13 Regulatory Context

Zain Kuwait

INITIATIVE
Spectrum & Technical Regulation

ZAIN'S RESPONSE

In 2025, Zain Kuwait acquired additional spectrum. CITRA awarded the 2300/2600 MHz band to the three MNOs as per the normal allocation process; however, Zain Kuwait was awarded 100 MHz in the upper band of 2.6 GHz. The new spectrum will help improve 5G QoS. For the acquisition, Zain Kuwait paid an up-front acquisition fee of KWD 2 million, and the annual recurring usage fee is set at KWD 1million.

Furthermore, Zain Kuwait shut down 3G. The underlying rationale is as follows: 3G requires more power than 2G and 4G; efforts focused on optimizing the network, reducing energy consumption, and minimizing the environmental impact of 3G infrastructure. Although 2G and 4G services still have impacts, technological advancements and network optimizations made them more energy-efficient than 3G.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Financial Capital: The grant of spectrum will create more value for Zain. While the acquisition will entail CAPEX and OPEX, deploying the spectrum across its network infrastructure will help Zain Kuwait generate more revenue.

Manufactured Capital: The introduction of additional spectrum will result in the need for the deployment of more radio network infrastructure.

Natural Capital: The shutdown of 3G minimized the environmental impacts.

INITIATIVE
Infrastructure and Wholesale Connectivity

ZAIN'S RESPONSE

Over the last two years, the Government has taken steps to significantly increase rental fees chargeable to mobile network operators for the leasing of tower space. This had a negative impact on Zain Kuwait's operations.

Furthermore, the current Municipality regulations require that MNOs should not have telecom towers within 20 meters of residential buildings, including schools and places of worship. This will hinder network rollout and increase OPEX and CAPEX costs related to compliance with the new regulations. CITRA requested MNOs to establish a task force to explore alternative solutions for the 20-meter distance

Fixed Network Development Project: The Ministry of Communications, through the Kuwait Authority of Partnership Projects (KAPP), has been pursuing a public-private partnership (PPP) to design, finance, build, operate, maintain, and transfer Kuwait's nationwide high-speed fiber broadband network. While the process has taken approximately two years, the MOC has now selected Batelco as the project operator. It is anticipated that mobile network operators (MNOs) will need to engage with Batelco and CITRA to negotiate reference offers and contractual arrangements enabling them to access and utilize the infrastructure developed under the project.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Financial Capital: The increase in rental fees and the obligation to remove sites from locations to comply with the municipality's regulations will adversely impact the business financially.

Manufactured Capital: Restrictions on tower placement and the removal of existing sites will disrupt network continuity and limit the efficient deployment of infrastructure, weakening the robustness and reach of the mobile network.

INITIATIVE
Regulatory Compliance – ISO 37301

ZAIN'S RESPONSE

Zain Kuwait was one of the first mobile network operators in the region to achieve ISO 37301 certification, a critical milestone. This certification within the Telecom Regulatory compliance management scope is a testament to the operator's unwavering commitment to regulatory adherence and a culture of integrity across all levels of the organization.

Using the Integrated Reporting Framework, the ISO 37301 certification will have the following consequential impacts:

Human Capital: Maintaining ISO certification requires the implementation of a rigorous training program on compliance. This entails Zain's personnel are fully trained in regulatory compliance matters, ultimately benefiting the organization.

Intellectual Capital: Demonstrating compliance with laws, regulations, and ministerial decisions requires that the organization collates and creates a database of all relevant statutory and regulatory instruments and that applicable personnel responsible for regulatory compliance become thoroughly acquainted with all relevant provisions. This will build significant intellectual capital within the organization.

