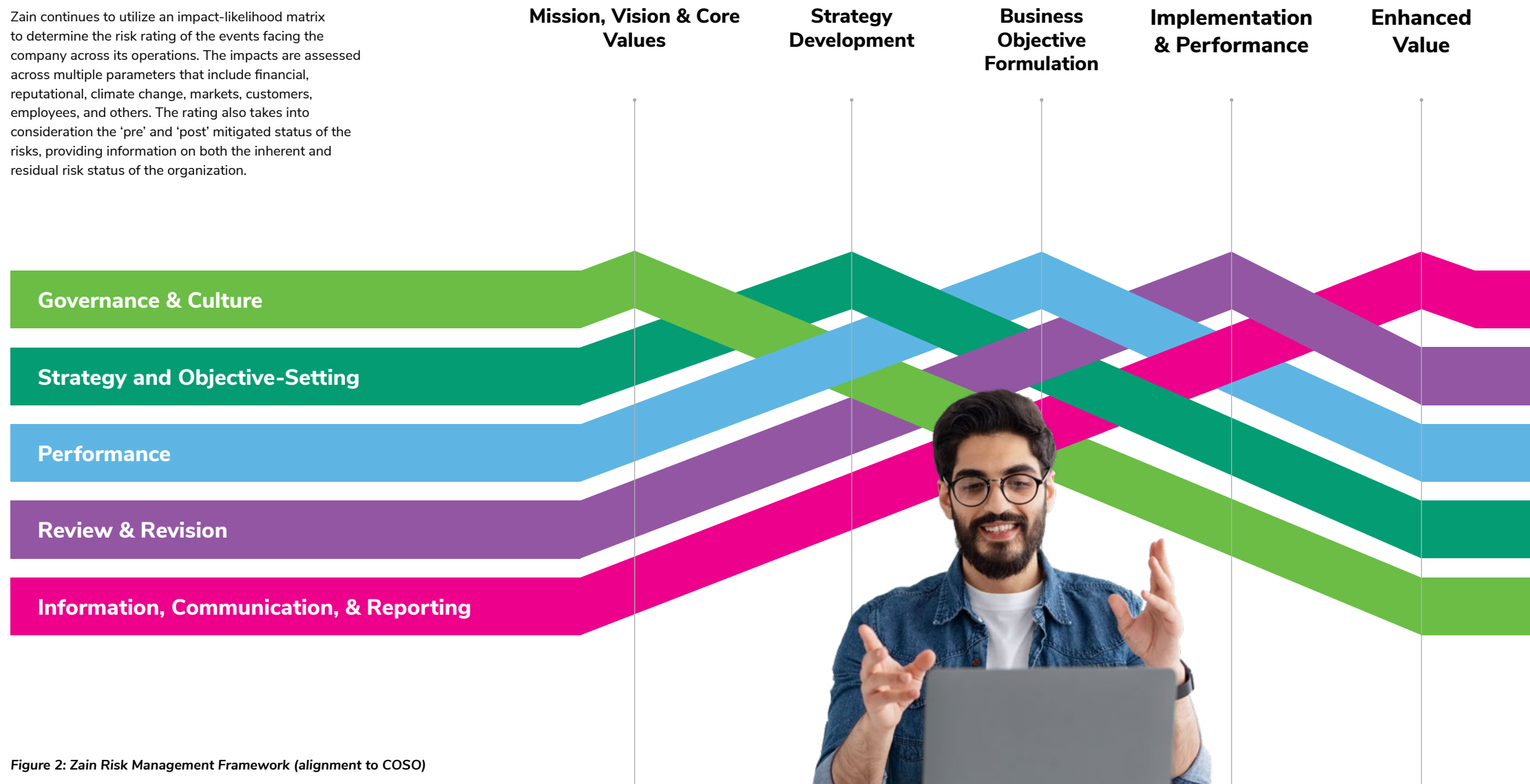


Figure 2: Zain Risk Management Framework (alignment to COSO)

The table below illustrates some of the key risks across Zain Group and how they are being mitigated through various mitigation options:

Table 1: Key Risks for Zain

	DESCRIPTION	IMPACT	MANAGEMENT RESPONSE
Regulatory Changes & Management of External Stakeholders	As our business is undergoing a digital transformation, the regulatory implications bring new challenges.	Increased cost of operations (license fees, cost of regulatory compliance) leading to lower profits; delay or rejection in launching new businesses and services to create new revenue streams.	Participate with market regulatory authorities and other stakeholders, engaging on market issues, with clear focus on common benefit. Innovation in new products and services to enhance revenues and overcome increased regulatory costs.
Cyber Security Risks	As technologies are rapidly advancing, cyber security threats are also evolving and need continuous monitoring.	Customer data breach, financial, reputational or regulatory consequences.	Continuous enhancement of our cyber security capabilities by updating: 1. Policies and procedures 2. Implementing the latest security tools 3. Training and awareness programs 4. Periodic security assessments
Over the Top (OTT) applications	Disruptive technologies are being adopted at an extremely fast rate, where competitors are infringing into traditional voice and SMS revenue streams.	These OTT players continue to impact revenue for all mobile network operators without having to conform to regulatory requirements.	Transform our business from a pure telecommunications model to a digital service provider by creating innovative products and services and reinventing business models.
Geopolitical & Macro-economic situation	Zain operates in multiple markets, and changes to macro-economic indicators such as inflation and currency devaluation impact operations enormously.	Reduced customer spending ability leads to reduced revenues impacting the execution of the company's plan and strategy. Weakening currencies impacts the profitability of Zain's operations and asset valuation. Geopolitical difficulties lead to reduced access to capital and technology.	Ensure cost optimization initiatives and access to long- and short-term capital options through varied sources of funding. Employ various hedging instruments to prevent value erosion of assets. Continuous improvement of our business continuity capabilities across our operations.
Price Wars & Irrational Competition	Unrestrained competitors or irresponsible operators with low value and market share could lead to market erosion through price pressures.	Impacts revenue, profitability, and metrics of customer experience.	Observe the competitor landscape in all markets, and counter suitably in product offerings. Ensure the market is fair and competitive, while trying to create value propositions to maintain customer loyalty.

Precautionary Principle

As a precautionary principle, Zain complies to applicable environmental requirements in the design of our products and delivery of services. Rapid advancements in technology is one of our principal risks, monitored by the BRC, Climate Action Committee, and the Board. Our business depends on technology to develop and deliver low carbon products and services our customers require. Our product design and procurement teams engage with our 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.

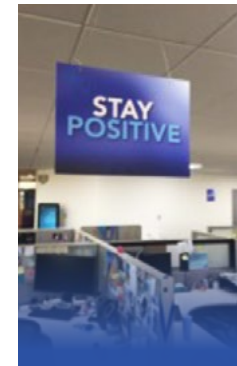
Business Continuity Management

Zain Group is committed to ensuring the continuity of its businesses in the event of an incident or disaster that could cause major disruption. In response to the COVID-19 pandemic, Group Risk developed a framework for seamless work from home. The exercise, coordinated with several business units, involved identification and prompt deployment of tools, assets, and trainings for our staff to continue offering services to customers.

Group Risk developed critical continuity indicators to monitor the pandemic response situation at the operations. The indicators are presented and reviewed by the COVID Crisis Committee at Zain Group.

Further, Group Risk developed the Safe Return to Work plan for gradual resumption of staff to offices. This year, the company started to operate with full capacity in some of operations. As such, Zain continued to follow the guidelines set by the COVID Crisis Committee in addition to following the country-specific COVID-related rules and regulations.

Collection Office Dividers



**ALWAYS
REMEMBER TO
KEEP YOUR MASK
ON**

**ALWAYS
REMEMBER TO
SANITIZE YOUR
WORKSPACE**

**WASH
YOUR HANDS**



Branch Dividers



Process for identifying, assessing, and responding to climate-related risks and opportunities

We recognize that climate change poses physical risks (i.e. caused by the increased frequency and severity of extreme weather events) and transition-related risks (i.e. economic, technology or regulatory challenges related to moving to a greener economy) for our business.

The process to assess the materiality of climate-related risks and opportunities follows industry and sectoral relevant benchmark data and takes into consideration our principal risks.

We adopted three scenarios in line with the Task Force on Climate-related Financial Disclosure (TCFD) guidance. We conducted the required assessments to quantify the business impacts of all material climate-related risks under each scenario and over different time horizons to better understand the financial value at risk across service revenue and EBITDA.

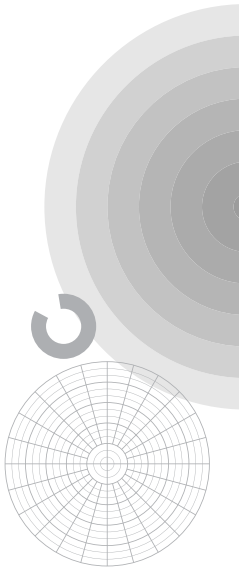
Key risk and opportunity areas arising from the scenario base climate risk and opportunity assessment are as follows:

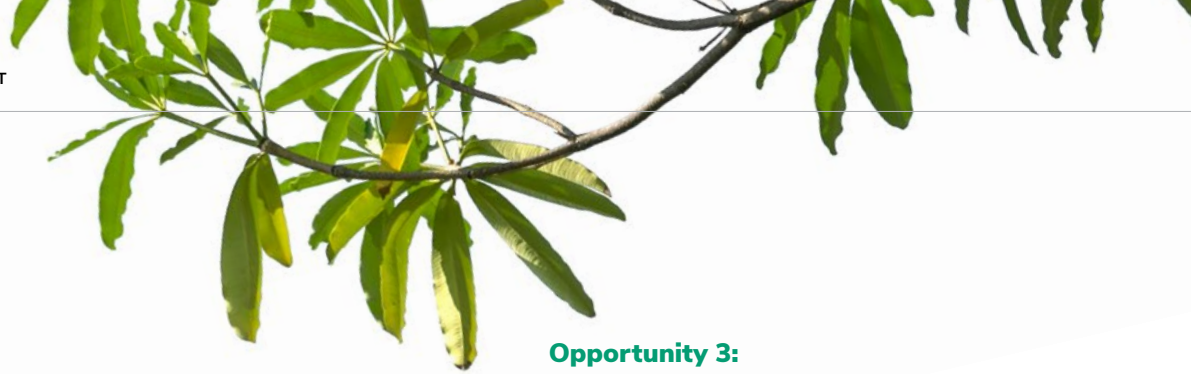
- Physical Risk: Rising mean temperatures that could negatively impact our margins and operating costs.
- Physical Risk: Increase in frequency and impact of extreme weather events (e.g. excessive precipitation) to disruption of services.
- Transition Risk: Increase in unit economics of energy costs

Opportunity 1:

During the assessment of climate change opportunities for our telecom sites, we noticed that we could achieve some savings in energy consumption by reducing our dependency to fossil fuels, which could lead to a reduction in CO2 emissions and opex reductions. The driver for such an initiative was the erratic availability and pricing of diesel in our markets, especially in Sudan and South Sudan, where we incur cost drivers such as fuel.

To capitalize on this opportunity, we deployed green power solutions such as battery-hybrid solutions, solar systems, outdoor equipment, connection of base station sites to the grid, and performed 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 three years. The implementation of energy efficient solutions has led to a reduction of our opex by USD 1.771 million in 2020. The benefits of such initiatives will continue for at least and additional three years (during the lifetime of the equipment that were deployed). The initiatives have also helped Zain reduce its CO2 emission by 3.984 metric tons in 2020.





Opportunity 2:

Zain's operations are continuously working on improving the customer experience and ease their journey through the introduction of new digital channels that offer truly digital, personalized experiences with full control over purchase, usage, and interaction with Zain anytime and anywhere. Examples of initiatives include chatbots that incorporate AI technology over our digital channels on Facebook, Messenger and website applications to assist customers with common inquiries, social media and smart branch navigation. These efforts are coupled with the back-end internal transformation of system automation and processes. We are witnessing steady growth in the adoption of digital channels and look to achieve 85% of recharge transactions over digital by 2025 for the above markets. Implementing these initiatives in the shadow of a global pandemic was a challenge, but the ongoing pandemic has only accelerated digital transformation.

In certain markets such as Saudi Arabia, we registered 60% market share for digital channels in 2020. For instance, top up transactions have increased 55% by Q4-20. In Bahrain, we saw 34% share of top ups via digital channels, reflecting a 36% increase in usage as compared to Q1-20.

The measures helped sustain Zain Group EBITDA margin at 39%, which was 200 basis points higher than budget estimates of 37% despite a 600-basis points reduction in total revenue.

Our operation in Saudi Arabia engaged with Apple and Google to run campaigns to educate users on how to make purchases on both mobile stores over the Zain line. As for ICT services, we are working with our partner Ding to promote offers to encourage subscribers to complete credit transfers. We are also running social media campaigns to promote such services and spreading awareness on performing international credit transfer.

Zain Saudi Arabia established direct customer billing relationships with digital brands such as with Amazon Prime (includes Amazon Prime Video), Sony (Play Station Store), Likee, and Uber. There are no current regulations that require us to transition to digital registration, however, we proactively initiated this step to fulfill climate-related changes and achieve operational costs through a paperless process. In addition, customer behaviors are gradually shifting to digital channels, and these measures helped sustain Zain Group's EBITDA margin at 39%.

Opportunity 3:

E-waste disposal contributes to climate change due to the chemicals released when it is burned.

Harmful chemicals such as polybrominated diphenyl ethers (PBDE) and polybrominated biphenyls (PBBs) are the principal toxins released when electronics are burned. PBDEs are used as flame retardants in electronics, and during combustion release CO₂. Collectively, these various chemicals – when burned for disposal – cause harm both to humans and the environment.

In our industry, typical e-waste consists of decommissioned radio base stations, network cards that have been replaced after maintenance, old servers, and legacy antenna equipment.

Our operations in Jordan have initiated recycling of e-waste and is being implemented quarterly. An agreement with ISTINARA, a Jordanian company is in place for quarterly collection and recycling with an objective of offsetting negative environmental, social, and financial impacts of the growing e-waste challenge facing the world.

ISTINARA transforms e-waste's overlooked potential into economic opportunities for marginalized communities with a focus on women and youth by producing luxury handicrafts made from recycled e-waste by-products. ISTINARA's pilot project was launched in Jordan in 2020 and aims to swiftly expand its reach into neighboring countries.

As of 2020 in Jordan, 90% of electronic waste in the technical warehouse is responsibly disposed of through the recycling process, generating USD 150,000 in revenues.

Our operations in Sudan commenced a project in January 2021 to commission the responsible disposal of electronic waste. A list of suppliers (telecom, solar energy and recycling companies.) approved by Telecommunications and Post Regulatory Authority has been finalized.

The project is targeted to release battery waste where a total of 8,976 batteries amounting to 329,600 Kilograms have been sourced from four different warehouses - Dilala W.H, Algazafi W.H, Alghaba W.H, Wad Algalal.

Zain Sudan is still awaiting TPRA approval to release more telecom waste.

On an annual basis, risks are checked and measured to align to tolerances, with quarterly checks of any management and assurance results, with any material changes to the risk profile being updated accordingly.





At Zain, we believe our approach to business resilience will mitigate the short-to-medium term physical impacts of climate change, and we will continue to monitor longer-term trends. Our priority, however, is to prepare ourselves to face the challenges and seize the opportunities posed by the move to a lower carbon economy and the policy changes required to achieve it. The overall aim is to provide the Board with reasonable assurance of the sustainability of our business in meeting the challenges of an ever-changing global economy. Our Risk assessment process consists of four steps:

1. **Risk Identification:** Identifying relevant risks that can adversely affect the achievement of Zain's objectives.
2. **Risk Analysis:** Understanding the impact and likelihood of risks as well as their root causes and the level of control that Zain can exert over them.
3. **Risk Evaluation:** It involves comparing the risk found during risk analysis and need of risk treatment according to Zain's risk priorities.
4. **Risk Prioritization:** Prioritizing risks based on their level of importance or strategic value to Zain as defined by their ability to adversely impact the achievement of Zain's strategic objectives. It should also consider the severity of risk compared to risk appetite.

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 Risk Management and Sustainability chiefs are part of the Climate Action Committee (CAC) and regularly engage on the evolving climate change related risks.

For the identified risks, executive management assigns risk owners who are assisted by risk champions who perform detailed root cause analysis of their respective risk, build actionable steps considering the following risk mitigation strategies as detailed in the risk management policy:

- **Accept** – No action is taken to change the severity of risk and is assumed when the risk is already covered in the risk appetite.
- **Avoid** – Risk avoidance involves taking the decision not to engage in any activity that may result in the risk event, i.e. usually ceasing the activity that may lead to the risk event.
- **Transfer** – Risk transfer involves shifting the impact of a risk event and the ownership of the risk mitigation to a third-party.
- **Mitigate** – Risk mitigation reduces the probability and / or impact of a potential risk to a more acceptable level. Mitigation could involve adopting a less complicated process, conducting additional tests on the product, designing redundancy into a system, or incorporating a quality control or reconciliation.





Physical Risks

As per TCFD guidelines, we observed that our sites are vulnerable to the rise in mean temperatures as 90% of our sites in respective operations are situated outdoor with cooling provisions for the active components, namely electronic equipment (radio base station, microwave indoor unit) and power equipment (rectifiers for DC power and DC battery bank). The equipment is vulnerable to high temperatures particularly in summer where temperatures can reach 55 degrees Celsius, hence the increase in cooling requirements.

Fuel and electricity consumption patterns are analyzed to see whether there are variations. In case the energy consumption increases by more than 10% from one quarter to another, the concerned operation is required to provide the details and the justifications for the increase. In 2020, our operations in Kuwait, Saudi Arabia and South Sudan reported increases in energy consumption by 16%, 22% and 110% that were justified by the expansion of the access network as 5G network was rolled out in Kuwait and Saudi Arabia. South Sudan added 4G sites.

We took the reference of Coupled Model Intercomparison Project, Phase 5 (CMIP5) models included in the IPCC's Fifth Assessment Report (AR5) to assist our Climate Action Committee understand the projections of future climate change and related impacts.

As per RCP 8.5 Ensemble we have prepared projections for the following two scenarios:

Increase in mean annual temperature by 2°C in 2040

Increase in mean annual temperature by 3°C in 2059 (RCP 8.5, Ensemble)

Further, the International Energy Agency (IEA) has updated its 450 scenario, which describes an energy pathway consistent with the goal of limiting the average global temperature increase to 2°C.

We have extended the first scenario to our long-term horizon of 2035. 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 risk falls in the moderate to high category as it is more than 1% of our EBITDA and hence is classified as a risk material to operations.

**The risk is said to manifest across all six countries of operation as the underlying energy consumption data is an aggregate from these countries.*



Transition Risks

Energy costs are one of the most significant operating costs for our company as they represent 30-40% of our sites' total operating costs. In 2020, the energy cost for our offices, data centers and base station sites was approximately USD 201 million, up by 46% compared to USD 137.71 million in 2019. The increase is due to a sharp rise in consumption and increase in unit grid and diesel costs in Jordan, Iraq and diesel costs in Sudan. Therefore, an increase in grid power and diesel costs would have a significant impact on our operating costs. Because the macro-economic situation of some of our operating countries is characterized by a de-growth in GDP due to lower oil prices and lower non-oil-based revenue sources, we have foreseen hikes in energy costs based on our estimates in 2019 from government-owned utility providers. Energy prices are subsidized in our oil rich operations in Kuwait and Saudi Arabia.

As per the IMF 's Future of Oil and Fiscal Sustainability in the GCC Region and Kuwait Energy Outlook 2020 reports, the current rates in Kuwait are substantially below the USD 0.07 per kWh average tariff rates for other GCC countries. Kuwait witnessed the last hike in 2017 to USD 0.033 per kWh. Our operations in other countries that do not have such oil reserves have been subject to steadily rising fuel prices (Sudan and Jordan witnessed fuel price increases of 167% and 56% respectively in 2020).

Given that context, Zain is likely to face a double-side problem which is the increase in fuel and electricity prices. We estimate that current subsidies on energy prices in our operations which are oil dependent will not be prevalent as this will further impact their existing fiscal deficit.

For the transition risks, mainly historical data of fuel and electricity prices are collected, extrapolated, and used to calculate the possible impact of energy tariff increases on our operating costs.

Our total energy consumption in 2020 was 1,031 MWh up by 11% from 929 MWh from grid power and 153.4 million liters of diesel, up by 8% from 141.8 million in 2019. The 2020 overall energy cost including diesel was USD 201.69 million.

With our long-term planning process of 15 years, we have estimated that energy operating costs could increase by over 107% by 2035 to USD 418.16 million, which is an upward revision of 38% from USD 301.30 million as per 2019 forecasts. The estimated figures factor in the underlying per unit grid power and diesel fuel hikes as per macroeconomic indicators.

We have estimated a 5% average increase in per unit tariff based on 2016-2020 price movements to arrive at 2x of existing unit cost by 2035. We also factored in the cost for additional cooling to arrive at USD 33.18 million, and a total energy cost of USD 418.2 million up by 38% as per previous estimate in 2019 at USD 301.36 million in 2035. This would translate to a 108% rise from our 2020 energy costs. This could affect our operating margins, which led us to put in place action plans to reduce this cost estimate. Hence, fuel and electricity tariffs potential increase would lead to a transition to more energy efficient solutions.





Data Privacy

The company values personally identifiable information (PII) entrusted by its customers, employees, suppliers and other stakeholders. Therefore, Zain is committed to the collection, usage, retention, and non-disclosure of PII in a transparent and secure way to comply with applicable legal and regulatory requirements for processing such information.

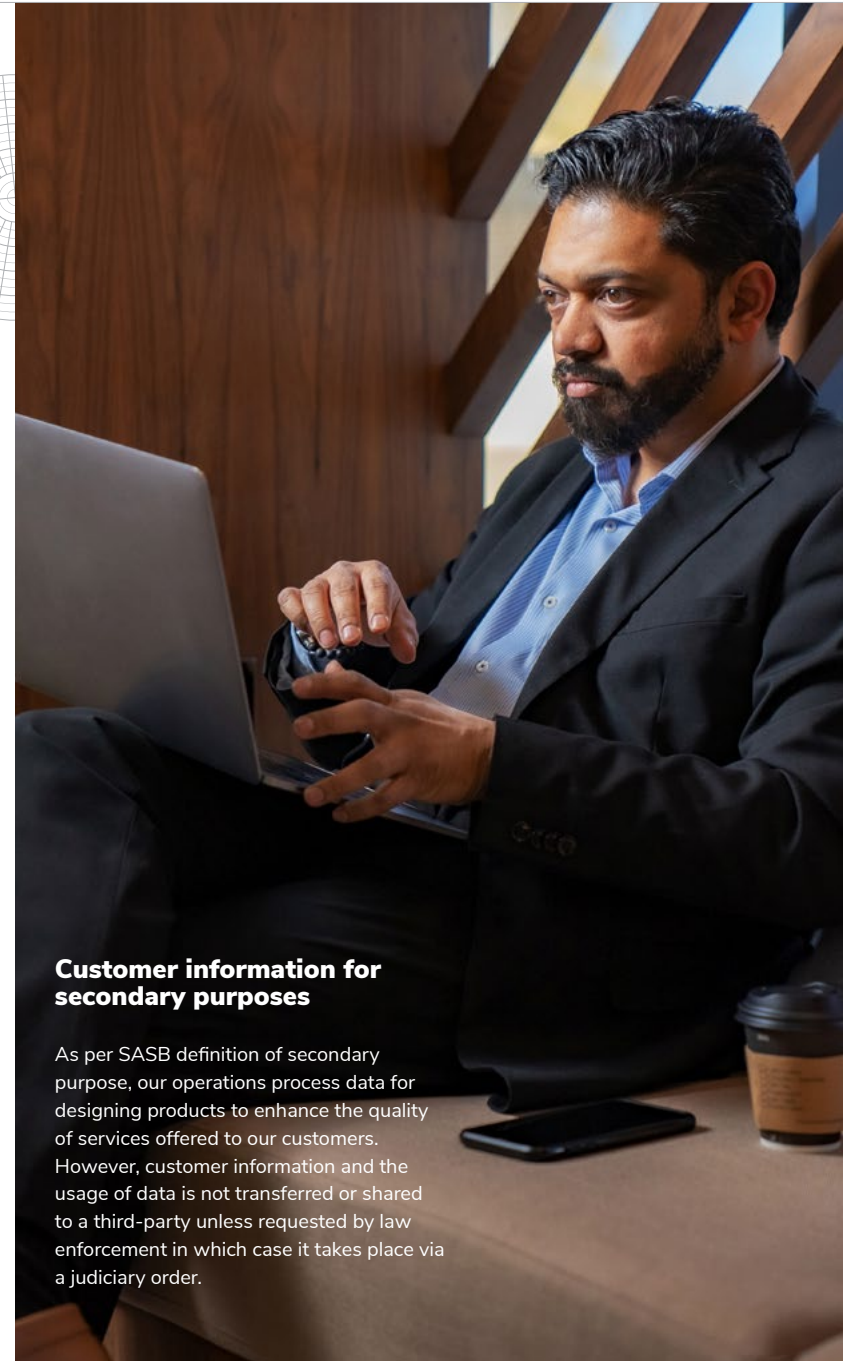
Zain's operations present an individual with the choice to allow the processing of their PII except where applicable law based on the specific countries' rules and regulations specifically allows the processing of PII without the person's consent. Our customers are also provided with a privacy notice through various channels such as the website and sales contract on processing their personal data.

Our operations established technical and procedural controls for the implementation of the principles as outlined in Zain's Data Privacy Policy. However, new data privacy related regulations are being introduced at a rapid pace and as such we need to ensure their alignment with new developments. Zain recognizes the recent EU General Data Protection Regulation (GDPR) legislation and other region-specific data protection laws as an opportunity to further enhance its data responsibilities and oversight. In light of these changing privacy laws and regulations, Zain Group is currently working on updating its privacy policy as well as the privacy notice that will be uploaded on to Zain websites in the near future. Existing privacy notices on the website provide the below in addition to any other information as required by applicable local law:

- The use(s) to be made of the operations data.
- Whether the information will be shared with or disclosed to third parties or other Zain Group companies; and
- Where legally required, how individuals can exercise their rights of access to their personal data.

The following are the privacy policies available on the respective web portals of Group and our operations:

1. <https://www.zain.com/en/policy>
2. <https://www.kw.zain.com/ar/privacy-policy>
3. <https://sa.zain.com/en/privacy-policy>
4. <https://www.jo.zain.com/english/Pages/terms.aspx#privacyPolicy>
5. <https://www.bh.zain.com/en/copyright/privacy-policy>
6. <https://www.sd.zain.com/English/Pages/privacypolicy.aspx>



Customer information for secondary purposes

As per SASB definition of secondary purpose, our operations process data for designing products to enhance the quality of services offered to our 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 judiciary order.

Data Security

In 2021, Zain Group and operating companies have not experienced any data security breaches involving customers' personally identifiable information (PII). We have been able to protect Zain Group from multiple phishing attacks. Zain Group has also enabled a new feature making it easier for users to report phishing and spam emails with the click of a button, thereby making the investigation process more efficient and allowing immediate action to be taken.

Approach to identifying and addressing data security risks

The telecommunications industry is categorized as critical national infrastructure, processing and storing highly confidential and valuable information and as such is prone to being targeted heavily by cybercriminals. As technology evolves globally, so do cyber threats that have a variety of impacts on individuals, enterprises, and societies. Telcos continue to be susceptible to the following types of incidents (non-exhaustive list):

- Theft of competitive data/competitive intelligence, including corporate espionage,
- Theft of intellectual property or trade secrets, misappropriation of assets,
- Advanced Persistent Threats (APT),
- Fraud (financial or otherwise),
- Personally Identifiable Information (PII) theft,
- Data breach or loss,
- Information related extortion,
- Operational downtime.

To mitigate and reduce the possibility of above incidents, Zain has developed cyber resilience, which is the ability to effectively identify, protect, detect, respond and recover from potentially catastrophic cybersecurity threats. To achieve cyber resilience, Zain must effectively identify the risks, design robust controls and continuously measure effectiveness to be able to create a sustainable and safe operating environment.

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



Approach to identifying and addressing data security risks

Bahrain:

Conducting vulnerability and penetration testing (VAPT) for new and existing applications, annual security audits in addition to generating and implementing minimum security baseline assessments to available platforms.

When a risk is identified, related security rules are configured on the applicable security devices to address it.

Security information and event management (SIEM) solutions are in the exploration and assessment phase.

We are required to report all security related incidents and breaches to the Telecom Regulatory Authority in Bahrain including the incident notification and RCA details.

Zain Bahrain is also working with the National Cyber Security Center (NCSC) to onboard and integrate our critical systems with the national SIEM and Security Operations Center (SoC). Defense-in-depth firewall setup and other general controls have been applied using multiple technologies such as firewalls, web application firewalls (WAF), active directory policies and terminal access controller access-control system (TACACS+).

Sudan:

The security environment is continuously monitored and enhanced through Zain Sudan's Risk Management, Business Continuity, Information Security, and the internal and external ISO audit reports submitted to management.

Saudi Arabia:

Zain Saudi Arabia follows the ISO 31000 framework in identifying, assessing and mitigating risks for the current operation and the new projects, products and services.

Jordan:

Zain Jordan strives to ensure effectiveness of the security program through the following:

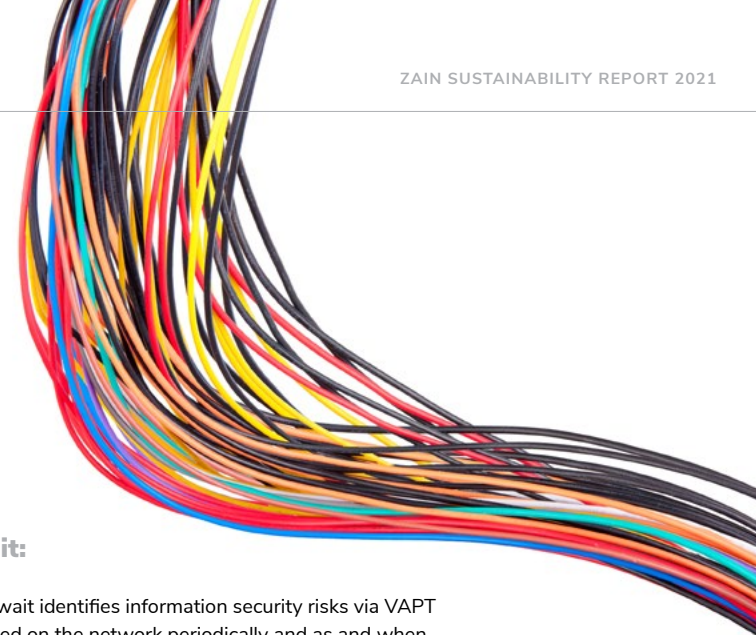
1. Continuous monitoring of SIEM solution by information security team
2. Continuous monitoring of Distributed Denial of Services attacks by SoC team
3. Vulnerability assessments performed on a quarterly basis

Kuwait:

Zain Kuwait identifies information security risks via VAPT conducted on the network periodically and as and when new applications are introduced. Security controls are configured and hardened based on latest versions of MSB for the systems in place.

