12 Materiality Assessment

In 2025, Zain continued to conduct its annual materiality assessment to identify and prioritize the sustainability topics, risks, and opportunities most relevant to the company and its stakeholders. This process ensures Zain remains focused on the issues that stakeholders value most, while also guiding strategic action across the business. Throughout the year, Zain engaged a broad range of internal and external stakeholders to better understand their expectations and address emerging needs.

Building on the enhancements introduced in 2024, Zain continued applying the double materiality framework in 2025. This approach enables the company to evaluate both how sustainability matters may impact Zain's financial performance (financial materiality) and how Zain's operations affect society and the environment (impact materiality). By taking this dual perspective, the assessment strengthens risk management, supports informed decision-making, and provides a more complete view of how Zain creates, preserves, and potentially erodes value.Determining Materiality to Zain

Understanding Zain's Context

Zain continuously reviews and identifies its sustainability priorities through an ongoing assessment of its operations, business relationships, evolving sustainability landscape, and stakeholder expectations. This comprehensive approach ensures the company captures both financial and non-financial impacts across its footprint.

By integrating the strategic objectives of its '4WARD-Progress with Purpose' strategy, its industry focus, and the demographic realities of its workforce, Zain develops a clearer understanding of its Group-wide influence and areas of value creation.

- **Business relationships:** Zain maintains partnerships that align with its strategic direction and values. Across the value chain, the company places strong emphasis on supplier engagement to mitigate risks, strengthen resilience, and safeguard business continuity.
- **Sustainability context:** Operating across a diverse region, Zain faces several pressing sustainability challenges, including youth unemployment, gender inequality, climate-related risks, human rights concerns, biodiversity loss, limited regulatory progress on data security and data sovereignty, gaps in children's rights protections, socio-political instability, skills mismatches, and the ongoing challenge of retaining local talent.
- **Stakeholder groups:** Proactive engagement with stakeholders remains critical to understanding their expectations, concerns, and the value Zain generates from socio-economic, environmental, and human rights perspectives. This engagement enables the company to refine its priorities and ensure its initiatives address the needs of its stakeholders.

Changes in 2025

In 2025, Zain revised the definitions of its materiality assessment topics to ensure greater clarity and consistency across the Group. All topic definitions within the survey were updated to provide clear explanations, making them easier for all users to understand and interpret accurately. In addition, the title Ecological Impacts was changed to Nature and Biodiversity Impacts to enhance clarity, better reflect the scope of Zain's environmental focus areas, and align with global sustainability frameworks.

Zain enhanced the scope of its materiality assessment by expanding participation to include employees across the Group, ensuring a more representative and comprehensive perspective. Previously, the assessment was conducted primarily for Zain Group employees; this updated approach allowed for a more diverse input from employees across its markets, strengthening the accuracy and inclusiveness of the results.

1. Identifying Actual and Potential Value Created

In 2025, Zain continued to utilize Datamaran, a software analytics platform that conducts its materiality assessment by monitoring current and emerging Environmental, Social and Governance (ESG)-related risks. The automated analysis includes benchmarking against peers, evaluating broader ESG regulations, online news, and media sources, alongside gathering insights from stakeholder engagement surveys.

Zain utilizes Datamaran's platform analytics and incorporates its telecom industry material topics list to ensure that emerging risks are considered in the company's materiality assessment. The revisions undergo approval from Zain's Chief Sustainability Officer.

A shortlist of 28 topics was compiled based on previous reports and upcoming trends, which included:

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

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

2. Assess the Significance of Value Creation

Stakeholder Inclusiveness

Zain defines stakeholders using the definition provided by the Global Reporting Initiative (GRI) as follows:

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

The stakeholders engaged in this process include employees, shareholders, investors, and suppliers, as well as groups indirectly impacted by the company's operations—such as local communities, civil society organizations, non-governmental organizations (NGOs), and vulnerable populations.

For the purposes of this report, Zain defines its primary stakeholders as:

Internal	External		
Board of Directors Executive Management Employees	Regulators Shareholders Suppliers	Business Partners Financial Institutions General Public	Customers Media NGOs

Beyond the engagement conducted as part of the materiality assessment, Zain regularly undertakes additional stakeholder engagement activities throughout the year. These ongoing interactions help the company understand and respond to stakeholders' expectations more effectively.

Key engagement activities include:

1. Corporate Sustainability (CS) Social Media Outreach:
Zain continued to connect with both internal and external stakeholders through its social media channels, to promote a stronger sustainability culture. The company encourages its audiences to share their views through polls, surveys, and question prompts in post captions. Topics featured during the year include climate change, biodiversity, disability inclusion, children's rights, support for the elderly community, data privacy and diversity, equity, and inclusion.

2. Internal Forums:
Zain facilitates Group-wide and operating-company-level forums to align priorities, exchange best practices, and discuss business-specific sustainability issues. In 2025, several function-specific forums were held, including those for Risk, Legal, Technology, Procurement, Regulatory Affairs, and Corporate Sustainability.