Zain Bahrain

CHALLENGE

Spectrum Award/Auction in 700 MHz, 2300 MHz, 2500 MHz and 3800 MHz bands for IMT

ZAIN'S RESPONSE

The Telecommunications Regulatory Authority (TRA) has announced plans to grant spectrum in the identified bands. While the grant of spectrum is typically designed to increase network capacity and improve quality of service, the consequential impact is that mobile network operators have to secure and reserve cash to fund not only the acquisition of spectrum but also the active radio equipment, the additional transmission capacity to serve as backhaul and the additional operating expenses to introduce the extra spectrum. It is essential to note that introducing new spectrum may not yield additional revenue. Consequently, there is a risk of lower profitability. Furthermore, while spectrum auctions have been pushed as the most efficient method of assigning spectrum to potential users, there is a risk that bidders, in seeking larger blocks of spectrum, may inadvertently bid higher, resulting in a much higher cash outflow and potentially adverse consequences for profitability. In such a situation, mobile network operators (MNOs) may have no choice but to pass on the increased costs to consumers. To this end, therefore:

- MNOs, including Zain, continue to advocate for a deferral of the timeline to post 2026 (and further) to align with network investment cycles and device maturity; and
- MNOs continue to advocate for a managed assignment approach for critical bands to preserve service continuity and investment certainty.

Using the Integrated Reporting Framework, the spectrum award/auction will have the following consequential impacts:

Intellectual Capital: MNOs will develop new ideas on how to optimally utilize new spectrum bands to prepare the Kingdom for the launch of new technologies such as 6G.

Financial Capital: MNOs must source cash to fund the acquisition, deploy infrastructure and manage OPEX

Manufactured Capital: MNOs will have to deploy more network infrastructure

CHALLENGE

Regulatory Compliance – ISO 37301

ZAIN'S RESPONSE

A first in the Kingdom: Zain Bahrain secures noteworthy ISO 37301 Compliance Management certification:

Zain Bahrain has been awarded the ISO 37301:2021 certification, an internationally recognized standard for Compliance Management Systems (CMS). As the first telecom operator in the Kingdom, and second within Zain Group (following Zain Kuwait) to achieve this significant milestone, this certification within the Telecom Regulatory compliance management scope is a testament to the operator's unwavering commitment to regulatory adherence and a culture of integrity across all levels of the organization.

- MNOs, including Zain, continue to advocate for a deferral of the timeline to post 2026 (and further) to align with network investment cycles and device maturity; and
- MNOs continue to advocate for a managed assignment approach for critical bands to preserve service continuity and investment certainty.

Using the Integrated Reporting Framework, the spectrum award/auction will have the following consequential impacts:

Human Capital: Maintaining ISO certification requires the implementation of a rigorous training program on compliance. This will inevitably mean that Zain's personnel are fully trained in regulatory compliance matters, ultimately benefiting the organization.

Intellectual Capital: Demonstrating compliance with laws, regulations, and ministerial decisions requires that the organization collates and creates a database of all relevant statutory and regulatory instruments and that applicable personnel responsible for regulatory compliance become thoroughly acquainted with all relevant provisions. This will build significant intellectual capital within the organization.

Social & Relationship Capital: Strengthened trust with regulators, government entities, and external stakeholders due to proven compliance maturity.

Zain Iraq

INITIATIVE
Spectrum & Technical Regulation

ZAIN'S RESPONSE
Zain Iraq has embarked upon the following initiatives with respect to spectrum:

- 2.6 GHz: Zain Iraq has acquired spectrum in the 2.6 GHz band (75 MHz blocks in 4 governorates and 40 MHz blocks in other governorates) to increase the network capacity.
- 900 MHz/2100 MHz interference: Zain has taken proactive steps to help identify sources and locations of interference in the 900, 1800 and 2100 MHz bands. An expert firm (Mobile Systems International) was contracted to undertake extensive measurements across five governorates in Iraq. The objective was to identify sources of interference and ensure compliance with spectrum frequency allocation, as it is crucial for achieving a sustainable and thriving digital ecosystem. The collated information was passed to the CMC (national regulator) for appropriate action against jammers and other sources of interference.

Using the Integrated Reporting Framework, the spectrum award/auction will have the following consequential impacts:

Financial Capital: Although the acquisition of new spectrum requires upfront investment, the enhanced network capacity enables Zain Iraq to introduce higher-value data offerings, reduce congestion, and strengthen revenue generation over the long term.

Manufactured Capital: The activation of additional spectrum bands requires the expansion and optimisation of radio access infrastructure, strengthening Zain Iraq's network assets and improving overall service delivery.