Iraq:

Zain Iraq's management strives to ensure that the entirety of the systems are always protected and up to date with the most advanced security systems. The operator also invests in the SoC. Internet facing applications and mission critical internal applications are integrated with the security information monitoring tool, which is monitored 24*7 by security engineers at the SoC. Any unauthorized web event is promptly reported and investigated by the team.



Managing Systemic Risks from Technology Disruptions

A mission critical service requires continuous availability where breaks in service are intolerable and immediately and significantly damaging. Zain has designed availability required at almost any price.

ZAIN GROUP	
SYSTEM	AVAILABILITY
ERP	100%
Oracle Hyperion	99.99%
Website zain.com	99.999%

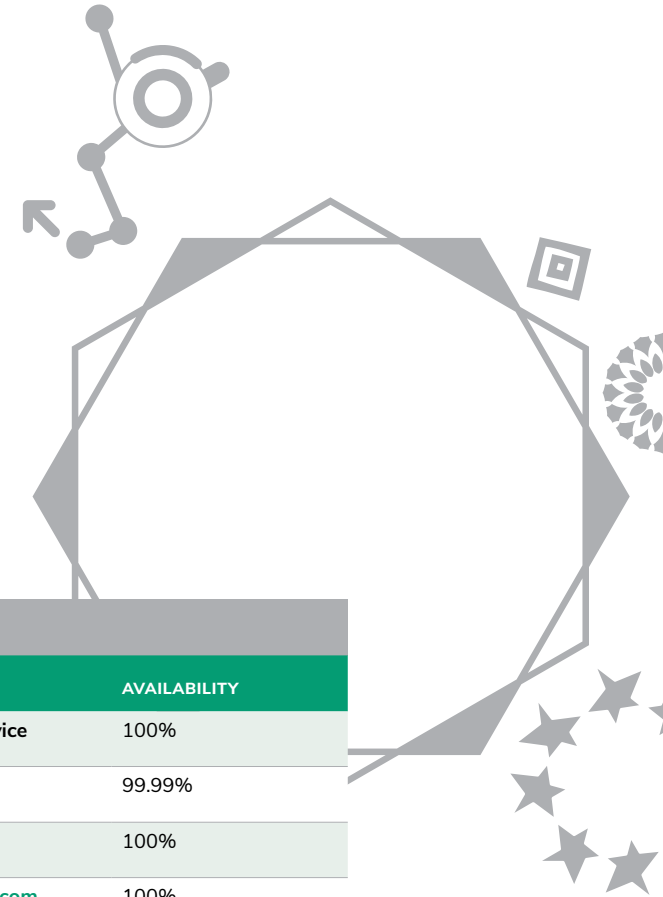
ZAIN IRAQ	
SYSTEM	AVAILABILITY
Billing	100%
CS Core	100%
PS Core	100%
Website iq.zain.com	100%

ZAIN KUWAIT	
SYSTEM	AVAILABILITY
Billing/CRM Service	100%
CS Core	100%
PS Core	100%
Website kw.zain.com	100%

ZAIN JORDAN	
SYSTEM	AVAILABILITY
Billing/CRM Service	100%
CS Core	100%
PS Core	100%
Website jo.zain.com	100%

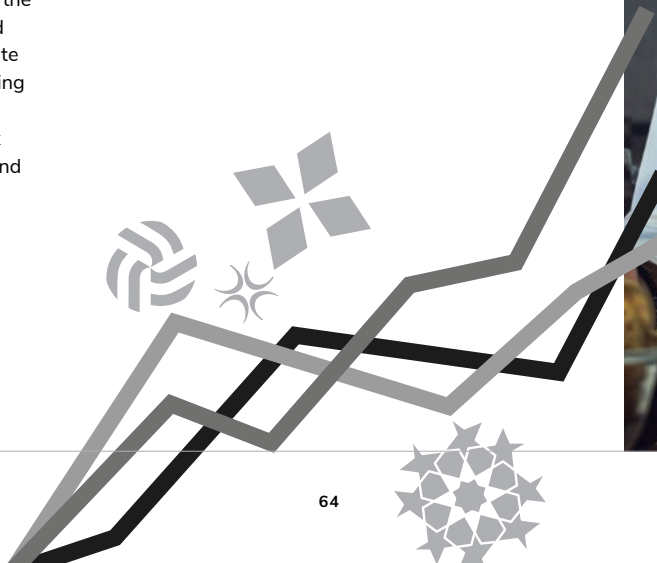
ZAIN BAHRAIN	
SYSTEM	AVAILABILITY
Billing/CRM Service	100%
CS Core	99.99%
PS Core	100%
Website bh.zain.com	100%

ZAIN KSA	
SYSTEM	AVAILABILITY
Billing/CRM Service	99.7%
CS Core	99.9%
PS Core	99.9%
Website sa.zain.com	99.9 %



Description of systems to provide unimpeded service during service interruptions

1. Zain ERP – Enterprise Resource Planning Tool Monitor - uptime in seconds/Month (30*24*60*60 seconds)
2. Oracle Hyperion – Primary financial planning & budgeting tool Monitor - uptime in seconds/Month (30*24*60*60 seconds)
3. Zain website channel – Primary digital channel Monitor - Website running uptime in seconds/Month (30*24*60*60 seconds)
4. Billing/CRM: The internal billing system used to process and validate billing records, invoices, integration & reconciliation with other accounting systems.
5. IN: Intelligent Network allows functionality to be distributed flexibly at a variety of nodes on and off the network and allows the architecture to be modified to control the services. These networks can separate extra services from the call switching system, making it easier to add new user services such as (call screening or call waiting), as well as more complex services like (variable charging, caller ID services and international messaging).
6. CS Core: Circuit Switch, handles voice calls and contains functionalities such as mobile switching center (MSC) and gateway MSC (GMSC).
7. PS Core: "Packet Switch", handles data sessions and contains functionalities such as Serving GPRS Support Node (SGSN), Gateway GPRS Support Node (GGSN), Domain Name Server (DNS), Dynamic Host Configuration Protocol (DHCP) server, and packet charging gateway.




Security Risk Training

In 2021, Zain Group Risk Management continued to share content to Group employees as part of the PAUSE.THINK.ACT cybersecurity awareness program that was initiated in 2020. In addition to the essential security related topics that were identified in 2020, new topics were added based on the current cyber security trends and the changing threat landscape. The materials shared with all employees not only provided information on evolving cyber attack techniques but also provided tips to remain vigilant and protect themselves as well as Zain from being compromised. Additionally, as and when new vulnerabilities are discovered, Zain issues alert notifications to raise awareness. Zain operating companies also utilized other channels and methods to raise awareness such as phishing simulations and awareness games.


Zain maintains subscription to notifications and alerts that are generated from GSMA T-ISAC, Telecommunications Information Sharing Analysis Center's Malware Information Sharing Platform. As cyber attacks are continuously evolving and increasing in sophistication and volume, the threat intel that is available to us via this platform helps to be proactive and take the necessary steps to protect Zain and its operating companies from being compromised.

Information security topics covered and planned for 2021

- Physical Security
- Removable Media
- Backups
- Vishing
- Suspicious Websites
- SMSing
- Password & 2 Factor Authentication
- Bluejacking & Bluesnarfing
- Remote Connection Security
- Social Media Privacy
- Password Protection of Files
- Juice Jacking
- Incident Reporting
- Insider Attacks
- QR Code Attacks
- Safe Usage of OneDrive & SharePoint
- Clean Desk Clear Screen
- Mobile/ laptop Security
- Evacuation Instructions
- BCM Policy
- Key person risk
- Business Impact Analysis
- Clearview & BCP
- Information Classification
- WhatsApp hacking and prevention



AWARENESS UPDATES	TOTAL STAFF	TOTAL NUMBER OF STAFF THAT RECEIVED AWARENESS CONTENT	TOTAL NUMBER OF CHANNELS UTILIZED
Group	199	199	2
Kuwait	1,500	1,500	2
Iraq	1,853	1,200	1
KSA	1,757	506	4
Jordan	1,279	1,279	3
Bahrain	185	185	4



INITIATIVE	DATE OF ADOPTION	OPCOS IN SCOPE	NATURE OF INITIATIVE (BINDING/VOLUNTARY)	RANGE OF STAKEHOLDERS INVOLVED
Stamp of Approval for Maintenance & Operations	20-May-19	Zain Kuwait	Voluntary	Uptime Institute Professional Services
Information Security Management System ISO 27001:2013	10-Jan-21	Zain Bahrain	Binding	Telecommunication Regulatory Authority
	2-Feb-21	Zain Kuwait	Voluntary	DNV-GL
	15-Jan-20	Zain Jordan	Voluntary	SGS
	5-Apr-18	Zain Sudan	Voluntary	DNV-GL
Business Continuity Management System ISO 22301:2012	Feb-20 28-Jan-20	Zain Kuwait	Voluntary	DNV-GL
Environmental Management System ISO 14001:2015	03-Feb-21	Zain Kuwait	Voluntary	DNV-GL
	16-April-18	Zain Sudan	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



13

Addressing Key Challenges to Human Rights

Addressing Key Challenges to Human Rights

Zain Group continues its commitment to ensuring it inclusively addresses human rights, respects the rule of law, and the wellbeing of society. The company takes a systematic approach to making sure that its human rights policies and procedures can be adopted and are applicable across all of its operating markets. By integrating such practices into the business and across the value chain, Zain is able to leverage its reach and create maximum impact.

The company's strategic approach towards human rights is framed by the following:

- **Governance and Policy**
- **Position Towards Human Rights**
- **Identification of Salient Human Rights through Engagement**
- **Reporting and Impact**

Zain continues its alignment with the UNGP on Business and Human Rights Reporting

The company aligns its human rights reporting methods to the United Nations Guiding Principles on Business and Human Rights Reporting Framework. Zain's commitment to the principles showcases its strong stance in upholding the highest standards across its operations.

Governance and Policy

Centered on respecting the dignity of all, Zain's commitment to human rights is guided by its Human Rights Policy Statement that aims to define the governance and requirements set out for all stakeholders that engage with the company.

Zain defines human rights as per the definition of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the ILO Declaration on Fundamental Principles and the Rights.

The policy is guided by the United Nations Guiding Principles 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; and it is in aligned with the principles of the United Nations Global Compact and the Global Network Initiative's principles on Freedom of Expression and Privacy – GNI Principles.

Zain's policy can be found on the Group's website, here:

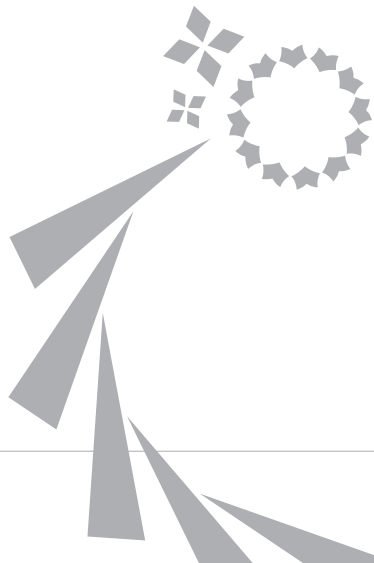
[English](#) | [Arabic](#)



Position Towards Human Rights

Upholding the rights and dignity of all our stakeholders is of utmost importance to Zain. As a digital service provider, we believe it is our role to provide people with access to tools, mechanisms and information to promote, protect, and enable our stakeholders to fulfil their rights. In our sector, potential human right risks are present across our value chain, and it is our responsibility to ensure such risks are mitigated against.

Zain's scope for human rights extends to all its areas of operations, which include Bahrain, Iraq, Jordan, Kuwait, Saudi Arabia, Sudan, and South Sudan. Based on the company's continuous engagement with its stakeholders, assessment of its operating context and communities, industry landscape and the Sustainable Development Goals (SDGs), the following human rights have been identified:



Salient Human Rights



Labor Rights, Treatment and Safety



Public Safety



Customers' Rights to Privacy



Child Online Safety

Value Chain and Impact



Supply Chain



Supply Chain and Community



Community and General Public



Community and Vulnerable Segments



Identification of Salient Human Rights through Engagement

Zain identified the most relevant human rights issues primarily through 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, Head of Legal/Legal Counsel, and Chief Communications Officer. In addition, the company continued to conduct its annual stakeholder engagement exercise where it aims to gather the input of all stakeholders through a Group-wide survey. Based on the results of the survey, Zain processes its stakeholders' concerns, prioritizes, and address them.

In addition, Zain continued to discuss specific relevant human rights topics, utilizing its social media channels. Some of the topics of discussion included children as victims of violence; promoting the importance of child hotlines; protecting data privacy; and raising awareness on the importance of humanitarian workers and preservation of human dignity and rights.

Zain also continued to engage with shareholders and key investors; communicate with local communities regarding site selection; and human rights impact assessment studies prepared as part of the due diligence process when applicable for corporate investments, joint ventures, and mergers and acquisitions.

To ensure that Zain's policies to uphold human rights continue to be effective, the company frequently engages with employees, suppliers, the public, and other stakeholders who may be potentially impacted by such policies. Employees, for example, maintain several internal channels through which to communicate labor grievances. In cases where people are harmed by the company's actions, effective remedies are stipulated within Zain's HR Policy Statement, its Supplier Code of Conduct, and its ESMP Guidelines. Each document clarifies channels for impacted people to communicate their grievances to the company.



Impact and Reporting

The policies related to addressing human rights issues are shared and readily available to all relevant stakeholders and accessible to all employees through the Zain Group website. Such specific policies are articulated within the Human Rights Policy Statement, Human Resources Policy, the Supplier Code of Conduct, the Corporate Sustainability (CS) Policy and the Environmental and Social Management Plan Guidelines. With regards to customers, Zain's policy of protecting its customers' data privacy is articulated in the GSMA Mobile Privacy Principles, which Zain took part in developing and to which it maintains its adherence. Zain's position on the non-disclosure of customer information and the protection of the confidentiality and privacy of all personal information is publicly available on the [website: \(http://www.zain.com/en/policy\)](http://www.zain.com/en/policy).

In addition, Zain ensures that its local and international suppliers also share its commitment to responsible business practices, which include human rights. Such human rights standards are upheld by Zain's suppliers and partners through compliance mechanisms with Zain's Supplier Code of Conduct and through a screening process that takes place prior to the registration of new suppliers.

Established in 2017, Zain initiated its supplier self-assessment exercise, which touched upon human rights amongst other relevant topics, by conducting site visit evaluations for material suppliers. This exercise continued in 2018, 2019, and 2020. This year, Zain continued to expand and reach a larger number of international and local suppliers. Through this engagement, suppliers must also commit to the human rights policy statement before registering onto Zain's supplier portal.

Furthermore, in matters regarding 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, inclusiveness, as well as fair and equal opportunity 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 course of the year. During this period, there were no human rights abuses committed under Zain's scope.



Labor Rights

The Challenge:

This year, the region's labor markets continued to experience the impact of the COVID-19 pandemic. The difficulty to find meaningful employment; gender disparity in the workplace; and lenient regulations and laws in protecting labor rights are some examples of the challenges faced in the region. Economic and political insecurity further compounds the difficulty to find stable and safe working environments.

Stakeholder Engagement:

Zain's Code of Conduct is publicly available on the company's website, and its Human Rights and Human Resources Policies are communicated to and shared with all employees. Zain also has in place open communication channels across the Group, which enables all employees to voice their concerns, feedback and views on the company's policies and procedures. As such, the Human Rights and Human Resources Policies remain fluid documents that are responsive to employee priorities and are revised accordingly. In 2020, the establishment of the Human Rights Policy and amendments to the Supplier Code of Conduct were developed in line with industry best practice as far as labor practices, including forced and child labor. Zain further developed the mechanism by which suppliers adhere to the Supplier Code of Conduct and Human Rights Policy Statement by embedding it in the onboarding process through Zain's website.

Impact on Policies:

Zain maintains multiple channels for employees to report any violations of their labor rights or mistreatment. In addition, Zain's geographical expansion or entry into new revenue streams is preceded by human rights impact assessments that influence the company's decision-making processes and resulting action.



Public Safety

The Challenge:

Stakeholder engagement is required to continue safeguarding the public safety when it comes to installing sites and ensuring we are aligned to regulations and license renewals. With the roll out of 5G networks, we have noticed a rise in mischievous theories and myths of the impact of 5G on public health. The company continues to work closely with authorities and regulators in each of our markets in addition to industry experts to ensure we address health and safety topics related to our operations.

Stakeholder Engagement:

Zain ensures that its activities, such as the establishment of base stations, are in accordance with the Environmental and Social Management Plan (ESMP) guidelines and are carried out in compliance with relevant regulatory bodies.

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.



Customers' Rights to Privacy

The Challenge:

Overall, the MENA region's approach to data privacy is addressed through general rules and laws as opposed to laws specifically dedicated to safeguarding personal data. Furthermore, there is a lack of data protection authorities to enforce data privacy laws. However, momentum is gathering in some countries where entities have been established and are designated to protect the privacy of individuals' data. A cohesive and unified framework is required in the region to bridge data protection rules across the board.

Stakeholder Engagement:

Zain ensures that its activities, such as the establishment Zain's protection of its customers' personal data is communicated through its annual Sustainability Report in the 'Our Products and Customers' section and through the website. This year, we continue to align to the Sustainability Accounting Standards Boards (SASB). Further information can be found in the Enterprise Risk Management section on page 50.

Impact on Policies:

Zain continues to adhere to the GSMA Mobile Privacy Principles and is committed to protecting the personal information of its customers. The company applies stringent measures to avoid data leaks, theft and/or loss. Zain also aims to respond to such issues with the utmost precaution and diligence. Zain complies with laws and regulations related to the protection of customer privacy and data, and takes steps to align with ISO certifications related to the subject.



Child Online Safety

The Challenge:

With more children online now more than ever, certain risks have become more prominent. In the context in which Zain operates, there is a lack of child protection infrastructure with respect to specific tools and mechanisms that keep children safe online. In addition, there is a lack of awareness on the potential harm the online space poses on children's wellbeing. In addition,, there is a sense of taboo in the region culturally with regards to discussing child sexual abuse material found online. The lack of dialog is extremely problematic as 44% of respondents of a recent survey conducted by The Economist experienced online sexual harm during childhood in the MENA region.

Stakeholder Engagement:

Zain's firm commitment to protect children is demonstrated in the company's proactive engagement in initiatives that focus on protecting children and collaboration with key stakeholders such as UNICEF and related stakeholders such as academic institutions. Due to the ongoing impact of COVID-19, there has been a dramatic rise in online activity, placing children at greater risk of online harm. In response, Zain ensured that its Human Rights Policy Statement covers and protects children's rights and online safety. The company also assessed the risks of online gaming as well as installing blocking mechanisms on its networks to restrict access to child sexual abuse material (CSAM).

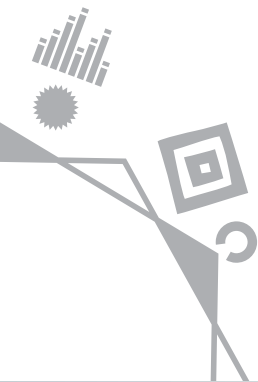
Impact on Policies:

Zain maintains its adherence to the GSMA's Mobile Alliance Against Child Sexual Abuse Content.

This year, the company continued to evolve its global MoU with UNICEF by having each of our operating companies establish a local MoU to establish initiatives on protecting children. The MoU covers aspects on online gaming, raising awareness about child online safety, and convening stakeholders on online protection.

Zain also conducted UNICEF's Mobile Operations Child's Rights Impact Assessment Tool (MO-CRIA), which resulted in the company identifying specific challenges, gaps and opportunities. Through this assessment Zain is diligently working on devising a plan that requires continuous engagement with various stakeholders. Zain also contributed to updating the MO-CRIA Toolkit, providing its insights in updating the tool this year.

Zain was able to further develop the child online safety space and integrate safety mechanisms to ensure all children are safe when surfing the web by partnering with the Canadian Child Protection Center (C3P). The C3P's software, called Project Arachnid, aims to reduce the availability of child sexual abuse material (CSAM by crawling URLs previously reported to Cybertip.ca, as well as URLs reported directly into the Arachnid API. This year, Zain was able to integrate the Arachnid API onto Zain Kuwait's network is planning for implementation across the rest of Zain's operation.



The background of the slide features a complex network of white dots connected by thin white lines, creating a web-like or molecular structure against a dark blue gradient. The dots and lines are more densely packed in some areas and more sparse in others, giving a sense of depth and connectivity.

14

Materiality Assessment

Materiality Assessment

At Zain, we conduct an annual materiality assessment to identify and prioritize sustainability-related topics that are critical for both the company as well as its operating communities. Through the materiality assessment, the company engages with internal and external stakeholders to understand their concerns and address their needs. We consider our long-term business success the result of successfully addressing our various stakeholders' needs and concerns.



Determining Materiality to Zain:

Zain considers materiality as the principle that determines which topics are relevant and necessary to act upon and report. The company 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.

Zain established several methodologies to assess the significance of its impacts. The determination process of material issues was undertaken by identifying general sustainability topics in accordance with Zain's social, economic, and environmental impacts; its operating context; and industry trends. This process also took into consideration internal and external factors such as Zain's mission, vision, '4sight' strategy, concerns expressed directly by stakeholders, social expectations, supply chain, and climate change risks and opportunities. The results, which prioritize sustainability topics on an internal and external basis, are based on the survey results shared across stakeholder groups.

A shortlist of 18 topics based on previous reports and upcoming trends was created, which included:

- The macro-business environment
- Benchmarking against other prominent players in the industry and the 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, including the implications of COVID-19





Stakeholder Inclusiveness:

Zain defines stakeholders using the definition provided by GRI:

“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 impacted by the company’s operations, including local communities and civil society.

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

Internal

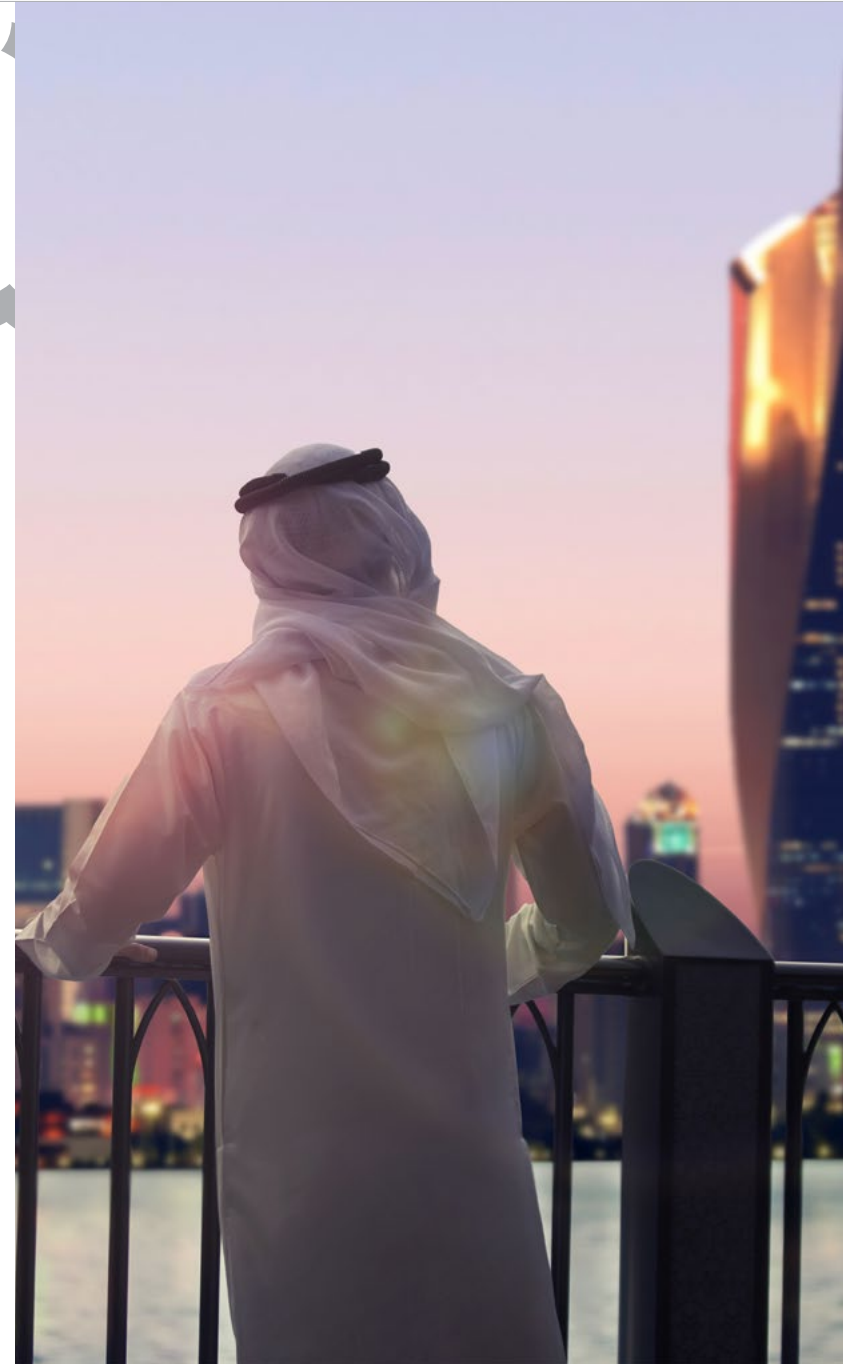
- Employees
- Executive Management

External

- Regulators
- Shareholders
- Suppliers
- Business Partners
- Financial Institutions
- General Public
- Customers

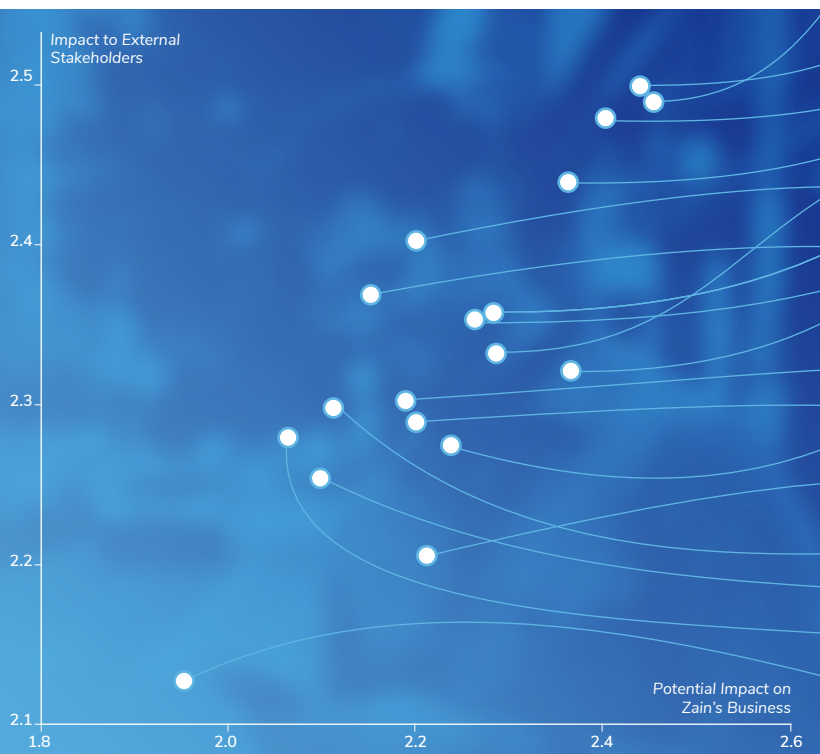
As a standard business practice, Zain frequently carries out stakeholder engagement activities throughout the year that enable the organization to address the needs and expectations of its stakeholders. Related engagement activities include the following:

1. Corporate Sustainability (CS) Social Media Outreach: CS social media outreach campaigns engage 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. Through such an approach, the company assesses its stakeholders’ behavioral evolution by conducting pre- and post- surveys to further develop its messaging and understand its stakeholders’ priorities and concerns.
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 area. Due to health and safety precautions, all forums were conducted virtually this year.
3. Stakeholder engagement process through various corporate functions: Several Zain functions devote significant resources to maintaining frequent dialogue and transparency with stakeholders through investor and shareholder meetings, frequent communication with regulatory bodies, meetings with partners, customer polling and other engagement activities related to each relevant function.



Materiality Assessment - Survey Results

After conducting the Materiality Assessment exercise across our markets, Zain witnessed drastic changes in results as compared to the prior year. Employee Health & Safety remains of highest importance for Zain's stakeholders. In addition, Data Privacy & Security, and Customer Service have risen in priority, which could be due to the rise in digitization experienced across Zain markets. Through this assessment, we noticed a drop in priority of Modern Slavery and Waste Management, which could be explained by the stabilization of societies post-COVID-19.



MATERIAL TOPICS	RANKING ORDER 2021	RANKING IN 2020
Employee Health and Safety	1	1
Data Privacy and Security	2	5
Customer Service	3	15
Business Ethics and Governance	4	4
Economic Performance	5	12
Digital Transformation	6	(Grouped under Access to Healthcare (7 th rank) and Access to Education and Skills Development (11 th rank))
Digital Inclusion	7	10
Diversity and Inclusion	8	(Changed from People with Disabilities (6 th rank))
Freedom of Expression	9	8
Child Online Protection	10	13
Entrepreneurs and SME Development	11	20
Tax Transparency	12	18
Socio-economic Compliance	13	14
Responsible Supply Chain	14	16
E-Waste and Waste Management	15	2
Climate Change	16	19
5G and Public Perceptions on Health	17	17
Modern Slavery	18	(Grouped under Modern Slavery (3 rd rank) and Human Rights and Human Trafficking (9 th rank))

The company responded to the identified priorities in the following ways:



1. Data Privacy & Security

- a. Establishing technical and procedural controls to implement the principles outlined in Zain's Data Privacy Policy. The company is currently working on updating its Privacy Policy in alignment with new data privacy-related regulations and recognizes the EU General Data Protection Regulation (GDPR) legislation and other region-specific laws.
- b. Continuing to develop awareness content to all Group employees as part of the PAUSE.THINK. ACT cybersecurity awareness program. The company included new topics based on current cybersecurity trends. Additionally, Zain provided tips to employees to remain vigilant and protect themselves and the company from compromise.
- c. As cyberattacks continue to evolve, Zain maintained its subscription to notifications and alerts from the GSMA's Telecommunications Information Sharing Analysis Center's (T-ISAC) Malware Information Sharing Platform. This allows the company to receive threat intelligence via the platform and take the necessary remedial steps to protect Zain from compromise.