3. Stakeholder Engagement Across Corporate Functions:
Throughout the year, Zain's various functions engaged regularly with stakeholders through analyst, investor, and shareholder meetings, ongoing coordination with regulatory authorities, discussions with partners, customer feedback mechanisms, and other engagement activities linked to each function's scope.

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

Material Topics	Ranking in 2025	Ranking in 2024
Customer Privacy & Data Security	1	1
Digital Transformation	2	2
Business Ethics and Governance	3	5
Human Rights	4	9
Business Model Resilience	5	15
Employee Health & Safety	6	3
Inclusion, Diversity and Equity	7	4
Customer Service	8	6
Supply Chain Management	9	14
Natural Capital	10	17
Selling Practices & Product Labeling	11	20
Digital Inclusion	12	11
Climate Change	13	7
Management of the Legal & Regulatory Environment	14	8
Workforce Management	15	19
Economic Performance	16	13
Waste Management	17	23
Entrepreneurs and SME Development	18	16
Responsible Consumption & Production	19	24
Physical & Sociopolitical Risks	20	10
Competitive Behavior	21	26
Socioeconomic Compliance	22	21
Children's Rights	23	22
Labor Practices	24	18
Philanthropy and Community Engagement	25	25
Mobile Communications and Health	26	12
Biodiversity and Nature Impacts	27	27
Outer Space Management	28	25

While responding to a rapidly evolving digital, regulatory, and geopolitical landscape, several top topics remain consistent year-on-year, however changes in industry trends, stakeholder interests, and global challenges resulted in notable shifts.

The below outlines the key changes affecting the top five material topics:

1. Customer Privacy and Data Security
Customer privacy and data security remains Zain's highest priority topic consecutively. This ranking underscores the continued importance of protecting customer information in a region experiencing fast digitalization, with increasing reliance on digital platforms, stakeholders expect Zain to adopt best in class security practices and maintain a zero-tolerance approach to data breaches.

2. Digital Transformation
Digital Transformation remains key to Zain's long-term strategy and to stakeholder expectations. Consistent with last year's ranking, this reflects the company's direction towards smarter networks, AI-enabled services and improved customer experiences, reinforcing the strategic direction set under the 4WARD strategy.

3. Business Ethics and Governance
Business Ethics and Governance moved into the top three in 2025, driven by stronger stakeholder emphasis on transparency, accountability and responsible decision making. Global regulatory developments including stronger compliance expectations, anti-corruption standards, and governance requirements under International Financial Reporting Standards (IFRS) sustainability disclosures have elevated this topic.

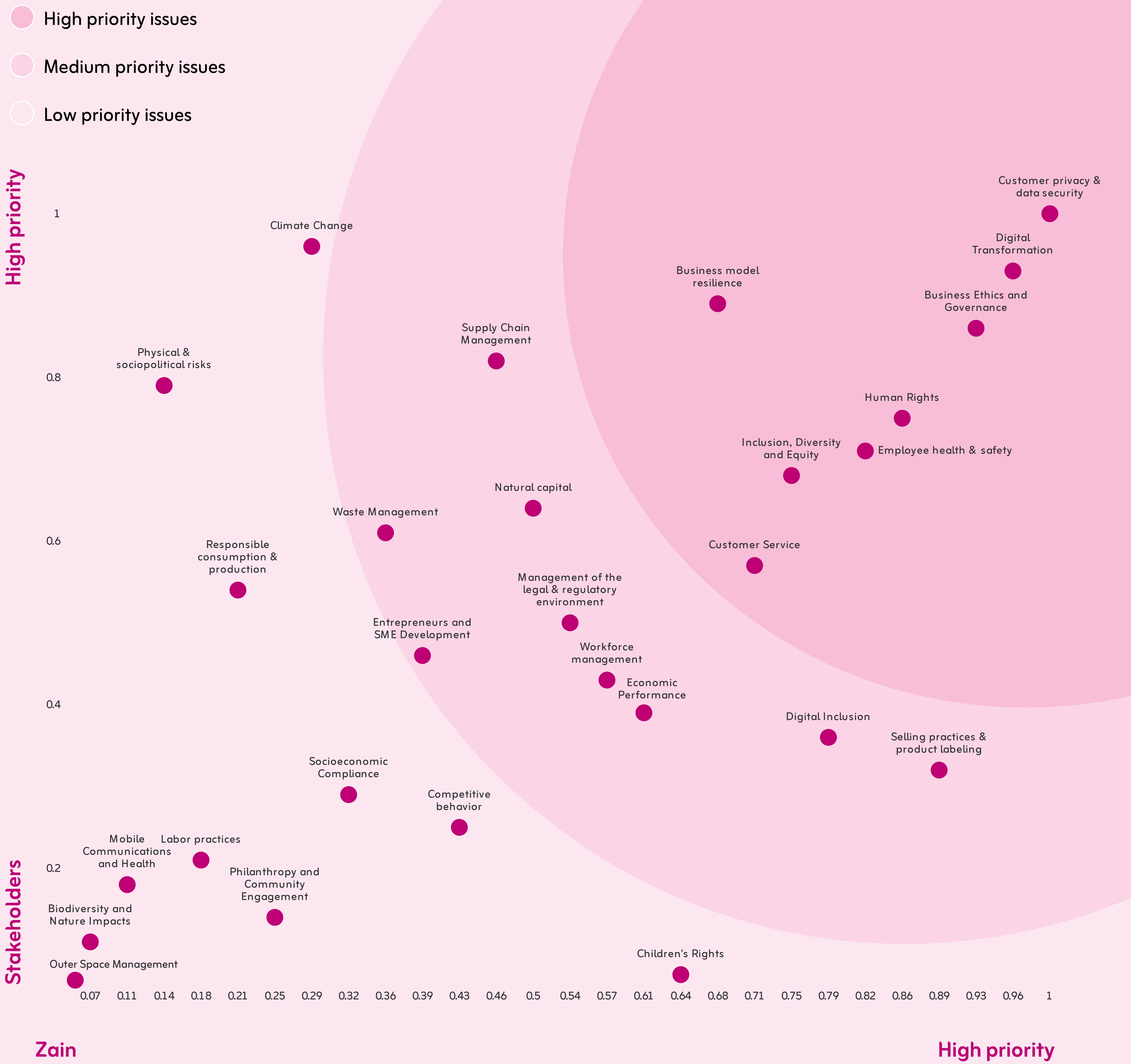
4. Human Rights
Human Rights experienced one of the most notable improvements in ranking. It increased from nine to four in ranking, which reflects the intensifying focus across stakeholders on responsible employment practices, migrant worker protection, gender equality, digital rights, and inclusive access to services.