Intellectual Capital: The interference studies and spectrum optimisation efforts have generated valuable technical insights and data, strengthening Zain Iraq's engineering expertise and enhancing its long-term spectrum planning and regulatory engagement.

INITIATIVE
Group Regulatory Compliance Program (RCP)

ZAIN'S RESPONSE
Zain Iraq implemented the Regulatory Compliance Program (RCP), helping the organization avoid legal penalties and reputational risks while ensuring its operations align with regulatory standards. Zain Iraq also plans to achieve ISO 37301 certification readiness in 2026.

Using the Integrated Reporting Framework, the spectrum award/auction will have the following consequential impacts:

Human Capital: Maintaining ISO certification requires the implementation of a rigorous training program on compliance. This will inevitably mean that Zain's personnel are fully trained in regulatory compliance matters, ultimately benefiting the organization.

Intellectual Capital: Demonstrating compliance with laws, regulations, and ministerial decisions requires that the organization collates and creates a database of all relevant statutory and regulatory instruments and that applicable personnel responsible for regulatory compliance become thoroughly acquainted with all relevant provisions. This will build significant intellectual capital within the organization.

Zain Jordan

CHALLENGE
5G

ZAIN'S RESPONSE
Network Rollout – Phase 3 Deployment

Zain initiated Phase 3 of its national rollout plan, which aims to expand coverage across key metropolitan areas, industrial zones, and commercial districts by 1 February 2026.

Population Coverage Targets:

- Current Coverage: 4,114,940 individuals (35.7%)
- Planned Coverage: 50% of the population by February 2027

Using the Integrated Reporting Framework, the following impacts are anticipated:

Social & Relationship Capital: Improved connectivity supports communities, businesses, and public-service delivery across industrial and commercial districts.

Human Capital: Implementation requires specialized teams, skills development, and workforce deployment to support continuous nationwide rollout.

Financial Capital: / While coverage expansion improves long-term revenue potential, it requires significant CAPEX commitment in the near term.

INITIATIVE
Regulatory Compliance

ZAIN'S RESPONSE
With the continued development of Zain Jordan's regulatory compliance capabilities, several key initiatives under the Regulatory Compliance Program (RCP) were implemented across the organization. These measures further strengthen Zain Jordan's governance maturity and reinforce its commitment to a robust, transparent, and sustainable compliance environment. The implementation of the RCP in Jordan included:

- RCP implemented across the organization
- Compliance Universe reassessed
- Monthly and Board-level reporting established
- New Regulatory Compliance tool implementation in progress
- ISO 37301 readiness assessment scheduled to commence in 2026

Using the Integrated Reporting Framework, the following impacts are anticipated:

Human Capital: The rollout of the RCP and the upcoming ISO 37301 readiness activities will necessitate structured compliance training across the organization, enhancing staff competency, awareness, and accountability in regulatory matters.

Intellectual Capital: The reassessment of the Compliance Universe and adoption of new compliance tools will strengthen Zain Jordan's internal knowledge base, improve documentation quality, and institutionalize a stronger understanding of regulatory obligations.

Zain Saudi Arabia

CHALLENGE

Spectrum & Technical Regulation

ZAIN'S RESPONSE

The 600 MHz spectrum band remains a key component of Zain KSA's spectrum strategy, with the operator securing 30 MHz in this band. The associated deployment commitments are currently in progress, with ongoing engagement with the Communications, Space & Technology Commission (CST) to support implementation timelines and ensure alignment with regulatory requirements.

This spectrum is expected to play a critical role in enhancing network coverage, particularly in rural and underserved areas, while supporting long-term capacity and service quality improvements. At the same time, the deployment introduces operational and financial considerations linked to network rollout obligations and infrastructure expansion.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Manufactured Capital: The introduction of the 600 MHz abnd strengthens network infrastructure by improving coverage footprint and enabling more efficient deployment, particularly in low-density areas.

Intellectual Capital: Participating in the auction process and designing deployment plans for new spectrum enhance Zain's technical, regulatory, and commercial expertise. The need to interpret auction procedures, evaluate bidding strategy, and plan spectrum utilization expands the organization's internal knowledge base.

