



**THE TEN
YEAR
JOURNEY**

SUSTAINABILITY REPORT - 2020



01

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ABOUT THE REPORT

Marking the 10-year anniversary of Zain Group's annual Sustainability Report, the company exemplifies its commitment to establishing a prosperous ecosystem for the communities in which it operates. Zain continues to develop, enhance and strives to minimize its climate-related impacts, while boosting local and regional economies particularly in the wake of COVID-19.

The 2020 Sustainability Report references prominent milestones and celebrates the accomplishments Zain has achieved in the past 10 years. The report highlights the measures taken by the company to address the impact of the COVID-19 across all aspects of the business.

This consolidated report offers a deep dive into Zain's newly established five-year Sustainability Strategy, which is centered on four pillars and explores related performances of Zain Group and its operating companies for the year ended December 31, 2020.

To ensure Zain is consistent, accurate and transparent in its reporting, an independent limited assurance was provided by Ernst & Young (Al Aiban, Al Osaimi and Partners) for the current report, details of which are included on page 278.

The Vice-Chairman and Group CEO, Chief Financial Officer, Chief Sustainability Officer and the other Chiefs have formally assessed, reviewed, and approved the Sustainability Report.

Published on an annual basis, the topics highlighted in the report are included on account of their materiality to both the company and stakeholders, in addition to trends and the operational context in which Zain operates. The 10-year anniversary of the Sustainability Report is a testament to Zain's dedication and ongoing commitment to transparently reporting its social, economic and environmental impacts aimed at creating Meaningful Connectivity.

Exemplifying its dedication to publishing its social, economic and environmental impacts, the company emphasizes engaging with its stakeholders and wider public to continue improving the

overall wellbeing of its communities. The report includes references to all of Zain's country operations, namely: Bahrain, Iraq, Jordan, Kuwait, Saudi Arabia, Sudan, and South Sudan. The document does not cover Lebanon as Zain Group managed 'touch' on behalf of the Lebanese Government until 31 October 2020. In Morocco, Zain holds a 15.5% stake in INWI through a joint venture. However, as Zain does not manage operations for INWI, this operation is not part of the scope of the Sustainability Report.

To ensure credibility and consistency, Zain utilized the AA1000 Accountability Principles (AA1000AP) 2018 and the Global Reporting Initiatives (GRI) standards in preparing this report. Accordingly, Zain utilizes the 'In Accordance' core option of the GRI Standards. The content included in the

report is also aligned with the United Nations Guiding Principles (UNGP) on Business and Human Rights Reporting Framework, which was launched in February 2015.

Improving the way in which Zain discloses its sustainability-related topics, the company assessed various available standards for reporting and decided to include the Sustainability Accounting Standard Board (SASB).

We believe that by incorporating this additional standard, the company will further benefit investors and the public by disclosing material sustainability issues. SASB customizes specific standards for particular industries judged on evidence-based analysis, in-depth industry research and stakeholder engagement. Consequently, Zain is reporting on the 'Telecommunication

Services Sustainability Accounting Standard Content Index'.


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


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INTRODUCTION

The company firmly believes that social, economic and environmental impacts are greatly intertwined with its financial growth and value. Zain's 2020 Sustainability Report reflects its purpose, which is to achieve Meaningful Connectivity that leads to systemic change. The report will cover the progress of the company's social, economic and environmental impacts and reflect on how Zain addresses issues related to sustainability to effectively achieve positive change in relation to the communities in which it operates.

It is inevitable to mention that with the strike of COVID-19, sustainability-related topics have risen to the forefront for businesses around the world. The pandemic, challenging as it is, has spearheaded change and transformation to our everyday lives. To mitigate risks and leverage the opportunities COVID-19 has brought about, the company reflected on its past activities and engaged with stakeholders across the board.

This year, Zain adjusted and further improved its sustainability strategy, omitting redundancies by setting even clearer and more concise KPIs and targets. Through in-depth assessment and analysis of the business and the operating context of our communities, the company developed a five-year Sustainability strategy centered around achieving Meaningful Connectivity.

Zain's purpose is to achieve Meaningful Connectivity, guided by metrics that measure the impact Zain's investments have in its operating communities, leading to socio-economic development.

The mission and vision of the company's Sustainability strategy include:

MISSION



To provide Meaningful Connectivity that leads to equitable systemic change grounded on the UN's Sustainable Development Goals (SDGs) to ultimately empower Zain's communities across its footprint.

VISION



Reduce inequalities

Safeguard the planet

Foster innovation

Build prosperous communities

The strategy is based on the below indices which are aligned to best practices:



The four pillars positioned to help Zain achieve its purpose, mission, and vision:

1

CLIMATE CHANGE



Build a climate change scenario based on **1.5°C** and set a comprehensive climate action strategy to achieve a reduction in **Greenhouse Gas (GHG)** emissions, cost optimization, mitigate risks and identify new market opportunities.

2

SUSTAINABLE BUSINESS



(core/non-core products and services)
Reinvent products and services that create **social and financial value**.

3

INCLUSION



Reduce the **inequality gap** related to gender divide, ethnicities, nationalities, disabilities, rural communities, marginalized, low income, elderly, refugees/internally displaced people and youth unemployment.