5. Business Model Resilience
A significant shift in this year's assessment is the elevation of business model resilience from 15 into the top five topics. This reflects growing regional and global uncertainties from geopolitical risks to climate impacts and supply chain disruptions. Stakeholders are increasingly prioritizing Zain's ability to anticipate shocks, safeguard continuity of services, and build resilience into its operations, technology infrastructure, and supply chain.

Double Materiality Matrix

Issue	Financial Score	Impact Score
Customer Privacy & Data Security	0.97	0.94
Management Of The Legal & Regulatory Environment	0.78	0.48
Climate Change	0.75	0.80
Physical & Sociopolitical Risks	0.69	0.54
Business Ethics and Governance	0.60	0.66
Business Model Resilience	0.59	0.62
Waste Management	0.59	0.43
Digital Transformation	0.58	0.85
Inclusion, Diversity and Equity	0.57	0.66
Selling Practices & Product Labeling	0.56	0.38
Human Rights	0.55	0.79
Supply Chain Management	0.54	0.53
Customer Service	0.53	0.53
Competitive Behavior	0.51	0.41
Responsible Consumption & Production	0.51	0.37
Socioeconomic Compliance	0.51	0.57
Natural Capital	0.51	0.60
Employee Health & Safety	0.47	0.58
Economic Performance	0.44	0.47
Workforce Management	0.36	0.49
Labor Practices	0.34	0.23
Digital Inclusion	0.34	0.65
Children's Rights	0.30	0.25
Biodiversity and Nature Impacts	0.19	0.23
Entrepreneurs and Sme Development	0.18	0.58
Mobile Communications and Health	0.17	0.33
Philanthropy and Community Engagement	0.12	0.36
Outer Space Management	0.04	0.13

Materiality Matrix



Disclosures on Material Topics

The company continuously assesses and addresses value-creation across its activities to identify its ESG and human rights impacts. This enables Zain to embed how it creates, preserves, or erodes value in its decision-making priorities.

MATERIAL TOPIC

Customer Privacy & Data Security

DEFINITION

How Zain protects customer data and company information from misuse, leaks, or cyberattacks. This includes keeping systems secure and respecting customer privacy at all times.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Enhancing Zain's data privacy protocols in line with best practices and complying with local laws and regulations, improves the company's data management practices and creates robust digital infrastructures. This approach helps safeguard stakeholders from issues such as unauthorized account charges, privacy breaches, and identity theft.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

Zain creates value by strengthening digital safeguards that protect stakeholders from data breaches and cyber risks.

SDG 16: Peace, Justice, and Strong Institutions (Promote effective, accountable, and transparent institutions)

MATERIAL TOPICS

Digital Transformation

DEFINITION

Zain's use of advanced technologies and digital innovations to improve how the business operates and enhance the experience of customers and other stakeholders.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Digital transformation profoundly affects a variety of other industries, and Zain's 4WARD strategy seeks to advance the digital ecosystem by leveraging its core services, such as roaming and wholesale. Additionally, the strategy focuses on expanding into other sectors through its digital transformation and investment arm, addressing fields like fintech, ventures, application programming interfaces (APIs), and esports.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

Value is created as digital innovation enhances customer experience, operational efficiency, and long-term competitiveness.