2. Employee Health and Safety

- a. In response to COVID-19, Zain formed a Crisis Response Committee in 2020 led by executive management to ensure that all country operations implemented appropriate measures to rapidly respond to the evolving situation. As the company began to operate at full capacity, Zain continued to follow the guidelines set by the Crisis Response Committee, in addition to following the respective country's COVID-19 rules and regulations.
- b. Zain implemented several measures to provide guidance with respect to travel, working remotely, and health & safety awareness through various communication channels that include SMS, social media, and internal announcements.
- c. All Zain's premises are periodically sterilized and maintenance crews are provided with specific sterilization and cleaning material to ensure proper sterilization and safety.
- d. Hosted vaccination drives for employees in Kuwait, Iraq, Jordan, Saudi Arabia and Sudan.

3. Customer Service

- a. Customer satisfaction surveys are conducted routinely to assess various aspects of customer experience with the goal of improving the customer journey experience.
- b. Tracking customer satisfaction through Net Promoter Score (NPS) remains one of Zain's primary methods of identifying pain points and setting actionable and impactful plans to resolve them.
- c. Zain monitors its network performance and online transactions continually to detect any issues, which if identified, are escalated to relevant teams.

Stakeholder Engagement on Material Sustainability-related topics

The table below defines each sustainability-related priority for Zain and identifies the methods of engagement for each material issue in response to concerns of stakeholders. The company manages its sustainability-related topics based on the stakeholder engagement process and adapts to the issues and

concerns raised. The topics are in line with Zain's corporate sustainability strategy, the socio-economic and political context, upcoming environmental, social and governance (ESG) trends and the United Nations' Sustainable Development Goals.

SUSTAINABILITY-RELATED TOPICS	MAIN STAKEHOLDERS IMPACTED	ZAIN'S RESPONSE
Employee Health and Safety	<ul style="list-style-type: none"> Shareholders and Investors Employees Business Partners 	Maintaining an Employee Health and Safety Policy for all employees and temporary workers. The company ensures that it continuously engages, communicates and informs its employees on all health and safety precautions. All channels are utilized to communicate updates or concerns to all stakeholder groups.
Data Privacy and Security	<ul style="list-style-type: none"> Customers Shareholders and Investors Employees Government and Regulators 	Currently updating our Data Privacy Policy to provide guidance to operations on the collection, processing, and usage of personally identifiable information in compliance with the applicable laws and regulations. Continuous training and informational announcements are provided to all employees under Zain's PAUSE.THINK.ACT cybersecurity awareness program. Continuous enhancements on Zain's cybersecurity capabilities are undertaken by updating policies and procedures, security tools, training and awareness, and periodic security assessment.
Customer Service	<ul style="list-style-type: none"> Customers 	Maintaining a variety of activities on a proactive basis to ensure that our interactions with customers are positive and productive. Multiple engagement tools are used to track customer interaction and identify potential areas of improvement.
Business Ethics and Governance	<ul style="list-style-type: none"> Shareholders and Investors Employees Business Partners Government and Regulators 	Publishing a Whistle-Blowing Policy to report and mitigate any unethical actions internally in adherence to best practices. To protect all stakeholders' rights by maintaining transparency, the company's Code of Conduct is publicly available.
Economic Performance	<ul style="list-style-type: none"> Customer Shareholders and Investors Employees Business Partners 	Providing a transparent understanding of the strategy and business through frequent engagement by hosting forums and meetings, issuing periodic financial reports, disclosing the company's financial performance, and engaging in earnings conference calls.

SUSTAINABILITY-RELATED TOPICS	MAIN STAKEHOLDERS IMPACTED	ZAIN'S RESPONSE
Digital Transformation	<ul style="list-style-type: none"> Customers Shareholders and Investors General Public and Community Institutions Business Partners 	Enhancing customer experience and service through digitalization by continuously developing the company's digital channels such as the Zain app, Zbot, and website.
Digital Inclusion	<ul style="list-style-type: none"> Customers General Public and Community Institutions Government and Regulators 	Ensuring our sales channels are disability inclusive. Aligning to the Principles for Digital Inclusion for Persons with Disabilities and offering workshops that raise awareness on disability inclusion and customizing packages for specific marginalized segments.
Diversity and Inclusion	<ul style="list-style-type: none"> Customers Employees General Public and Community Institutions Government and Regulators 	Conducting workshops and webinars that tackle gender diversity issues. Equipping employees with opportunities to submit startup ideas to Zain's internal innovation platform, enhance the skills of employees under the youth segment through different programs. Partnering with organizations for people with disabilities to establish an inclusive culture at Zain. Providing Zain employees with tools and resources for mindfulness and mental health. To learn more about how the company is addressing diversity and inclusion in the workplace, visit ' Our People ' section.
Freedom of Expression	<ul style="list-style-type: none"> Shareholders and Investors Employees Government and Regulators 	Ensuring that processing of personal data is in place with the objective to respect the fundamental rights and freedoms of individuals including the right to the protection of personal data communicated through Zain's Human Rights Policy Statement .
Child Online Protection	<ul style="list-style-type: none"> Customers Employees General Public and Community Institutions Government and Regulators 	Position child online protection as a strategic focus area under Zain's Corporate Sustainability strategy. To learn more about how the company is playing a key role in addressing online risks for children, visit ' Our Sustainability Agenda '.
Entrepreneurs and SME Development	<ul style="list-style-type: none"> Customers Shareholders and Investors General Public and Community Institutions 	Continuous engagement with the startup community through Zain Ventures, B2B, and community institutions to address their requirements, while fostering the entrepreneurship ecosystem.
Tax Transparency	<ul style="list-style-type: none"> Shareholders and Investors Government and Regulators 	Submitting corporate income tax returns, Zakat and National Labor Support Tax (NLST), while engaging with tax authorities to ensure they are up-to-date with the most recent tax laws.
Socio-economic Compliance	<ul style="list-style-type: none"> Shareholders and Investors Employees Business Partners Government and Regulators 	Publishing a Whistle-Blowing Policy to report and mitigate any unethical actions internally in adherence to best practices. Assessing regulatory trends on ESG indicators to ensure alignment and disclosure. Attend industry-wide forums and webinars on ESG to further align to international best practices.
Responsible Supply Chain	<ul style="list-style-type: none"> Shareholders and Investors Business Partners: Suppliers, contractors and distributors 	Maintaining open channels of communication and clearly articulating contract terms and agreements. Communicating Zain's Supplier Code of Conduct and the Human Rights Policy Statements. Providing Supplier Assessment Questionnaires when onboarding new suppliers and recommunicating to existing ones.

SUSTAINABILITY-RELATED TOPICS	MAIN STAKEHOLDERS IMPACTED	ZAIN'S RESPONSE
E-Waste and Waste Management	<ul style="list-style-type: none"> General Public and Community Institutions Business Partners Government and Regulators 	<p>Setting targets to minimize waste across Zain's operation, including warehouses in alignment with best practices.</p> <p>Spreading awareness on the implications of waste on the environment and providing tips to mitigate this issue.</p> <p>Launched trade-in program for E-Waste and gradually substituting plastic bags with reusable ones for customers.</p>
Climate Change	<ul style="list-style-type: none"> Customers Shareholders and Investors Employees General Public and Community Institutions Business Partners Government and Regulators 	<p>Committed to addressing its environmental footprint by setting stringent targets to reduce emissions, minimize waste, spread awareness, and identify the risks and opportunities of climate change. To learn more about Zain's commitment to tackling climate change, visit 'Our Climate Action' section.</p>
5G and Public Perceptions on Health	<ul style="list-style-type: none"> Customers General Public and Community Institutions Government and Regulators 	<p>Precaution and safety guidelines are included in Zain's Environmental and Social Management Plan (ESMP) that was shared with all employees, and with Zain suppliers.</p>
Modern Slavery	<ul style="list-style-type: none"> Shareholders and Investors Employees General Public and Community Institutions Government and Regulators 	<p>Committed to the principles of the Universal Declaration for Human Rights, the Core Conventions for the International Labor Organization, and the United Nations' Guiding Principles on Business and Human Rights Reporting.</p> <p>Committed to investigating any concerns and if we discover any adverse human rights impacts, we will act appropriately without delay.</p>



A man in a white thobe and ghutra is smiling and talking on a mobile phone. He is standing in front of a modern building at night, which is illuminated with warm lights. The background is slightly blurred, showing the building's structure and some street lights.

15

Our Operating Context

Our Operating Context

Tax Challenge

Challenge

The tax landscape continues to change rapidly across the GCC and Middle East in response to Base Erosion and Profit Shifting (BEPS) actions issued by the Organization for Economic Co-operation and Development (OECD), posing challenges to taxpayers in areas including:

- OECD Inclusive Framework's agreement on taxing the digitalized economy and a global minimum income tax, commonly referred to as Pillar Two
- The continued roll out of the implementation of VAT across countries in the GCC
- The introduction of excise tax in the GCC
- The implementation of Transfer Pricing (TP) documentation and Country-by-Country Reporting (CbCR) obligations for multinationals based in and/or operating from certain GCC countries in compliance with BEPS Action 13
- The implementation of the Economic Substance (ES) requirements in certain GCC member countries



ADDITIONAL FACTS

ZAIN'S RESPONSE

OECD Inclusive Framework reaches political agreement on taxing the digitalized economy and a global minimum corporate income tax rate.

Since 2017, the 141 member countries of the Inclusive Framework have been jointly developing a 'two-pillar' approach to address the tax challenges arising from the digitalization of the economy. This led to the publication of two detailed 'Blueprints' in October 2020 on potential rules for addressing nexus and profit allocation challenges (Pillar One) and for global minimum tax rules (Pillar Two).

Pillar Two introduces a minimum effective tax rate of at least 15%, calculated based on a specific rule set, and applies to groups with revenues of at least EUR 750 million (USD 887 million). We note that the statutory corporate income tax rates in a number of GCC countries are below the proposed global minimum tax rate of 15%.

The OECD estimates that under Pillar One, taxing rights on more than USD 125 billion of profit will be reallocated to market countries each year. The global minimum Corporate Income Tax (CIT) under Pillar Two – with a minimum rate of at least 15% – is estimated to generate around USD 150 billion in additional global tax revenues annually.

Countries that do not currently levy a CIT or have effective tax rates below the proposed global minimum tax rate of 15% will have to make some key decisions to address the new rule.

An ambitious and challenging timetable has been set with plans for both Pillar One and Pillar Two to apply from 2023.

Zain is closely monitoring the development around Pillar Two, as its implementation may have a significant effect on the regional tax landscape.

Although the details of Pillar Two are yet to be finalized, Zain is working with its advisors to understand the range of implications on the Group's business.

ADDITIONAL FACTS	ZAIN'S RESPONSE
BEPS Action items <p>The transfer pricing documentation and Country-by-Country Reporting are gaining good momentum within the GCC region. Certain GCC countries have also implemented the Economic Substance requirements in compliance with BEPS Action 5.</p>	<p>Zain continues to employ professionals who are responsible for its tax affairs in every country in which the company operates. Zain's tax teams follow a clearly defined set of principles and behaviors, along with Zain Tax Strategy, Tax Code of Conduct and Tax Risk Management Policy, which are also aligned with Zain Group's Code of Conduct.</p> <p>In response to OECD's BEPS Action items, and the rapid changes in the tax landscape in the region, Zain continues to take the necessary steps to comply with the applicable standards in the various jurisdictions of operation. For example:</p> <ul style="list-style-type: none"> In response to Action 13 in relation to TP documentation and CbCR, Zain developed an in-house capability through designing an effective targeted policy for compliance, specifically: <ul style="list-style-type: none"> ✓ Local File (LF) and Master File (MF) have been prepared and are being updated on an annual basis. ✓ CbC report is prepared on an annual basis and filed with the relevant tax authorities in compliance with regulations. In response to the ES requirements (Action 5), Zain ensured full compliance as per the local regulations in the relevant countries.
<p>The government of Kuwait is looking at introducing significant economic and financial reforms to improve the state's growing deficits. The introduction of valued-added tax (VAT) and excise tax form part of the initiatives being proposed by the government. This is in line with the recommendations of international bodies, such as the World Bank and the International Monetary Fund.</p> <p>The Kuwaiti government has proposed the introduction of excise tax in 2022 and VAT in 2023. It is estimated that Kuwait would be able to raise an additional tax revenue of KD 1.7 billion (approx. USD 5.6 billion) by 2025 following the introduction of the above taxes.</p>	<p>Zain Kuwait will continue to monitor this matter and ensure full compliance in accordance with the related laws and regulations.</p>

ADDITIONAL FACTS	ZAIN'S RESPONSE
Double Tax Treaties <ul style="list-style-type: none"> The double tax treaty (DTT) between Saudi Arabia and the United Arab Emirates (UAE) entered into force on April 1, 2019 and was effectively applied from January 1, 2020. It is the first such agreement between GCC members. Officials from Kuwait and the UAE met on June 15, 2021, to discuss bilateral relations, including the negotiation of a tax treaty. The double tax treaty that was signed between the UAE and Iraq in 2017 was ratified by the UAE on April 10, 2018 and by Iraq on September 16, 2019. However, it has not entered into force as of the date of this report. On May 12, 2019, officials from Kuwait and Iraq signed a DTT, however, it has not been ratified as of the date of this report. 	<p>Zain will implement the applicable provisions of the new DTT.</p>
<p>During 2021, the tax authority in Jordan imposed social contribution tax to support the budget deficit, as follows:</p> <ul style="list-style-type: none"> 3% on taxable income of banks and electricity distribution and generation companies. 7% on taxable income of basic materials mining companies. 4% on taxable income of financial brokerage companies, financial companies and legal persons engaged in finance leasing activities. 2% on taxable income of telecommunications, insurance and reinsurance companies. 1% on taxable income of other companies and sectors. 	<p>Zain Jordan has complied with the relevant changes.</p>
<p>During 2021, the authorities in Iraq introduced the tax reform initiative as part of The White Paper project presented by the Cabinet.</p>	<p>Zain Iraq has been attending meetings and workshops with the Ministry of Finance (MoF) and presented its proposals to assist in the success of this tax reform initiative. Zain Iraq will continue to work with and support the MoF in its tax reform initiatives.</p>
<p>The tax authorities in Sudan increased the following tax rates during fiscal years 2020 and 2021:</p> <ul style="list-style-type: none"> Minimum Income Tax (MIT) on gross income from 5% to 7% Business Profit Tax (BPT) from 15% to 30% (commercial and services activities) BPT from 10% to 15% (industrial sector) VAT from 35% to 40% WHT from 7% to 10% Personal Income Tax (PIT) new bracket was added at 20% 	<p>Zain Sudan has complied with the new changes.</p>

Regulatory Landscape

Challenge

The global community and MENA region continue to face joint challenges in the regulatory field due to the COVID-19 pandemic. There are adverse economic implications such as spectrum licenses where the demand is greater than the supply in countries with limited resources; acquiring additional spectrum to accommodate the needs of new technologies and data growth; adherence to the changing policies and the establishment of new laws such as the laws to protect the personal data of customers and build cyber resilience, which is being driven by different regulatory bodies.

Zain Bahrain

ADDITIONAL FACTS	ZAIN'S RESPONSE
The TRA has postponed the award of 100 MHz for mobile network operators (MNO) in the c-band until 2022.	Zain Bahrain is prepared for engagements in the process of the frequency license award/renewal of (100 MHz in the c-band) that is expected to take place by the TRA in 2022.
The Council of Ministers in Bahrain approved an increase in the standard rate of VAT from 5% to 10% with effect from 1 January 2022.	Zain Bahrain is prepared to adapt and review how the business needs to take action to ensure compliance by the effective date.
Personal Data Protection Authority (PDPA) has issued eight draft Executive Orders addressing various elements of the Personal Data Protection Law. These touch on data subject rights, rules governing processing of sensitive data, etc.	

Zain Saudi Arabia

ADDITIONAL FACTS	ZAIN'S RESPONSE
Communications and Information Technology Commission (CITC) plans to conduct a spectrum auction in the 450 MHz, 600MHz, 700MHz, extended 2100MHz, and 3800MHz-4000MHz during mid to end of 2022. CITC issued a public consultation in this regard, seeking feedback from the market.	Zain plans to acquire c-band spectrum in the auction. In addition, the company will need to plan for a financial commitment towards the acquisition.
CITC issued licenses to Salam and Future Networks Communication (FNC). Zain is actively engaging with both mobile virtual network operators (MVNO) in preparing up-to-date agreements, technical solution costing and on matters pertaining to lawful interception. Both MVNOs expect to launch commercial services no later than Q1 2022.	Integrated Mobile Telecom Co. Ltd. signed an agreement with Zain Saudi Arabia to benefit from Zain's leading network infrastructure in order to provide mobile telecommunications services to its customers. This occurred after Integrated Mobile Telecom obtained a MVNO license from the CITC.



Zain Iraq

ADDITIONAL FACTS	ZAIN'S RESPONSE
The Communication and Media Commission in Iraq (CMC) plans to have mobile number portability (MNP) launched in Iraq. MNP is not expected to become active before Q4 2022 due to delays in the initiation of the project.	Zain Iraq provided extensive feedback on the MNP process in which the CMC has taken Zain's comments on board. The implementation of the MNP has moved to the end of 2022.
CMC and National Security Agency will issue final regulations for e-SIM registration, customer electronic biometrics and signatures under the MEFS (Mobile Electronic Registration System) project, which is expected to become active by Q1 2022.	Zain lobbied with the CMC to implement the registration in line with best practices. The implementation process is ongoing with the CMC and National Security Agency to commence with e-SIMs initially in Baghdad as a pilot.

Zain Jordan

ADDITIONAL FACTS	ZAIN'S RESPONSE
A joint initiative involving all operators commenced to assess the feasibility of introducing electronic Know Your Customer (KYC) and end-to-end digital customer onboarding to enhance customer experience and reduce costs.	Zain is supporting the implementation process as e-KYC is important for Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) requires more than just a robust electronic ID in addition to overseeing SIM card registrations amongst other services.
The Ministry of Digital Economy and Entrepreneurship (MoDEE) commenced an initiative to have the electronic transactions law (E-Transaction Law) revisited to facilitate trust and authentication services and certifications.	Zain will actively engage with the TRC as the new law aims to enhance e-commerce by clarifying the legal framework for doing business online or for developing contracts via electronic means of communication. The law also affords electronic records the same legal value as documents made in writing.

Zain Kuwait

ADDITIONAL FACTS	ZAIN'S RESPONSE
In April 2021, CITRA issued Resolution No. 42 of 2021 concerning Data Privacy Protection Regulations. The regulations apply to all service providers that provide communications and information technology services in Kuwait. The new regulation calls for the obtaining of consent to process personal data, identification of parties to whom data will be disclosed, and notification of data subjects should data be transferred outside Kuwait. Service providers must issue privacy notices.	Zain Kuwait continued discussion with CITRA about data, obtaining clarifications on how to process aspects of personal data.
The Central Bank of Kuwait (CBK) recently agreed to grant financial electronic licenses to organizations looking to act as financial intermediaries on financial transactions.	Zain Kuwait is working on complying with Central Bank's request for all operators to register in order to obtain the required license to act as intermediaries on any financial transactions. Zain Kuwait has already submitted its application for an Electronic Payment Infrastructure Provider (EPIP) license, which is expected in 2022.

Zain Sudan

ADDITIONAL FACTS	ZAIN'S RESPONSE
The TPRA, supported by ITU and external consultants, issued the Strategic Market Review (SMR) report. The report highlights gaps in the telecom market in which the TPRA is conducting a public consultation and eliciting views. The regulator's final decision has not yet been finalized.	Zain actively engaged with the related stakeholders to provide the required response based on TPRA instructions.
The mobile tax on telecom services as a percentage of gross revenue increased from 7% to be 10% effective from January 1, 2021.	Zain is challenging this position and further discussions will take place with the sovereign council.

Zain South Sudan

ADDITIONAL FACTS	ZAIN'S RESPONSE
Digitel, the new player in South Sudan, launched commercially in July 2021 with limited coverage inside Juba.	Zain will continue working with its partners to introduce innovative products and services to meet the needs of the South Sudanese community, with a set plan to introduce mobile financial services, including mobile money, money transfers and internet banking.
Under the Personal Data Protection Law, a draft Data Protection bill is under review by the South Sudanese parliament. The government requested the MNOs provide their feedback on the draft.	Zain will actively engage in the public consultation request organized by the NCA to provide the proper required feedback based on the best practices.



Climate Change

Challenge

Climate change impacts the MENA region through the rise in temperature, increase in droughts, and instances of extreme weather events. The impacts can lead to greater stress on existing tensions over resources such as food and [water](#).

ADDITIONAL FACTS

- The region contains 11 of the 17 most water scarce countries in the world.
- Food production is expected to suffer severely as a result with approximately one-third of the MENA region's land affected by extreme heat.
- Climate change also leads to creating a greater divide as the most vulnerable are affected by water scarcity and food insecurity in addition to the need to migrate and relocate.

ZAIN'S RESPONSE

Zain continues to take a strong stance in reducing its environmental impacts across the board. It recognizes the impact on creating a new series of risks such as the rise in mean temperatures and increase in extreme weather. In addition, the company identified opportunities to become more resource efficient.

Zain continues to assess its emission targets across each of its operations and further improved the reporting process to ensure the company includes Scope 3 emissions.

To learn more, please visit the Climate Change section on the Zain Group website and the 'Our Climate Action' section on [page 148](#) of this report.

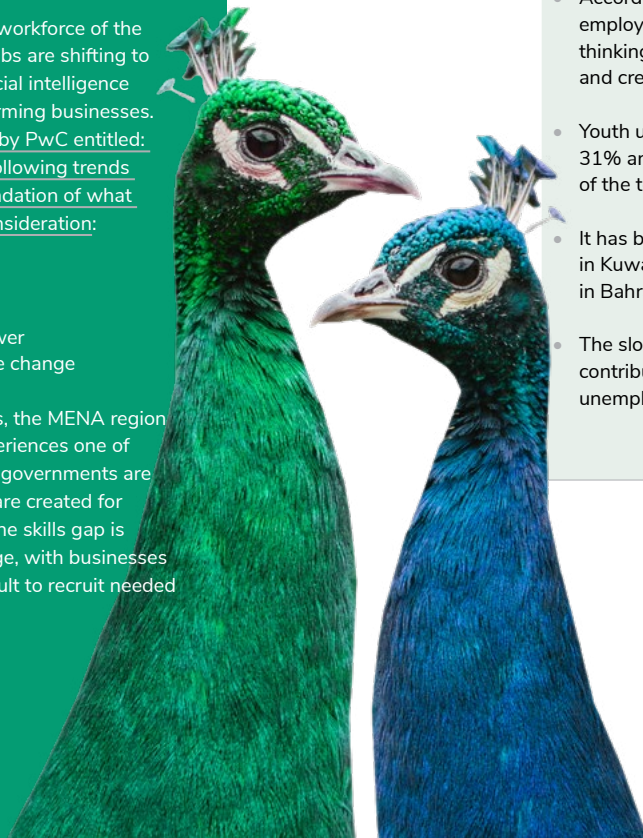
Future Workforce Development

Challenge

Current global trends show the workforce of the future is transitioning as more jobs are shifting to automation and the use of artificial intelligence and digital solutions are transforming businesses. According to a paper published by PwC entitled: "Workforce of the Future", the following trends are the forces that form the foundation of what businesses need to take into consideration:

- Technological breakthroughs
- Demographic shifts
- Rapid urbanization
- Shifts in global economic power
- Resource scarcity and climate change

Through the lens of these trends, the MENA region is considered high-risk as it experiences one of the highest youth bulges where governments are pressed to ensure enough jobs are created for the influx of youth. In addition, the skills gap is considered a significant challenge, with businesses and corporations finding it difficult to recruit needed skills and talent locally.



ADDITIONAL FACTS	ZAIN'S RESPONSE
<ul style="list-style-type: none"> • According to a World Economic Forum survey of employers, skills related to analytical and critical thinking, active learning, complex problem solving, and creativity will see the highest growth by <u>2025</u>. • Youth unemployment in the MENA region stands at 31% and university graduates make up nearly 30% of the total <u>unemployed pool</u>. • It has been estimated that 41% of all work activities in Kuwait are susceptible to automation, as are 46% in Bahrain and <u>Saudi Arabia</u>. • The slowdown in hiring within the public sector contributed to high rates of educated youth unemployment, particularly among young <u>women</u>. 	<p>Zain continues to monitor its Workforce of the Future Development plan to ensure it aligns to the skill gaps, recruiting and retaining top talent. As a digital service provider, the company is highly susceptible to the automation and replacement of existing jobs and as such must ensure it continues to develop and reskill its workforce.</p> <p>Through the assessment of required skills, Zain identified the following areas of expertise as essential components for its growth and continues to track the number of employees with such skills on a quarterly basis.</p> <ol style="list-style-type: none"> 1. Analytics 2. Digital Enablement 3. Innovation & Creativity 4. Leadership

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Stakeholder Engagement



Stakeholder Engagement

A proactive, consistent and transparent communication process is at the core of how Zain engages with its various stakeholders. By doing so, the company effectively pursues its business and organizational objectives to ensure that it caters and remains responsive to the needs of each of its key stakeholders. This section discloses how the company engages with its relevant groups, their priorities, and how Zain addresses their concerns.



OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Customers: 48.9 million customers	Reliable and accessible service	Investments in our network quality and coverage	Continuously investing in our networks to provide the latest and most reliable network coverage and quality
		Review network performance	Monthly and quarterly reviews with all operations
	Innovative service	Provide customers with access to the latest technology	On a continuous basis
		Continued to expand 5G networks in Kuwait, Saudi Arabia and Bahrain	On a continuous basis
		Diversify and explore additional products and services in our line of business	On a daily basis
	Affordable service	Launch tailored products and services covering different value segments and cater to the connectivity needs of customers for both voice and data	On a daily basis
	Accessible service	Provide our customers with both basic connectivity and value-added services at affordable prices	On a daily basis
		Zain secured laptops and tools (softphones, VPN, Virtual Desktop Infrastructure and data dongles) for its customer-facing staff, in order for them to be able to continue to resolve queries from valued customers while working from home	During lockdown periods in our operations
		Ensure services are available through multiple channels (mobile app, online, retail outlets, and contact centers)	On a daily basis
		Packages for the hearing-impaired are also available	Currently available in Jordan and assessment conducted for remaining operations

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Customers: 48.9 million customers	Accessible service	Ensuring our sales channels are disability inclusive	On a quarterly basis
		Providing digital and alternative channels for product delivery representatives such as inbound customer service agents and telesales	On a daily basis
	Stay informed about promotional offerings and relevant information	Communicate via direct messaging, social media platforms, and various media outlets	On a daily basis
		Provide updated information on Zain channels	On a daily basis
		Provide professional assistance in all our retail stores, outlets, contact centers, and various different digital channels such as the Zain app, MyZain and WhatsApp	On a daily basis
	Customized services (products and services that fit different needs and lifestyles and are inclusive)	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)	On a daily basis
		Design and offer converged value propositions including mobile service, internet and others	On a daily basis
		Offer customized packages for specific segments such as youth, students, women, the underserved, refugees, disabled and those at the bottom of the economic pyramid	Offered continually across all operations. Details are provided in the 'Our Products and Customers' section of the report on page 113
		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: 48.9 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 any inquiries
		Provide online services and billing options	Zain online services are available to all customers across all communication channels
		Customer bills and data usage are readily available for customers through our digital channels and call centers	On a daily basis
	Information security and data protection	Zain is in line with international standard ISO/IEC 27001, to include, technical, operational, managerial and physical security controls to protect any information from unauthorized access, or disclosure	Information security policies are reviewed on an annual basis
		Zain is developing its 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 currently being established to be in line with the new regulations in our operating countries
	Fast and efficient complaint resolution	Operate contact centers and respective contact channels such as the branches, call centers, and social media channels where complaints are then routed to the resolution department	On a continuous basis
	High-quality customer care	Continue to address the shift in customer needs and behavior	On a continuous basis
		Maintain various channels to keep customers informed, receive feedback and measure performance (through customer satisfaction surveys, store experience surveys, contact centers, and brand trackers)	On a continuous basis

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Customers: 48.9 million customers	High-quality customer care	Track Net Promoter Scores – the degree to which customers would recommend our services to others – across operations	On a weekly basis
		In line with government regulations, the company provided safety guidelines and supplies for staff at physical branches	For lockdown periods
		Continued to provide an interactive digital channel called zBot, which is a smart customer service that uses artificial intelligence (AI) to respond to customers' needs	N/A
Shareholders and Investors: Largest shareholder is the Kuwait Investment Authority 24.22%	Strong return on investment	Remain profitable	On a weekly basis
		Increase customer base	On a weekly basis
		Maintain shareholder value	On a weekly basis
		Maintain management access and excellence	On a weekly basis
	Provide a fair and transparent understanding of the company's strategy and business to potential and actual investors	Provide updates through Investor Relations department	On a weekly basis
		Issue periodic reports (i.e., audited financial statements, earnings release, investor presentations, analyst call reports, earning presentations, etc.	On a quarterly basis
		Conduct earnings conference calls	On a quarterly basis
		Host a Annual General Assembly Meeting (AGM)	Annually
		Conduct virtual one-to-one meetings with current and potential investors, sell-side and buy-side analysts	On a quarterly basis
		Disclosing the company's financial performance.	On a quarterly basis

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Shareholders and Investors: Largest shareholder is the Kuwait Investment Authority 24.22%	Provide a fair and transparent understanding of the company's strategy and business to potential and actual investors	Provide market disclosure	Zain provides market disclosures in accordance with the Capital Markets Authority (CMA) and as is deemed necessary
	Management excellence	Increase transparency and efficiency	On a quarterly basis
		Ensure access to C-suite	On monthly basis
	Encourage more investors to be interested in the company's shares to increase the number of buyers and sellers and thereby improve the liquidity of the shares in the market, which hopefully will improve the relative performance of the shares	Communicate company updates through our Investor Relations department	On a weekly basis
		Issue periodic reports (i.e., audited financial statements, earnings release, investor presentations, analyst call reports, earning presentations, etc.	On a quarterly basis
		Conduct earnings conference calls	On a quarterly basis
	Provide investors and other stakeholder audiences with a clear, honest, and accurate picture of the company's past performance as well as its prospects for the future	Attend conferences to strengthen relations with both current and potential shareholders	On a quarterly basis
		Investor targeting	On a quarterly basis
	Have multiple engagement channels with the organization	Functional forums	On a quarterly basis
		Open door policy with senior management	On a daily basis

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Employees: 7,215 Full Time Employees	Job security and satisfaction	Engage employees, maintain open communication channels, and develop action plans based on employee feedback	Communicating with employees through various channels that include social media and internal communication
		Ensuring job security and continuation	Quarantine periods were not deducted from any leave or payroll
	Employee benefits	Offer competitive benefits packages comparable to the local market	N/A
		Offer recreational services and packages for employees at discounted	On a quarterly basis
	Opportunities for growth and skills development	Developed a comprehensive training and development program that offers staff several opportunities to improve holistically	Offering training programs whenever requested, in addition to periodically sending training opportunities to employees in their relevant fields
		Established succession management policies and employee guides to facilitate career growth	On a yearly basis
		Continued to drive an internal e-platform, Zainiac, where employees share innovative ideas and create solutions that aim to stimulate creativity within the company	Bi-annually
		Introduced a new mentoring platform, Women in Tech, a mentorship program for female university students studying science, technology, engineering and mathematics, who would like to seek guidance from experienced Zain employees on navigating their future career paths	On an annual basis. Details are provided in the 'Our Sustainability Agenda' section of the report on page 140

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Employees: 7,215 Full Time Employees	Opportunities for growth and skills development	Launched a new initiative under WE ABLE called GROW, a two-month development program facilitated by Zain employees for people with disabilities to raise awareness and extend their knowledge of disability inclusion with our customers and employees	On an annual basis. Details are provided in the 'Our People' section of the report on page 131
	Competitive salary	Conduct benchmark exercises and salary surveys for similar regional and international organizations and implement a salary scale	Bi-annually
	Working for a company that matches their values	Implement multiple engagement channels	On a continuous basis
		Conduct workshops and webinars that tackle gender diversity, disability inclusion and mental health & wellbeing	On a quarterly basis
		Engage employees on programs about sustainability-related activities	On a continuous basis
	Access to international conferences and networking opportunities	Enable employees to participate in conferences and forums	Employees are encouraged to develop and further their skills whenever possible
	Health and safety protection	Maintain a Health and Safety policy for employees and temporary workers	On a continuous basis
		Conduct fire and emergency drills. Select two employees per floor to be trained as fire marshals in case of emergencies	Conduct fire and emergency drills 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 the pathways. However, due to COVID-19 and the work-from-home plan, the drills were suspended.