4

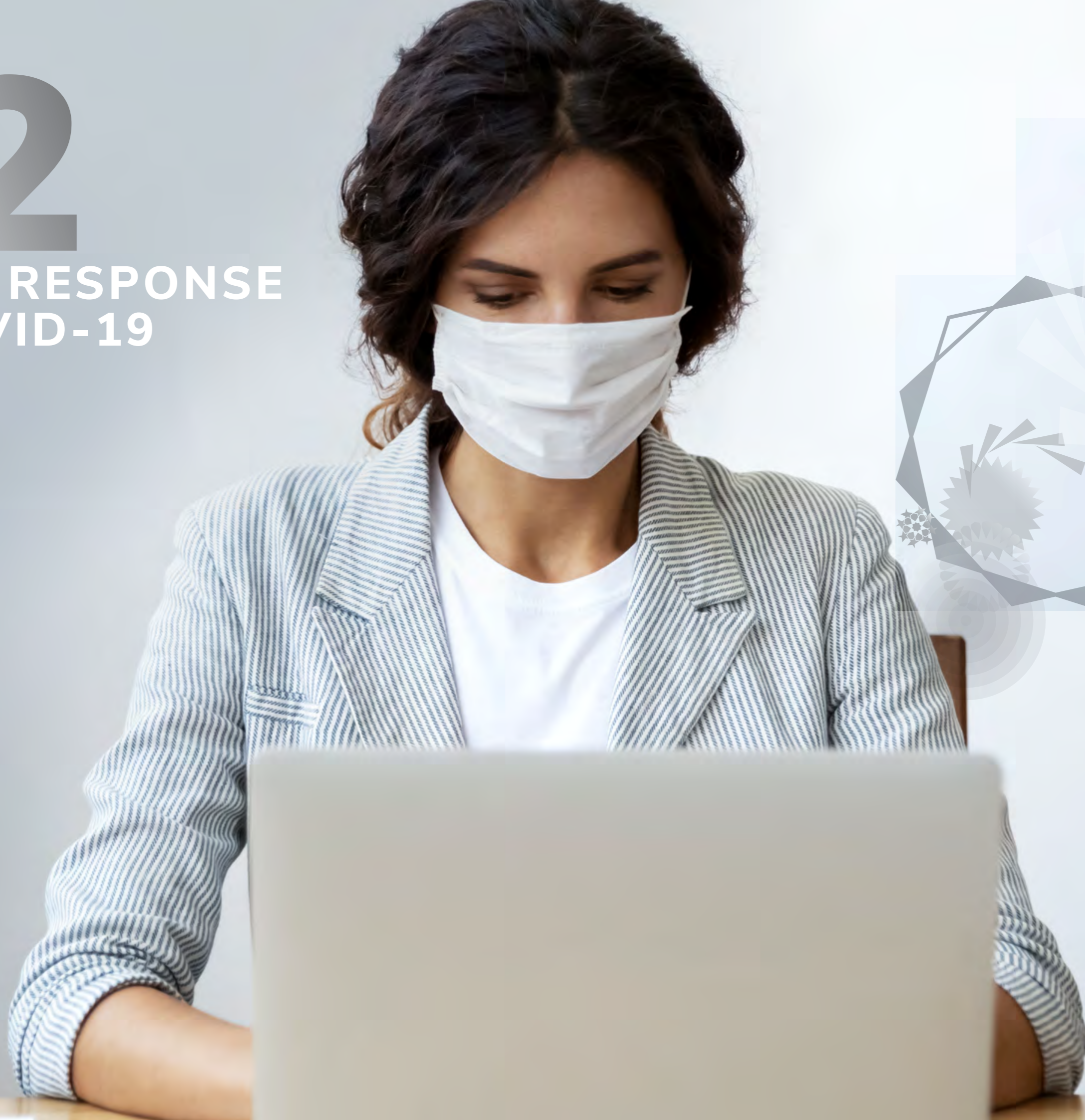
GENERATION YOUTH



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

02

ZAIN'S RESPONSE TO COVID-19



ZAIN'S RESPONSE TO COVID-19

The onset of COVID-19 and its impact on the world demonstrated the transformational role of mobile technology on societies' wellbeing and development. As our world comes together in the time of severe and challenging circumstances, the mobile industry continues to play a critical role in providing people from all walks of life with the necessary tools and resources to combat the issues brought forth to stay safe and prosper in the fight against COVID-19. We experienced unprecedented times where we witnessed the disruption of societies, the collapse of economies and the exposure of prevailing inequalities that exist in our world today. The world has also come to terms with the vital role that technology plays to enhance the lives of people.

At Zain, we have embraced the opportunities that have come along to respond and help our communities recover from the impacts of the crisis.

Zain Group has taken proactive measures across its regional footprint to take into consideration the needs and challenges that our communities face during this global pandemic. The company created a Group Crisis Response Committee led by Executive Management to ensure that all country operations implement appropriate measures to rapidly respond to this evolving situation. Accordingly, each of the Zain operations created a similar committee to help address the situation. Under these committees, Zain identified a unified strategy that guided the company in navigating its response to the pandemic.

Details of the response can be found here:

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

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



Due to the efforts taken to address the impact of the pandemic on its employees, Zain achieved international recognition by being ranked as the Best Telecommunications Provider in the region by Forbes' World's Employers List for 2020. More details of the award can be found in the Awards section of the report on page 54.

In this section we will highlight key activities that were conducted across the Group and our operating markets to combat the effects of COVID-19.

Action-points taken across the Group

- For the duration of the lockdown periods, in Bahrain, Iraq, Kuwait and Saudi Arabia, Zain ensured that there were no disconnections of mobile services due to late payments. Zain also did not increase the price of packages on existing services and provided customers the option to extend payments.
- The company provided access to free voice services and messages on healthcare and preventative measures for a period of one month in Jordan, Kuwait and Saudi Arabia.
- Zain offered free remote learning and access to educational platforms in Jordan, Bahrain, and Saudi Arabia due to school shutdowns.
- In Bahrain, Jordan and Saudi Arabia, Zain provided free access to emergency healthcare and foreign affair hotlines and websites.
- To contain the spread of COVID-19, Zain provided statistics to improve governments' insights through its geolocation services in Bahrain and Kuwait.
- Across its operating markets, Zain created videos that were shared over its social media channels on how to communicate with people with hearing and visual impairments during the pandemic. In addition, the company shared tips on how to keep tools and equipment that are used by people with disabilities clean and sanitized to prevent them from contracting the virus.
- Under Zain's intrapreneurship program, ZAINIAC, the company hosted workshops on a weekly basis to provide employees training on topics such as assistive technology, how to pitch an idea, introduction to business models and how to design a customer journey map. More than 500 people participated in the weekly training sessions.
- Zain partnered with Role Models, an impact driven education provider that focuses on life skills that promote social and emotional wellbeing. Through this partnership, 12 sessions were provided to 87 children and youth from the ages of 7-15 years. This program was offered to the children of Zain employees across all markets.
- To support the company operating during lockdown periods and the transition phase of going back to offices, Zain's IT Support team ensured its availability to accommodate different time zones, provided VPN access to relevant users in Zain Group and its operating markets, and updated its Symantec Antivirus clients and users' windows activation.