SDG 9: Industry, Innovation, and Infrastructure (Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation)

MATERIAL TOPIC

Business Ethics and Governance

DEFINITION

How Zain operates responsibly and ethically by following laws, regulations, and internal policies. This includes promoting fairness, transparency, and accountability while managing risks related to ethics, anticorruption, fair business practices, and regulatory compliance.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

The company prioritizes its integrity and ethics with all stakeholders to foster trust. By cultivating its various relationships, Zain can effectively and accurately address stakeholder concerns. A well-established governance model enables management to monitor and manage the organization's value. Ensuring online safety is essential in this context, as it safeguards customer data and upholds trust and transparency.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

Zain creates and preserves value by maintaining ethical, transparent, and compliant business practices that sustain stakeholder trust.

SDG 16: Peace, Justice, and Strong Institutions (Promote effective, accountable, and transparent institutions)

MATERIAL TOPICS

Human Rights

DEFINITION

Zain's commitment to respecting and protecting human rights across its operations. This includes upholding international standards such as the Universal Declaration for Human Rights, the Core Conventions of the International Labor Organization, and the UN Guiding Principles on Business and Human Rights, promoting freedom of expression, and taking immediate action when any potential harm or violations are identified.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Modern slavery, including forced labor, has increased with migrant workers being the most at risk. Strengthening and enforcing laws, regulations, and inspections is crucial for tackling modern slavery. Operating across eightmarkets and managing diverse suppliers, Zain seeks to broaden its impact and uphold its social and environmental practices and values throughout its supply chain.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

Zain creates value by promoting human rights across its operations, while risks such as supply chain labor issues may erode value if not fully mitigated.

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all)

MATERIAL TOPICS

Business Model Resilience

DEFINITION

How Zain plans for and adapts to social, environmental, and economic risks to stay strong, grow, and create long-term value for both shareholders and society.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Zain remains committed to integrating business continuity into its risk management policies, practices, and processes. External circumstances such as natural and humanitarian disasters and geopolitical instability emphasize the need to systematically embed resilience mechanisms into the company's operations. This highlights the company's efforts in ensuring it optimizes long- term value creation while considering the shift in global demographic trends.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

Value is preserved through strong continuity planning that helps the company withstand external shocks and long-term disruptions..

SDG 9: Industry, Innovation, and Infrastructure (Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation)

MATERIAL TOPIC

Employee Health and Safety

DEFINITION

How Zain ensures a safe and healthy workplace for all employees. This includes safety rules, training, work conditions, and support for both physical and mental well-being.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Neglecting to maintain a safe and healthy work environment can result in fatalities, severe injuries, and illnesses, which can impact employees' quality of life and, in turn, impact business productivity, and reputation. Zain remains committed to safeguarding employee health and safety, addressing both physical and mental well-being by evaluating risks and managing work-related incidents. Initiatives include facilitating remote work, offering comprehensive insurance packages, and implementing various programs under the 'BE WELL' wellness initiative, which underscores the importance of mental health, especially during regional conflicts and socio-political turmoil.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

Proactive measures to ensure physical and mental well-being create value by strengthening workforce productivity and safety.

SDG 3: Good Health and Well-being (Ensure healthy lives and promote well-being for all at all ages)

MATERIAL TOPICS

Inclusion, Diversity and Equity

DEFINITION

How Zain supports a diverse and inclusive workplace where everyone is treated fairly. This includes ensuring equal opportunities for all employees, regardless of gender, background, age, or disability.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Zain actively promotes Inclusion, Diversity and Equity (IDE) to enhance social equity, drive economic growth, and attract a wider range of potential talent. By developing IDE competencies, nurturing employees' skillsets, ensuring fair and equal remuneration, implementing strategic Group-wide initiatives, and raising awareness, Zain cultivate s a more diverse and inclusive culture.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

Value is created by building a diverse, equitable, and inclusive culture that attracts talent and supports innovation.

SDG 10: Reduced Inequalities (Reduce inequality within and among countries)

MATERIAL TOPIC

Customer Service

DEFINITION

How Zain ensures customers are treated fairly and respectfully, while keeping up with changing customer needs. This includes efforts to improve satisfaction, build loyalty, and protect Zain's reputation through honest and transparent service.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Offering high-quality and inclusive products and services enhances and supports Zain's customer needs. Ensuring that Zains' customers have reliable connectivity reduces information gaps, boosts economic activity, and promotes greater efficiencies. The company also monitors its Net Promoter Scores (NPS) and maintains open communication channels throughout its operations to address and meet customer requirements effectively.

HIGH

VALUE CREATED, ERODED OR PRESERVED?

High-quality and reliable customer experiences create value by enhancing satisfaction, loyalty, and brand reputation.

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth)

MATERIAL TOPICS

Supply Chain Management

DEFINITION

How Zain works with suppliers to ensure they meet environmental, social, and governance (ESG) standards. This includes tracking supplier performance, managing risks like delays or shortages, and maintaining clear and responsible communication throughout the supply chain.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Societies with advanced supply chain management systems are significantly impacted as they create employment opportunities and often provide access to healthcare for many. However, supply chains also face increased risks of human rights violations, such as labor abuses, child labor, corruption, and health and safety issues. Zain is dedicated to enhancing and scaling its mechanisms and processes across all markets to address human rights concerns and protect biodiversity throughout its entire value chain. In addition, Zain also ensures it considers how its supply chain manages materials/waste, has ethical policies in place, and how its suppliers align to the company's policies and values.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?

