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Message from the Vice-Chairman & Group CEO



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Vice-Chairman and Group CEO

As we embark on a new year and reflect on the achievements and challenges faced in 2022, it gives me great pleasure to attest to the progress achieved by Zain. The year saw the stabilization of the digital transformation process with an alignment of the business and technology evolution. This allowed for the organization to further embed its 4Sight corporate strategy to be sustainable as a business and create tangible value for all stakeholders.

We experienced robust revenue growth in the B2B enterprise sector, which enabled the transformation of other enterprises as well. Across our markets, Iraq, Jordan and Saudi Arabia experienced the most significant growth, with Kuwait progressing at a slower pace due to its regulatory environment. The challenges encountered by the reactive mode of some regional regulatory bodies to adopting data security and data sovereignty frameworks already in place in other countries led to further complexity and slower adoption of needed frameworks.

On its part, Zain set benchmarks with respect to existing laws, engaged in lobbying efforts with regulatory bodies at the Group and operational levels, and received consultancy guidance prior to regulations coming into effect. Coupled with the necessary regulatory reforms, appropriate skills are required to effectively undertake digital transformation, which are in many respects not widely available in Zain's markets. This is further exacerbated by greater competitive employment landscape and employment priorities based on remuneration.

Our approach in addressing these challenges has resulted in continuing in our development of the Work Force of the Future stream, developing flexible, contract-based employment, focusing on a new generation of digital savvy, well-educated graduates to tap into this talent pool. The company also introduced temporary contracts that are project based as we were previously based solely on full-time contracts. As the nature of work rapidly evolves, our human resources employment practices will continue to develop while maintaining the company's core values to ensure an equitable, diverse and inclusive culture.

As operations stabilized in 2022, we also made great progress in our transition and commitment towards a Net-Zero pathway. The company officially submitted its commitment to setting science-based targets to the Science Based Targets Initiatives (SBTi). This demonstrates our willingness to align our emissions' reduction ambitions to what climate science indicates is required to achieve Net-Zero emissions by 2050 and mitigate risks associated with climate change. In 2022, Zain successfully maintained its A- score with CDP by strategically addressing all related indicators and ensuring climate action is embedded across the organization. The A- score reflects our continued work towards environmental leadership.

To forge ahead and continue to lead with purpose, transgenerational empathy, and positively affecting socio-economic development based on a short, medium and a long-term vision, allowed us to become one of the first listed companies in the region to introduce the concept of purpose to our Human Resources practice resulting in the enhancement of the Chief Human Resources Officer role becoming Chief Purpose and Human Resources Officer. This allows Zain to foster a mindset focused on providing value beyond profits. During these times of multiple challenges facing humanity, having a mindset grounded on a vision of value creation will help Zain navigate difficulties and embrace opportunities as we grow.

As we continue to grow and evolve, 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 Crown Prince, Sheikh Meshal Al Ahmed Al Jaber Al Sabah; His Highness the Prime Minister, Sheikh Ahmed Al Nawaf Al Ahmed Al Sabah, and the members of the governments in which we operate for their invaluable support, which is instrumental for the continued development of our organization.

Sincerely
Bader N. Al-Kharafi