Actions points taken under each of Zain's operations

 **BAHRAIN**

- To support customers adjust to the lockdown period, the company provided all Zain customers an additional allowance of 10 GB free of charge.
- To support other businesses during the work-from-home period, the company offered businesses free broadband routers and MiFi packages for a period of 3-6 months.
- As most companies resorted to remote working, information security became a major concern. In this regard, Zain offered businesses a comprehensive set of threat management and information security features from Fortinet, a leading provider of information security services, enabling secure access to online sources, corporate emails and other systems.
- In Bahrain, Zain provided an educational package to students for free access to all educational platforms used to complete schoolwork online. The list below includes the zero-rated educational platforms that were offered to all home broadband customers:
 - Microsoft Teams
 - Google Hangouts
 - Class Dojo
 - University of Bahrain portal
 - ASU portal
 - BIBF portal
 - Polytechnic portal

 **IRAQ**

- Zain Iraq extended bill payment periods without deactivating the connections for the majority of B2B accounts. Zain managed to support its entire business customer base for them to be able to effectively operate and manage cost reductions regarding operating costs.
- To ensure Zain's business customers remain connected with their employees and be able to conduct their work efficiently during the pandemic, Zain offered businesses free licenses of Microsoft and Cisco office collaboration platforms that constitute voice, video, messaging, white boards and document sharing features to support high-tech and effective collaboration among multiple parties. The solutions are embedded with enterprise-grade security and high-end performance.
- Zain Iraq donated 750 million Iraqi Dinars (US\$630,000) in support of the health care sector.
- An employee led awareness video to encourage citizens to stay at home and follow health instructions was developed. Zain Iraq produced another video that is disability inclusive, with the videos reaching over 5.7 million people through Facebook.
- Under Zain's SMS campaign, the company sent around 20 text messages to each Zain subscriber. Each text contained accurate health instructions and guidance and was disseminated in a timely manner. The total number of SMS exceeded 100 million messages.

 **JORDAN**

- Zain Jordan provided free internet browsing over its network for the Ministry of Education's electronic learning platform (Darsak). Students, parents, and caregivers were able to browse the e-learning platform of the Ministry of Education for free and without deduction from their balances or internet packages on their cellular lines or home internet subscriptions.
- Zain Jordan doubled the internet capacity for free in all hotels dedicated for quarantine purposes in the Kingdom, aiming at serving citizens subject to quarantine in these hotels and to ensure that they remained connected with their families with high-speed Internet.
- Zain Jordan offered 6,000 free lines to people returning to the Kingdom and were subject to precautionary quarantine. Each line included 200 free calling minutes and a 20GB internet bundle.
- To support the efforts of the Ministry of Social Development, Zain and its employees donated 20,000 JDs to the Alkhair Fund. The fund supported 245 underprivileged families and unemployed people who lost their income due to the crisis.
- Zain Jordan's Innovation Campus (ZINC) supported the Startup Week Jordan - COVID 19 online event, organized by ZAD Online Consulting Company in cooperation with the European Union delegation in Jordan and the Leaders International Foundation. The aim of this event was to find innovative ideas and provide workable solutions to help manage the crisis caused by the pandemic. 80 tech startups in Jordan participated in the event.



KUWAIT

- Effective April 18, Zain Kuwait in collaboration with the Ministry of Health (MoH) and the Central Agency for Information Technology (CAIT) launched the Shlonik app, which utilized the latest tech solutions to monitor the compliance of citizens who recently returned to Kuwait with self-quarantine directives. The app forms part of the Kuwait government's evacuation plan as related to home quarantine instructions. The app, developed internally by Zain, is an essential tool paired with the smart wrist bracelet distributed at Kuwait International Airport to anyone taking part in home quarantine. In support of the comprehensive awareness campaign conducted by the country's various institutions, Zain Kuwait changed its network's name to Shlonik, which translates to 'how are you' in the Arabic Kuwaiti dialect.
- The company offered smartphone charging stations at Kuwait International Airport to facilitate communication between returning Kuwaitis and their families. The initiative supported the country's tremendous efforts in the fight against the spread of COVID-19 in Kuwait.
- Zain Kuwait supported the National Counselling Program for COVID-19 (Corona Care Kw), a volunteer program that offers a free online interactive platform for mental health support to the Kuwaiti community. Zain Kuwait offered free lines to the program's team to facilitate their communication and coordination, as well as sent free bulk SMS to the public to introduce the program and broadcast its cause. Zain also supported the program by posting its goals on the company's official social media channels to reach a wider audience and contribute to help contribute to the mental wellbeing of the community as much as possible. Corona Care Kw offers an interactive online platform to serve the mental wellbeing of people in Kuwait during the pandemic. The initiative's team includes over 900 expert volunteers, including over 70 counsellors. The program follows standards that are adopted by the World Health Organization (WHO) with a capacity of over 300 sessions per week to provide the required results and contribute to supporting anyone who may need mental support during this crisis.



SAUDI ARABIA

- Zain zero-rated all the Ministry of Health and Ministry of Information websites, as well as official educational platforms to enable customers to access important information and services free-of-charge. This service was applicable to all Zain customers across the Kingdom. Around 6.5 million students have subscribed to the service.
- Supporting people who are quarantined in hospitals, the company provided its customer in quarantine with free voice and data for the entire month of April.
- The company equipped official authorities with iPads and connectivity to ensure effective management of their daily routines related to testing and communication. Zain KSA provided six iPads with six data SIMs for three months to medical staff to help them manage their day-to-day tasks and generate real time data. To ensure that the quality of the network is maintained, the company monitored this activity on a weekly basis.