Strengthening supplier oversight and ESG alignment generates value across the value chain, yet gaps in supplier practices, such as labor, environmental, or governance risks, can erode value when not adequately controlled. .

SDG 12: Responsible Consumption and Production (Ensure sustainable consumption and production patterns)

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all)

MATERIAL TOPIC
Natural Capital

DEFINITION
How Zain places value on nature, including ecosystems, biodiversity, and natural resources. It reflects how the company relies on and helps protect the environment to support long-term sustainability.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
The construction and operational activities of telecommunication-related infrastructure can impact nature and biodiversity and supply chain by disrupting local habitats and potentially affecting wildlife.
To mitigate these effects, Zain has strategies and processes in place that are highlighted in the company's ESMP guidelines to minimize environmental disruption and enhance biodiversity protection, such as site selection and habitat restoration initiatives.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Value is preserved by minimizing ecological disruption and protecting biodiversity through responsible environmental management

SDG 15: Life on Land (Protect, restore, and promote sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, and halt and reverse land degradation and halt biodiversity loss)

MATERIAL TOPICS
Selling Practices & Product Labeling

DEFINITION
How Zain ensures that all product and service information is clear, accurate, and transparent for all customers, regardless of background or age, so they can make informed decisions.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
The products and services sold by Zain have all the needed certification, labeling and information as per regulatory requirements and are in line with best practices. The company's responsible marketing standards also ensures transparent communication, ethical advertising, embrace inclusive marketing, parental and guardian consent and control, responsible use of digital channels, and purpose driven partnerships and collaboration.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Clear and responsible communication creates value by ensuring customers are informed and protected.

SDG 12: Responsible Consumption and Production (Ensure sustainable consumption and production patterns)

MATERIAL TOPIC
Digital Inclusion

DEFINITION
Zain's commitment to ensuring all individuals and communities can access its products and services fairly and without discrimination. This includes making services affordable, accessible, and designed to meet the needs of everyone, especially underserved and vulnerable groups.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
Addressing the digital divide and ensuring inclusivity brings a range of socio-economic advantages. The company investigates the needs of marginalized communities and creates opportunities that address their concerns. Zain focuses on catering towards groups such as children and youth, women, the elderly, and individuals with disabilities, setting specific goals by providing inclusive products and services. In addition, the company also establishes programs that address the digital barriers faced by vulnerable segments.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Value is created by expanding accessible digital services that support underserved and vulnerable communities.

SDG 9: Industry, Innovation, and Infrastructure (Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation)

MATERIAL TOPIC
Climate Change

DEFINITION
How Zain manages risks and opportunities related to climate change, including reducing greenhouse gas (GHG) emissions from its operations and value chain. This includes actions to limit Zain's contribution to global warming, address physical risks linked to extreme weather, and adapt to transition risks arising from laws, regulations, and market trends toward a low-carbon economy.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
The company remains committed to managing its emissions throughout its operations in line with best practice and international standard requirements. Climate change motivates Zain to adapt and manage its risks while actively implementing green solutions to assist other sectors in their efforts. Going beyond mere aspirations, Zain is focused on taking actionable steps, leveraging its influence to advocate for policy reforms, introduce energy efficient solutions, and raise awareness to combat climate change.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Zain creates value through emissions reduction efforts, preserves value through climate adaptation, and faces potential erosion when transition or physical climate risks materialize.

SDG 13: Climate Action (Take urgent action to combat climate change and its impacts)

MATERIAL TOPIC
Management of the Legal & Regulatory Environment

DEFINITION
How Zain ensures alignment with legal and regulatory requirements through proactive compliance, transparent engagement with regulators, and responsible corporate practices. This includes maintaining effective compliance systems, fostering constructive government relations, and upholding ethical tax planning to support long-term trust, stability, and operational integrity.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
Ensuring compliance with national and international laws, such as data protection and spectrum licenses and regulations, while adapting to changes in legislation. It also requires proactive engagement with regulatory bodies and stakeholders to address potential issues and influence policy reform on various topics including climate change and children's rights.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Value is created through proactive compliance, but may be eroded by regulatory shifts or non-compliance risks.

SDG 16: Peace, Justice, and Strong Institutions (Promote the rule of law at the national and international levels and ensure equal access to justice for all)

MATERIAL TOPIC
Workforce Management

DEFINITION
How Zain attracts, supports, and develops its employees to stay productive and adapt to changes in the organization.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
With around 8,254 employees in eight markets and across all subsidiaries, Zain influences its workforce through its policies, practices, recruitment efforts, employee engagement and retention strategies, and skill development initiatives.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Value is created by investing in employee development, retention, and engagement across all markets.

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all)

MATERIAL TOPIC
Waste Management

DEFINITION
How Zain manages waste from its operations, including hazardous and non-hazardous materials. This covers reducing, reusing, recycling, and safely disposing of waste to protect human health and the environment.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
The company takes a proactive approach to managing waste throughout its operational infrastructure, its waste management compliance framework as well as in compliance with regulations and international best practices.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Value is created through responsible waste handling that reduces environmental impacts and operational risks.