Human Capital: Deployment of the new spectrum requires capacity building—engineering teams, network planners, regulatory specialists, and project managers will need upskilling in areas such as 600 MHz radio planning, optimization, and migration strategies. This contributes to workforce development.

Social & Relationship Capital: Securing the spectrum strengthens Zain's standing with regulators, partners, and customers by demonstrating commitment to technological advancement and national digital transformation objectives. It also reinforces trust with government stakeholders due to compliance with auction rules and timelines.

CHALLENGE

Infrastructure and Wholesale Connectivity

ZAIN'S RESPONSE

1. Submarine Cable Systems – PEACE and Blue Raman Projects:

The commercial and technical agreements relating to both the PEACE and Blue Raman submarine cable systems were reviewed and formally approved by the Communications, Space & Technology Commission (CST). In parallel, Zain submitted a proposal to relocate the designated landing station (LS) site from Duba to NEOM. This proposal is currently under joint assessment and coordination with CST to ensure full technical, regulatory, and strategic alignment with the national connectivity and international gateway framework.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Manufactured Capital: Participation in these submarine cable systems strengthens Zain's international infrastructure, enhances redundancy and route diversity, and improves the resilience of Kuwait's and the region's connectivity ecosystem.

Intellectual Capital: The negotiation, approval, and technical assessment processes deepen Zain's institutional expertise in submarine cable architecture, landing station operations, and international gateway frameworks—building long-term internal capability.

Social & Relationship Capital: Close coordination with CST and alignment with national gateway strategy reinforce Zain's position as a trusted strategic partner in national digital infrastructure development.

Natural Capital: / The installation and maintenance of submarine cables may involve limited seabed disturbance and near-shore environmental impact during construction. However, these effects are localized, temporary, and mitigated through adherence to marine environmental standards and routing best practices, resulting in an overall immaterial impact.

ZAIN'S RESPONSE

2. Universal Service Fund (USF):

Zain was actively participating in ten (10) additional project groups tendered by the Ministry of Communications and Information Technology (MCIT) in August 2025. These initiatives aim to expand broadband connectivity across rural and underserved regions, targeting minimum speeds of 20 Mbps, thereby enhancing digital inclusion and advancing national development objectives.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Manufactured Capital: The rollout of broadband infrastructure in rural and remote regions expands Zain's network footprint, strengthening nationwide service availability and enhancing overall network capacity.

Human Capital: USF projects require field deployments, engineering planning, and operational oversight, contributing to the upskilling of Zain's technical and project management teams.

Social & Relationship Capital: Contributing to national broadband initiatives strengthens Zain's role as a key enabler of digital inclusion and reinforces partnerships with MCIT and other governmental bodies.

Intellectual Capital: The complexity of rural rollout projects enhances Zain's institutional knowledge of terrain-specific deployment models, cost-efficient engineering solutions, and optimized rural connectivity planning.

INITIATIVE

Regulatory Compliance

ZAIN'S RESPONSE

In 2025, Zain KSA formally initiated the Regulatory Compliance Program (RCP) as part of its commitment to strengthening governance, regulatory adherence, and enterprise-wide compliance culture. The program aims to establish a unified, structured compliance framework that aligns all operational areas with national regulatory requirements and international best practice.

Using the Integrated Reporting Framework, the implementation of the RCP in Zain KSA will have the following impacts:

Human Capital:

- Personnel will receive training on regulatory obligations and compliance processes, enhancing awareness, capability, and readiness across the organization.
- The program strengthens compliance ownership and accountability throughout business units.

Intellectual Capital:

- Development of the Regulatory Compliance Register and Instruction Manuals will enhance internal knowledge assets by mapping all applicable regulations and codifying operational responses.
- The documentation process builds institutional memory and strengthens Zain KSA's regulatory intelligence.

Zain Sudan

CHALLENGE

Infrastructure and Wholesale Connectivity

ZAIN'S RESPONSE

Zain Sudan continues to advance the development of national fiber routes intended to connect inland transmission infrastructure to the coastal landing station, enabling the future landing of international submarine cable systems. This program is positioned to significantly strengthen Sudan's international connectivity footprint and elevate the country's role as a regional data transit hub.