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Employees: 7,215 Full Time Employees	Health and safety protection	Maintain insurance coverage for all employees	On a continuous basis
		Conducted and hosted employee vaccination drives	Vaccinations were available for employees in Iraq, Jordan, Kuwait, Sudan, and Saudi Arabia
		Communicate COVID-19 travel restrictions to employees	A continuous process
	Mental health and wellbeing	Providing all Zain employees tools and resources for mindfulness and mental health	Unlimited access to the Headspace App throughout the year
		Providing all Zain employees confidential therapy sessions in collaboration with the Kuwait Counseling Center	Each employee is entitled to up to four sessions
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions	Minimal visual and noise pollution	Deploy super silent diesel generators in urban areas	A continuous process
		Install camouflage solutions for base stations, where applicable	A continuous process
	Commitment to upholding health and safety standards	Uphold ESMP Guidelines that include health and safety provisions	On a continuous basis
		Ensure that the company aligns and tracks the 2020-2025 Corporate Sustainability (CS) Strategy. More information can be found in the 'Our Sustainability Agenda' section on page 135	Monitoring strategy and tracking the progress and status of its initiatives on a quarterly basis is conducted on a monthly basis
	Address priority community needs (such as education, health, and economic development) and mitigate societal deficits (such as youth unemployment, human displacement and job readiness)	Support and develop locally relevant CS activities and establish partnerships that further the CS agenda and that address prevalent societal deficits	Zain CS tracks the progress and status of its initiatives on a quarterly basis

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions	Address priority community needs (such as education, health, and economic development) and mitigate societal deficits (such as youth unemployment, human displacement and job readiness)	Established partnership with UNICEF by signing a memorandum of understanding (MoU) to work towards the advancement of the rights of children in the region	Three-year partnership
		Launch awareness campaigns on the company's social media channels	On a monthly basis
	Committed to building climate change scenarios that help limit global warming while also mitigating physical and transition risks related to climate change	Install DG Battery hybrid solutions where feasible	A continuous effort
		Install higher efficiency DC power systems	A continuous effort
		Utilize outdoor cabinets where feasible	A continuous effort
		Explore possibilities for site-sharing and implement the 'right-sizing concept'	A continuous effort
		Implement e-waste recycling and reuse initiatives	A continuous effort
		Comply with ESMP regulations	A continuous effort
		Set long-term carbon emission reduction targets	A continuous effort
		Benchmark energy efficiency progress with similar regional and global organizations	A continuous effort
		Develop a Climate Change Policy	<u>The Climate Change Policy is publicly available on the website</u>
		Members of the Carbon Disclosure Project (CDP) that provides guidance on how a company manages climate change in alignment to the Task Force on Climate-related Financial Disclosures (TCFD)	A continuous effort

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions	Committed to building climate change scenarios that help limit global warming while also mitigating physical and transition risks related to climate change	Launched several social media campaigns raising awareness on the increasing risks of climate change	A continuous effort
		Committed to furthering the Post-2015 Sustainable Development Goals	A continuous effort
		Tracking the company's water consumption with the aim to reducing it	On a quarterly basis
	Engage Zain in relevant community events and forums	Participate in relevant community events and forums	On a regular basis
		The company provided safety guidelines and supplies for staff at physical branches	During lockdown periods
		Internal and external communications about COVID-19 safety measures were issued via social media, e-mails, SMS, call back tones, radio channels, traditional media, and billboards	During lockdown periods. Zain Jordan created an awareness campaign in collaboration with UNICEF
		All Zain's premises are periodically sterilized, and the existing maintenance crew are provided with specific sterilization and cleaning material to ensure proper disinfection and safety	During lockdown periods and continued throughout the year
		Reaffirmed its support against COVID-19	The company zero-rated the Jordan vaccination portal and held its annual Ramadan campaign in collaboration with UNICEF in support of vaccinations

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions	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 that certain 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
Business Partners: Suppliers, contractors, and distributors	Provide timely payments	Conduct periodic evaluations	On a daily basis
		Maintain open channels of communication and clearly articulate contract terms and agreements to ensure parties agree on method and date of payments	On a quarterly basis 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
		Participate in forums that include all Zain's operating markets, to ensure alignment in strategic approach	On an annual basis
		Automate processes of engagement with suppliers to ensure transparent and timely responses	On a continuous basis

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Business Partners: Suppliers, contractors, and distributors	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 is sends the Supplier Code of Conduct when onboarding new suppliers and communicates it to existing suppliers on an annual basis. Zain also resends its Supplier Code of Conduct to all suppliers if changes are made to it
		Provide Supplier Assessment Questionnaire when onboarding new suppliers and recommunicate to existing ones	On an annual basis
		Zain communicates and tracks its suppliers' alignment to the Human Rights Policy Statement	On bi-annual basis
	Access to information about the company including financial data, customer data and other relevant information	Publish annual report and issue other periodic reports	On an annual basis
		Publish disclosure reports	On a quarterly basis
		Maintain open direct channels and frequent engagement with public officials	On a continuous basis
Government and Regulators: Stock Exchange (SE), Capital Markets Authority (CMA), Telecommunications Regulatory Authority (TRA), other national telecommunications regulators, and ministries of communication	Access to tele-communications services for citizens	Maintain network quality and coverage	On a continuous basis
		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

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Government and Regulators: Stock Exchange (SE), Capital Markets Authority (CMA), Telecommunications Regulatory Authority (TRA), other national telecommunications regulators, and ministries of communication	Corporate and other taxation	Submit corporate income tax returns, Zakat and National Labor Support Tax (NLST)	On an annual basis
		File indirect tax declaration	On a monthly basis depending on the local tax declaration, where applicable
		Submit payroll income tax to the tax authority	On a monthly basis depending on the local tax declaration where applicable
		Conduct meetings and ongoing contact with tax authorities to ensure they are up to date with the most recent tax laws	On a continuous basis
		Engage with external tax advisors and receive newsletters on the most recent tax laws and regulations	On a continuous basis
	Compliance with regulations	Ensure and oversee compliance through Corporate Governance and Compliance department, Regulatory department, and other relevant functions	The team keeps a close eye on the changes in regulations, industry, and environment. Therefore continuous cooperation is in place between internal and external parties
		Ensure compliance with the regulatory requirements in the countries where we operate	The team keeps a close eye on the changes in regulations, industry, and environment. Therefore continuous cooperation is in place between internal and external parties
	Stakeholders' Rights Protection	Implemented through the Corporate Governance framework	On a continuous basis including periodic reporting

OUR STAKEHOLDERS	STAKEHOLDER PRIORITIES	OUR RESPONSE	FREQUENCY OF ENGAGEMENT
Government and Regulators: Stock Exchange (SE), Capital Markets Authority (CMA), Telecommunications Regulatory Authority (TRA), other national telecommunications regulators, and ministries of communication	Stakeholders' Rights Protection	Policy approved by the Board of Directors is in place and shared with executive management	On an annual basis
		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	On a continuous basis including periodic reporting
	To develop the company's reputation and provide insurance against unforeseen events	Invest in network quality and coverage	On a continuous basis
		Maintain business continuity and contingency plans	On a continuous basis
		Maintain insurance coverage for critical assets (such as data centers and employees)	On a continuous basis
	Awareness of key organizational risks	Update Risk Register	On a yearly basis,
		Update Key Risk Indicators	On a quarterly basis
		Maintain mitigation plans for all significant company risks that are communicated directly to the Board Risk Committee	On a quarterly basis





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Our Economic Impacts

Our Economic Impacts

The Challenge

According to Acuant, an inclusive digital identity authenticator solutions provider, just 8.6% of the adult population in South Sudan own a bank account.

The global disruption of supply chain due to the pandemic highlighted the increase in Environmental, Social, and Governance (ESG) operational and reputational risks.

Globally, 1.7 billion people do not have access to bank accounts and are not able to conduct safe financial transactions.



Our Response

Zain South Sudan partnered Trinity Technologies Limited (TTL) and launched m-Gurush, a mobile money platform. As at end of 2021, the platform counted 617,000 registered customers.

This year, the company developed a human rights policy statement in which 100% of newly registered suppliers are signatories to the policy statement.

Zain continued to establish a unified approach to financial technology services by launching mobile money platforms in Iraq, Jordan, Saudi Arabia and South Sudan.

Financial Performance

In 2021, Zain achieved a solid financial performance showcasing a 2.2% year-on-year (Y-o-Y) growth that represents a consolidated revenue of USD 5 billion.

COVID-19 highlighted the need for the MENA region to invest in digital infrastructure and innovation. This attracted global investors to partner with private and public entities to serve the region. Governments in the Middle East are emphasizing the need to diversify their economies with a focus on digital transformation across multiple streams.

As Zain cements its position as the leading digital service provider in the region, it recognizes its role in ensuring it adopts a comprehensive approach to digital transformation. Zain's wide range of products and services aim to serve all customers inclusively despite differing levels of digital literacy and expertise.

During the year, the pandemic continued to raise challenges that Zain needed to overcome and remain resilient and agile in its approach in proactively investing in shared-value opportunities. This allowed the company to adapt to the needs of its communities with a focus on digital enablement, services that provide advanced analytics, and simplification and optimization resources.

Financial Performance: Direct Economic Value Generated and Distributed	2021		2020	
	KD M	US\$ M	KD M	US\$ M
Revenues	1,520	5,044	1,627	5,311
Cost of Sales	(461)	(1,530)	(448)	(1,462)
Operating Costs	(428)	(1,421)	(506)	(1,651)
Net Profit	186	616	185	605
Retained Earnings	340	1,125	359	1,183
Dividends Paid	(186)	(615)	(133)	(432)
Dividends paid to non-controlling interests	(4)	(15)	(6)	(20)
Staff Costs	(127)	(423)	(129)	(419)
Finance Costs Paid	(45)	(150)	(77)	(252)
Proceeds from/ (Repayment of) bank borrowings (net)	114	378	(193)	(636)
Income Tax Payments	(19)	(62)	(42)	(138)
Kuwait Foundation for Advancement of Sciences Paid	(4)	(14)	(0.7)	(2.2)
National Labor Support Tax and Zakat Paid	(6)	(20)	(17)	(55)

The Annual General Meeting of shareholders for the year ended 31 December 2020 held on 17 March 2021 approved distribution of cash dividends amounting to 33 fils per share for the year 2020.

Zain's Economic Impact through the Value Chain

The company's value chain consists of various key players that support by providing innovative, inclusive and highly-rated products and services to Zain customers. Zain's value chain comprises:



Ongoing lockdowns and disruptions due to COVID-19, highlighted Zain's economic and social impact across its supply chain. The company plays a crucial role in generating employment opportunities that help boost economic activity across its markets.

	JOB'S PROVIDED IN 2021
Bahrain	116
Iraq	1,120
Jordan	5,921
Kuwait	6,914
Saudi Arabia	4,045
Sudan	62,000

Zain's Economic Impact through its Value Chain - Our Supply Chain 2021

	BAHRAIN	IRAQ	JORDAN	KUWAIT	SAUDI ARABIA	SUDAN
Outlets	2,700	60,000	2,920	1,766	23,274	31,000
Distributors	2	3	5	8	4	48
Franchise Shops	0	80	27	102	212	72
Flagship and Zain-owned stores	15	29	28	5	30	3

Zain's Economic Impact through its Value Chain - Our Supply Chain 2020

	BAHRAIN	IRAQ	JORDAN	KUWAIT	SAUDI ARABIA	SUDAN
Outlets	2,340	60,000	3,107	4,800	20,900	30,000
Distributors	2	4	6	6	4	48
Franchise Shops	0	82	28	120	218	81
Flagship and Zain-owned stores	15	29	28	5	29	3

Responsible Supply Chain

Supply chain management is continuously evolving to allow suppliers to operate more effectively and efficiently. The pandemic highlighted the need to ensure that supply chain management is agile and resilient. Zain continued to evolve the way it manages its suppliers to address the impact of COVID-19 while also emphasizing the importance of adherence to Zain's social and environmental criteria.

Logistical challenges existed in 2021, impacting availability of products and services across most sectors. As part of building resilience within the organization and addressing supply chain disruptions, Zain took a proactive approach by pre-empting possible delays in the delivery of goods. Operations were directed to provide detailed plans well in advance to avoid possible disruptions.

Adhering to Zain's 2020-2025 corporate sustainability strategy, under the social business pillar, Zain set the targets below to help guide the company in the establishment of a responsible and ethical supply chain.

TARGET TO BE ACHIEVED BY 2025	STATUS
Embedding waste management policies into supplier contracts, including aspects of the circular economy model	Complete
Address 70% of Group suppliers and 50% of local suppliers to complete Zain's supplier self-assessment questionnaire	Ongoing
Training 70% of Group suppliers and 50% of local suppliers on Zain's social and environmental standards	Ongoing

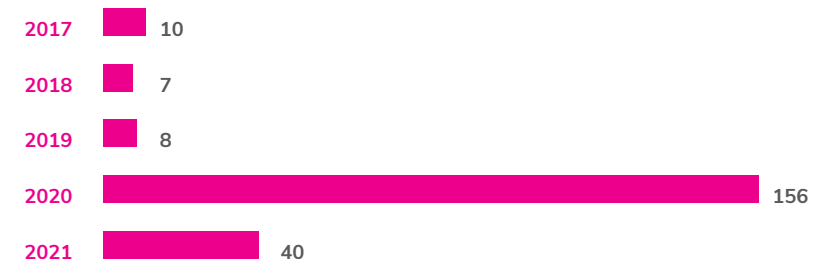
To develop and progress our supply chain management process, Zain took further measures to identify gaps under its social criteria. This highlighted the need to emphasize human rights aspects for our suppliers. The company included an additional requirement for suppliers registering with Zain to sign and adhere to its newly established human rights policy statement.



Continuing on its self-assessment process for its suppliers, Zain selected additional suppliers that needed to complete the questionnaire based on their materiality to the business.

During 2021, Zain decided to take a phased approach and focused on Bahrain and Zain Group suppliers. This method allowed the company to gain further insights to better manage the self-assessment process and ensure accuracy and validity in supplier submissions. As the company only focused on Bahrain and Zain Group's suppliers, it resulted in a lower response rate.

Progression of Supplier Self-Assessment Questionnaire



*In 2021, the number of responses reflects those from Bahrain and Group suppliers only.

Procurement Spending

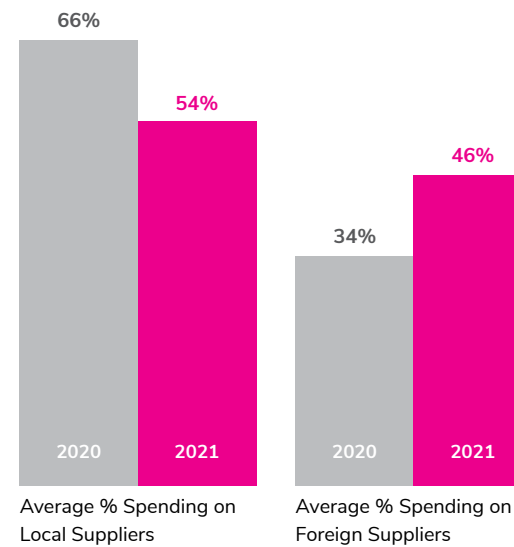
To ensure we operate efficiently, Zain continued to consolidate and streamline the process of engagement with its suppliers. By consolidating it at the Group level, Zain is able to ensure it is consistent in its approach. Due to 5G network expansions across our markets, the spending on foreign suppliers increased by 35% this year.

2021 Procurement Spending Per Operation

OPERATION	% SPENDING ON LOCAL SUPPLIERS	% SPENDING ON FOREIGN SUPPLIERS
Bahrain	19%	81%
Iraq	11%	89%
Jordan	40%	60%
Kuwait	39%	61%
KSA	76%	24%
Sudan	60%	40%
South Sudan	0%	100%
Total	54%	46%

The graph below illustrates Zain Group's procurement spending for local vs. foreign suppliers for 2021 as compared to 2020.

Procurement Spending: Year-on-Year



Financial Inclusion

Ongoing lockdowns reinforced the need for inclusive digital financial services. Specifically, with respect to low-medium income households, mobile money can provide the means to help them uplift their livelihoods and quality of life. The potential for mobile money continues to be of great interest, as 1.7 billion people globally do not possess a bank account. However, two-thirds of the global population owns a mobile phone. Looking to maximize this opportunity, Zain's fintech journey began in 2015, with the aim to provide a unified approach to financial services across operating markets.

ZainCash Iraq

The leading mobile wallet in Iraq, ZainCash counted over 92,000 active customers in 2021. The mobile money entity offers the ability to conduct payments through a mobile wallet, supporting payment for goods, money transfer and salary disbursements. The application is not only exclusive for Zain but includes other mobile operators that operate in Iraq. It provides customers with loyalty programs, printing e-goods and mobile top-up via network agents, in addition to cashback and refer-a-friend programs. Currently, there are 8,100 ZainCash agents operating in Iraq.

ZainCash Jordan

In Jordan, ZainCash continued to provide an array of services that include on-boarding customers digitally, facilitating utility payments, salary disbursement, linking MasterCard to the wallet, e-vouchers from a wide range of stores, digital donations, and loyalty programs. Through these services, ZainCash was able to attract 199,181 customers in 2021. ZainCash was also able to integrate Tamwelcom, a leading micro-lending institution, within the wallet where customers have access to micro-loans.

Tamam in Saudi Arabia

Established in 2019, Tamam is a fintech entity offering micro-lending services under the supervision of the Saudi Central Bank. Throughout the year, 7,302 unique users benefitted from Tamam by receiving a loan. Additionally, Tamam was able to enhance its IT-related services by installing interactive voice response (IVR) for automated scalable call verification and inbound call support. Following the Cybersecurity Maturity Model Certification (CMMC) Framework, Tamam achieved a Level 3 out of 5. Level 3 requires an organization to establish, maintain, and resource a plan demonstrating the management of its activities.

m-Gurush in South Sudan

m-Gurush provides a fast, safe, and easy way to send and receive money across South Sudan. The service offers a wide network of agents who help facilitate customer registration, deposit and withdrawal of funds. m-Gurush is offered by Zain in partnership with Trinity Technologies Limited (TTL) through a license granted by the Central Bank of South Sudan and the National Communication Authority.

- Zain supports m-Gurush with sales, distribution, marketing and SMS broadcasts, customer care, and social media advertising.
- Trinity Technology Limited provides the mobile money platform and developed distribution networks.

There are a total of 617,000 registered customers on the platform as at end of 2021.

A person is shown from the chest up, holding a smartphone with both hands. They are in a dimly lit room, possibly a home office or a cafe, with a computer monitor visible in the background. The lighting is predominantly blue and purple, creating a moody atmosphere. The person is wearing a dark t-shirt with a small logo on the left chest. The smartphone is a dark color, and the person's hands are visible as they interact with the device. The background is out of focus, showing shelves with various items and a desk with a keyboard.

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Our Products and Customers

Our Products and Customers

The Challenge

Barriers experienced by people with disabilities related to digital accessibility include lack of literacy and digital skills, affordability, and perceived irrelevance of mobile services for people with disabilities.

According to UNICEF, the pandemic impacted more than 110 million children in the region due to school closures. Such closures highlighted the inequity in the region where students did not have the resources to continue attending school.

Online risks in gaming for children and youth are significant and can lead to long-term negative effects on their wellbeing and health. Some of the risks include online game addiction, contact with strangers, online gaming effects on behavior, and exposure to inappropriate content.



Zain's Response

Zain Jordan continues to offer the Basma Line+, targeting the deaf and mute community; providing people with disabilities (PWDs) discounted bundles packages that address their needs.

This year, Zain Kuwait launched two different discounted packages for PWD in collaboration with the Communication and Information Technology Regulatory Authority (CITRA) and the Public Authority of the Disabled in Kuwait.

In Sudan, Zain continued to provide youth with discounted data bundles reaching 6.2 million youth subscribing to the service.

Zain launched a Child Online Safety Booklet in collaboration with UNICEF that promotes safe esports and games to schools and universities. The booklet aims to educate students, parents, and academic administrators on the risks children and youth may face while connected online or gaming, and provide tips and tools on how to address them.





Inclusive access to our products and services is crucial to ensuring no one is left behind. At Zain, we continue to make sure that we increase access to our networks through digitization. The wide range of products and services offered by Zain spans two main streams; core and non-core. Under non-core products and services, the company assessed the needs of the markets in which it operates, and developed a suite of verticals that range from e-health, e-education to e-gaming and financial services.

Zain Group API Program

In 2021, Zain continued to scale various digital services across its footprint with the aim of expanding its reach and increasing accessibility. To help achieve this, Zain launched its Group API Program in 2018 that allows the company to establish partnerships with credible entities and become the global digital services hub in the MENA region. To date, 105 million transactions have been processed through the program with a reach of 49.6 million customers. Seven countries are on board, with the plan of reaching 10 by the end of 2022. This year, OSN, Bigo live, Apple app store, Google Play store and Qualtrics were added onto the program.

Zain B2B Growth

Zain Business continues to play a prominent role in Zain markets, with unmatched capabilities and extensive industry expertise. Zain offers a comprehensive portfolio of over 70 mobile, fixed, IoT, cloud, and cyber security solutions while mobilizing a large team of over 1,000 skillful employees to meet the connectivity needs of governments and enterprises. While global demand for digital communication continues to rise, corporations are also facing cost-cutting pressures driven by the impacts of COVID-19. In this regard, Zain Business continues to extend tremendous support to its local communities through cybersafe and innovative digital solutions that facilitate remote working, optimize supply chain operations, and help businesses reduce their spending through discounted monthly packages.

Zain Business has also played a major role in supporting local economies and governments as well as health and educational sectors. The company cooperated with health ministries to ensure the safety of the population, and with educational institutions to facilitate effective and accessible remote learning. Significant examples of Zain's support of its B2B communities include:

- Launch of Eduration, an online education platform in Jordan
- Ongoing discounted mobility offers for small and home offices in Iraq
- The launch of a secure remote working solution in Kuwait and the continuous role Zain plays in the enhancement of MoH's Shlonik app (an integrated Covid-19 health and quarantine management platform).
- Unlimited data and voice calls for corporate customers in Saudi Arabia



Zain esports

Zain esports was created after assessing our customers' behaviors, market trends, and demands as well as identifying the opportunities that lay within this industry. Armed with insights, Zain decided to consult with international esports agencies to understand the business case and leverage the opportunities to generate value by cross-scaling and upscaling Zain's existing products and services.

Launched at the end of 2020, Zain esports was established with the aim of creating a gaming ecosystem that nurtures gaming talents in the region. Zain esports created a platform where gamers can meet, compete, and learn from one another. To date, six tournaments have been conducted, with 20,000+ registered players and 330,000 viewers. The tournaments were launched in partnership with a variety of esports organizations and developers including:

- Valve: created dedicated servers to host Zain Esports CS:GO tournament with custom branding and design
- Riot: Initiated talks to host esports events exclusively through Zain Esports in the region
- Ubisoft: Established an exclusive partnership to be a main sponsor of events held in the region and the ability to host Zain Esports events supported by the Ubisoft team.

- EA: Hosted largest non-World Cup exclusive event in the region, which has led to an annual tournament partnership.
- Tencent: Established relationship to host multiple PUBGM events in the region. Three events were conducted in 2021.

Zain recognizes that children and youth are exposed to online risks through the gaming industry. As per the collective report launched and developed in partnership with Childhood USA, "Despite being age restricted, many games do not operate effective age verification. Because of this, children can often access forums and chat functions that are not moderated. They may also be exposed to age-inappropriate sexual and violent game content, cyberbullying, and grooming in the forums and chat rooms."

As a response, Zain launched a pilot partnership with a school based in Kuwait where Zain supplied the esports club with gaming PCs, streaming setup equipment, gaming chairs, and connectivity. In addition, Zain in collaboration with UNICEF created a Child Online Safety Booklet that was shared with students, parents, and teachers to educate them on the risks they might face online and how to mitigate them. The booklet is publicly available on Zain Esports' website and was also shared across all of Zain's operating markets. Each market communicated the booklet through its respective social media channels and relevant stakeholders which included students, teachers, parents, caregivers and school administrators. The booklet reached a total of 6,500 people.

A challenge experienced when communicating the booklet was measuring the effectiveness of the resource tool on the users. As such, Zain is continuing to collaborate with UNICEF and academic institutions to generate mechanisms that capture the impact of the booklet on students' and teachers' behavior. Through such activities, Zain continues to work on addressing the UN's Sustainable Development Goal 16.2, calling on ending all forms of violence against children by 2030.



Zain Drone

Zain Drone, a subsidiary of Zain Group, was established in 2018 for the Kuwait market with a focus on drone powered solutions as a service. In 2019, Zain Drone established an entity in Saudi Arabia and continued to explore opportunities in Jordan and South Sudan.

As a newly established entity, Zain Drone emphasizes the importance of engaging with cross-sectoral stakeholders from government entities to scientific institutions, in order to be able to progress the drone industry. In collaboration with governmental institutions, Zain Drone identified challenges related to their process of detecting violations and inspections in industrial sectors. In 2021, Zain Drone engaged with the Public Authority of Industries in Kuwait to assess mechanisms that deploy drones to detect industrial violations during the last cycle of drone surveying. Areas of focus in the partnership include field inspection in the renewable energy sector, as well as providing support services to agriculture. Throughout the year, Zain Drone prepared three cycles of its drone surveying assessment to ensure a holistic approach to its designs.

Zain Drone will be engaging with scientific entities based in Kuwait such as the Kuwait Institute for Scientific Research (KISR) and Kuwait Foundation for the Advancement of Science (KFAS) to assess mechanisms where drone technologies can play a role in assessing

and gathering insights and data efficiently. Through its engagement with KISR, Zain assessed the usability of infrared camera to effectively detect algae in salt water near desalination plants in Kuwait. Zain Drone also partnered with Kuwait Foundation for the Advancement of Science (KFAS) and The Scientific Center of Kuwait (TSCK), where Zain Drone's technologies and progress monitoring services were deployed to gain an accurate status on the expansion of the scientific center.

In Saudi Arabia, Zain Drone used a similar approach of engaging with different entities, such as the Municipality of Tabuk, to establish its presence in the Saudi market. To monitor the development and construction of the Madina Development project, the Municipality of Tabuk used Zain Drone technologies, and Zain Drone collaborated with Sadara Chemical Company on inspecting ground flares and tank inspections.

The services offered by Zain Drone are of value to different sectors including but not limited to oil and gas, energy and utilities, network sites and infrastructure, agriculture, construction, media, logistics, defense, contracting, and many others. Based on R-economy, drone technologies have great potential to be used to address Sustainable Development Goals (SDGs), and through Zain Drone's projects in Kuwait and Saudi Arabia, the company plays a role in meeting the following goals:

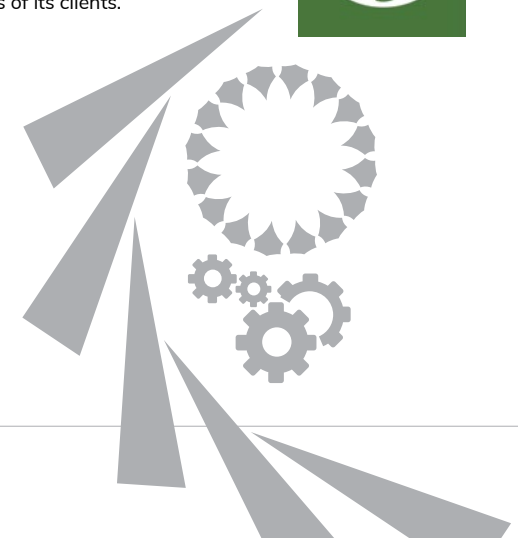
Goal 8: Economic Growth and Employment

Goal 9: Industry, Innovation and Infrastructure

Goal 13: Climate Action

In 2019, Zain Drone managed to receive certification for ISO 9001:2015 (international standard that specifies the requirements for a quality management systems) and became the first drone service provider in the region to obtain the certificate. In 2021, Zain Drone successfully demonstrated its adherence to the standard's requirements as the certificate was renewed.