SUDAN

- Zain Sudan provided a total of 50,000 liters of sanitizer to hospitals across the country and public places.
- The company renovated one of its buildings to donate to the health sector in its bid to increase capacity for people in quarantine. The building comprises six floors with a capacity for 200 beds.
- In Sudan, Zain sent out 60 million SMS to spread awareness on preventative tips and communicate advice and messages provided by the Ministry of Health and other governmental entities. In addition, the company launched awareness campaigns via its social media channels that are inclusive and accessible to people with disabilities.



SOUTH SUDAN

- Under Zain South Sudan's e-health portal, the company developed a management system that provided customers with information from credible sources such as WHO, local government entities and international medical agencies.
- Zain South Sudan conducted staff orientation sessions on COVID-19, in addition to publishing advice and banners offering preventative tips at the headquarters and retail stores.
- The company provided the Ministry of Health and Emergency Operations Center with 200 free voice minutes and 10 GB data per person working in the center to ease in facilitating their day-to-day work. In addition, Zain configured a hotline (6666) and donated 50 mobile handsets to support the center. The company also donated basic supplies, including:
 - 600 bottles of Dettol liquid
 - 74 lab coats
 - 7,720 bars of Dettol soap
 - 5,500 face masks
 - 800 bottles of surgical spirit (disinfectants ethanol-based liquids)
- Under Zain Group's Women Empowerment program, the WE 2020 Champions in South Sudan helped distribute meals to displaced people, the homeless, orphans and people suffering from HIV/AIDs in Juba during the lockdown periods. This initiative was established to empower and support women who used to earn their income from small businesses that were closed down during the pandemic. 37 families were supported through this program.



03

OUR 2020
HIGHLIGHTS



OUR 2020 HIGHLIGHTS

Our Economic Impacts

- Through its value chain, Zain was able to maintain 79,765 number of jobs in 2020.
- Zain continued to enhance its supply chain process by updating its Supplier Code of Conduct and increasing the completion rate of the Supplier Self-Assessment Questionnaire by sending it across to a total of 156 suppliers across all operations in 2020.
- Under the company's Digital Vertical, Zain Fintech, the digital financial services in Iraq, Jordan and Saudi Arabia were further developed reaching an accumulative customer base of 312,665 active customers.

Our People

- Zainiac, Zain's internal intrapreneurship platform, launched a virtual hackathon on assistive technologies where more than 90 ideas were submitted, 5 idea owners were mentored and one idea was funded by an external incubator.
- The company continued to develop its employees by providing an average of 13 hours of training per employee across all markets.
- 100 women employees were certified in data science and 42 of them participated in a data analytics competition under Zain's WE program.



Our Sustainability Agenda

- Launched and established Zain's 2020-2025 Corporate Sustainability Strategy cemented on providing access to Meaningful Connectivity that will ultimately lead to equitable systemic change grounded on the Sustainable Development Goals.
- In partnership with the GSMA's Mobile for Development Assistive Technologies team, Zain held a two-day workshop where around 70 employees from Zain's operations attended the sessions. The workshop was conducted to help employees better understand how to create more inclusive products and services.
- To raise awareness and better educate individuals on the importance of child online safety, Zain launched a social media campaign and an internal announcement promoting tools and resources that offer tips and advice on how they can keep their children safe online. Through the internal announcement, Zain communicated the resources to 6,200 employees across Zain's operations.

Our Products and Customers

- Zain continued to offer its Basma Line+ service in Jordan which offers a mobile package catered to the deaf/hearing impaired community to 353 customers.
- Zain Kids application was provided in six of Zain's markets, where the impact of the pandemic resulted in a 298% increase in the number of children subscribing to the application in comparison to last year.
- The organization's API (Application Programming Interface) Platform, helped launch Busuu which is a digital service that allows users to learn 11 different global languages. The platform allows users to pay for the subscription based on their usage of the application rather than on a monthly/quarterly subscription allowing a greater number of people to benefit from the platform.

Our Climate Action

- Under the membership with the Carbon Disclosure Project, the company received a ‘B’ scoring highlighting its leadership position in addressing Climate Change in the industry.
- This year, the organization continued to take major steps in reducing its emissions by installing a total of 370 outdoor (BTS/Power) solutions, 54 smaller sized generators and upgraded 266 sites to use more efficient DC Power solutions.
- To address the increase of waste due to the use of the masks and gloves, Zain launched a group-wide social media campaign on the negative impacts of improper disposal of face masks. The campaign provided tips on how to dispose facemasks in more eco-friendly manner. 59,800 people viewed and interacted with the campaign.

BAHRAIN

Annual Revenue (USD m)	164
Customers (000)	794
Full-Time Employees	180
Total Capex (USD m)	62

- Zain Bahrain continued to support the Girls Tech Camp which was launched in 2019. The camp teaches girls ages 8-14 years old skills on coding, computational thinking, design, computer science and soft skills such as public speaking, presentation and teamwork virtually. In total, 1000 girls were trained throughout 2020.
- Zain Delight was established this year, targeting the blue-collar and humble migrant workers segments in Bahrain. The offer provides personalized packages, using data analytics, at affordable rates.
- During the lockdown period, Zain provided all customers an additional allowance of 10 GB free of charge.

IRAQ

Annual Revenue (USD m)	943
Customers (000)	16,176
Full-Time Employees	1,477
Total Capex (USD m)	257

- In response to the challenges that the health care sector was facing, Zain Iraq donated 750 million Iraqi Dinars (630,000 US Dollars).
- Zain Iraq enhanced 18 sites in rural areas of the South West region to improve access to broadband and network coverage in such areas.
- In an effort to raise awareness and promote inclusivity, Zain Iraq hosted a webinar on topics such as disability etiquette, awareness on community and family support, and provided success stories of employees with disabilities at Zain on International World Disability Day. In partnership with Iraqi Alliance Disability (IAD), the webinar hosted 30 attendees.