However, the Africa One Submarine Cable Project, which constitutes a critical component of this broader connectivity strategy, is currently facing implementation delays. These delays may impact the anticipated timeline for integrating national fiber routes with regional and international cable infrastructure. Since last year however progress has been made where the landing station agreement is under review for the signature of TRPA. Zain Sudan continues to coordinate closely with relevant stakeholders to mitigate the potential impact on national and regional connectivity plans.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Financial Capital: / Potentially The advancement of national fiber routes requires significant investment in long-haul transmission infrastructure, backhaul upgrades, and civil works. This will generate a negative impact on the financial capital at the beginning stages. However these current investments will enhance long-term connectivity value, higher capacity for enterprise and wholesale customers, competitive positioning for future data growth, and returns on investment. The delays in the Africa One Submarine Cable Project may result in postponed returns. This could affect Zain Sudan's financial planning for international gateway and transit-related revenue opportunities.

Intellectual Capital: The planning, design, and engineering activities associated with national fiber expansion enhance Zain Sudan's internal technical expertise in transmission architecture, international gateway design, and cross-border connectivity planning. Continued coordination with ecosystem stakeholders further strengthens institutional knowledge in managing multi-party telecom infrastructure projects.

Human Capital: The implementation of new fiber routes and participation in international connectivity projects enhance the capabilities of Zain Sudan's engineering, regulatory, and project management teams. Delays in Africa One also require additional problem-solving, scenario planning, and stakeholder coordination—further strengthening human capital expertise.

CHALLENGE

Spectrum & Technical Regulation

ZAIN'S RESPONSE

Zain Sudan secured a 2×10 MHz allocation in the 700 MHz band on a temporary basis for a three-year period, effective from 1 January 2026 until 31 December 2028.

This allocation represents a key step in enhancing Zain Sudan's network capabilities, particularly in improving coverage and service quality. However, the temporary nature of the assignment introduces planning considerations in terms of investment optimization and long-term spectrum strategy.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Human Capital: The allocation of 700 MHz spectrum will require Zain Sudan's technical, regulatory, and network teams to deepen their expertise in low-band spectrum utilization, nationwide coverage planning, and optimization practices. Strengthening these competencies will enhance institutional capability, improve operational readiness, and support the long-term professional development of engineering and regulatory staff.

Intellectual Capital: The completion of the consultation phase establishes a clearer and more structured national spectrum management framework. For Zain Sudan, this process enriches the organization's regulatory intelligence, enables more accurate long-term spectrum planning, and strengthens internal knowledge relating to propagation modelling, nationwide broadband deployment strategies, and rural coverage economics. These learnings will reinforce Zain's strategic planning and enhance its specialized regulatory know-how.

Financial Capital: / Access to 700 MHz spectrum—due to its superior propagation characteristics—will deliver significant cost efficiencies in rural and wide-area coverage deployment, reducing site density requirements and lowering long-term CAPEX and OPEX. However, spectrum acquisition fees and the accompanying investment in Radio Access Network (RAN) upgrades may introduce short-term financial obligations that require careful budgeting and phased investment planning.

Manufactured Capital: The introduction of 700 MHz spectrum will materially enhance Zain Sudan's network infrastructure by enabling improved indoor penetration, wider coverage footprints, and more resilient broadband connectivity. This will strengthen the operator's ability to support emerging digital services and improve the overall performance of national telecommunications infrastructure.

Social & Relationship Capital: The transparent completion of TPRA's consultation enhances stakeholder confidence in Sudan's spectrum governance framework. For Zain Sudan, proactive participation fosters stronger institutional relationships with the regulator and positions the company as a technically credible and policy-aligned operator committed to national development priorities.

CHALLENGE

Regulatory Compliance

ZAIN'S RESPONSE

In 2025, Zain Sudan initiated the implementation of the Regulatory Compliance Program (RCP) . As part of the Program's phased rollout, work is currently underway to develop the Regulatory Compliance Register and the accompanying Instruction Manuals, which will collectively form the core governance instruments for ensuring systematic regulatory adherence across the organization. The Program is designed to enhance compliance oversight, strengthen internal controls, and institutionalize a structured compliance culture within Zain Sudan.