Zain Drone's solid in-house expertise, engagement with international experts, collaboration with regional governmental entities, as well as the accessibility to latest technology and communication allows the company to effectively address the needs of its clients.



Access to Communication for Vulnerable Segments

BASMA LINE+

Ensuring the company provides inclusive services, Zain Jordan launched Basma Line+, a mobile bundle package targeting the deaf and mute community in 2019. This tailored bundle provides 3,000 minutes of video calls, 12 GBs of cellular data, 60 local minutes and 2,000 minutes of voice calls to address the community's specific needs. Offered at a discounted rate, there are 329 people from the deaf/hearing impaired community who subscribe to the service.

FREE BASICS V2

The Freebasics.com service offered by Zain Iraq provides users access to Facebook, Facebook Messenger, and a selection of additional websites, free of charge. The service provides Zain's customers the ability to communicate with family and friends at any time through their mobiles and smart devices. In 2021, a total of 2.7 million beneficiaries utilized this service, with a year-on-year growth rate of 2%

Disability Line

Towards the end of 2021, Zain Kuwait launched two postpaid packages dedicated to PWDs in collaboration with the Communication & Information Technology Regulatory Authority (CITRA) and the Public Authority of the Disabled in Kuwait. To be eligible for this offer, the customer must be a member of the Kuwait Society for the Handicapped. As this service is newly launched, Zain is committed to holding frequent stakeholder engagement processes with all parties involved to ensure we enhance the service and look into developing additional solutions. The discounted packages offer two different price plans that include local voice calls, video calls, internet capacity, devices, and SMS and MMS. Details below:

PLAN PRICE	KWD 10	KWD 20
Local Min	300 Min	1,000 Min
Video call Min	1,500 Min	Unlimited
Internet Capacity	30GBs	100GBs
Commitment Period	Sim only	Sim only or 24 month with a device
Devices	NA	Smartphone or Tablet device with installments
SMS & MMS	Unlimited	Unlimited

As per the sales rules provided by CITRA, such offers are eligible for the below disability types with the following conditions:

- **Intellectual Disability:** Zain is prohibited to sell any line or service for the mentioned group. A sponsor is required for any new service transaction if the customer already has an existing line.
- **Physical Disability:** Zain is allowed to sell any type of service or line to the mentioned group. In case the customer's disability prevents the signature and verification process, a sponsor is required in that case.
- **Visual impairment:** Zain is allowed to sell any type of service or line to the mentioned group, with a requirement of a sponsor.
- **Hearing and speech impairment:** Zain is allowed to sell any type of service or line to the mentioned group, with a requirement of a sponsor. A representative from Kuwait's Deaf Association can replace the requirement for a sponsor.

Youth Community Offers

Targeting the youth segment in Sudan, the Youth Community Offer are discounted mobile packages that provide users with the ability to call other subscribers at a discounted rate of 0.111 SDG/minute. The offer provides Zain the opportunity to tap into the youth segment as it represents 64% of the country's population. Through this offer, youth who heavily rely on mobile communications can access such packages equitably. To date there are 6.2 million youth subscribing to the service.

E-health Services

Shlonik Application

Launched to minimize and manage the spread of COVID-19, Shlonik is an innovative application assisting the Ministry of Health (MoH) in Kuwait to quarantine citizens and residents to alleviate pressure on medical workers and to provide protection and healthcare services during times of isolation and quarantine. The application was developed in 2020, within a span of just two weeks with Zain developers working diligently with best-in-class techniques. The application ensures that people residing in the community adhere to regulations and safety precautions during their quarantine period. Shlonik started off by assisting the government with evacuation plans of citizens by digitally quarantining individuals. Following the success of the application, the MoH mandated that all positive cases, suspected cases, and citizens and expats flying into Kuwait download and be monitored by the application. Services offered through Shlonik include:

- Communicating statistics and news
- Adhering to self-quarantine procedures
- Listing of health centers and pharmacies
- Medical consultation and support
- Quarantine countdown indicators
- Notifications through SMS and in-app messages
- Production of a quarantine completion certificate

Shlonik also introduced a version of telehealth that has benefited 630,000 patients since inception. The self-quarantine process includes visual (3D technology) and audio artificial intelligence to ensure citizens and residents abide by the rules and regulations set forth by MoH. Complete with geofencing technologies and a state-of-the-art backend with an embedded alarm system, the MoH is notified if a quarantined individual leaves his/her geofenced location. By digitizing the self-quarantine process, the service was able to alleviate the pressures faced by frontline workers, hospitals, MoH and other related governmental entities. In 2021, 1.77 million people used the Shlonik application.

E-health Services

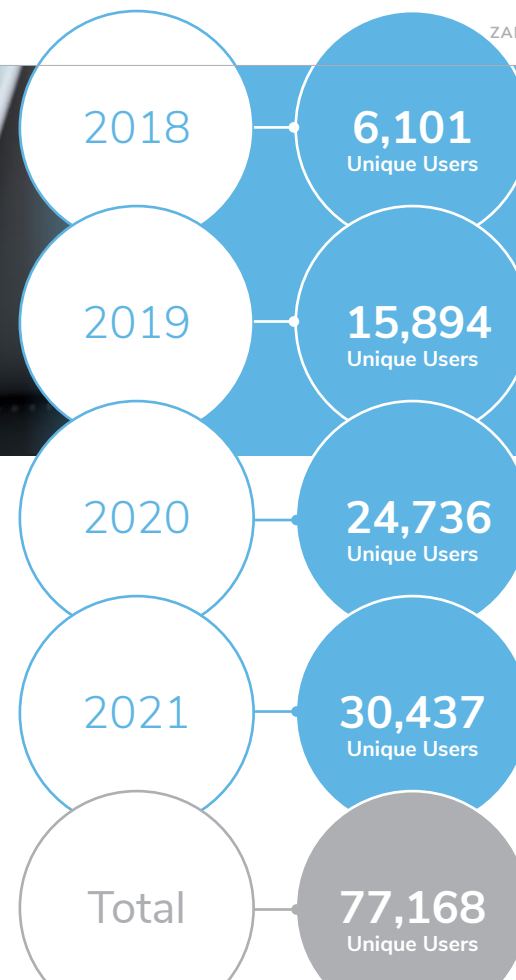
Salamtak Insurance Program

WASFA

Wasfa is an end-to-end e-prescription and e-dispensing digital platform. By connecting the central medical store, hospitals, polyclinics and prescribing doctors, Wasfa allows the MoH to control end-to-end prescription and dispensing of medications in Kuwait. Wasfa provides insights and analytics on the behaviors of patients, doctors, and pharmacists to minimize waste and fraud and generate significant savings for MoH as well as introducing the concept of preventive care. Operational in two sites since August 2019, Wasfa generated over 750,000 e-prescriptions. Wasfa introduced the electronic medical record (EMR) system to the MoH to provide doctors and patients a digital medical record that connects all prescriptions from all hospitals and polyclinics nationwide, leading to more efficient medical practices.

AI Tibbi Service

The AI Tibbi service connects doctors to patients online and is considered the largest medical support platform in the region. It provides inclusive access to medical advice around the clock in Bahrain, Iraq, Jordan and Saudi Arabia. Providing access to medical needs, especially for those living in remote areas, it is extremely beneficial as it saves time and money for patients.



SERVICE	NUMBER OF SUBSCRIBERS IN 2019	NUMBER OF SUBSCRIBERS IN 2020	NUMBER OF SUBSCRIBERS IN 2021	Y-O-Y CHANGE	MARKETS AVAILABLE	TARGETED COMMUNITY
Basma Line+	350	353	329	-7%	Jordan	People with Disabilities
Free Basics V2	1.4 million	1.6 million	1.5 million	-0.1%	Iraq	Youth
Youth Community Offer	2.2 million	6 million	6.1 million	3%	Sudan	Youth
Zain Kids	80,373	319,578	1.57 million	393%	Iraq, Kuwait, Saudi Arabia	Children
Salamtak Insurance Program	15,894	24,736	30,437	23%	Iraq	Low-income community
Busuu (launched in 2020)	N/A	20,330	242,980	988%	Iraq	Low-income community

Protecting Customer Privacy and Breaches

Adherence to the GSMA Mobile Privacy Principles continues to be of utmost importance for Zain. Compliance with these principles ensures that best practices are followed on matters related to the privacy and confidentiality of customer data. Protocols in place assure the protection of customer data to avoid data leaks, theft and/or loss. Responses to related issues are executed with the utmost precaution and diligence. Zain complies with all prevailing laws and regulations related to the protection of customer privacy and data and takes steps to align with ISO certification standards related to the matter. Zain is committed to maintaining our customers' privacy. In 2021, there were no reported cases concerning breaches of customer privacy, data leaks, theft or loss. During the year, Zain conducted an assessment exercise in which it further looked into generating a Group-wide privacy policy that is inclusive to all its markets. All necessary prudent measures are developed to protect customer data on an ongoing basis.

Each of our operating markets have a dedicated data privacy policy that can be found below:

Zain Group:

www.zain.com/en/privacy-policy

Bahrain:

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

Iraq:

www.iq.zain.com/en/privacy-policy

Jordan

www.jo.zain.com/english/Pages/terms.aspx#privacyPolicy

Kuwait:

www.kw.zain.com/en/privacy-policy

Saudi Arabia:

sa.zain.com/en/privacy-policy

Sudan:

www.sd.zain.com/English/Pages/privacypolicy.aspx

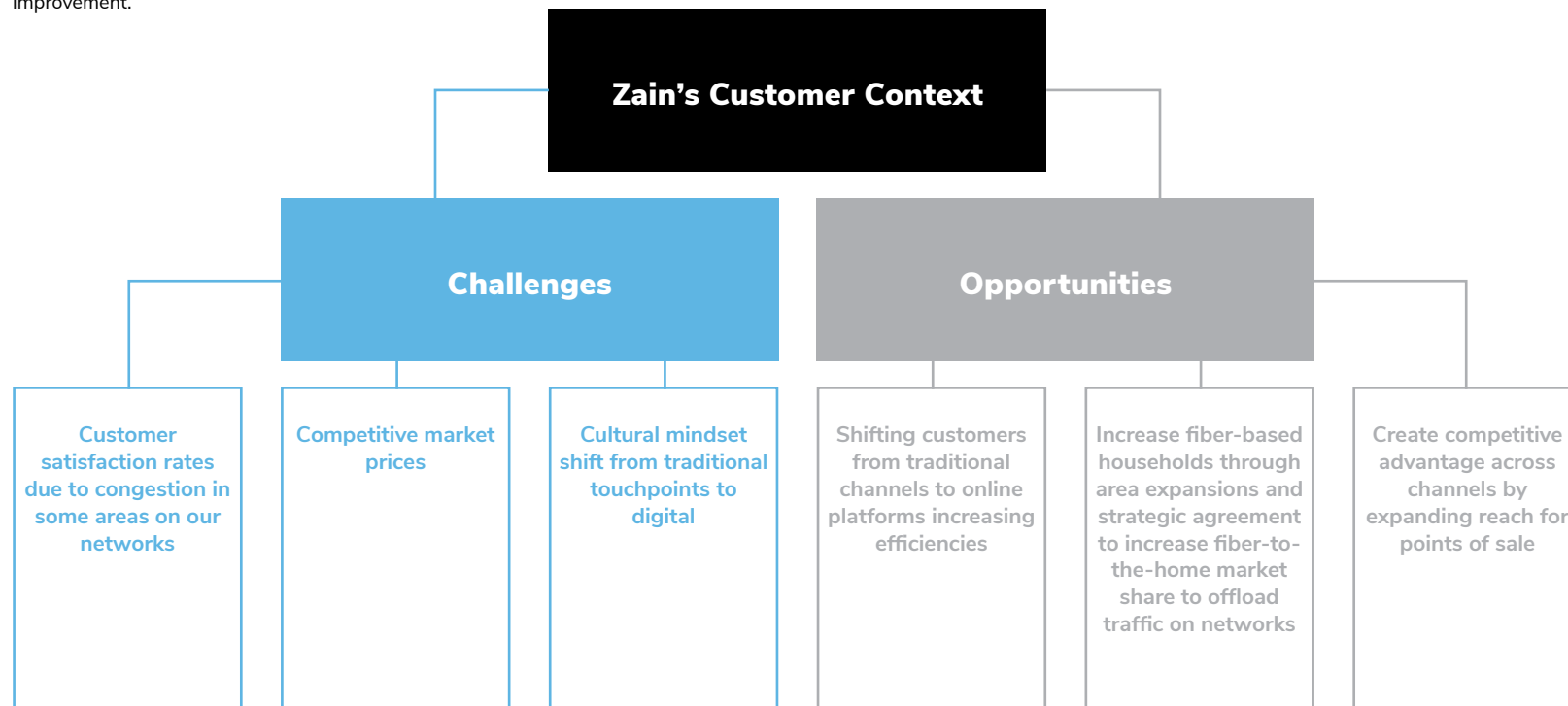
South Sudan:

zain.com/en/privacy-policy

Engaging with Customers:

At Zain, we undertake a variety of activities on a proactive basis to ensure that our interactions with customers are positive and productive. Customer experience is of material importance for the company, and as such, a variety of engagement tools are used to track customer interaction and identify potential areas of improvement.

§





To address this context, Zain's commercial focus areas are based on the below data measurements:

- Follow-up surveys that track the experience of customers within our stores and call centers. Zain has a centralized process to help the company monitor and track related KPIs.
- Continuous tracking of customer sentiments through interview, SMS and phone surveys. Through the company's Net Promoter Score (NPS) surveys, Zain tracks customer dissatisfaction rates and creates actionable plans to address them.

- Maintaining feedback and suggestion forums on all Zain websites. Zain also leverages its social media channels and call centers to receive customer feedback.
- Zain looks to engage with its customers even if the customer is not facing any issues. In addition, dedicated staff are held accountable to respond to customer comments and messages through social media.
- Customers can be called back based on their survey feedback to better understand their needs and enhance their experience.

Zain took a cohesive and strategic approach to ensuring customer care continuity during lockdown periods across its markets. As lockdowns were imposed across our operations, Zain secured laptops and tools (softphones, VPN, virtual desktop infrastructure and data dongles) for its customer-facing staff, so they would be able to resolve queries while working from home. In addition, social media and website support teams have also been equipped with these resources.



19

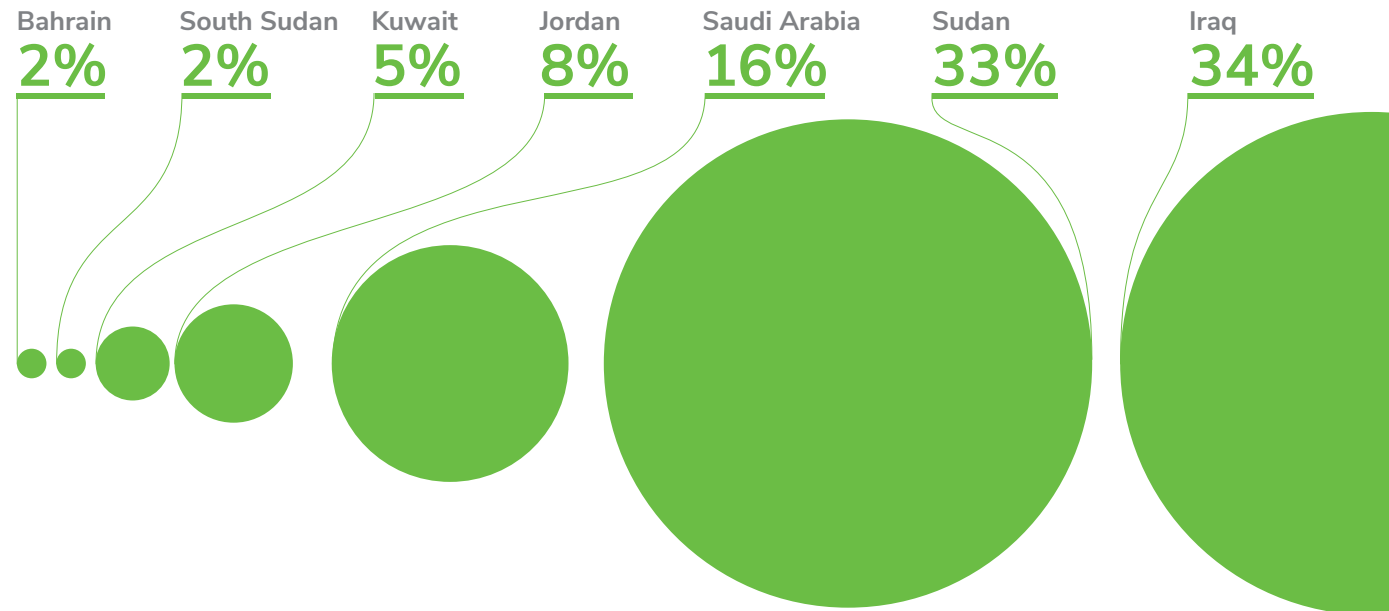
Our Networks

Our Networks

Zain Group's total customer base reached 48.9 million by end of December 2021. Zain's overall customer base increased by 2.4% compared to 2020, with growth in the KSA and Iraq operations due to the increase of diverse bundles and packages.

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

Customer Contribution: 2021



	OWNERSHIP (%)	ACTIVE CUSTOMERS (000s) DECEMBER 31, 2021	ACTIVE CUSTOMERS (000s) DECEMBER 31, 2020	Y-O-Y CHANGE	ACTIVE PREPAID CUSTOMERS (%) DECEMBER 31, 2021
Iraq	76%	16,448	16,176	2%	93%
Jordan	96.5%	3,645	3,551	3%	66%
Kuwait	100%	2,466	2,568	-4%	57%
Saudi Arabia	37%	8,027	7,015	14%	66%
South Sudan	100%	1,108	1,088	2%	99%
Sudan	100%	16,309	16,572	-2%	98%



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Our People

Our People

The Challenge

According to the Harvard Business Review, “In 2021 the stakes have been raised even higher thanks to a greater awareness of workplace factors that can contribute to poor mental health, as well as heightened urgency around its intersections with diversity and inclusion indicators.”

Skills mismatch is considered one of the biggest labor market challenges in the region. This highlights the need to improve the quality of workforce skills, alignment to market demands, and adapting to the required jobs.

Globally, people with disabilities are half as likely to be employed than people without. The reasons for employers' hesitation to employ people with disabilities include limited disability knowledge and fear of the unknown.



Zain's Response

Zain launched BE WELL a Group-wide initiative, under its diversity and inclusion program, which aims to foster the mental well-being of employees across operations.

The company continues to prioritize required skills to achieve its strategic objectives whilst also addressing the challenges of the workforce in its markets of operation. Zain continued to leverage accessible digital platforms to provide the highest quality of training to its employees, which reached 10 hours of training per employee this year.

Under Zain's WE ABLE initiative, the company aims to create an inclusive workplace environment with the objective of increasing the number of people with disabilities hired. WE ABLE activities include ensuring restroom accessibility, elevator voice announcements and braille, ramps, and accessible parking spots across Zain's headquarter buildings



General Employee Info								
	BAHRAIN	IRAQ	JORDAN	KUWAIT	SAUDI ARABIA	SUDAN	SOUTH SUDAN	TOTAL AVERAGE
Full-Time Employees	187	1,237	1,337	1,657	1,751	741	96	7,006
Part-Time and Temporary Employees	143	1,487	312	0	0	0	0	1,942
Employees (All Contract Types)	330	2,724	1,649	1,657	1,751	741	96	9,005
Full-Time Male Employees	137	907	954	1,402	1,506	421	79	5,406
Full-Time Female Employees	50	330	383	255	245	320	17	1,600
% of Full-Time Male Employees	73%	73%	71%	85%	86%	57%	82%	75%
% of Full-Time Male Employees	27%	27%	29%	15%	14%	43%	18%	25%
New Hires - Male Employees	16	125	48	279	131	9	10	618
New Hires % - Males	9%	10%	4%	17%	7%	1%	10%	9%
New Hires - Female Employees	8	44	17	64	64	9	5	211
New Hires % - Females	4%	4%	1%	4%	4%	1%	5%	3%
Total New Hires	24	169	65	343	195	18	15	829
Total New Hire - %	13%	14%	5%	21%	11%	2%	15%	12%
Employee Turnover - Males	10	91	190	312	215	5	3	826
Employee Turnover - Males %	5%	7%	14%	19%	12%	1%	3%	12%
Employee Turnover - Females	7	29	96	67	61	7	1	265
Employee Turnover - Females %	4%	2%	7%	4%	3%	1%	1%	4%
Total Turn Over	17	120	286	379	276	12	4	1,091
Return to Work Rate After Parental Leave - Females	100%	87%	58%	95%	100%	100%	100%	97%
Return to Work Rate After Parental Leave - Males	100%	100%	93%	100%	100%	100%	89%	91%
Retention Rate After Still Working for Zain One Year After Return From Parental Leave - Females	100%	84%	83%	80%	23%	100%	100%	77%
Retention Rate After Still Working For Zain One Year After Return From Parental Leave - Males	93%	100%	98%	65%	82%	100%	100%	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

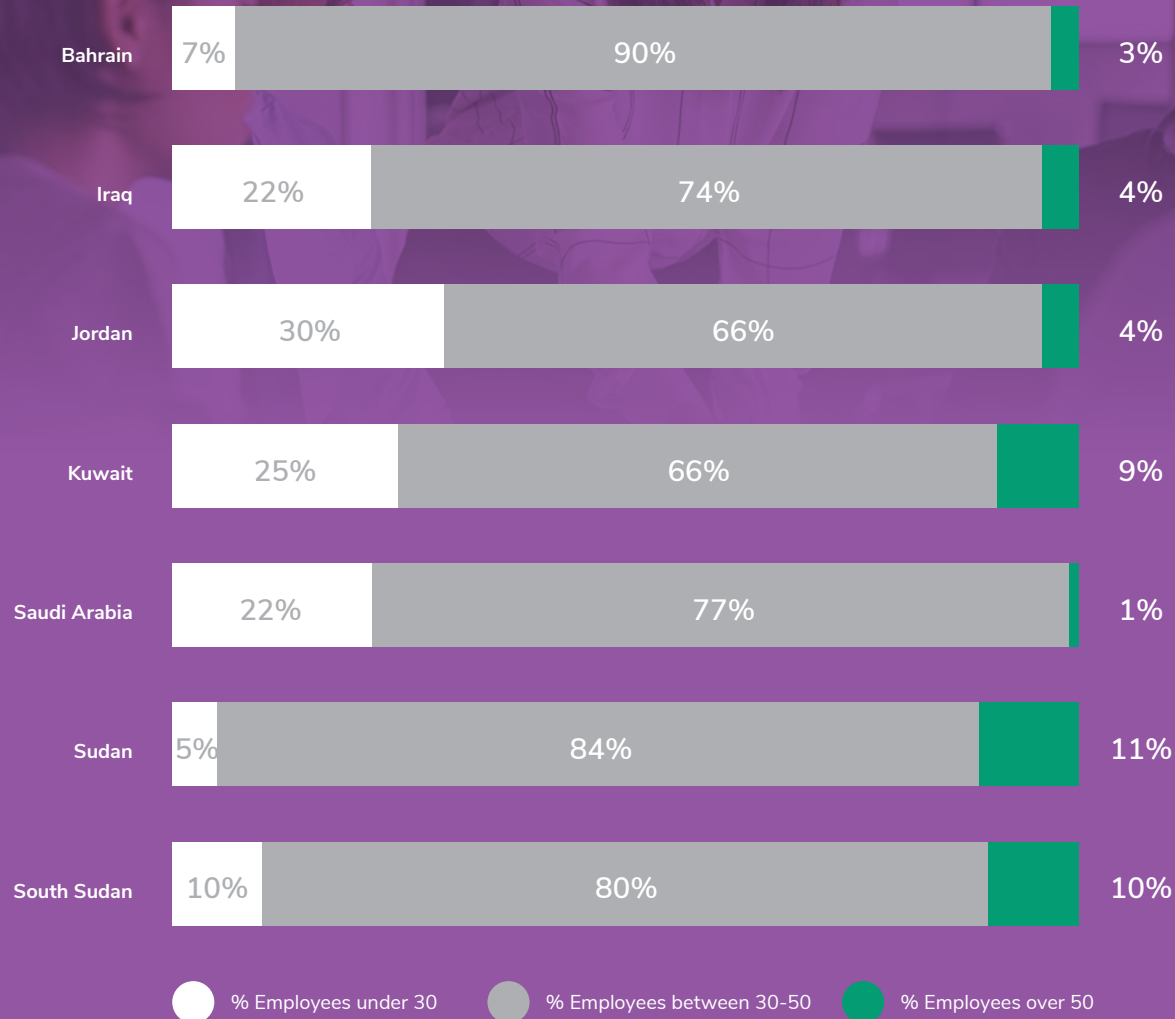
* Employee Turnover % - Females is calculated by dividing Employee Turnover - Females with Total No. of Full Time Employees

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

* Full-time employees do not include 209 employees under Zain's subsidiaries

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

Employee Age Structure Table



Achieving Results through Engagement

COVID-19 continues to spearhead the evolution of the necessary skills needed to adapt and sustain markets and economic growth. The growing youth bulge in the region is also impacting not only the required skillset but also the way in which companies engage with their workforce. During 2021, businesses continued to struggle with navigating uncertain times whilst safeguarding their employees and retaining top talent. Transparent communication, trust in leadership, and work-life balance are crucial components for employee retention, helping companies engage with their employees in an effective manner.

Throughout the course of the year, Zain continued to innovate its engagement activities to adapt to ongoing uncertainties. Inclusion and digital accessibility were key in ensuring the company efficiently managed business continuity with a seamless workflow.

* Includes only full time employees

Methods used in 2021 by Zain to engage with employees

1. ZAINIAC – Internal innovation

ZAINIAC is an internal innovation platform that was established in 2017 through the vision of the Vice-Chairman and Group CEO to foster internal ideation and intrapreneurship. The platform is open to all Zain employees, providing resources such as mentorship from Zain's senior management, support of the incubation process, and general assistance in developing business ideas. ZAINIAC focuses on equipping employees with the opportunity to transform their ideas into their own startups by testing their concepts, building prototypes, and pitching theories to a panel of experienced judges. This year, the ZAINIAC platform was relaunched with added features including a mentorship portal, live streaming, a chat feature to encourage communication between employees, and accessibility features to ensure inclusion of all employees.

During 2021:

91 additional new signups	28 total employees
5 ideas submitted	Certified 1,158 Zain employees on a startup mindset
13 workshops conducted, 2 workshops were undertaken in collaboration with Ericsson	Topics include: Business Model Canvas Assistive Technologies Innovation Smart cities

As part of a joint initiative, Zain launched the ZAINIAC x Ericsson series that aims to bring a collection of panel discussions given by key experts on topics that include innovation, education, and smart cities. The series aims to support Zain in cultivating a culture of innovation within the company, with the first session having been launched in 2021 focused on gaming, which covered The State of Gaming, including:

- Role of 5G in driving the gaming sector
- Gaming and role of network operators
- Setting the infrastructure
- Going forward; what are the trends?

The panelists included Zain Group's Chief Investment and Digital Transformation Officer, Strategic Marketing Director from Ericsson's HQ, and the Business Consultant and Group Function Marketing and Communication Manager/Director at Ericsson.



2. Engagement with Zain's operations

With continued high rates of change and uncertainty, Zain continued its efforts in ensuring alignment and engagement with its operating markets. The company remained pro-active in its engagement with its operations to ensure support and guidance to employees. Each department within the Group conducted awareness and feedback sessions with their respective functions in operating countries to ensure a smooth transition and workflow. From a strategic and business plan standpoint, the Group established a Group-wide engagement session to ensure there was alignment to the overall strategy. The engagement session was held with Zain Group's executive management team and each operation to assess the company's business plan and ensure objectives and targets were aligned to the corporate strategy.

3. PULSELY

As Zain's workforce becomes more diverse, the company aims to ensure it is providing a workplace that enables each employee to contribute to their full potential. To showcase this commitment, the Diversity & Inclusion (D&I) department collaborated with PULSELY, a diversity and inclusion analytics platform, to identify strengths, prioritize challenges, and establish a baseline of Zain's inclusivity. In addition to a Group-wide assessment, each operating company obtained a report specific to its inclusion gaps for D&I teams and champions to build action plans to its specific challenges.

Below are some key findings from the assessment.

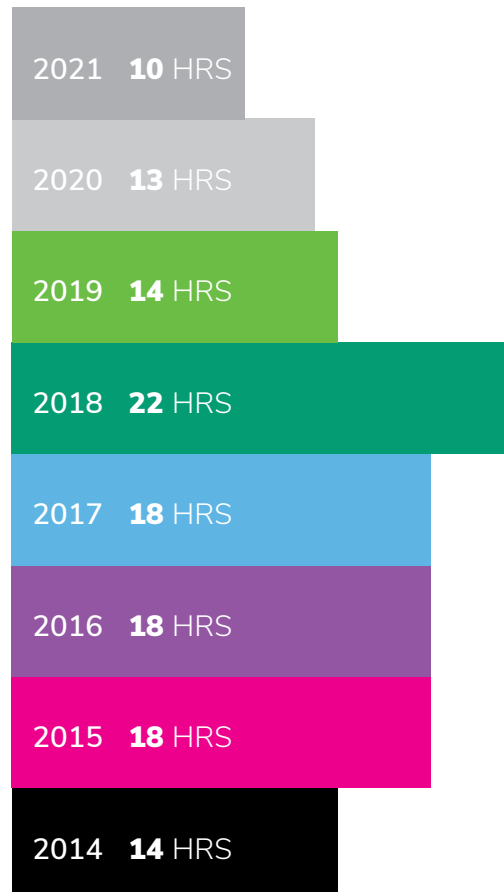
STRENGTHS	AREAS OF IMPROVEMENT
The survey showed that those in entry-level employment are part of the 'at-risk' demographic	The survey showed that those in entry-level employment are part of the 'at-risk' demographic
Zain obtained an 'A' score linked to employees Willingness to Adapt, which demonstrates the company's behavioral competencies	Build inclusive career development



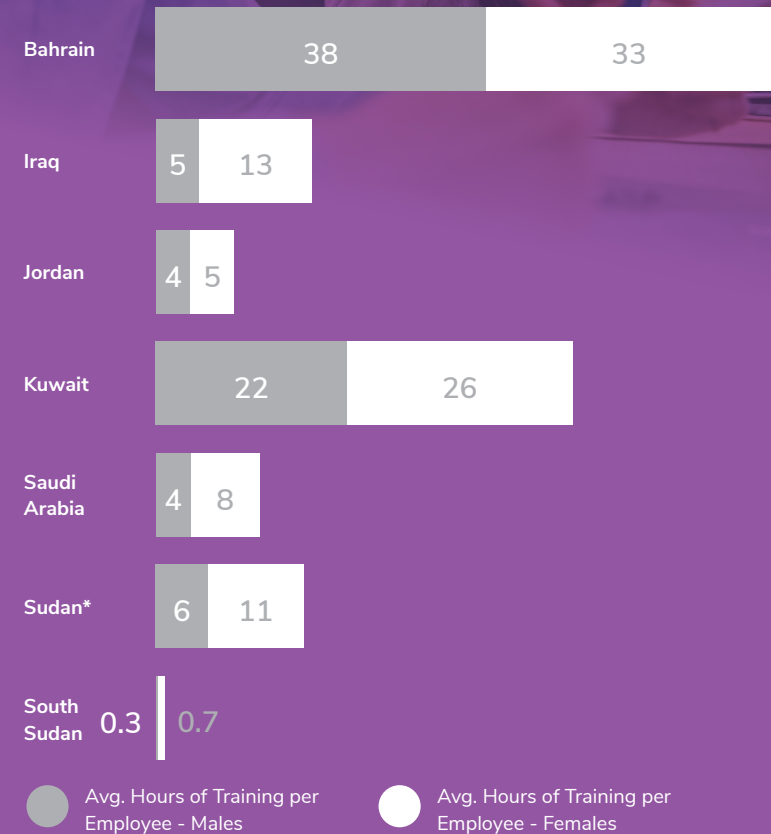
Training and Development

In order to advance our '4Sight' strategy, we recognize that our employees play a pivotal role in our success. Accordingly, Zain remains resolute in ensuring its employees acquire the skills that will help them develop, impacting the company's growth as a digital service provider. Through the Workforce of the Future initiative, employees across markets are being upskilled to ensure they are equipped to play a constructive role while simultaneously building resilience within the organization. Zain continues to build on the necessary resilience across the workforce to make inroads in its strategic objectives and sustain them despite the challenges that may arise. A cross-sectoral engagement with local and international institutions, the education sector, and government and non-governmental entities is crucial in developing Zain's workforce and identifying gaps. Last year, Zain transitioned the way in which it trains and develops its employees by leveraging existing accessible digital platforms to provide employees with trainings that ensure they remain safe.