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all)

MATERIAL TOPIC
Entrepreneurs and SME Developmentt

DEFINITION
How Zain supports startups and small businesses through ongoing partnerships, investments (like Zain Ventures), and community programs, helping grow the local entrepreneurship ecosystem.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
The MENA region has the highest youth bulge and youth unemployment rate worldwide. To address these challenges, the company aims to build resilience amongst its youth in its communities by creating program, workshops and developing hackathons and entrepreneurship opportunities across the board.

MEDIUM

VALUE CREATED, ERODED OR PRESERVED?
Supporting startups and SMEs creates value by driving economic empowerment and innovation within local communities.

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all)

MATERIAL TOPICS
Responsible Consumption & Production

DEFINITION
How Zain promotes sustainable consumption and production patterns across its operations and value chain. This includes optimizing resource use, minimizing waste, and encouraging circular economy practices that contribute to environmental protection, operational efficiency, cost reduction, and long-term sustainability.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
Zain ensures that it follows specific guidelines under its Environmental and Social Management Plan to promote sustainable consumption and production. This refers to procedures set in place to ensure product safety and service quality for the public.

LOW

VALUE CREATED, ERODED OR PRESERVED?
Value may be eroded if resource inefficiencies, waste generation, or non-circular practices increase environmental and operational risks.

SDG 12: Responsible Consumption and Production (Ensure sustainable consumption and production patterns)

MATERIAL TOPICS
Physical & Sociopolitical Risks

DEFINITION
How Zain navigates risks coming from environmental events, societal shifts, and geopolitical developments that may disrupt operations or stakeholder well-being. This includes addressing natural disasters, political instability, and evolving social trends to ensure business continuity, safeguard communities, and support long-term resilience.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS
The company ensures it has proper and robust risk management in place to address any changes that occur to the business or society due to any external event that includes geopolitical conflicts or physical disasters

LOW

VALUE CREATED, ERODED OR PRESERVED?
Value is created through strong risk management systems that protect operations and communities from geopolitical or environmental disruptions.

SDG 16: Peace, Justice, and Strong Institutions (Promote the rule of law at the national and international levels and ensure equal access to justice for all)

MATERIAL TOPIC
Competitive Behavior

DEFINITION

How Zain ensures fair competition in the market, avoids anti-competitive practices, and protects intellectual property rights.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Different aspects play a role in maintaining healthy marketplaces, such as promoting fair competition, protecting, and not infringing on intellectual property, and ensuring equal access to market opportunities. This aspect is also reliant on governmental policies and international fair-trade regulations.

LOW

VALUE CREATED, ERODED OR PRESERVED?

Maintaining fair competition strengthens Zain's market integrity, though risks may arise when competitive pressures challenge equitable market practices.

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all)

MATERIAL TOPIC
Socioeconomic Compliance

DEFINITION

How Zain stays aligned with environmental, social, and governance (ESG) regulations and global standards. This includes regular assessments, transparent reporting, and a whistle-blowing policy to address and report any unethical behavior that does not align to Zain's standards.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Ensuring compliance with all social and economic laws and regulations helps protect the communities in which the company operates. The company also ensures its non-financial reporting is audited by a third-party organization to ensure the highest level of accuracy in its ESG disclosures.

LOW

VALUE CREATED, ERODED OR PRESERVED?

Strong adherence to ESG regulations and transparent auditing reinforces trust and strengthens the company's governance credibility.

SDG 16: Peace, Justice, and Strong Institutions (Promote the rule of law at the national and international levels and ensure equal access to justice for all)

MATERIAL TOPIC
Children's Rights

DEFINITION

How Zain protects and promotes the rights of children by preventing harm, abuse, or exploitation in both digital and physical spaces. This includes supporting children's wellbeing, safeguarding their personal data, and ensuring safer use of internet services and technologies, while also promoting their healthy development in the real world.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Child online safety remains a critical concern, with risks including online addiction, exposure to harmful material, cyberbullying, and various online scams and threats. Zain addresses these issues by raising awareness and collaborating with stakeholders to enhance child protection measures, such as child helplines. By monitoring internet use, the company aims to mitigate the negative effects of connectivity while enabling children to benefit from e-education and other edutainment services.

LOW

VALUE CREATED, ERODED OR PRESERVED?

Protecting children's digital safety enhances social value, while exposure to online risks may undermine stakeholder confidence if not fully addressed.

SDG 16: Peace, Justice, and Strong Institutions (Promote the rule of law at the national and international levels and ensure equal access to justice for all)

MATERIAL TOPIC
Labor Practicess

DEFINITION

How Zain follows fair labor standards and laws across its operations and value chain. This includes fair pay, safe working conditions, and respect for employee rights.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Adhering to local and international labor laws has significant economic implications. By following these practices, the company can shape employment standards not only within its own workforce but also across its supply chain, minimizing the risk of abuse or discrimination. Zain positively impacts this area by safeguarding the rights of its employees, workers, and those within its supply chain. The company also proactively ensures it follows best practice through its employee incentives, benefit plans and collective bargaining rights.