JORDAN

Annual Revenue (USD m)	487
Customers (000)	3,508
Full-Time Employees	1,313
Total Capex (USD m)	68

- Launched in 2008, Zain Jordan continued to provide training for the youth with mobile maintenance skills to increase employment opportunities under its Mobile Maintenance Center. Out of all the students who completed the program this year, 252 students who completed the program received employment or established their own business.
- Zain Jordan's digital financial stream, Zain Cash, with partnered AWEF (Arab Women Enterprise Fund) to encourage more women to become e-wallet holders. This cooperation resulted in more than 22,000 new women users and signed up 30 female agents and merchants.
- 6,000 free lines which included free 200 calling minutes and 20GB internet bundle were offered to those returning to the country and were subject to precautionary quarantine.



KUWAIT

Annual Revenue (USD m)	1,047
Customers (000)	2,568
Full-Time Employees	1,678
Total Capex (USD m)	101

- Corona Care Kw, a free online interactive program for mental health support, was launched under the National Counselling Program for COVID-19 supported by Zain Kuwait.
- Maharat Min Google, a training program for youth on digital skills in Arabic was provided by 50 Zain employees who were trained by Google to become virtual trainers. 1,500 people registered for the program and 1,000 people completed it.
- Under the Ministry of Health (MoH) and the Central Agency for Information Technology (CAIT), Zain Kuwait supported the launch of the 'Shlonik' app, that monitors the compliance of citizens who are under quarantine. By digitizing the self-quarantine process, Zain was able to alleviate the pressures and challenges off the frontline workers, hospitals, the Ministry of Health and other related governmental entities. Up to date, 653,000 people benefited from and used the Shlonik application.



SAUDI ARABIA

Annual Revenue (USD m)	2,112
Customers (000)	7,015
Full-Time Employees	1,815*
Total Capex (USD m)	785

* This includes 405 employees from the entity ZAIN SALE CO

- In response to the COVID-19, Zain KSA zero-rated all official educational platforms to enable all students to access the platforms. Around 6.5 million students have subscribed to the service.
- Since the launch of Tamam in 2019, the first entity in Saudi Arabia that offers a fully digital and instant micro loan proposition, the company was able to disburse around 1.3K loans to more than 700 unique users.
- The company provided all customers who were quarantined with free voice and data services during the month of April.



SUDAN

Annual Revenue (USD m)	416
Customers (000)	16,572
Full-Time Employees	832
Total Capex (USD m)	110

- In support of the healthcare sector, Zain Sudan donated a total of 50,000 liters of sanitizers. The company also installed hand sanitizer dispensers in public places.
- Leveraging on its reach, Zain Sudan sent out 60 million SMS messages to spread awareness on preventative tips and communicate advice and messages provided by the Ministry of Health and other governmental entities.
- Zain Sudan launched social media campaigns to spread awareness and provide tips on how to stay safe that are disability inclusive.



SOUTH SUDAN

Annual Revenue (USD m)	83	Full-Time Employees	85
Customers (000)	1,088	Total Capex (USD m)	29

- The company provided healthcare workers and the Emergency Operations Center with 200 free voice minutes and 10 GB data per person to help support and facilitate their day-to-day work.
- In total, the company donated basic supplies to the relevant governmental entities which included: 600 Dettol Liquid, 74 Lab Coats, 7,720 Dettol Soap, 5,500 Face masks and 800 bottles of Surgical Spirit (disinfectants ethanol-based liquids).

04

THROUGHOUT
THE 10 YEARS



THROUGHOUT THE 10 YEARS

Celebrating 10 years of the company's annual Sustainability Report marks a major milestone for Zain as it demonstrates our firm commitment and dedication to creating long-lasting socio-economic and environmental impacts across our operating markets. This great achievement defines the organization's dedication to all its stakeholders by building relationships based on transparency and trust to set strategic and meaningful goals and objectives.

Over the years, the company has been determined to evolve its operations by becoming a digital lifestyle service provider, establishing value-driven and purposeful activities, building resilience, adapting to market changes, and addressing societal deficits.

From a sustainability standpoint, Zain has worked on merging its sustainability practices into its business operations, embedding it in everything we do. During the decade, Zain invested a total of US\$80 million across our operating markets in sustainability led programs. By doing so, we can innovate and adapt to the region's turbulent landscape by pioneering new and unique approaches to addressing complex challenges spanning from youth unemployment, conflict, gender disparity, economic disruption, refugee crisis and many other developmental challenges.

As a leading telecommunications service provider, the organization recognizes its instrumental role in transforming societies at large. We take pride in presenting how our sustainability journey has continued to revolutionize the way we conduct business, centered on evolving a digital ecosystem that is accessible to all. We are cognizant of the fact that as leading organization it is our responsibility to spearhead the path in driving systemic change to ultimately enable development and growth.

Despite the progress that we have made, Zain acknowledges that we still have a long way to go. This year, as we mark this major milestone, we have continued to evolve the company's sustainability agenda by announcing Zain's five-year corporate sustainability strategy, which is guided by metrics and stringent targets.

We are looking back on the past 10 years marking the significant achievements throughout the years:

2011

- Set up 170 sites to provide coverage to more than 175,000 people in 500 remote villages in Saudi Arabia.
- Launched HSPA+ in Lebanon, and Jordan and 4G in Saudi Arabia.
- Provided vocational training to 175 young trainees through University Telecom courses in Iraq and our Mobile Maintenance Training Center in Jordan.
- Zain Sudan constructed and rehabilitated six schools in low-income communities, which have become Zain Schools. In addition, Zain provided rehabilitation and support to more than 150 schools, including 20,000 school uniforms and 500,000 exercise books.
- Launched the Drive Zain campaign in Kuwait and reached 21,000 university students with messages on the responsible use of mobile phones while driving.