Year-on-Year Average hours of training per employee



Developing Our Talent: Training and Development



*the number of hours of training have significantly decreased in Sudan this year due to the political situation in the country.

1. ZY

ZY x Ericsson Intrapreneurship Program

ZY, Zain's Youth Empowerment initiative collaborated with Ericsson and launched its very first Intrapreneurship Program targeting youth. The goal of the three-month long intensive internal innovation program was to empower youth and build their knowledge of technological trends and industry insights in smart cities, sustainable innovations, and gaming.

14 participants were divided into three teams: smart cities, sustainable innovations, and gaming. Throughout the program, they worked closely with each other and formed diverse groups.

Participants attended 14 webinars held by leading experts in their fields to ideate and be inspired. They underwent 12 mentoring sessions with Zain CXO's and attended over 30 weekly practice sessions. Ultimately, the program sought to offer participants the skills, knowledge, and guidance necessary to pitch use cases to Zain and Ericsson's management.

CODE 7

Advances in technology are disrupting every aspect of life from how business is conducted to what tools are used for education. An additional aspect being affected by advancements in technology is the future of employment, including demanded jobs and skills. To address a changing economy and adapt to the needs of the market, Zain Group transformed its 'Generation Z' graduate training program to 'CODE 7', focusing on developing cutting-edge skills for future data analysts. The program targets fresh Kuwaiti graduates who have majored in computer science-related subjects. Four youth were recruited to undergo a year-long training in topics such as big data, artificial intelligence and sustainable innovation. The intention is that they will then go on to support digitization efforts within Zain in areas such as data analytics and data science.

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

CODE 7 / 2021

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

Generation Z / 2020

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

Generation Z / 2019

Enhancing corporate culture and teamwork when managing projects were the main focus of this edition

2. Supporting Local Talent

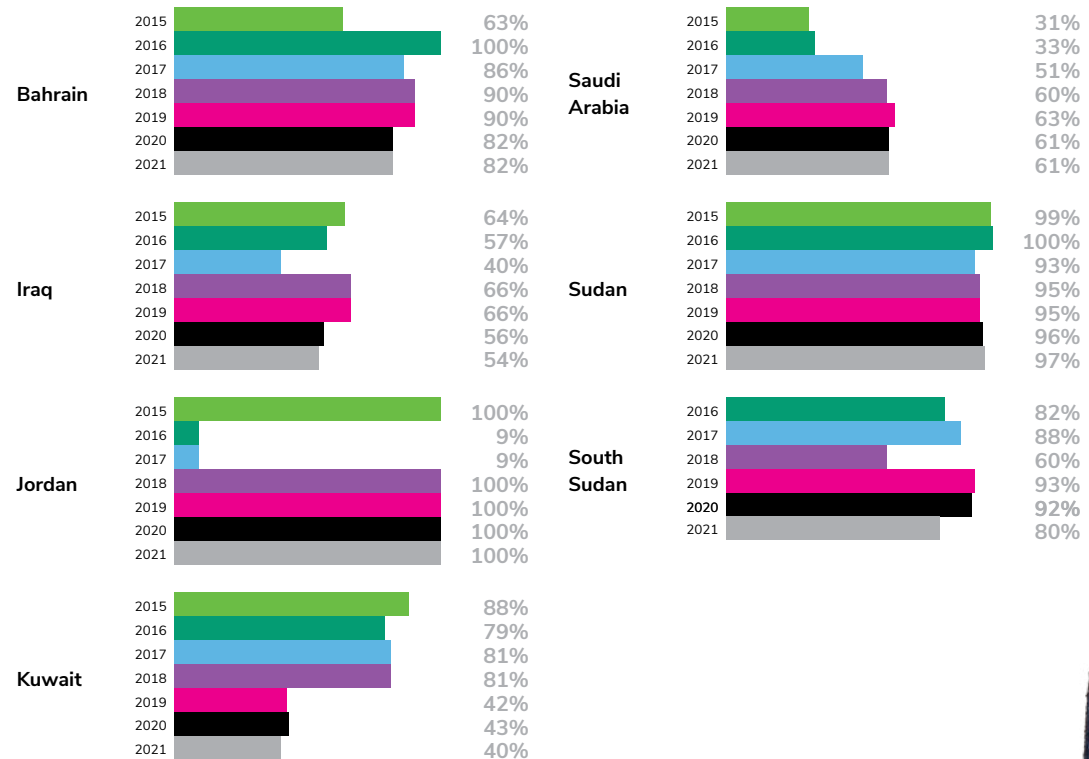
Zain is dedicated to investing in local talent in addition to aligning to the government's labor localization policies. This approach contributes to a stabilized workforce and provides societal benefits to the communities Zain operates in. Zain also ensures that it is an equal opportunity employer and is committed to providing a workforce free from any form of discrimination.

In 2021, the percentages of locals in senior management increased across the board. The table below highlights the year-on-year percentages of senior management (defined as the top two management levels) comprised by locals in each of Zain's operating companies.

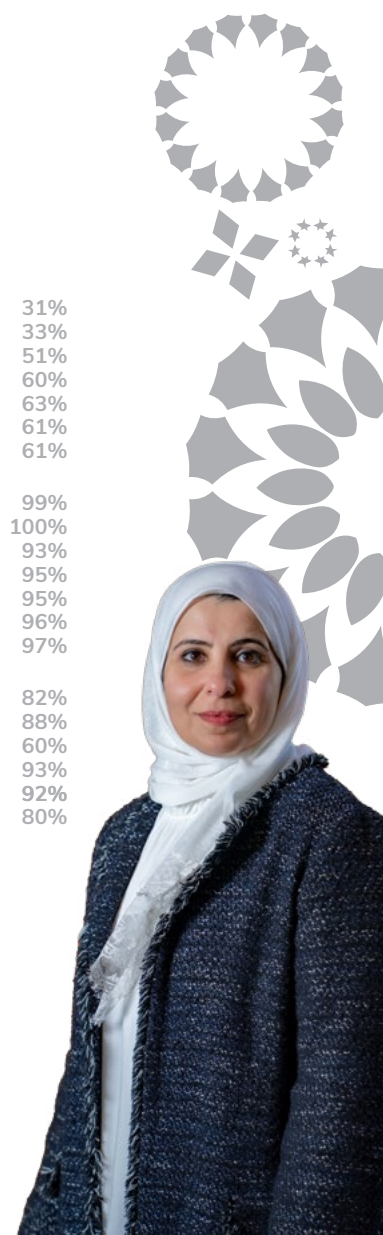
The table below represents the percentage of total local employees in each of our operating markets:

OPERATIONS	% OF LOCAL EMPLOYEES
Bahrain	93%
Iraq	97%
Jordan	99%
Kuwait	66%
Saudi Arabia	86%
Sudan	100%
South Sudan	99%

Supporting Local Human Capital: Percentage of Locals in Senior Management



*Senior Management pertains to the top two levels which includes Chiefs, Executive Management, Directors and Senior Management



3. PUSHFAR

To continue to foster a diverse and inclusive workforce, Zain partnered with PushFar, a leading online mentoring platform that enables Zain employees to engage in mentorship relationships across the company's operations. Employees at Zain can take part in two mentorship programs, a general one for career progression and one for reverse mentoring. Reverse mentoring evolves the traditional mentorship experience, pairing a senior executive (mentee) with a youth employee (mentor) to discuss emerging trends such as social media, technology, and graphic design.

The adoption of the PushFar platform led to:

- Increase in mentoring engagement among executive management
- Acceleration of positive mentoring culture
- Increase of goals being set each month

494

Employees on PushFar

181

Meetings set up

49

Cross-operational mentorship relationship

261

Goals set

13,570

Hours spent

56

Reverse mentoring sessions held on PushFar



Creating a Diverse and Inclusive Culture

1. WE ABLE

WE ABLE is a disability inclusion initiative that was launched in 2019 with the aim of making Zain disability inclusive by 2022 across all its operating markets. The initiative aims to ensure Zain fosters an inclusive workplace by addressing challenges people with disabilities face.

WE ABLE's immediate focus and targets include:

1. Increase employment of People with Disabilities from 44 to 75 by 2022
2. Ensure all training programs are disability inclusive
3. Ensure accessibility across all touchpoints
4. Identify innovative, assistive technologies enabling more people with disabilities to perform their duties more effectively

104

Zainers trained in unconscious bias training

58

Sign language using Zainers

37

De-biasing awareness sessions held

62%

Elevators have voice announcements and braille buttons

10%

Of restrooms are accessible

ALL

Buildings have ramps leading to entrance

1.3%

Of parking spots are accessible

To support the targets, WE ABLE launched GROW, a virtual two-month development program facilitated by Zain employees for people with disabilities by targeting fresh graduates with registered disabilities. The program aims to extend the knowledge of disability inclusion within the company to its customers and employees and create lasting connections. In addition, through the program, another objective is to extend the knowledge of disability inclusion within the company to its customers and employees, creating lasting connections and systemic change. There were a total of 28 participants, 10 of whom were hired by Zain operating companies.

2. BE WELL

With the disruptions caused by the pandemic, now more than ever, the mental health of employees is of material importance to Zain. In 2021, Zain launched BE WELL, a groundbreaking mental health initiative dedicated to providing employees with the tools to improve and manage their mental health and well-being. The pioneering initiative is one of the first programs to be offered across a private organization in the MENA region and is aimed at creating a more inclusive organization that considers and supports its employees.

The below activities were conducted under BE WELL:

1. Each employee across Zain's operating companies is offered four virtual or in-person confidential therapy sessions with the Kuwait Counseling Center (KCC), at no charge. KCC is one of the region's leading psychological centers, providing psycho-educational, comprehensive assessments, therapy, and training services, offered in English and Arabic. In addition to the four sessions, employees are able to request additional sessions if need be, at no charge.
2. Group-wide subscription to Headspace, a global leader in mindfulness and meditation.

108

employees reached out to KCC

240

therapy session conducted

779

employees signed up to Headspace

Most viewed Headspace topics:

- Meditation
- Sleep

To mark International Mental Health Day on October 10, Zain granted the day-off to all Zain employees across operating countries. In addition, the HQ buildings in Kuwait, Bahrain, Jordan, Saudi Arabia, Sudan and South Sudan were lit up in green in solidarity with the global movement.

BE WELL Lunch and Learn

BE WELL launched a series of lunch and learns to incorporate Zain's value of 'Belonging' with employees. The lunch and learns focused on activities to combat stigma and biases against mental health and to encourage employees to feel comfortable in disclosing their true feelings. Through the lunch and learns, employees were listened to and able to participate in activities that helped reduce stigmas.

Well-being Workshops

A series of workshops were launched by Ayadi, the GCC's first teletherapy platform, run over the course of a month. The workshops were available to all Zain employees and were especially beneficial for managers to support them in identifying signs of depression, anxiety, stress, and burnout in their subordinates. Workshop topics were focused on depression, anxiety, stress, and burnout and were hosted by trained psychotherapists and counselors. 85 employees Group-wide benefitted from the workshops over a series of nine workshops.

Headspace Gratitude Challenge and Focus and Productivity Campaign

In line with Zain's vision for BE WELL, Zain launched two internal campaigns during November for World Kindness Day. The first was a 21-day gratitude challenge that was open to all employees, where each day, a different gratitude challenge was shared internally. Group-wide, 115 employees participated in the challenge.

As the year ends, productivity and focus tend to dip a little, therefore, Zain launched the productivity experiment to allow employees to learn productivity methods that could support them with increasing their focus and re-engagement. Every week, a different productivity method was introduced to employees to test for the entire week. Some of the techniques included Pomodoro Technique, Don't Break the Chain, Eisenhower Matrix, and Getting Things Done.

3. WE

WE, Zain's Gender Diversity & Inclusion initiative, was created in 2017 under the vision of Vice-Chairman and Group CEO Bader Al-Kharafi. With women constituting 14.5% of Zain's leadership, WE established a target to be achieved by the end 2025 to increase women leadership to 25%. With the support of change agents, WE Champions, WE launched numerous initiatives that support the fostering of a more diverse and inclusive Zain.

- A collaborative initiative between WE & WE ABLE, LEAD trained Zain's Chief Human Resource Officers (CHROs) as well as a selected pool of key employees working towards D&I in a two-day workshop. The initiative aimed to define inclusive leadership, role modeling and create a safe space where leaders can discuss obstacles, solutions and brainstorm new concepts to achieve an inclusive workforce. In total, seven Zain CHROs attended, as well as four leaders from Zain Group and three D&I team members. The 14 participants benefitted directly and were able to transfer their knowledge to 615 Zain employees.
- To commemorate International Women's Day 2021, Zain hosted a virtual event under the theme #ChooseToChallenge, where five guest speakers shed light on challenges women face, and inspiring talks were given on how to overcome obstacles and moments of doubt. The talk featured a CEO, a TED speaker, and many more. Over 400 employees were present. In addition, a social media campaign ran for eight days under the #ChooseToChallenge theme, which featured women practicing different hobbies and skills. The campaign featured well-known successful women in both conventional and unconventional activities such as boxing and refereeing and featured two Zain employees. The video can be accessed on Zain's [YouTube](#) channel.

29

female leaders

employees reached out to Kuwait Counseling Center

112

female middle managers

constituting 17.6% of middle managers

107

women promoted

32% of total promotions

175

women recruited

34% of total recruits

14.4%

women working in technology

*Based on full-time employees only



4. Gender Pay Gap

Remuneration ratios continue to be measured across all levels of Zain's hierarchy in every operation. By tracking the ratios, Zain aims to improve them and address the gaps on an annual basis.



Average Remuneration Ratio Females to Males by Employee Category

	BAHRAIN	IRAQ	JORDAN	KUWAIT	KSA	SUDAN	SOUTH SUDAN
Employee Level 1 (Executive Management)	58%	113%	50%	84%	52%	102%	NA
Employee Level 2 (Senior Management)	68%	70%	99%	89%	82%	93%	NA
Employee Level 3 (Middle Management)	81%	108%	102%	102%	41%	NA	63%
Employee Level 4 (Team Leaders)	NA	101%	104%	112%	43%	96%	NA
Employee Level 5 (Professionals)	NA	88%	46%	NA	94%	NA	74%
Employee Level 6 (Team Members)	100%	94%	113%	NA	95%	86%	100%

A close-up photograph of two hands gently cupping a small, vibrant green seedling. The seedling has several broad, pointed leaves and is rooted in a mound of dark, rich soil. The hands are positioned to support the plant from below and the sides, with fingers slightly curled. The background is a soft-focus field of similar green plants, suggesting a garden or agricultural setting. The overall tone is positive and hopeful, representing growth and environmental care.

21

Our Sustainability Agenda

Our Sustainability Agenda

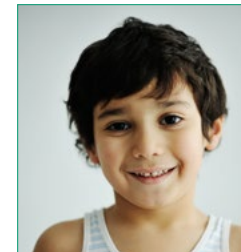
At Zain, our purpose is centered on establishing long lasting value for all stakeholders. We believe it is our responsibility to provide meaningful connectivity to the communities we serve. In 2021, the pandemic continued to pose socio-economic and environmental challenges hindering development and progress. As a digital services provider, the company recognizes the pivotal role it plays in addressing societal discrepancies with the objective of helping contribute to the overall growth of the communities in which we operate.

The five-year corporate sustainability strategy, based on the UN's Sustainable Development Goals (SDG), reflects the context of each of our markets to ensure it addresses the needs of our communities in an inclusive and equitable manner.

Mission

To provide meaningful connectivity leading to equitable systemic change grounded on the SDGs to ultimately empower Zain's communities across its footprint.

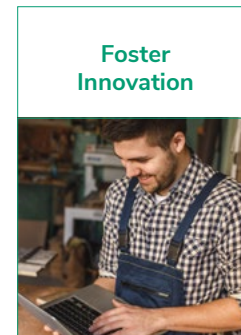
Vision



Reduce Inequalities



Safeguard the Planet



Foster Innovation



Build Prosperous Communities

The strategy's mission and vision are achieved through the following four pillars:

Climate Change

The company recognizes the importance of preserving the planet and its resources and is committed to seeking ways to reduce its carbon footprint, mitigate climate-related risks and identify opportunities that help preserve energy, water and biodiversity.



Social Business

Zain is committed to providing inclusive access to connectivity while reinventing purpose-driven products and services that create social and financial value.



Inclusion

We aim to bridge the divides that currently exist in our operating communities with a specific focus on women in technology, upskilling marginalized and disadvantaged communities, promoting digital inclusion, extending to the elderly and people with disabilities.



Generation Youth

Seeking to empower and build resilience for 16 million children and youth across Zain's footprint, to safeguard future generations by providing tools that will enable them to reach their maximum potential.



Zain's Regional Challenges

According to foreignpolicy.com, the Middle East is warming at twice the global average, and by 2050 will be

4 degrees Celsius

warmer as compared with the 1.5 degree mark that scientists have prescribed to save humanity.

Climate change in the region is expected to cause extreme heat for longer periods of time leading to some regions becoming uninhabitable and reducing growing areas for agriculture.

The MENA region is considered the most water stressed region in the world.

By 2025, the percentage of mobile internet users will reach **53%** of the MENA population.

In the region, **80%** of total internet connections are expected to be via smartphones in 2025.

Based on research conducted by the [World Bank](https://www.worldbank.org), people with disabilities are more likely to experience poorer health outcomes, lower levels of employment, barriers to digital accessibility, and higher poverty rates.

Around **56%** of women in the MENA region are not considered "internet users" according to UNWOMEN.

More than **28%** of the region's population are aged between 15-29 years, making this the largest number of young people to transition to adulthood in the region's history.

Youth constitute **51%** of the unemployed population in the Middle East.



Climate Change

As we consider climate change a topic of material importance, we have designated a separate section in the report that delves into how Zain is addressing its environmental impacts, on [page 147](#).



Social Business:

Zain recognizes the transformative role its products and services play in socio-economic development. Providing inclusive access to connectivity empowers societies at large especially when it comes to marginalized and disadvantaged communities. Through its core and non-core services, the company continued to launch services that provide both social and financial value. Below are some examples of the services provided by Zain across its markets:

Partnership with UNHCR and Facebook

The company continued to provide access to free wi-fi connectivity to 10 refugee centers across Jordan. This year, Zain was able to attract 4,012 unique new users, bringing the total to 728,000.

Zain Iraq Network Expansion

6 networks sites underwent expansion in remote and rural areas in Iraq to provide access to connectivity for 14,798 people in rural communities in 2021.

Packages for People with Disabilities

- Zain Jordan continued to provide Basma Line+, a mobile bundle package targeting 353 people from the deaf and mute community.
- Zain Kuwait launched two postpaid packages dedicated to people with disabilities in collaboration with the Communication & Information Technology Regulatory Authority (CITRA) and the Public Authority of the Disabled in Kuwait.

More information on this package can be found in Our Products and Customers Section online.

Bundles for Students in Saudi Arabia

Given the shift in schooling online, Zain Saudi Arabia partnered with Takaful Foundation and its 'Education Initiative' and provided 5,000 students with 10 GB of data at no charge for three months. The company ensured that this service was provided to students coming from disadvantaged communities to ensure the continuation of their education.

Zain Bahrain's Youth Plan

This year, Zain Bahrain continued to provide youth ranging in age between 16-24 years with a specialized package that provides a monthly rate of 50 GB of data. 800 active users are subscribed to this package.

Inclusion

As we grapple with the pandemic, it is a crucial to ensure plans for recovery are inclusive by design, so no one is left behind. Zain is committed to making sure that its scope of activities is representative, accessible and bridge the divides that exist in our operating markets by:

- Empowering and upskilling marginalized and disadvantaged communities
- Fostering women in STEM fields
- Addressing the needs of the elderly community
- Supporting people with disabilities

Zain's sustainability strategy continues to push for the inclusion of vulnerable groups through the following:

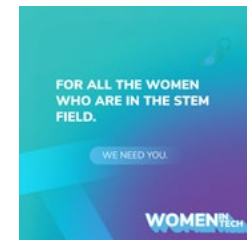
Marginalized Communities

To ensure the inclusion of workers, Zain Bahrain launched a lite version of its Zain App to include languages other than English & Arabic. Language options extended to Urdu, Bengali and Hindi, to ensure all communities are able to independently access their data usage, bill payments and other services through the Zain App. The total number of users currently stands at 13,941 with over 50,246 hits since launch.

Women in Tech

To foster the development of girls and women in Science, Technology, Engineering and Math (STEM), Zain Group launched the Women in Tech program across its operating markets where female STEM students are matched with seasoned experts from Zain's operations to be mentored. By creating 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.

The program was designed by consulting and engaging with women who are currently studying STEM to fully address their needs and challenges. A campaign was launched in each operating country to attract women who are passionate about their field but might be facing difficulties.



The mentorship sessions spanned a course of four months with the first phase including monthly meetings and the second included bi-weekly sessions. As it was a pilot, there was freedom to experiment with the participants to understand best practices.

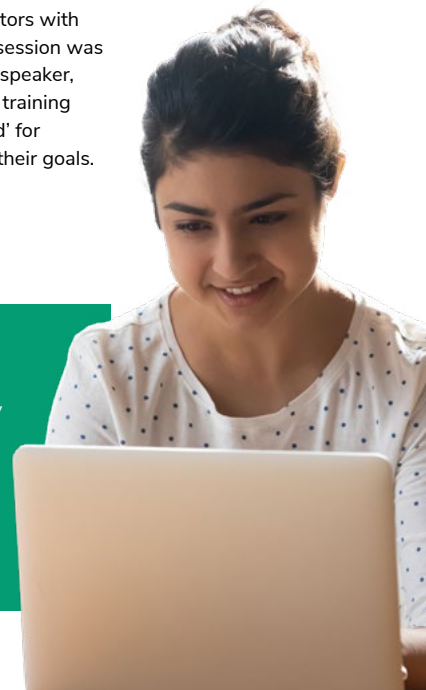
In addition to the mentorship sessions, participants of the program were invited to a gender bias workshop conducted by WISE Campaign, a UK-based leader in creating positive cultural change in STEM sectors with over 37 years of industry experience. A final session was held facilitated by Ishreen Bradley, a keynote speaker, author, and executive coach, who delivered a training session on 'How to Build your Personal Brand' for mentees and mentors to confidently achieve their goals.

32 mentees participated across Zain's seven markets where **256** mentorship sessions were given

78% of respondents of the survey claimed that their mentors helped them in finding an internship program, additional certification, and skill development opportunities outside of university.

100% of respondents of the survey claimed that by being a mentor they were exposed to new ideas.

94% of respondents of the survey claimed they would recommend this program to others.





People with Disabilities

Zain commemorated International Day of Persons with Disabilities by joining the global movement, #PurpleLightUp, across its operating markets, to acknowledge the economic contribution of the 386 million employees with disabilities around the world.

This year, Zain Bahrain began its transformation journey by identifying accessible branches and kiosks to prioritize and ensure accessibility, installing signs and ramps for ease of access. The company's approach is to ensure its physical locations are accessible before tackling processes, products or services. In addition, Zain Bahrain established the 'Enablement Line', a hotline for people with hearing impairments to serve as a customer service line. As the service was recently launched, Zain is committed to holding frequent stakeholder engagement processes with relevant parties to ensure we enhance the service and investigate additional solutions.

Throughout Zain's operating companies, employees are learning how to communicate in sign language to effectively interact with customers or potential hires. The initiative largely targets sales agents to equip them with the right language to better serve customers with hearing impairments. Across Bahrain, Iraq and Saudi Arabia, 75 employees learned basic sign language with plans to conduct periodic training to further enhance their knowledge. Zain Jordan trained 55 of their employees in sign language during 2021 and created a sign language library to allow easy access for employees to learn the basics and keep practicing.

To address the needs of people with disabilities, Zain Iraq launched priority cards for customers with registered disabilities, to bypass waiting lines at Zain's branches and kiosks, providing faster service.

Generation Youth

COVID-19 continued to highlight the urgent need to support the most vulnerable segments of the community, which includes youth, from a public health perspective, as well as a socio-economic standpoint. The pandemic impacted childhood development across the globe due to school shutdowns and subsequently shifting students to the online space. In addition, youth have become more susceptible to mental health issues coupled with other challenges leading them to become more vulnerable to physical and online abuse. According to UNICEF MENARO, there are 110 million children in the MENA region that do not have access to schools or proper education, restricting their development and exposing them to various developmental risks.

This is of particular importance as the MENA region has the biggest youth bulge worldwide. The youth percentage in our footprint, ranging in ages between 0-24 years, is as follows:

OPERATING COUNTRY	% OF POPULATION THAT ARE YOUTH
Bahrain	33.61%
Iraq	56.85%
Jordan	52.82%
Kuwait	39.25%
Saudi Arabia	40.22%
Sudan	62.86%
South Sudan	62.95%

It is revealed by the Youth Arab Survey that 20% of Arab youth faced or were in contact with someone who lost their job due to the pandemic. As an opportunity to bridge inequalities children and youth face across the region, Zain created programs such as career development trainings, internships and startup incubators to prepare youth for the workforce of the future.

Zain Sudan: Call Center with Hawatif (SDG 4.4)

As youth unemployment continues to rise due to the political instability in the country coupled with ramifications of COVID-19, it is estimated that 40% of youth in Sudan are unemployed. To address this challenge and align to SDG 4.4, ensuring youth and adults have relevant employment, Zain Sudan collaborated with Hawatif outsourcing company to train fresh graduates to be employed at call centers. Since 2020, 870 agents have been hired through this program, showcasing the company's willingness to provide growth opportunities for youth.



Zain Kuwait: Youth Employment

As the pandemic imposed further constraints and pressures on employment opportunities, the country plans to create a well-defined strategy to employ 100,000 citizens in the private sector within four years. This plan, set to be implemented from 2022, aims to reduce the pressure of paying salaries in the public sector, which consumes approximately 60% of the state budget. Zain Kuwait is supporting the government's plan by preparing and upskilling youth to meet the demands of the private sector.

INJAZ Kuwait

INJAZ Kuwait founded in 2005, is a non-profit organization driven by the Kuwaiti private sector to deliver educational programs and initiatives centered on entrepreneurial skills, financial literacy, and leadership to reduce youth unemployment. Since 2005, INJAZ Kuwait has reached over 70,000 students at over 200 schools and universities with knowledge and experiences to assist them in their personal development and career progression. In 2021, INJAZ trained more than 5,000 students on and offline.

LOYAC

LOYAC is a program that caters to the youth and offers them a healthy and empowering environment to develop their skills and talents in an educational and social environment. Through Zain's partnership with LOYAC, 2,340 students were trained in their monthly LOYAC program. KON, one of LOYAC's latest youth development programs, trains students (ages 12-16 years) with social entrepreneurship skills as they are instructed to create startups that are profitable and socially sustainable. For the second consecutive year, the program was held virtually due to the pandemic, with 60 students trained in 2021.

Future University Network

The Future University Network (FUN) is an internal program tailored for university students to develop their skills to foster collaboration and team effectiveness, develop creativity, and enable innovative thinking to prepare them when joining the workforce. University students are recruited as brand ambassadors for youth at Zain Kuwait. In 2021, the FUN program interned 33 students.

Zain Great Idea 6

Zain continued to collaborate with Brilliant Lab for its sixth edition of the Zain Great Idea program (ZGI) to incubate and accelerate tech entrepreneurs across the region. Established in 2010, ZGI empowered, trained, and invested in over 1,500 Kuwaiti and Arab youth. To date, investments in ZGI startups amount to well over KWD 6 million (USD 20m), with 30% of ZGI's alumni now owning thriving businesses across local and regional markets.

This year, ZGI 6 was held virtually due to health restrictions and safety protocols. Despite the remote setting, 170 ambitious applicants across the MENA region applied, of whom 114 took part in the virtual bootcamp with 60 entrepreneurs being qualified to the final phase. In the end, 25 deserving finalists from seven countries made it to the final phase and pitched their ideas to potential investors and business partners. In addition, ZGI 6 saw the highest-ever turnout of female entrepreneurs in the program's history.