LOW

VALUE CREATED, ERODED OR PRESERVED?

Upholding fair treatment, safe working conditions, and employee rights enhances workforce stability and reinforces responsible business conduct.

SDG 8: Decent Work and Economic Growth (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all)

MATERIAL TOPIC
Philanthropy and Community Engagement

DEFINITION

How Zain contributes to the well-being of communities through financial support, volunteerism, and in-kind services. This includes providing aid during emergencies, supporting recovery efforts, and engaging with vulnerable and indigenous groups to foster inclusion, resilience, and shared value across its areas of operation.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Since its inception, Zain has contributed to various philanthropic efforts throughout its operating markets. The company either supports through funds, volunteering efforts or in-kind products and services, especially in crises response.

LOW

VALUE CREATED, ERODED OR PRESERVED?

Contributing to community wellbeing, especially during crises, supports social resilience and deepens Zain's connection to the communities it serves.

SDG 17: Partnerships for the Goals (Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development)

MATERIAL TOPIC
Mobile Communications and Health

DEFINITION

How Zain addresses public health concerns related to mobile technology, including exposure to electromagnetic fields (EMF), and supports broader health risks in the face of infectious diseases, pandemics, and non-communicable illnesses.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

The GSMA states that exposure to low-level radio signals from mobile communications has not been linked to health risks. Zain adheres to official guidelines and upholds the policies and practices outlined in its Environmental and Social Management Plan (ESMP) to protect communities from electromagnetic fields (EMF). Additionally, public health considerations are included in the assessment to address all aspects of health related to this issue.

LOW

VALUE CREATED, ERODED OR PRESERVED?

Although aligned with international EMF safety guidelines, public concerns about mobile radiation can weaken stakeholder perception if not carefully managed.

3 GOOD HEALTH AND WELL-BEING

SDG 3: Good Health and Well-being (Ensure healthy lives and promote well-being for all at all ages)

MATERIAL TOPIC
Biodiversity and Nature Impacts

DEFINITION

How Zain safeguards biodiversity and natural ecosystems by addressing the impact of harmful substances, overuse of resources, and waste generation across its operations. This reflects the company's commitment to protecting land, forests, and ecological balance, recognizing that a healthy natural environment is essential for long-term sustainability and shared value creation.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

Across Zain's operational activities, the company monitors and tracks its impact on natural resources including non-greenhouse gas emissions, land use under base station construction, and pollution.

LOW

VALUE CREATED, ERODED OR PRESERVED?

Infrastructure development may unintentionally strain natural ecosystems, reducing environmental value when mitigation measures are insufficient.

15 LIFE ON LAND

SDG 15: Life on Land (Protect, restore, and promote sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, and halt and reverse land degradation and halt biodiversity loss)

MATERIAL TOPIC
Outer Space Management

DEFINITION

How Zain supports the safe and responsible use of outer space by helping manage satellite traffic, reduce space debris, and prevent collisions. This ensures reliable satellite communications and reflects Zain's commitment to minimizing risks as space becomes more vital to connectivity and global operations.

OVERVIEW OF SOCIAL, ECONOMIC, ENVIRONMENTAL, AND HUMAN RIGHTS ASPECTS

As telecommunications technology continues to evolve, satellite networks are becoming crucial for expanding connectivity, especially in underserved and remote regions. As Zain considers future growth and innovation in connectivity, addressing outer space management aligns with a broader vision of Meaningful Connectivity.

LOW

VALUE CREATED, ERODED OR PRESERVED?

As satellite use expands, challenges such as space debris and orbital congestion can reduce operational reliability and environmental value.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16: Peace, Justice, and Strong Institutions (Promote the rule of law at the national and international levels and ensure equal access to justice for all)

Zain's Top Five Material Topics and their Implication on Value Creation

1. Customer Privacy and Data Security

The protection and confidentiality of personally identifiable information (PII) shared with Zain by customers, employees, suppliers, partners, and other stakeholders is a top priority for the company. Zain is committed to respecting individual privacy and ensuring that all personal data is handled securely, transparently, and in full compliance with relevant laws. The company's Privacy Policy defines the standards and processes governing the collection, processing, storage, and disclosure of personal information in line with applicable legislation.

Throughout the year, Zain implemented a range of measures to not only meet legal and regulatory requirements but also proactively adopt leading practices to safeguard stakeholder data and enhance overall privacy governance.

Implications on Value Creation:

- Strong data privacy practices strengthen stakeholder trust and loyalty, contributing to improved retention.
- Compliance with privacy and data protection regulations reduces the risk of breaches, penalties, and legal challenges.
- Maintaining rigorous data security standards reinforces Zain's competitive positioning and differentiates it within the industry.