2012

- Became the first operator in Kuwait to launch nationwide LTE technology.
- Began offering the Me2U service in South Sudan, allowing customers to share, sell and transfer airtime between one another; providing accessibility to those in remote areas without access to outlet stores.
- Launched the Al Basma Line+ in Zain Jordan, offering free video call minutes and free local SMS for our deaf and mute customers.
- Provided a total of 267 hours of training for employees at the Group level through the Zain Academy.
- Distributed 100,000 meals across Mecca and Medina in Saudi Arabia during the Holy Month of Ramadan
- Deployed a total of 83 hybrid battery solutions and nine solar hybrid solutions across our operations.
- Installed 1,081 diesel generators in Iraq, Saudi Arabia, Sudan and Bahrain using the right sizing concept, leading to less fuel consumption by the generators.
- Zain Bahrain expanded its handset recycling initiative, sending a total 4,500 handsets over two years to the environmental waste disposal company, Enviroserve, for reuse.

2013

- Hired the majority of our senior management (61%) from our local communities.
- Launched the Corporate Entrepreneurship Responsibility (CER) division to mobilize the support of Zain Jordan's employees and devoted time and resources to promote entrepreneurial projects in the country.
- Planted 200,000 trees in Sudan in an effort to plant over one million trees over a five-year period and reduce our carbon footprint.
- Launched a collaborative effort with the UNHCR and the Vodafone Foundation to provide mobile connectivity to the refugee camp in Yida, South Sudan. The Instant Network Initiative provides connectivity to more than 70,000 refugees and 3,000 UN personnel, providing essential access to telecommunications.
- Zain Group's Ramadan television commercial, 'Know your Friends,' was ranked by tvview as the number one television advert in the United Arab Emirates during the month of Ramadan.

2014

- Supported the plight of Syrian refugees in Jordan by offering the Syria-Sim service that facilitated the communication of more than 30,000 refugees with UN Refugee Agency (UNHCR).
- Provided more than 100,000 hours of training to Zain employees.
- Launched LTE in Saudi Arabia, Bahrain and Lebanon.
- Under the Back-to-School program, 20,000 schoolbags were distributed in Sudan and 20,000 students in Bahrain received school supplies.
- Established Zain Innovation Campus (ZINC) in Zain Jordan to leverage the entrepreneurial capacities of Jordanian youth and empower them to undertake innovative startup projects in the country.
- Improved energy efficiency by installing 104 smaller size generators in Iraq.
- Zain KSA showed its efforts of being inclusive by providing 50,000 people in need with meals in the month of Ramadan. The company demonstrated its commitment to charitable initiatives by informing its subscribers that SAR1 would be deducted from the revenue generated from each mobile transaction and directed towards supporting various local charities.

2015

- Completed a strategic investment in Wamda Capital – a leading early and growth-stage venture capital fund that targets support for promising technology startups in the region.
- Developed a strategic partnership with the leading regional smart city advisory and consulting service provider, neXgen Group, to collaborate on the development of smart city solutions across the region.
- Partnered with the International Rescue Committee in South Sudan to develop the Respect and Respond: We Can End Violence campaign that empowers women facing gender-based violence.
- Continued to implement the Zain Great Idea (ZGI) program that aims to develop and assist tech entrepreneurs in Kuwait to cultivate and fulfill their entrepreneurial ambitions. 12 Kuwaiti entrepreneurs were involved in the final stages of the startup competition, receiving support and exposure to potential investors.
- Implemented the Zain Sudan Jafeel Water project, an initiative centered on providing clean water directly to three villages in the North Kordofan state via the construction of a water tunnel. The Jafeel Water project enables more than 7,000 people to receive reliable access to clean drinking water, greatly reducing the villagers' vulnerability to waterborne diseases.
- Deployed 223 solar and hybrid battery base stations in Sudan, Jordan and South Sudan, an increase of 59% from 2014.



2016

- Collaborated with the United Nations High Commissioners for Refugees (UNHCR) and Facebook and signed a deal to provide complimentary Wi-Fi connectivity for five years for refugees in Jordan. More than 724,000 refugees received free high-speed internet across 10 community centers in Jordan.
- Launched Zain Cash in Iraq and re-launched it in Jordan – a commercial service that provides a secure and convenient platform to conduct financial transactions. This service has a strong impact on society as it addresses economic disparity by giving unbanked populations access to economic means.
- Continued to centralize global technologies and projects by Zain Group Procurement, which led to a global saving of US\$180 million (capex and opex) over four years by leveraging the volumes across all operations.
- Established the MITEF Innovate for Refugees Competition in partnership with MITEF and MBC Hope to target innovative tech-driven solutions with the aim of improving the livelihoods and overall situation for displaced persons in the region.
- Continued to promote Child Helpline International's presence in the region by establishing child helplines in four of our operating markets. This initiative aims to alleviate the vulnerability of children in the region facing abuse.
- Implemented a nationwide E-Waste Recycling Competition in Bahrain in collaboration with the Supreme Council of Environment, the UNDP, UNIDO and the Ministry of Education. The initiative aimed at raising awareness about the dangers of e-waste by having more than 600 students develop innovative ways to improve waste disposal.
- Zain Group was awarded with the Best Overall Operator award at the CommsMEA Awards ceremony. The company was identified as the region's best performing mobile operator having devised a clear strategy.
- Zain Group was named the Best Employer Brand at the annual LinkedIn Talent Awards. Zain was identified as being among the best employer brands in the region that utilize LinkedIn Talent Solutions to find, hire and retain top talent.