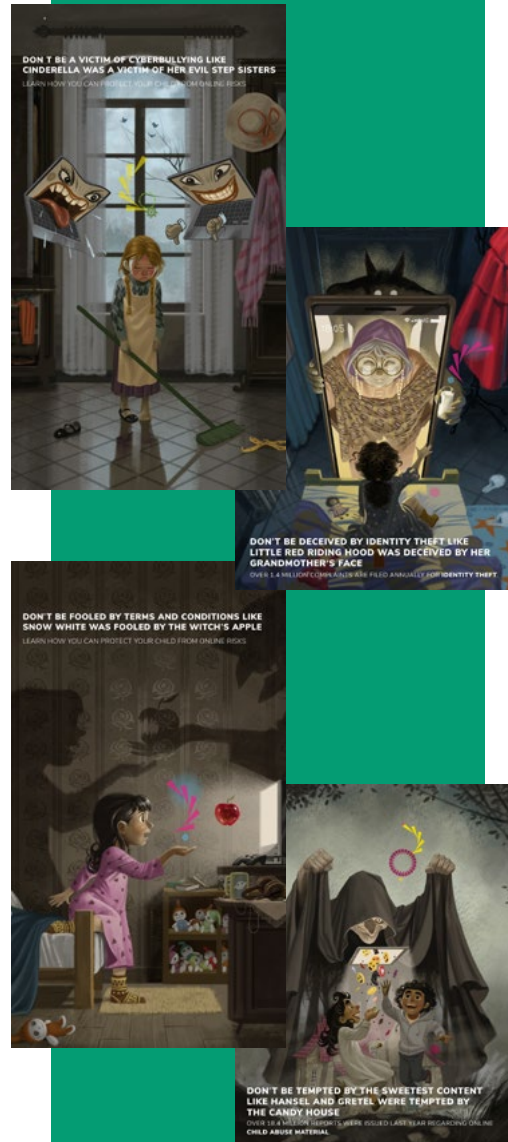


Child Online Safety

One of the focus areas under Zain's Generation Youth pillar assesses the development and impact of initiatives that are dedicated to online safety for children.

Internet Monsters

Zain launched a media campaign entitled 'Internet Monsters' raising awareness on online safety for children and the risks children might face whilst online. Internet Monsters was developed in response to increased online activity due to the pandemic. The campaign is based on classic fairytales with a modern twist to depict what is currently occurring in the digital world. Zain depicted the classic children's stories of Snow White, Hansel and Gretel, Cinderella, and Little Red Riding Hood, showcasing the villains in each story from a digital point-of-view, with them emerging from laptop screens, smartphones, tablets and TV screens, which signify gaming. The digitization of the classic stories, reflected against a backdrop of different digital mediums, is meant to help children visualize and relate to the threats faced online, and understand that there are many ways to counter them. The main objective of Zain's online safety campaign is to reiterate the importance of this issue, and advocate for parents and caregivers to stay vigilant and aware of the risks, emphasizing that people are not always who they might present themselves to be online. The campaign successfully reached 66.3 million impressions across Zain's footprint.



Child Sexual Abuse Material (CSAM)

According to a study conducted by the Economist Impact and WeProtect Global Alliance, it is estimated that 44% of 18-20 year olds in the MENA region faced some sort of sexual abuse and exploitation in their childhood. To cement its firm stance on instilling children's rights in everything the company does, Zain assessed various blocking mechanisms for CSAM to be implemented Group-wide. Through extensive stakeholder engagement with regulators, it was noted that five of our operations possess existing CSAM blocking filters embedded within their networks due to regulatory requirements.

Zain is currently working with the Canadian Center for Children Protection to integrate Project Arachnid, software to reduce the availability of CSAM globally. Project Arachnid discovers CSAM by crawling URLs previously reported to Cybertip.ca, as well as those reported directly into the Arachnid API. The company successfully integrated Project Arachnid in Kuwait and is currently working on integrating it across its markets. Zain Sudan uses Internet Watch Foundation's solution, a UK-based charity that provides software to filter, remove and block CSAM, on its network.



UNICEF

This year, Zain's Global MoU with UNICEF focused on the implementation of a three-year regional partnership to support the rights of children and youth in all of Zain's operating markets. Through this partnership, Zain was able to set the foundations in each market. The company is already witnessing impacts occurring on the ground by supporting the COVID-19 vaccine roll out and scaling up government responses, providing digital learning solutions to the most vulnerable and raising awareness of child rights.

Jordan

As part of a successful strategic collaboration, UNICEF partnered with Zain Jordan to tackle socio-economic barriers to connectivity, considered to be one of the main challenges that young people face in the region as it ultimately hinders the continuity of their education. Jordan's Learning Passport provides zero-rate access on both the website and mobile application for all Zain users regardless of their location or connectivity status to overcome and bridge the digital divide. The Learning Passport's off-line mode also enables those with low internet bandwidth to access all the materials and download educational content. Young people using the Youth Learning Passport will have the opportunity to become digitally savvy and market-ready, as Jordan emerges from COVID-19 lockdown measures.

Jordan's Learning Passport was launched under the patronage of the Ministry of Youth and Ministry of

Digital Economy and Entrepreneurship. Both ministries are utilizing the platform for the delivery of different programs and trainings to adolescents and youth, training facilitators and tracking the learning process. Additionally, through UNICEF's partnership with several stakeholders from the public and private sectors as well as other organizations, the Learning Passport will be utilized even further to reach a wider audience and ensure sustainability of the platform.

Currently, the Learning Passport has approximately 14,000 enrolled users (70% females) who have access to 81 different courses and 1,209 lessons including English Language, basic and advanced digital skills, life skills, social innovation, financial literacy, technical and vocational education and training courses including jewelry making and carpentry, child protection basics, and a specially tailored Gender Equality Package that focuses on developing girls' skills and raising their awareness. The Learning Passport is a centralized platform comprising most of the courses UNICEF Jordan offers to young people to build the skills needed to excel in both their professional and personal lives. Additionally, given UNICEF's large following on social media platforms, information on the Learning Passport and the content it offers continues to reach many young people.

During 2021, over 6,000 Ministry of Education liaison officers across Jordan successfully trained on the topic of distant learning and remote delivery of training sessions using the Learning Passport.

Iraq

In 2021, through their partnership, UNICEF and Zain jointly worked on the following activities:

- The International Youth Day event was celebrated on 12 August in Anbar in partnership with the Directorate of Youth and Sports. The event consisted of a youth-led discussion with decision makers to identify challenges and recommend solutions around the global theme of transforming food systems in Iraq, specifically in Anbar. The event targeted around 50 young people (40 per cent were female).
- 911 wi-fi devices and annual subscriptions were provided for COVID-19 vaccination service delivery points, health districts, and provincial vaccine stores, enabling the use of digital platforms for registration and vaccine management as well as for the communication of performance reports and adverse events surveillance data on a real-time basis.
- UNICEF currently supports the roll-out of e-Perwerde, Kurdistan regional MoE's Education Management Information System (EMIS). Upon request from UNICEF and the government, Zain provided internet access to the e-Perwerde system at no charge, enabling targeted schools to enter, collect and analyze relevant data.

Sudan

- In October 2021, Zain supported the launch of the Learning Passport in Sudan with UNICEF and the Ministry of Education providing zero-rated access to the platform across Zain's network. To date, the platform has approximately 2,112 active users.



Online Protection

Zain Esports and UNICEF collaborated to develop an Online Safety Booklet to help youth remain safe while enjoying online gaming activities. The Online Safety Booklet supports youth in being aware of key risks associated with the online world and provides actionable guidance reducing online risks. The booklet was piloted with a school in Kuwait that was setting up an e-sports tournament. UNICEF and Zain are now working to explore how to embed online protection learning within education systems across the region. In addition, Zain Saudi Arabia localized the Online Safety Booklet to include it in its parental controls page of the website. For more information on the 'Online Booklet', visit '[Our Products and Customers](#)'.

MO-CRIA: Child's Rights Impact Self-Assessment Tool for Mobile Operators

As children and young people currently account for nearly half of the region's population, it is our duty to ensure that their rights are considered in everything we do. At Zain, we understand that while statements and policies are important, the company is creating sustainable change by ensuring children's rights are represented in the company's practices. This is done through monitoring and assessing transparent disclosures from each function within the organization.

To adhere to best practices, Zain utilized UNICEF's [Child's Rights Impact Assessment Tool for Mobile Operators \(MO-CRIA\)](#) to assess the challenges, gaps and opportunities related to children's rights within all business activities. While conducting the extensive MO-CRIA assessment, the company engaged with various stakeholders, such as the human resources team, commercial, sustainability, technology and networks, to fully understand the policies, procedures and actions that are set in place for ensuring children's safety. The company highlighted priority actions that can be taken to improve the company's impacts on children and listed missing gaps that need to be addressed.

Vaccine Drive

The annual Zain Ramadan campaign was executed this year in support of UNICEF to address the challenge of vaccine hesitancy across the region and encourage COVID-19 vaccine uptakes. To learn more about our campaign tackling vaccine hesitancy, please visit 'Zain's Response to COVID-19'.



Zain Group and SANAD Partnership

PROJECT NAME	LOCATION	OBJECTIVE	ACHIEVEMENTS
Palliative Care Advancement in Kuwait	Kuwait	The objective of this project is to enhance palliative care in Kuwait by implementing capacity-building and awareness raising activities targeting healthcare professionals and the public.	<p>SANAD engaged with the Ministry of Health in Kuwait to obtain approval to conduct capacity-building training at the Palliative Care Center in Kuwait.</p> <p>SANAD signed a memorandum of understanding with the Palliative Care Association in Kuwait to conduct awareness campaigns targeting nurses, healthcare students, and the public.</p>
Establishment of a Home-based Palliative Care Service Model in Sudan	Sudan	The objective of this project is to support the Khartoum Oncology Hospital Palliative Care department to enhance its current informal home hospice model.	<p>In May 2021, SANAD held virtual theoretical training sessions for 10 staff members at the Khartoum Oncology Hospital. However, due to protests causing connectivity issues, the online training was halted. The training resumed in August 2021, where seven Sudanese staff members including three physicians, three nurses and one psychologist travelled to Lebanon for a month-long practical shadowing experience.</p> <p>In addition to capacity building, SANAD supported the Sudan team by assisting the creation of policies, medical record forms, and quality indicators. SANAD also provided the Sudan team a list of equipment and supplies needed to start preparing for the enhancement of their current hospice care.</p>
Mental Health in Palliative Care Training in the MENA region	Lebanon, Bahrain	The overall objective of this project is to raise awareness and enhance knowledge about mental health in palliative care in six countries.	<p>In December 2021, SANAD conducted workshops for Al Haykal Hospital in Tripoli and Sanabel AlNour, an NGO that supports underprivileged patients in covering their healthcare costs. The workshop addressed mental health in the scope of palliative care and targeted 20 staff members from Al Haykal Hospital, including nurses and physicians as well as six social workers from Sanabel AlNour.</p> <p>In Bahrain, SANAD held meetings with the Bahrain Cancer Association to explore options in conducting a workshop regarding mental health in palliative care.</p>
SANAD app-Telehealth and Electronic Medical Record	Virtual use	The overall objective of this project is to develop an electronic medical record system and patient application for SANAD.	SANAD is currently exploring options with Zain Group's Investments & Digital Services (GID) team to develop a telehealth app and electronic medical record .
Digitization of SANAD's Capacity-Building Material in Lebanon	Lebanon	The objective of this project is to digitize SANAD's capacity building material and develop a telehealth palliative service	As a response to COVID-19, SANAD developed material to address and virtually conduct the three phases of capacity building including practical observership , shadowing, and independently practicing palliative care. The aim is to offer effective capacity building virtually.
SANAD Hospice Services Expansion to West Beqaa	West Beqaa, Lebanon	The objective of this project is to expand SANAD's provision of hospice care to West Beqaa, Lebanon.	<p>In Lebanon, SANAD expanded its service provision to West Beqaa to address a deficiency as there is a high percentage of cancer cases and no hospice care.</p> <p>As illness and death are considered taboo in the culture, SANAD is addressing this by raising awareness through field visits with hospitals, social, and educational organizations, pharmacies and mayors of municipalities.</p>

Zain's Community Outreach

Palliative care is specialized medical care for people living with serious illness, and focuses on enhancing the patient and their family's quality of life. In the Arab world, topics such as illness and death are kept private due to cultural taboos revolving end-of-life care. To address this deficit, in 2018 Zain partnered with SANAD, an NGO based in Lebanon and a field leader with a vision to help strengthen home palliative and hospice care in the MENA region. SANAD is working on raising awareness on the importance of palliative care among the general public and help support institutions in different countries build palliative care functions based on its framework.

In addition, SANAD's processes and capacity-building activities are undergoing a digital transformation to enable its staff to provide:

1. Virtual practical observership, a type of hands-on shadowing experience
2. Virtual shadowing, where external staff can learn by watching SANAD's staff
3. Telehealth palliative service to support patients living outside SANAD's geographical scope or in case of crisis situations such as COVID-19 exposure, rock blockage and other challenges

The scope of SANAD's work extends to Kuwait, Sudan, Bahrain, and recently expanded in Lebanon to include West Beqaa.



22

Our Climate Action

Our Climate Action

The Challenge

The business community, which includes investors, customers and other related stakeholders demands greater transparency from businesses regarding climate-related disclosures constituting climate risks, emission metrics, targets, and governance.

The MENA region is considered the most water scarce region in the world with nearly 66 million people lacking basic water sanitation.

Due to a decentralized waste management system in addition to urbanization and population growth, the MENA region's waste continues to grow by 2 percent per annum.



Zain's Response

Zain continued to disclose its climate management to CDP, earning an A- score in 2021. This ranking is higher than the regional average for Asia of B-, and higher than the Media, Telecommunications & Data Center Services sector average of B. Additionally, Zain took a cohesive step in expanding its Scope 3 emissions inventory to report more accurately.

This year, Zain started to measure its water consumption across its operations and began implementing water reduction initiatives in its headquarters.

Based on Zain's corporate sustainability strategy, the company aims to eliminate its plastic consumption in addition to managing and reducing the waste in its warehouses by 50% by 2025. As such, the company is working towards standardizing warehouse inventory management across its operations in addition to upcycling packages.



Water Consumption	2016	2017	2018	2019	2020	2021
(Cubic Meters)	95,036	94,864	90,254	93,705	64,972	90,683

With the ongoing impact of climate change, the global community recognizes the prominent role corporations can play to decarbonize the planet. Robust transformation needs to be taken in the company's operational activities and performance to mitigate risks and leverage opportunities. Zain continued to take a strong stance in addressing climate change and positioning itself as a leading player in the region.

This year, Zain developed its first comprehensive Scope 3 inventory process aligned with the Greenhouse Gas (GHG) Protocol guidelines for a more accurate and transparent evaluation of its value chain emissions. This allows Zain to not only disclose and report in a more concise manner but be able to identify areas in which we can reduce our GHG emissions. The company started capturing its Scope 3 emissions last year, at a time it introduced business travel and employee commuting for Zain Kuwait. In 2021, Zain extended the inventory of these two categories to all its operations. In addition, purchased goods & services, capital goods, leased assets, use of sold products, were added to the inventory list. For use of sold products, Zain is referencing 2020 data.

CDP Score of A-

The company continued to disclose its climate management through its participation in CDP, previously known as the Carbon Disclosure Project. Through the disclosure, Zain scored an A-, which falls under the leadership category and is a significant milestone for the company as it previously scored a B in last year's disclosure. This achievement showcases

the company's dedication to taking meaningful action against climate change.

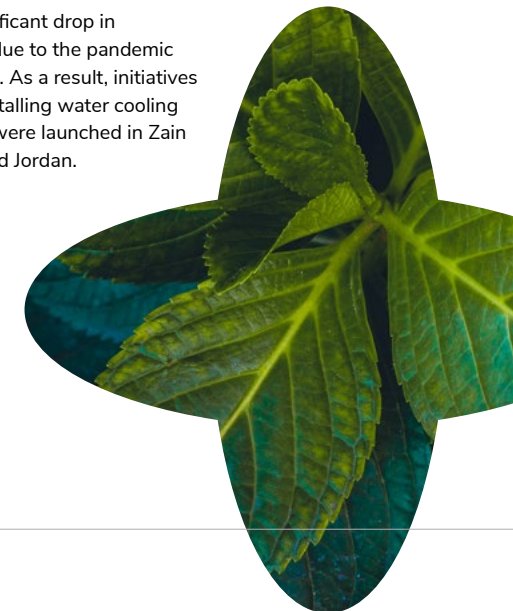
Through its membership to CDP, Zain demonstrates its alignment to Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Through CDP's questionnaire, Zain adheres to TCFD's recommendations within its governance, risks & opportunities, strategy, targets and emissions modules. Zain disclosed its risks and opportunities for CDP based on the TCFD scenario analysis guidelines for physical and transition risks and opportunities. Such risks and opportunities are further explained in the Enterprise Risk Management section on page 45.

In 2021, Zain continued to address its strategic approach to addressing climate change under its 2020-2025 sustainability strategy. Climate change is a pillar on which the organization has set three focus areas where Zain can address its negative impacts on the environment and create positive ones.

1. Network and Energy Consumption: Set accurate measurement tools, implement energy reduction initiatives, align to international best practices
2. Strategy and Communication: Build climate change risk scenarios, identify market opportunities, launch awareness campaigns that measure change in behavior
3. Waste Management and the Circular Economy: Reduce waste in warehouses, eliminate plastic packages, embed waste management policies

Throughout the year, Zain recognized the rising concern over water scarcity in some of its market of operation. Recent studies have shown that it is a critical risk in our world today. A resource that continues to be mismanaged, the importance of water accessibility is crucial given the fast rate of population growth in the MENA region. The impact of water efficiency on socio-economic development is significant, and Zain decided to take a firmer stance in addressing water management given 60% of the region's population already live in severe water deprived areas.

Zain's first phase is already underway, which includes establishing a baseline of the company's water consumption across all operations. Based on the table below, the company noticed a significant drop in consumption in the last two years due to the pandemic and employees working from home. As a result, initiatives to address water usage such as installing water cooling for drinking and touchless faucets were launched in Zain headquarter buildings in Kuwait and Jordan.



Sustainable Development Goals addressed



2017-2022 Emission Reduction Targets

Category 1 – Unstable Power Grid:

Sudan	15%
South Sudan	25%
Iraq	20%

Category 2 – Stable Power Grid:

Bahrain	5%
Kuwait	7%
Jordan	10%
Saudi Arabia	8%

CO₂ Emissions Reduction (YoY) (2020-2021)

		BAHRAIN	IRAQ	JORDAN	KSA	KUWAIT	SUDAN	SOUTH SUDAN
CO ₂ Emissions per Base Station	Kg	67,688	52,680	14,889	48,365	43,734	30,973	37,942
Year-on-Year Decrease/Increase in Emission per Base Station	%	15.54%	-24.08%	-24.77%	-7.70%	4.11%	13.09%	-1.22%

Bahrain

Electricity consumption is estimated based on sites topologies. In Bahrain, there is an increase in CO₂ emission per base station due to 5G Rollout and sites expansions.

Iraq

Zain Iraq electricity consumption decreased slightly, and the fuel consumption increased slightly resulting in a positive impact on overall CO₂ emission.

Jordan

Due to addition of new layers to existing network sites, Zain Jordan resulted in an increase in energy consumption from the base stations.

Kuwait

In Kuwait, Zain added 171 x 5G equipment on existing sites leading to an increase of energy consumption per base station.

Saudi Arabia

In Saudi Arabia, there was an increase in energy consumption as 5G technology was implemented on existing sites.

Sudan

In Sudan, there was an increase in energy consumption as 5G technology was implemented on existing sites.

South Sudan

Zain South Sudan continues the installation of hybrid solutions, which resulted in a reduction of the fuel consumption on sites. However, there was a substantial increase in the amount of electricity consumed due to the opening of new offices in Juba. Therefore, this resulted in an increase in the energy consumption per base station.

Note: The CO₂ emission conversion factors from KWH of electricity to CO₂e were amended to reflect the IEA 2019 conversion factors instead of the 2015 factors that were used when the baseline was set in 2017. This led to a reduction of the Scope 2 emission because of a slight decarbonization of the grid in our operating countries.

Hybrid Solutions Installations

OPERATING COUNTRIES	DG-BATTERY HYBRID SOLUTION	SOLAR HYBRID SOLUTION
Bahrain	-	-
Iraq	-	-
Jordan	30	31
Kuwait	-	-
Saudi Arabia	-	-
Sudan	-	-
South Sudan	25	-
Total	55	31
	86	

Improvements to Energy Efficiency and Site Optimization (units)

OPERATING COUNTRIES	SMALLER SIZE GENERATORS	OUTDOOR (BTS/ POWER) SOLUTION	SMALL SHELTERS (≤ 2.5M X 2.5M)	GRID CONNECTION	UPGRADE TO MORE EFFICIENT DC POWER SOLUTION
Bahrain	0	46	-	1	25
Iraq	276	199	-	-	143
Jordan	-	182	-	-	-
Kuwait	-	-	33	-	79
Saudi Arabia	-	101	-	50	-
Sudan	43	-	-	7	-
South Sudan	-	25	-	-	-
Total	319	553	33	58	247

Driving Operational Efficiency: Our Sites (Tower Sharing Program)

OPERATING COUNTRIES	ZAIN SHARING OTHERS' SITES	OTHERS SHARING ZAIN SITES
Bahrain	21	11
Iraq	3	-
Jordan	-	-
Kuwait	-	-
Saudi Arabia	40	34
Sudan	-	-
South Sudan	15	5
Total	79	50
Grand Total	129	

Spending Related to Initiatives – 2021

INITIATIVES	TOTAL DIRECT COST (USD)	TOTAL INDIRECT COST (USD)
Zain sharing Others sites	0	1,385,020
Others sharing Zain sites	0	0
Outdoor (BTS/Power) solution	5,051,259	5,051,259
Small shelters (≤ 2.5m x 2.5m)	0	0
DG-Battery Hybrid solution	1,375,000	0
Smaller size Generators	0	3,082,800
Solar Hybrid solution	930,000	0
Grid Connection	231,600	0
Free Cooling system	0	0
Total	7,587,859	9,519,079



GHG Emissions - Scope 1 and 2

DESCRIPTIONS	UNITS	BAHRAIN	IRAQ	JORDAN	KSA	KUWAIT	SUDAN	SOUTH SUDAN	TOTAL
Scope 1 - Fuel	liters	794,389	56,768,463	375,270	59,252,935	7,080,483	27,586,382	1,878,771	153,736,694
Scope 2 - Electricity	KWh	63,760,304	154,688,038	113,086,646	545,958,118	75,718,967	61,578,086	5,901,034	1,020,691,194
Scope 1 Emissions	Kg CO ₂	2,128,963	152,139,481	1,005,724	158,797,867	18,975,695	73,931,504	5,035,106	412,014,339
Scope 2 Emissions	Kg CO ₂	43,873,465	110,880,386	47,473,774	336,091,818	46,014,417	19,218,521	4,554,418	608,106,798
Scope 1 & 2 Emissions	Kg CO ₂	46,002,428	263,019,866	48,479,498	494,889,685	64,990,111	93,150,024	9,589,524	1,020,121,136
CO ₂ Emissions per Base Station [Scope 1 & Scope 2]	Kg	67,688	52,680	14,889	48,365	43,734	30,973	37,942	
Baseline-year 2020 Decrease / Increases in Emissions per Base Station [Year 2017 vs 2021]	%	-3.78%	-34.31%	-8.78%	7.07%	15.04%	24.64%	-46.07%	

Note:

- For the conversion from liters of fuel to KW, we have considered that 1 L = 3KWh on the basis that 1 liter produces 10KWH with Diesel generator efficiency of 30% as recommended by GSMA
- DG Battery Hybrid solution usually leads to around 50% saving on fuel consumption
- Estimate of KWh for solar system is based on the data provided by Zain Jordan as per sites monitoring and management solution. 750KWh is produced per site on average

Scope 3 Emissions Breakdown

SCOPE 3 BREAKDOWN VIEW		CO ₂ -EQ VALUE (KG/YEAR)
Category 1	Purchased goods and services	114,590,729
Category 2	Capital goods	218,345,654
Category 3	Fuel and energy related activities (not included in scope 1 and scope 2)	85,405,408
Category 4	Upstream transport	996,689
Category 5	Waste generated in operations	36,494,880
Category 6	Business travel	102,398,272
Category 7	Employee commuting	11,932,118
Category 8	Upstream leased assets	60,197,593
Category 9	Downstream transport	-
Category 10	Processing of sold products	-
Category 11	Use of sold products	24,882,549
Category 12	End-of-Life of sold products (intermediate product, if relevant)	-
Category 13	Downstream leased assets	-
Category 14	Franchises	-
Category 15	Investments	-

Note:

- Category 15 will be added on Zain website when the data is available.

Waste Reduction

Zain is making concerted efforts to reduce the amount of waste generated from its operations as disposed waste emits greenhouse gases contributing to climate change. Through the company's corporate sustainability strategy, Zain set milestones that led to establishing a comprehensive waste management system. These include setting up physical inventories in warehouses across operations, categorizing waste, reducing the amount of waste sent to landfills, eliminating plastic throughout the supply chain, and embedding circular economy components



Warehouse Inventory

- In Zain Jordan, a process is already in place for warehouse waste where 90% of waste generated is sold off in organized auctions generating an annual average of USD 150,000. In addition, Zain Jordan eliminated all plastic packaging and internal plastic waste, cutting cost by USD 592,000 annually.
- Zain Sudan hosts an auction for its warehouse waste to its staff, resulting in 400 tons of waste being sold in 2021 including old batteries and gensets.
- During 2021, Zain Kuwait conducted a gap analysis in over 60 warehouses to determine the type of waste and automating the process by including it in Zain's internal Oracle Inventory System. In addition, a partnership was established with Enviroserve, a recycling company in Kuwait, that will support in classifying and managing Zain's waste.
- Zain Bahrain initiated the establishment of physical inventories for its warehouses located in different areas of the country. All relevant departments, including procurement, finance, facilities, and the sustainability teams discussed the baseline and current processes in place set an action plan on ways to improve them. Through this engagement process, Zain Bahrain was able to identify gaps and forecast their impact.

Single Use Plastic: (Bags and Water Bottles)

- During 2021, an array of initiatives were established across Zain's operating companies including the distribution of reusable bags to all employees. The aim of this internal initiative is to develop a sustainable mindset within the company and encourage approximately 7,000 employees to reduce or stop utilizing single use plastic bags.
- In the Zain headquarters building in Kuwait, a pilot initiative was launched to decrease single use plastic water bottles by adding water dispensers on four selected floors to test and measure the impact of water bottle consumption.
- To reduce plastic consumption through its supply chain, Zain Kuwait upcycled old billboards, tailoring them into tote bags to distribute to customers in Zain branches. This approach allowed the company to creatively reuse waste while simultaneously spreading awareness on the importance of reusable bags.

E-waste:

- Zain Saudi Arabia (KSA) launched a campaign targeting e-waste. The campaign explained the process of dismantling old electronic devices, such as smart phones and assurance for deleting all data before undergoing a recycling process to reuse its materials and hardware. E-waste recycling bins were then installed at Zain KSA HQ, which is situated in a large compound called Granada Business Park, that maximizes the reach to span across multiple companies in the area.
- Zain Bahrain hosted an e-waste recycling competition that extended to four middle schools in Bahrain. The aim of the contest is to raise awareness and instill a practice of recycling old electronic devices amongst the youth in the Kingdom. The winners were evaluated by a committee consisting of representatives from Zain Bahrain, the Supreme Council for Environment, and the Ministry of Education. The winning schools were recognized for their efforts across four different categories. The award for 'Biggest Collection of e-Waste' was received by Jidhafs Secondary School; the 'Teamwork' award was received by Ghazi al-Gosaibi Secondary School for Girls; the 'Creativity' award was awarded to Al Noor International School, while Al-Estiqal Secondary Girls School received the 'Best Awareness Campaign' award. Collectively, 10.5 tons of e-waste was collected. Zain Bahrain also installed recycling bins for e-waste in its headquarters for employees to recycle their e-waste including smartphones, tablets, TV's and other devices featuring circuit boards.

Awareness on Climate Change

Zain set annual targets to spread awareness and establish a sustainability mindset in the communities in which it operates. Each of Zain's markets was given a goal to reach 30% of its customer base by 2025 through interactive and engaging climate awareness campaigns. Through these campaigns, the company launched pre- and post surveys and polls to measure the impact of the campaign.



Zain Bahrain

Earth Day Awareness Session

The company partnered with an environmental activist, Haya AlDosari, who touched on several material topics. She discussed how climate changes is leading to rising sea levels and its impact on Bahrain, which is considered extremely vulnerable to such. Marine degradation was also mentioned, as oil spills, land reclamation and overfishing are directly affecting the livelihood of marine life. Lastly, the challenges of farms and arable land in Bahrain were discussed as well as how water scarcity is the main contributor to such challenges. The session was wrapped up by providing employees practical tips on how to fight climate change. A total of 250 employees attended the session.

Zain Jordan

Social Media Campaigns

Throughout the year, Zain Jordan continued to spread awareness through its social media channels on the impacts of climate change and what people can do to help address its challenges. Various campaigns were launched and included combatting desertification and droughts; promotion to plant trees; and the impacts of climate change. The total reach of the campaigns introduced throughout the year was 723,413 individuals.

Zain Sudan

Marking World Environmental Day on June 5, Zain Sudan commemorated the occasion by raising awareness on the importance of restoring natural ecosystems. Due to its geographical location, Sudan is at high risk of floods and droughts that cause desertification. Additionally, to commemorate World Day to Combat Drought & Desertification on June 17, Zain Sudan shed awareness on the consequences of climate change including forced migration due to warming temperatures, agricultural losses due to droughts, and ice caps melting resulting in rising sea levels. Over 113,100 individuals were reached through these campaigns.

Zain Kuwait

To continue to establish a sustainability mindset in the Kuwait, Zain launched two separate activities that target a variety of environmental topics. The company developed a list of eco-friendly stores, shops, boutiques, and recycling facilities under a single directory and communicated it across its social media channels. This supported local businesses and stores and encouraged people to consider such brands when purchasing products and services. Another interactive campaign that was launched focused on the three most material environmental concerns that the country faces. The topics highlighted included air and water pollution and waste management. Through this campaign, the company posted polls to assess the public's awareness on these matters.

Zain Saudi Arabia

Throughout the year, Zain Saudi Arabia created social media campaigns that addressed different aspects of climate action, such as water conservation, planting trees to offset carbon build-up, and how technology can help enable smart cities to use alternative energies. The company is in aligned to Saudi Arabia's Green Saudi initiative, which aims to increase the Kingdom's reliance on renewable energy and offset its emissions to combat climate change. Total reach for the campaigns was 74,763.



A close-up photograph of a red-eyed tree frog (Agalychnis saltator) perched on a dark green branch. The frog has bright green skin, large red eyes with black pupils, and orange feet. Its body is slightly angled towards the left, and its head is turned to look forward. The background is a soft, out-of-focus green, suggesting a natural habitat.