+ Financial Capital: Strong data-privacy practices reduce risk of fines, breaches, and legal costs

− Social & Relationship Capital: Any privacy incident can significantly damage customer trust and stakeholder confidence

2. Digital Transformation

Zain recognizes the critical role of digital transformation in driving innovation and growth across its operations and the wider industry. The company continues to expand its technological solutions while strengthening data governance frameworks, including the responsible use of customer information for clearly defined secondary purposes such as service improvement, fraud prevention, and analytics. These activities are now guided by the new Group Data Privacy Framework, which embeds purpose limitation, data minimization, and strong safeguards. Zain is also advancing its digital capabilities by developing new internal data and AI-driven tools that support operational efficiency and enhance decision-making, ensuring these technologies align with strengthened privacy and data management standards.

Implications on Value Creation:

- Digital transformation allows Zain to automate processes and utilize data analytics to enhance operational efficiency and productivity.
- It enables the company to explore and build new revenue streams and business models beyond its traditional offerings.
- However, increased digitization heightens exposure to cybersecurity risks and potential data breaches, which must be mitigated through strong controls and governance.

+ Intellectual Capital: Enhanced capabilities through AI, automation, and advanced data-governance systems.

− Financial Capital: Strong data-privacy practices reduce risk of fines, breaches, and legal costs

3. Business Ethics and Governance

Ensuring fairness, transparency, accountability, and compliance with laws, regulations, and internal policies is central to how Zain conducts business. Strengthening its ethical performance requires Zain to maintain robust governance structures, enforce anti-corruption policies, and engage openly with stakeholders to identify, prevent, and manage risks related to ethics, fair business practices, and regulatory obligations.

Zain emphasizes embedding strong governance mechanisms, clear codes of conduct, and rigorous compliance frameworks across its operations. This includes implementing anti-corruption controls, ensuring transparent decision-making processes, monitoring adherence to regulatory requirements, and promoting ethical behavior across the workforce and supply chain.

Implications on Value Creation:

- Transparent and ethical business practices reinforce confidence among customers, regulators, investors, and partners.
- Strong governance and anti-corruption measures lower exposure to penalties, fines, and reputational damage.
- Clear policies and governance processes ensure consistency, accountability, and effective risk management across markets.
- Ethical conduct across the value chain improves business continuity, supports investor confidence, and enhances long-term strategic resilience.

+ Social & Relationship Capital: Any privacy incident can significantly damage customer trust and stakeholder confidence

− Financial Capital: Strong data-privacy practices reduce risk of fines, breaches, and legal costs

4. Human Rights

Zain is committed to upholding and protecting human rights across all its operating companies, subsidiaries, entities under management control, and value-chain partners. Ensuring respect for human dignity, safety, fairness, and non-discrimination is central to how the company operates. Strengthening its human rights performance requires Zain to maintain clear policies, responsible labor practices, and transparent engagement with stakeholders to identify, prevent, and address risks related to labor practices, community challenges, and ethical conduct.

The company ensures the integration of human rights due diligence mechanisms, comprehensive health and safety standards, and responsible workplace practices throughout its operations. This includes safeguarding employees and contractors at network sites and offices through the implementation of its Environmental and Social Management Plan (ESMP), ensuring fair treatment within the value chain, addressing potential risks through supplier assessments and audits, and promoting equality, well-being, and safe working conditions.

Implications on Value Creation:

- Safe, fair, and respectful working conditions create a positive work environment, improving motivation, performance, and the retention of skilled employees.
- Strong health, safety, and human-rights standards reduce workplace injuries, legal exposure, and associated compensation or healthcare costs.
- Demonstrating consistent respect for human rights enhances Zain's credibility with regulators, employees, investors, and communities.
- Responsible labor practices and supplier engagement improve overall operational quality, reduce disruptions, and contribute to stable, long-term value creation.

\+ Human Capital: Safe, fair, and respectful working environments strengthen employee well-being, productivity, and retention.

− Financial Capital: Ensuring strong labor standards and health & safety practices increases operational costs.

5. Business Model Resilience

The company prioritizes responsible operations while ensuring that its business model remains resilient in the face of social, environmental, economic, and human rights shifts across all operating companies, subsidiaries, entities under management control, and value-chain partners. Strengthening resilience requires the company to maintain strong governance systems, uphold integrity, and foster transparent relationships with stakeholders to anticipate, prepare for, and respond effectively to emerging risks.

Zain's approach focuses on embedding risk-management practices, digital and operational safeguards, and stakeholder engagement processes across its markets to ensure business continuity. This includes maintaining robust governance structures, ensuring online and data safety, and leveraging reliable internal controls that support the company's long-term growth. By cultivating trust across its ecosystem, the company enhances its ability to adapt and deliver value despite regional and global uncertainties.

Implications on Value Creation:

- Strong governance and proactive risk management reduce operational disruptions to support long-term growth.
- Transparent operations and responsible data practices enhance confidence among investors, customers, regulators, suppliers, and partners.
- Consistent adherence to responsible business practices lowers the likelihood of compliance breaches, penalties, or reputational damage.
- A resilient business model improves Zain's capacity to navigate external shocks, ensuring consistent service delivery and stakeholder satisfaction.

\+ Manufactured Capital: Strengthened systems, controls, and operational safeguards improve reliability and continuity.

− Financial Capital: Investments required for risk-mitigation structures, data protection, and resilience initiatives.