Using the Integrated Reporting Framework, the launch of the Regulatory Compliance Program (RCP) in Zain Sudan will have the following impacts:

Human Capital: The implementation of the RCP will require structured training programs to build staff competence in regulatory compliance. This will enhance the capabilities of Zain Sudan's personnel, ensuring they are fully equipped to understand, implement, and monitor compliance requirements across the organization.

Intellectual Capital: As part of the RCP rollout, Zain Sudan is developing a comprehensive Regulatory Compliance Register and Instruction Manuals. This process will contribute to the creation, organization, and institutionalization of critical regulatory knowledge, strengthening the company's internal expertise and improving long-term compliance governance.

Zain South Sudan

CHALLENGE
Spectrum & Technical Regulation

ZAIN'S RESPONSE

The National Communications Authority (NCA) granted Zain South Sudan regulatory approval to deploy LTE services over the 900 MHz band, representing a significant enabler for rural and underserved-area coverage. While low-band LTE spectrum typically enhances coverage footprint and network efficiency, its introduction also requires mobile network operators to allocate capital for radio upgrades, transmission expansion, and additional operational commitments to support extended coverage obligations.

In parallel, during 2025 Zain undertook a comprehensive evaluation of additional spectrum opportunities, which will form part of forthcoming discussions with the NCA within the wider context of the licence-renewal process. This proactive engagement is intended to ensure optimal long-term spectrum planning, strengthen future-ready network capacity, and support the country's broader digital-inclusion objectives. However, increased spectrum resources may also impose incremental financial and operational pressures should deployment obligations outpace demand growth or monetisation potential.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Human Capital: The deployment of LTE services over the 900 MHz band requires enhanced technical capabilities in radio engineering, transmission planning, and rural-coverage optimization. This necessitates upskilling Zain South Sudan's network and regulatory teams through targeted training on low-band spectrum utilization, coverage-obligation management, and long-term spectrum strategy. Although this strengthens institutional expertise, it also increases workload pressures linked to expanded operational commitments and more stringent performance obligations.

Intellectual Capital: The National Communications Authority (NCA) granted Zain South Sudan regulatory approval to deploy LTE services over the 900 MHz band, representing a significant enabler for rural and underserved-area coverage. While low-band LTE spectrum typically enhances coverage footprint and network efficiency, its introduction also requires mobile network operators to allocate capital for radio upgrades, transmission expansion, and additional operational commitments to support extended coverage obligations.

CHALLENGE
Infrastructure and Wholesale Connectivity

ZAIN'S RESPONSE

Group Regulatory, in close coordination with Zain South Sudan, developed a comprehensive Site Sharing Model and Standard Agreement to serve as the unified reference framework for all negotiations with other licensed operators (OLOs). This consolidated framework formalizes the technical, commercial, and operational conditions governing the sharing of passive infrastructure, with the objective of enhancing sector-wide efficiency, reducing deployment and maintenance costs, accelerating network rollout, and promoting sustainable utilization of telecommunications resources across the country. It further ensures that Zain's infrastructure-sharing engagements remain fully aligned with the regulatory expectations of the National Communications Authority (NCA) and the broader national strategy for improving connectivity.

As part of the implementation of this framework, Zain South Sudan concluded an agreement with GillesTech, the entity formally mandated by the NCA to manage, coordinate, and approve site-sharing arrangements relating to Sudani and Gemtel tower assets. This collaboration represents a significant advancement in the harmonization of industry processes, facilitating improved coordination among operators, optimizing the use of existing tower infrastructure, and strengthening the foundations for more resilient, cost-efficient, and sustainable network expansion. The new partnership is also expected to streamline future negotiations, reduce duplicative infrastructure investments, and contribute positively to service quality and coverage, particularly in areas where passive infrastructure constraints have historically limited network growth.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Human Capital: The implementation of a unified Site Sharing Model requires technical, commercial, and regulatory teams to enhance their competencies in infrastructure-sharing processes, contract management, and cross-operator coordination. The engagement with GillesTech and the NCA also necessitates improved internal alignment and staff readiness in regulatory compliance, negotiation, and operational planning. This will strengthen institutional knowledge, enhance workforce capability, and elevate overall organizational efficiency.