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Looking Forward

Looking Forward

As a digital services provider, Zain understands that its operating environment is undergoing dramatic shifts and transformations. Digitization, innovation, and having in place a sustainability agenda are essential factors for organizations to prepare for the future. Thus, to effectively manage the needs of both the community and the company, Zain continues to work cross-functionally in a collaborative manner to yield impactful results. Zain adheres to the triple bottom line approach in conducting its business activities with the highest standards of ethics and transparency applied in line with international best practices.

Zain is making a concerted effort in addressing the needs of its communities, including marginalized ones, emphasizing the importance of mental health and wellbeing in addition to bridging the gender gap, addressing online safety for children, and working towards narrowing the digital divide.

As climate change poses significant risks to our communities and to the business itself, Zain has taken determined steps to address various risks that might arise from the looming crisis. To address our environmental impact, in 2021 Zain launched the Climate Change Policy Statement and proceeded to integrate climate change considerations across its business practices. As the company operates in a water scarce region, and in order to reduce its environmental footprint, Zain began to measure water consumption and implement water reduction mechanisms across its markets. Tracking mechanisms related to waste management progressed across the Zain footprint.

Of significant importance to Zain is ensuring online safety for children. With one of the world's largest youth bulges and as more children join the online community, it is important that the proper mechanisms are in place to safeguard them in this domain. Zain continues to focus on the implementation of blocking mechanisms of child

sexual abuse material (CSAM) across its markets. To adhere to best practices, the company utilized UNICEF's Mobile Operator Child's Rights Impact Assessment Tool (MO-CRIA) to assess the challenges, gaps, and opportunities in regards to children's rights within its operating context.

As part of the WE ABLE strategy, and in order to ensure that Zain is aligned to the Sustainable Development Goals (SDGs) where "no one is left behind", company premises across its markets were evaluated and necessary upgrades were undertaken to ensure inclusion of people with disabilities.

The table below highlights Zain's targets under its Corporate Sustainability strategy and related progression:

CORPORATE SUSTAINABILITY TARGET	ACHIEVED	COMMENTS
Set strategic targets to address climate change and reduce GHG emissions by addressing the risks, unlocking new market opportunities, and improving resource efficiency	Ongoing	<p>Zain continues to improve energy efficiency and operational effectiveness of its infrastructure with the aim to lower costs, reduce emissions, and set mitigation plans across multiple functions within the company. The company's firm commitment to address climate change is evidenced through its membership of the Carbon Disclosure Project. Zain will revise its CO₂ emissions reduction targets during 2022 to mitigate, offset and reduce its CO₂ emissions consumption, minimizing its environmental footprint.</p> <p>To address resource management, the company set risk scenarios and assessments for financial impact to align to the Task Force on Climate-related Financial Disclosures (TCFD). Zain has also recently adopted a water consumption tracking mechanism for its water usage and set targets to eliminate any excessive water consumption. To learn more about how Zain is addressing climate change, visit 'Our Climate Action'.</p>
Aiming to bridge the divides that exist in our operating markets, focusing on the inclusion of people with disabilities	Ongoing	<p>The company has been working with governmental and private institutions to gather data and create a baseline to understand the number of people facing disabilities in Zain's footprint. The company launched an 'Assistive Technologies Working Group' to ensure disability inclusion across touchpoints.</p> <p>This year, Zain Iraq, Jordan and Saudi Arabia provided sign language trainings for frontline customer service staff to ensure the service is inclusive of members of the deaf and mute communities. As part of Zain Bahrain's strategy to address the disability gap, the company launched an enablement line for people with disabilities. Zain teams can now understand the needs of people with disabilities and the pain points they face while communicating or using Zain services. The line can also help Zain Bahrain find and explore commercial opportunities from the findings of this hotline.</p>
Advocacy and mentoring of girls and young women in schools and universities to support them in entering STEM-related fields	Ongoing	<p>Zain's 'Women in Tech' program aims to bridge the gender divide in STEM fields by mentoring young women studying STEM and pairing them with experienced Zain employees to help them in their future career paths. This year, 32 university students were mentored through the Women in Tech program, and the company aims to continue to expand its reach and increase the number of mentees by 50% next year. Through Women in Tech, Zain intends to establish a hub for women to grow and develop in the field of STEM.</p>
Empower and upskill marginalized and disadvantaged communities	Ongoing	<p>With the significant number of marginalized communities, such as internally displaced persons (IDP) and refugees across Zain's footprint, it is essential that the company take steps to improve their livelihoods and provide access for their most basic needs. The company will continue to establish partnerships and develop products and services that address the challenges IDPs face on a daily basis, including access to connectivity, digital literacy, and financial inclusion.</p>

CORPORATE SUSTAINABILITY TARGET	ACHIEVED	COMMENTS
Ensuring a responsible supply chain across Zain business practices	Ongoing	Zain continues to conduct self-assessment processes for its most material suppliers. The company adds additional suppliers for self-assessment and increases the number of onsite physical inspections. The Supplier Code of Conduct and screening is revised on a regular basis. The company started tracking its suppliers' commitment to the Human Rights Policy to ensure its suppliers adhere to best business practices. This year, 40 of Group suppliers completed the supplier self-assessment questionnaire.
Committing to empower 16 million youth across its footprint, enabling them to reach their full potential	Ongoing	<p>Zain continued to work on its three-year partnership with UNICEF to support the rights of children and youth in Zain markets. During 2021, the focus was on setting the foundations for the partnerships at the country level and to begin implementing agreed areas of focus. 2022 will see the implementation of initiatives that ensure the company achieves its targets. In collaboration with Zain Esports and UNICEF, the company launched an Online Safety Book to educate children on the risks they may face online. The booklet reached over 6,000 views on the website in addition to being handed out to all students and teachers at participating schools.</p> <p>Zain recently undertook MO-CRIA to identify how the company impacts children across its operations (including in the supply chain). While completing the self-assessment, the company started addressing gaps within its business practices and highlighting priority actions that can be taken to improve the company's impacts on children.</p> <p>Zain assessed various blocking mechanisms for child sexual abuse content to be implemented Group-wide and is currently working with the Canadian Center for Children Protection to integrate Project Arachnid, software to reduce the availability of child sexual abuse material (CSAM) globally. Project Arachnid discovers CSAM by crawling URLs previously reported to Cybertip.ca, as well as URLs reported directly into the Arachnid API. The company successfully integrated Project Arachnid in Kuwait and is currently working on integrating it across the Group.</p> <p>Zain launched its Group-wide social media campaign titled 'Internet Monsters' to further raise awareness of online safety for children and the risks children might face while browsing.</p> <p>More about how Zain is empowering children across its footprint may be found by visiting 'Our Sustainability Agenda' on page 142.</p>
Building human capital within the organization	Ongoing	Zain employees are our most important asset, and as such, the company continues to develop talent within the organization. This extends to the provision of training and developmental programs across the Group and its operating companies, in topics including leadership, critical writing, publicly speaking, mergers and acquisitions, financial training, and awareness on various mental health subjects such as stress and anxiety.
Expand and improve Zain's stakeholder engagement strategy across all functions	Ongoing	The company continues to uphold its commitment to improving its stakeholder engagement processes by having open communication with major stakeholders across its digital channels. Zain's business functions remain dedicated to maintaining channels for transparency and effective and frequent dialogue with all major stakeholders. For more details about Zain's stakeholder engagement, visit 'Stakeholder Engagement' on page 92 .

CORPORATE SUSTAINABILITY TARGET	ACHIEVED	COMMENTS
Continue to improve governance policies and practices to maintain compliance with Kuwait's Capital Markets Authority (CMA) regulations	Yes	<p>Zain successfully complies with CMA regulations in Kuwait related to transparency and governance and is taking steps to further refine its compliance in alignment with global best practice. Zain will continue to push the envelope in this area as it takes great pride in its leading market position.</p>
Expand collaborative activities with the GSMA	Ongoing	<p>In 2015, Zain successfully collaborated with the GSMA and Child Helpline International to implement a comprehensive campaign to protect the rights of children in our operating markets.</p> <p>In 2016, Zain signed the GSMA Humanitarian Connectivity Charter to strengthen partnerships between the mobile industry, government, and the humanitarian sector.</p> <p>In 2017, Zain actively engaged with the GSMA and became a signatory of Mobile for Responsibility and Mobile 4 Social Good. The company continues to explore further areas for mutual collaboration with the aim of positively impacting its various communities.</p> <p>In 2018, the company continued its engagement with the GSMA on a regulatory front, through the Humanitarian Connectivity Charter, and Mobile for Humanitarian Innovation Program (M4H).</p> <p>In 2019, Zain engaged with the GSMA on the Humanitarian Connectivity Charter. Zain also collaborated with the GSMA and UNICEF on the mPower Youth Initiative, focusing on initiatives that enhance children's lives and protect their rights. In 2019, Zain became a member of the GSMA's Climate Task Force in order to address the industry's environmental footprint.</p> <p>In 2020, Zain became a signatory of the GSMA's "Principles for Driving the Digital Inclusion of Persons with Disabilities" initiative. Zain held a two-day workshop, in collaboration with the GSMA's Mobile for Development Assistive Technologies team, to better understand how to include products and services for persons with disabilities.</p> <p>In 2021, Zain continued its engagement with the GSMA by ensuring its alignment to the 'Principles for Driving the Digital Inclusion of Persons with Disabilities' with the GSMA's Assistive Technologies teams. In addition, the company has been working towards implementing disability inclusive technologies by creating a working group to ensure disability inclusion in its point-of-sales.</p>
Continue to optimize the company's risk management policies and practices	Ongoing	<p>Zain's Risk Management and Internal Audit functions will continue to be coordinated in union with both the Board Risk, and Audit Committees to improve the organization's effectiveness in identifying and mitigating organizational risks.</p>

CORPORATE SUSTAINABILITY TARGET	ACHIEVED	COMMENTS
Expand and broaden the organization's Innovation Agenda	Ongoing	<p>The company continues to embark on the journey of transforming into a digital lifestyle service provider. In line with this goal, Zain will continue to develop its innovation agenda through strategic activities, developing its Artificial Programming Interface (API), and partnerships on multiple digital vertical streams.</p> <p>Further, the company continues to contribute to the innovation space by establishing innovation centers in Kuwait, Iraq, and Jordan.</p> <p>Zain aims to further enhance the intrapreneurship ecosystem within the company through its Zainiac program.</p>
Continue to take steps to address and improve gender and disability disparity and encourage greater inclusivity within the organization	Ongoing	<p>Zain maintains its policy of non-discrimination based on gender and continues to track progress in achieving parity in areas such as access to growth opportunities within the company. Zain will also place greater emphasis on matters related to bridging the gender gap across its footprint and achieve the specified targets.</p> <p>In 2020, Zain announced its inclusion in The Valuable 500, an international initiative striving to put disability on the leadership agenda within corporates. By joining the Valuable 500, Zain launched 'GROW', a two-month development program facilitated by Zain employees, aimed to empower, train, and integrate freshly graduates with disabilities into Zain's workforce.</p> <p>'To learn more about how the company continues to empower its employees, visit 'Our People'.</p>
Steadily improve customer experience across the organization	Ongoing	<p>Zain continues to place its customers at the heart of its strategy by providing them meaningful connectivity to help them lead better lives.</p>
Supporting employees' mental health and wellbeing at a time when COVID-19 has wrought havoc on working norms.	Ongoing	<p>Zain's newly launched initiative titled, 'BE WELL', harbors on the importance of mental health and wellbeing. The groupwide collaboration with Headspace, a meditation and mindfulness application, ensures that employees will have the necessary tools and resources for mindfulness and mental wellbeing. In addition, Zain is providing all employees across its footprint confidential therapy sessions in collaboration with the Kuwait Counseling Center, one of the region's leading psychological centers providing psycho-educational, comprehensive assessments, therapy, training services.</p>

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

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Appendix

Appendix: SASB Telecommunications Industry Metrics

Table 1: SASB Disclosure, Activity Metrics

SASB CODE	ACTIVITY METRIC	ZAIN'S RESPONSE
TC-TL-000.A	Wireless Subscribers	4,661
TC-TL-000.C	Broadband Subscribers	44,263
TC-TL-000.D	Network Traffic	The average daily traffic is 18 petabytes

Table 1: Sustainability Accounting Metrics

TOPIC	SASB CODE	SASB STANDARD/METRIC	SECTION	COMMENTS	EXTERNAL ASSURANCE
Environmental Footprint of Operations	TC-TL-130a.1	Total energy consumed Percentage grid electricity Percentage renewable energy		5,750,746 69% 1.437%	Yes
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to behavioral advertising and customer privacy	<u>Enterprise Risk Management</u>		Yes
	TC-TL-220a.2	Number of customers whose information is used for secondary purposes	<u>Enterprise Risk Management</u>		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.	Yes
	TC-TL-220a.4	1. Number of law enforcement requests for customer information 2. Number of customers whose information was requested 3. Percentage resulting in disclosure		This information is considered confidential, as such Zain does not disclose this indicator.	Yes
Data Security	TC-TL-230a.1	1. Number of data breaches 2. Percentage involving personally identifiable information (PII) 3. Number of customers affected	<u>Our Products and Customers</u>		Yes
	TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	<u>Enterprise Risk Management</u>		Yes
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		Zain does not yet report on this metric.	Yes
Managing Systemic Risks from Technology Disruptions	TC-TL-550a.1	1. System average interruption frequency and 2. Customer average interruption duration		Zain does not yet report on this metric.	Yes
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	<u>Enterprise Risk Management</u>		Yes
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.	Yes
	TC-TL-520a.2	Average actual sustained download speed of 1. Owned and commercially associated content 2. Non-associated		Zain does not yet report on this metric	Yes
	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	Yes

Appendix: GRI Standards

STANDARD DISCLOSURE		SECTION	COMMENTS	EXTERNAL ASSURANCE
102-1	Report the name of the organization.	Company Overview		Yes
102-2	Report the primary brands, products, and services.	Company Overview Products and Customers Stakeholder Engagement		Yes
102-3	Report the location of the organization's headquarters.	Company Overview		Yes
102-4	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Company Overview		Yes
102-5	Report the nature of ownership and legal form.	Company Overview		Yes
102-6	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Company Overview		Yes
102-7	Report the scale of the organization, including: <ul style="list-style-type: none"> Total number of employees Total number of operations Net sales (for private sector organizations) or net revenues (for public sector organizations) Total capitalization broken down in terms of debt and equity (for private sector organizations) Quantity of products or services provided 	Our People Company Overview		Yes
102-8	Report the total number of employees by employment contract and gender. Report the total number of permanent employees by employment type and gender. Report the total workforce by employees and supervised workers by gender. Report the total workforce by region and gender. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Our People		Yes
102-9	Describe the organization's value chain.	Our Economic Impacts		Yes

STANDARD DISCLOSURE	SECTION	COMMENTS	EXTERNAL ASSURANCE
<p>Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:</p> <ul style="list-style-type: none"> Changes in the location of, or changes in, operations, facility openings, closings, expansions Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination 	About the Report		Yes
102-10			
102-11	Enterprise Risk Management Our Climate Action		Yes
102-12	Company Overview Introduction Materiality Assessment Addressing Key Challenges to Human Rights Corporate Governance Enterprise Risk Management Our Climate Action Our Sustainability Agenda		Yes
102-13	Company Overview Corporate Governance Enterprise Risk Management Our Climate Action		Yes
102-14	Board of Directors Message Vice-Chairman and Group CEO Message		Yes
102-15	Enterprise Risk Management Our Operating Context		Yes
102-16	Corporate Governance	A description of Zain's values, principles, standards and norms of behavior are available internally via the Human Resources Policy Manual and in the Code of Conduct available on the official Zain website.	Yes
102-17		Mechanisms for seeking advice on ethical and lawful behavior as well as helplines and reporting lines are available internally via the Human Resources Policy Manual, Code of Conduct, Supplier Code of Conduct and Human Rights Policy statement in addition to whistle-blowing channels available online.	Yes

STANDARD DISCLOSURE		SECTION	COMMENTS	EXTERNAL ASSURANCE
GOVERNANCE				
102-18	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance		Yes
102-19	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Corporate Governance		Yes
102-20	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Corporate Governance		Yes
102-21	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Corporate Governance		Yes
102-22	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> Executive or non-executive Independence Tenure on the governance body Number of each individual's other significant positions and commitments, and the nature of the commitments Gender Membership of under-represented social groups Competences relating to economic, environmental and social impacts Stakeholder representation 	Corporate Governance		Yes
102-23	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance		Yes
102-24	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> Whether and how diversity is considered Whether and how independence is considered Whether and how expertise and experience relating to economic, environmental and social topics are considered Whether and how stakeholders (including shareholders) are involved 	Corporate Governance		Yes
102-25	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> Cross-board membership Cross-shareholding with suppliers and other stakeholders Existence of controlling shareholder Related party disclosures 	Corporate Governance		Yes

STANDARD DISCLOSURE	SECTION	COMMENTS	EXTERNAL ASSURANCE
102-26	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	<u>Corporate Governance</u>	Yes
102-27	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social impacts.	<u>Corporate Governance</u>	Yes
102-28	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	<u>Corporate Governance</u>	Yes
102-29	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	<u>Corporate Governance</u>	Yes
102-30	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	<u>Corporate Governance</u>	Yes
102-31	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	<u>Corporate Governance</u>	Yes
102-32	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	<u>About the Report</u>	Yes
102-33	Report the process for communicating critical concerns to the highest governance body.	<u>Corporate Governance</u>	Yes
102-34	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Three critical concerns were raised where the Board met to discuss the issues brought to its attention by the Executive Management. The Board reviewed the input provided by the management and explored multiple options to resolve the issues including external and internal factors. Final decisions were made by the board and communicated to the management for execution.	Yes

STANDARD DISCLOSURE		SECTION	COMMENTS	EXTERNAL ASSURANCE
102-36	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Corporate Governance	To acquire and retain the highest caliber of talent within the region and industry, Zain takes measures to ensure that its employees are compensated at levels consistent with similar organizations. Adjustments to remuneration take place based on regular performance reviews. All of Zain's full-time employees receive annual performance reviews through which the employees' attainment of key performance indicators are measured, and areas of weakness or potential growth are identified. Increases in remuneration are exclusively merit-based, and Zain exercises a policy of nondiscrimination based on gender and race.	Yes
102-37	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.		Board and executive management remunerations are included in the remuneration report, which also includes the remuneration policy and other details. The remuneration report is included in the annual governance report which is provided to the shareholders during the AGM for their review and approval. Shareholders approve each item on the agenda through a secret ballot. Any material deviations from the approved remuneration policy must be stated in the report.	Yes
102-40	Provide a list of stakeholder groups engaged by the organization	Materiality Assessment Stakeholder Engagement		Yes
102-41	Report the percentage of total employees covered by collective bargaining agreements.		Iraq: 10% Sudan:100%	Yes
102-42	Report the basis for identification and selection of stakeholders with whom to engage.	Materiality Assessment		Yes
102-43	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Materiality Assessment Stakeholder Engagement		Yes
102-44	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Materiality Assessment		Yes
102-45	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated statements or equivalent documents.		Relevant information available in consolidated financials on the financial reports section on the Zain website. www.zain.com/en/investor-relations/financial-reports/	Yes
102-46	Explain the process for defining the report content and Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Materiality Assessment		Yes

STANDARD DISCLOSURE		SECTION	COMMENTS	EXTERNAL ASSURANCE
102-47	List all the material Aspects identified in the process for defining report content.	<u>Materiality Assessment</u>		Yes
102-48	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.		There is no significant information restated in the 2021 Report	Yes
102-49	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.		No significant changes have taken place in the Scope and Aspect Boundaries over the reporting period.	Yes
102-50	Reporting period (such as fiscal or calendar year) for information provided.	<u>About the Report</u>		Yes
102-51	Date of most recent previous report (if any).	<u>About the Report</u>	Zain publishes its Sustainability Report on an annual basis. The 2020 Sustainability Report was published Q1 2021.	Yes
102-52	Reporting cycle (such as annual, biennial).	<u>About the Report</u>		Yes
102-53	Provide the contact point for questions regarding the report or its contents.	<u>About the Report</u>		Yes
102-54	Report the 'in accordance' option the organization has chosen.	<u>About the Report</u>		Yes
102-55	Report the GRI Content Index for the chosen option	<u>Appendix</u>		Yes
102-56	<p>Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>Report the relationship between the organization and the assurance providers.</p> <p>Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	<u>Independent Assurance Report</u>		Yes
103-1	<p>For each material Aspect, report the Aspect Boundary within the organization, as follows:</p> <ul style="list-style-type: none"> • Explanation of why the topic is material • The boundary of the topic • Any specific limitation regarding the topic boundary 		Aspect Boundaries are explained throughout the Report in sections relevant to each corresponding material Aspect.	Yes

STANDARD DISCLOSURE	SECTION	COMMENTS	EXTERNAL ASSURANCE
<p>For each material Aspect, report the following information:</p> <ul style="list-style-type: none"> • An explanation of how the organization manages the topic • A statement of purpose of the management approach • A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> ② Policies ② Commitments ② Goals and Targets ② Responsibilities ② Resources ② Grievance Mechanisms ② Specific actions, such as processes, projects, programs and initiatives 			
103-2		Aspect Boundaries are explained throughout the Report in sections relevant to each corresponding material Aspect.	Yes
103-3	Explanation of how the organization evaluates the management approach	Explanation of the management approach is provided throughout the report in relation to the corresponding material aspect.	Yes
ECONOMIC: ECONOMIC PERFORMANCE			
201-1	Direct Economic Value Generated and Distributed	<u>Our Economic Impacts</u>	Yes
201-2	Financial Implications and Other Risks and Opportunities for the Organization's Activities Due to Climate Change	<u>Our Climate Action</u>	Yes
201-3	Coverage of the organization's defined benefit plan obligations	<u>Our People</u>	Provisions for postemployment benefits as of 31 December 2021 amounted to 40.9 million Kuwaiti Dinars.
ECONOMIC: MARKET PRESENCE			
202-2	Proportion of senior management hired from the local community at significant locations of operation	<u>Our People</u>	Yes
ECONOMIC: INDIRECT ECONOMIC IMPACTS			
203-1	Development and impact infrastructure investments services and supported	<u>Our Economic Impacts</u> <u>Our Climate Action</u>	More information about capital expenses among which include infrastructure investments are available in Zain's Financial Reports section of the Company website.
203-2	Significant indirect economic impacts, including the extent of impacts	<u>Our Economic Impacts</u> <u>Our Sustainability Agenda</u> <u>Our Climate Action</u>	Yes
204-1	Proportion of spending on local suppliers at significant locations of operations	<u>Our Economic Impacts</u>	Yes

STANDARD DISCLOSURE		SECTION	COMMENTS	EXTERNAL ASSURANCE
ECONOMIC – ANTI-CORRUPTION				
205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		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 on anti-corruption policies and procedures	<u>Corporate Governance</u>	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
ENVIRONMENTAL: ENERGY				
302-1	Energy consumption within the organization	<u>Our Climate Action</u>		Yes
ENVIRONMENTAL: BIODIVERSITY				
304-3	Habitats protected or restored		The company aligns its environmental standards to global best practices by adhering to the Zain Environmental and Social Management Plan (ESMP) Guidelines. Under the ESMP Guidelines, the company undergoes a comprehensive process prior to site selection to ensure that base station locations do not: harm biodiversity in or around site location, negatively impact historically or culturally significant areas such as UNESCO sites, and make it necessary for people to become displaced or to resettle to a different location.	Yes
Environmental: Emissions				
305-1	Direct (Scope 1) GHG emissions	<u>Our Climate Action</u>		Yes
305-2	Energy indirect (Scope 2) GHG emissions	<u>Our Climate Action</u>		Yes
305-3	Other indirect (Scope 3) GHG emissions	<u>Our Climate Action</u>	Zain continued to measure its scope 3 emissions during the reporting year and was able to gather data of the following two upstream categories: business travel and employee commuting where Zain extended to all operations. In addition, it included the following categories: purchased goods and services, capital goods, leased assets, use of sold products, and investments.	Yes
Environmental: Compliance				
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Zain incurred no significant fines or non-monetary sanctions for environmental non-compliance.	Yes

STANDARD DISCLOSURE	SECTION	COMMENTS	EXTERNAL ASSURANCE
ENVIRONMENTAL: SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-1	Percentage of new supplies that were screened using environmental criteria	<u>Our Economic Impacts</u>	Yes
SOCIAL: LABOR PRACTICES AND DECENT WORK – EMPLOYMENT			
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	<u>Our People</u>	Yes
401-3	Return to work and retention rates after parental leave, by gender	<u>Our People</u>	Yes
SOCIAL: LABOR PRACTICES AND DECENT WORK – OCCUPATIONAL HEALTH AND SAFETY			
403-3	Workers with high incidence or high risk of diseases related to their occupation	Zain is committed to providing a safe environment for all of its employees hence employees are not exposed to any high incidence or high-risk diseases due to the nature of the work.	Yes
SOCIAL: LABOR PRACTICES AND DECENT WORK – TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee by gender, and by employee category	<u>Our People</u>	Yes
404-2	Programs for upgrading employee skills and transition assistance programs	<u>Our People</u>	At Zain, we provide employees with a range of technical and general training programs that assist in employees' career development and overall life skills.
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	100% of our employees across all operations received regular performance and career development reviews.	Yes
SOCIAL: LABOR PRACTICES AND DECENT WORK – DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	<u>Our People</u>	Yes
405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	<u>Our People</u>	Yes
SOCIAL: HUMAN RIGHTS – NON-DISCRIMINATION			
406-1	Total number of incidents of discrimination and corrective actions taken	Three cases were reported in 2021.	Yes

STANDARD DISCLOSURE		SECTION	COMMENTS	EXTERNAL ASSURANCE
SOCIAL: CHILD LABOR				
408-1	Operations and suppliers at significant risk for incidents of child labor	<u>Addressing Key Challenges to Human Rights</u> <u>Our Economic Impacts</u>	<p>In addition to Zain's Supplier Self-Assessment questionnaire on material suppliers which requires such suppliers to provide policies and procedures on child labor, the company continues to work on conducting a risk assessment on the significant risks for incidents of child labor. This year, the company continued to work closely with the procurement department to assess the materiality of suppliers and refine the current process for the questionnaire. This year, Zain focused on suppliers for Zain Group and Bahrain only to define the process and scale it across the other markets in 2022.</p>	Yes
SOCIAL: LABOR PRACTICES AND DECENT WORK – SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
414-1	Percentage of new suppliers that were screened using social criteria	<u>Our Economic Impacts</u>		Yes
414-2	Significant actual and potential negative social impacts in the supply chain and actions taken		There are no significant actual or potential negative impacts for labor practices in the supply chain.	Yes
SOCIAL: SOCIETY – LOCAL COMMUNITIES				
413-1	Percentage of operations with implemented 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	<u>Our Climate Action</u>	<p>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.</p>	Yes

STANDARD DISCLOSURE	SECTION	COMMENTS	EXTERNAL ASSURANCE
SOCIAL: PRODUCT RESPONSIBILITY – CUSTOMER HEALTH AND SAFETY			
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	In accordance with industry standards, the company ensures that all its products and services are in accordance with 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
SOCIAL: PRODUCT RESPONSIBILITY – MARKETING COMMUNICATIONS			
417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Information available in the 2021 Consolidated Annual Financial Statements, Note 28 .	Yes
SOCIAL: PRODUCT RESPONSIBILITY – CUSTOMER PRIVACY			
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	<u>Our Products and Customers</u>	Yes
SOCIAL: PRODUCT RESPONSIBILITY – COMPLIANCE			
419-1	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Information available in the 2021 Consolidated Annual Financial Statements, Note 28.	Yes

A grayscale background image showing two business professionals in an office setting. One person, wearing a light-colored shirt and dark trousers, is pointing at a tablet device on a desk. Another person, wearing a light-colored shirt and a dark striped tie, is holding a pen and looking at the tablet. The desk is cluttered with papers, a laptop, and other office supplies. The overall tone is professional and collaborative.

Independent Accountant's Assurance Report

Independent Accountant's Assurance Report



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 2021 Sustainability Report (the "Report") for the year ended 31 December 2021.

Our limited assurance engagement covered disclosures reported in full or partially as indicated in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) Content Index and Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard Content Index (Content index found on pages 162 – 175 of the Report), as follows:

GRI	
General Disclosures	<ul style="list-style-type: none"> Organizational profile: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7 (Limited to 'Total number of employees), 102-8, 102-9, 102-10, 102-11, 102-12, 102-13 Strategy: 102-14, 102-15 Ethics and integrity: 102-16, 102-17 Governance: 102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-29, 102-30, 102-31, 102-32, 102-33, 102-34, 102-36, 102-37 Stakeholder engagement: 102-40, 102-41, 102-42, 102-43, 102-44 Reporting practice: 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55, 102-56
Topic-Specific Disclosures	<ul style="list-style-type: none"> Economic performance: 201-2 Market presence: 202-2 Indirect economic impacts: 203-2 Procurement practices: 204-1 Anti-Corruption: 205-1, 205-2 Energy: 302-1 Habitats protected or restored: 304-3 Emissions: 305-1 [Direct (Scope 1) GHG emissions], 305-2 [Energy indirect (Scope 2) GHG emissions], 305-3 [Other indirect (Scope 3) GHG emissions]. Environmental compliance: 307-1 Supplier environmental assessment: 308-1 Employment: 401-1, 401-3 Occupational health and safety: 403-3 Training and education: 404-1, 404-2, 404-3 Diversity and equal opportunity: 405-1, 405-2 Non-Discrimination: 406-1 Child labor: 408-1 Local communities: 413-1, 413-2 Supplier assessment for labor practices: 414-1, 414-2 Customer health and safety: 416-1 Customer privacy: 418-1
Management Approach	103-1, 103-2, 103-3
SASB	
Sustainability Disclosure Topics and Accounting Metrics	<ul style="list-style-type: none"> 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

The scope excludes future events or the achievability of objectives, targets and expectations of Zain Group.

Criteria applied by Zain Group

In preparing the Subject Matter, Zain Group applied the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), and the Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard (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.

EY conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000') and the terms of reference for this engagement as agreed with Zain Group on 19 October 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented 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 conclusions.

We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance by any such third party may place on the report is entirely at its own risk.

Our Independence and Quality Control

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.

Assurance Provider also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and 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, Procurement team 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 should be made to the Subject Matter for the year ended 31st December 2021, in order for it to be in accordance with the Criteria.

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



Signed by Waleed Al-Osaimi
10th March 2022
Kuwait

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