2017

- The GSMA honored the company with the Outstanding Contribution to the Mobile Industry award for its efforts in empowering and improving the living conditions of the most vulnerable communities including those fleeing from crisis in Syria. The GSMA applauded Zain's creation of several commercial packages in the Middle East intended to facilitate connectivity, which is much needed amongst refugees and internally displaced people.
- Took an unprecedented step in our supply chain management by being one of the first in the region to conduct a supplier self-assessment questionnaire. The Group Procurement department sent out the questionnaire to seven of the most material suppliers.
- Launched the transformational Women Empowerment initiative, which addresses gender disparity to promote and empower women.
- Partnered with Soroptimist International Club Kuwait to hold a fundraising event for palliative care and raise awareness on the importance of home hospice and palliative care for the terminally ill.
- Installed 1,005 outdoor solutions and 425 smaller size generators across all operations to improve energy efficiency and optimize sites.
- Continued to develop digital services that promote inclusive education such as the Kidotainment application in Saudi Arabia, Taaleb in Kuwait, Sadeem in Iraq, and Net.allem and Edzance in Jordan.



2018

- Zain installed 1,343 outdoor (BTS/Power) solutions and 44 small shelters across its operations to reduce CO₂ emissions.
- Provided 146,887 jobs through our value chain across our operations.
- 4,224,000 meals distributed for students in Sudan under the Student's Meals program.
- KWD 655,000 in donations raised by Zain Kuwait to support low-income families.
- Launched LTE (Long Term Revolution) networks in Kuwait, Saudi Arabia, Jordan, Bahrain, Lebanon, and Sudan.
- 500 employees in Saudi Arabia received free diabetes screening in Saudi Arabia.

Coverage as per Population:

2019

- Furthered our commitment to the protection of children by identifying it as a salient human rights issue for the company. Additionally, the company established and co-chaired a working group with Childhood USA titled Child Online Safety: Minimizing the Risk of Violence, Abuse and Exploitation Online at the ITU/UNSECO Broadband Commission for Sustainable Development.
 - Scaled our digital financial services to Saudi Arabia under the name Tamam, which is an end-to-end digital micro lending platform offering microloans targeting the most vulnerable populations in the Kingdom.
 - Launched the WE ABLE program to promote diversity and inclusion in the workplace and become disability inclusive by 2022.
 - Continued to expand on the B2B front, as the company further customized its B2B services to include IoT services and
- expanded its reach by including SoHo (small and home offices) and SMEs segments.
- In Bahrain, the company pledged to provide 1,000 girls the opportunity to learn coding and strengthen their skills in STEM related fields.
 - Zain Iraq supported 15,000 students in the back-to-school campaign by providing them with school desks and smart boards for their classrooms and printers.
 - Provided 200,000 children living in rural and remote areas with free medical and dental health care service under the Zain Jordan Mobile Clinic, which has been operating for the last 18 years.
 - 700 employees joined the Zain Saudi Arabia volunteering program.
 - Zain Kuwait continued to support over 500 tech startups through its bi-annual Zain Great Idea (ZGI) program, which was first established in 2010.

Network Development over the years

Evolution of Network Infrastructure (3G, 4G, 5G)

Technology Launch	BHR	IRQ	JOD	KSA	KWT	SDN	SSD
3G	2003	2015	2011	2008	2005	2009	2013
4G	2013	2021*	2015	2012	2012	2016	-
5G	2020	-	-	2019	2019	-	-

OPERATION	2012	2013	2014	2015	2016	2017	2018	2019	2020 (as of Nov)
Bahrain									
5G									Not measured yet
LTE		33.00%	99.00%	99.78%	99.00%	99.30%	96.82%	97.95%	97.61%
3G	98.00%	98.00%	97.00%	99.49%	97.00%	98.40%	99.70%	99.63%	99.46%
2G	100.00%	100.00%	99.00%	99.85%	99.00%	99.30%	99.89%	99.84%	99.50%
Iraq									
3G				55.50%	72.57%	84.69%	95.18%	96.56%	96.74%
2G	97.85%	98.02%	98.12%	98.18%	99.30%	99.92%	100.00%	100.00%	100.00%
Jordan									
LTE				80.00%	92.00%	99.00%	99.32%	99.66%	99.75%
3G		98.00%	99.00%	99.00%	99.00%	99.20%	99.39%	99.65%	99.73%
2G		99.98%	99.98%	99.98%	99.98%	99.98%	99.99%	99.99%	99.99%
KSA									
5G								42%	51%
LTE		46.48%	52.89%	80.60%	87.00%	89.00%	93.00%	93.00%	94.00%
3G		80.49%	85.86%	87.80%	91.00%	95.00%	98.00%	98.00%	98.00%
2G		92.60%	93.46%	93.88%	94.00%	96.00%	99.00%	99.00%	99.00%
Kuwait									
5G									86.00%
LTE		100.00%	100.00%	100.00%			100.00%	100.00%	100.00%
3G	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	100.00%
2G	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	100.00%
SUDAN									
LTE								26.95%	38.00%
3G								45.99%	62.60%
2G								89.70%	90.09%
S. SUDAN									
3G							7.00%	10.00%	10.00%
2G							40.00%	46.00%	49.00%

