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Message from the Chief Sustainability Officer

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Chief Sustainability Officer

For over thirty-nine years, Zain's social contract has served as a guiding principle for the organization's ethos and purpose beyond profits. The company's unwavering resolution to promote inclusive socio-economic development across its footprint is a testament of its commitment evidenced through the corporate sustainability strategy and its corresponding activation streams.

Through the years, the evolution of the corporate sustainability strategy and related roadmap has helped the organization become more focused in its socio-economic development strategies by clearly defining areas adjacent to the core business activity. The company's management recognizes the enablement effect digital services play in transforming societies in the mist of the Fourth Industrial Revolution. However, in a highly connected world, global events have the potential to place intense pressure and stagnate development.

The impacts of the COVID-19 pandemic, climate change, the Ukraine war and ensuing inflation pose immense risks for regional development. It is only by being committed to all stakeholders across the markets Zain serves, that the company can look for inclusive growth opportunities. To do so in an agile manner while ensuring that Zain's contributions provide inherent value helping create systemic change, the company doubled in its efforts to transition the business during 2022.

Operating in a region, highly dependent on fossil fuels coupled with subsidized energy prices, pose challenges when developing awareness strategies required for mindset change. Nonetheless, the company recognizes that the need to take a proactive approach supersedes the challenges and pushes Zain to forge ahead. Throughout the year, the company made significant progress on its climate ambitions towards a Net Zero pathway as it is one of the four pillars of the corporate sustainability strategy. Efforts taken by Zain included the establishment of the CO_2 Emission Reduction Target Setting Committee across the organization as well as institutionalizing Climate Change roles at the Group and Opcos. To ensure proper implementation of the company's Net-Zero objective, the company also introduced the Climate Change Compliance Framework approved by the Board of Directors. Other efforts taken by Zain also entail official disclosure to CDP, interactive social media campaigns, and strategic dialogues with material suppliers on alignment to Zain's climate ambitions.

Inherent to Zain is the company's dedication to operating responsibly, represented as one of the corporate sustainability strategic pillars. The company acknowledges that it is through a process driven approach that short-, medium- and long-term development impacts can be managed. For a regional enterprise such as Zain, this is material significance as without this objective, the company would not be able to affect long term systemic change. Related to the pillar is the development of the company's supply chain management's sustainability KPIs, entailing adherence to the Supplier Code of Conduct, the Zain Group Human Rights Policy Statement, the Supplier Self-Assessment Questionnaire, Supplier Training Videos and the Supplier Audit visits. Sustainability challenges related to supply chain management are more pronounced with the local suppliers when compared with the international suppliers. Historically across the region, approaches to local suppliers were more transactional in nature with a focus on financial KPIs, but as the development of sustainability awareness linked to capital markets and investors' disclosure requirements, greater emphasis is being placed on impacts from supply chain management.

For Zain, the shift is a welcomed development as it is in direct alignment with the company's vision of inclusive development recognizing that as a regional enterprise it has inherent obligations to uplift its markets. Zains' supply chain management is evolving at a steady pace by implementing set targets. In 2022, physical audits were conducted across our markets, signaling the company's suppliers, Zain's determination to institutionalize international best practices.

As the implementation of Zain's sustainability strategy continues to evolve, so will the company's efforts in driving sustainable socio-economic development essential for the region's growth and stability.

Zain welcomes feedback from all its stakeholders and looks forward to cementing its transformative journey for the betterment of all.

Sincerely,
Jennifer Suleiman