Intellectual Capital: The development of a consolidated national Site Sharing Model and Standard Agreement generates substantial intellectual capital for Zain. It formalizes processes, standardized commercial and technical principles, and creates a reusable regulatory-compliant framework for all future OLO negotiations. The partnership with GillesTech enriches Zain's understanding of regulated infrastructure-sharing regimes, best-practice governance, and industry-wide harmonization mechanisms—creating long-term strategic value for the organization.

Financial Capital: The use of shared passive infrastructure reduces CAPEX requirements associated with tower deployment and lowers OPEX linked to site acquisition, power, security, and maintenance. Harmonized site-sharing arrangements minimize duplicative investments across operators and improve cost predictability. Although additional coordination requirements may impose limited administrative overhead, these are significantly outweighed by the long-term cost-efficiency gains.

Manufactured Capital: Shared tower infrastructure improves utilization of existing national telecom assets and reduces the need for new tower construction. This enhances network quality, coverage resilience, and service continuity, particularly in geographies where infrastructure scarcity constrained rollout. The harmonized model strengthens the structural integrity of national telecom assets and supports scalable future infrastructure planning.

Natural Capital: By reducing the need for duplicative tower construction, the model minimizes land disturbance, energy consumption, and material use. Improved utilization of existing sites lowers the environmental footprint associated with construction, diesel generators, and backup-power systems contributing positively to national and organizational sustainability targets.

CHALLENGE
Universal Service Fund (USF)

ZAIN'S RESPONSE

The Universal Service and Access Fund (USAF) was reassigned to the authority of the National Communications Authority (NCA), representing a significant step toward strengthening institutional alignment and sector governance. Zain South Sudan is actively engaging with the NCA to provide input on international best practices, most notably the successful Moroccan model, to support the development of a more effective and transparent national universal service framework.

This transition is viewed as a positive advancement for the telecom industry, as the prior arrangement where the USAF was administered under the Ministry resulted in limited coordination with mobile network operators (MNOs) and reduced operational alignment. Under the NCA's stewardship, the Fund is expected to benefit from improved governance, enhanced stakeholder engagement, and more efficient allocation of resources aimed at expanding rural and underserved-area connectivity across South Sudan.

Using the Integrated Reporting Framework, the following impacts are anticipated:

Social & Relationship Capital: The reassignment of the USAF to the NCA strengthens institutional cooperation and ensures more structured and transparent engagement with MNOs. Zain's proactive contribution of global best practices enhances sector collaboration and fosters stronger relationships with regulators and stakeholders—supporting more inclusive and equitable national connectivity development.

Manufactured Capital: A more coherent national universal service framework is expected to accelerate rural broadband expansion, extend infrastructure reach, and promote more sustainable network deployment across remote areas—strengthening South Sudan's national connectivity footprint.

Intellectual Capital: Zain's contribution of international benchmarks such as the Moroccan USAF model builds internal regulatory knowledge and reinforces organizational expertise in universal service strategies. This strengthens Zain's ability to influence and adapt to future sector reforms.

CHALLENGE
Regulatory Compliance

ZAIN'S RESPONSE

The Regulatory Compliance Program (RCP) was implemented across Zain South Sudan, marking a significant advancement in the Company's compliance governance capabilities. As part of this initiative, the Compliance Universe was comprehensively reassessed, monthly and Board-level reporting mechanisms were institutionalized, and the rollout of a new Regulatory Compliance Tool is currently underway. Furthermore, an ISO 37301 readiness assessment is planned to commence in 2026, reflecting the Company's commitment to aligning with international compliance management standards.

Using the Integrated Reporting Framework, the implementation of the RCP will have the following consequential impacts:

Human Capital: The full deployment of the RCP framework will necessitate continuous compliance training and awareness programs across the organization, resulting in improved staff competencies, stronger regulatory knowledge, and enhanced accountability.

Intellectual Capital: The reassessment of the Compliance Universe, development of structured reporting mechanisms, and introduction of an automated compliance tool contribute to the creation and maintenance of a comprehensive compliance knowledge base, thereby strengthening Zain South Sudan's institutional understanding of regulatory obligations and best practices.