The Evolution of Enterprise Risk Management

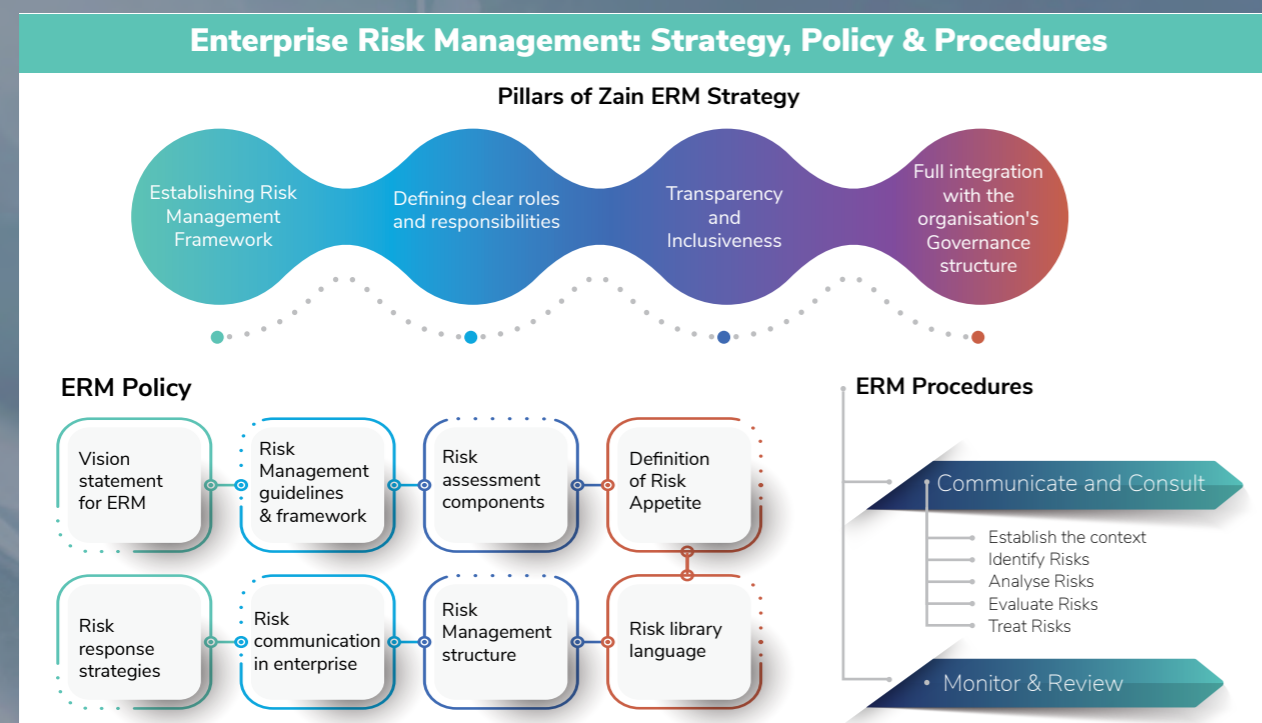
The Risk Management department at Zain Group was set up in 2006, previously reporting under Group Finance. In line with the Kuwait Capital Markets Authority's directives (Resolution 25, 2013 and resolution 48, 2015) requiring the establishment of a risk management function reporting to a board risk committee, and in line with International best practices, the Group Risk function was mandated to report directly to the Zain Group Board Risk Committee (BRC). The company further developed the function by establishing an independent risk function within each operation.

Evolution of risks and opportunities

The first BRC review took place in November 2015, where the structure and framework of the department was presented to the committee by the Chief Risk Officer. The objective was to make Zain Group a more risk resilient organization with the following objectives:

1. Identify all material risks to Zain Group.
2. Focus on the risks that matter.
3. Institutionalize standard risk management processes across operations.
4. Continuously monitor the effectiveness of risk management measures.

A benchmarking exercise was conducted to evaluate Zain's practices with respect to risk management units of peer telecom operators. An Enterprise Risk Strategy was then developed to support the achievement of business and strategic goals through a collaborative risk management environment that proactively identifies and mitigates business risk.



Our Awards and Acknowledgements

2011

- Zain Saudi Arabia: King Khalid awards for Responsible Competitiveness.
- Zain Group: Best Overall Operator in Africa and Middle East by CommsMEA.
- Zain Group: Special Mention award by the Arabia CSR Network.
- Zain's 'UNRWA 60 Years – It's a Wonderful Life' 60-second TV commercial supporting Palestinian refugees, wins three prizes – Best Production, Best Director and Best Soundtrack – at the MENA Cristal Awards.

2012

- Zain Jordan: Awarded Best Telecom Operator Network and Best Operator VAS at Telecoms World Middle East Awards.
- Zain Group's Fikra Ramadan television commercial voted best commercial in Kuwait to appear during Ramadan by Tasaweek magazine.
- touch Lebanon: Awarded the Social Economic award for its Avoid Distracted Driving awareness campaign.
- Zain Bahrain's Zain on the Move campaign, which reached out to approximately 150,000 humble expat Asian workers and allowed them to communicate with their families back home through live TV and radio feeds, received the Bronze award at the Dubai Lynx Awards ceremony and also received special mention at the prestigious MENA Cristal Festival.
- Zain Saudi Arabia was awarded the Customer 360 ME award at the Customer Experience and Service Excellence Summit and Awards event.

2013

- Zain Group's 2012 annual report, titled Believing in the Power of Dreams, was recognized and rewarded in five categories during the Annual Report Competition (ARC) awards ceremony in New York in October 2013.
- Zain Group's Investor Relations department was named the foremost Investor Relations team in Kuwait at an awards ceremony hosted by the Middle East Investor Relations Society (MEIR).
- Zain Iraq was honored with the Middle East Operator of the Year award by CommsMEA, as well as the Telecom Operator of the Year award by the Arabian Business Achievement Awards.
- Zain Kuwait was declared the country's Best Telecom Operator for 2013 by the region's leading business magazine, Arabian Business.
- Zain was awarded as the Most Famous Arab Brand Worldwide by the Arab Society for Intellectual Property.
- Zain Kuwait was presented with the Gold Award for Excellence in Corporate Social Responsibility from the Arab Organization for Social Responsibility.

2014

- Zain was awarded with the Kuwait Transparency Society award by the local chapter of Transparency International.
- Zain Group's CEO wins the CEO of the Year award from Technology Media & Telecommunications (TMT) Finance entity.
- Zain Group awarded the Best Brand for 2014 accolade as part of the annual Telecoms World Conference.
- Zain Kuwait was recognized as the Middle East Operator of the Year by CommsMEA.
- The International Islamic Charity Organization (IICO) bestowed an award to Zain Kuwait in recognition of the successful outreach campaigns undertaken by the organization that cater to those in need throughout the region.
- Zain South Sudan was recognized for its exceptional quality of service and its investments in the country by receiving the Best Telecom Company of the Year award at the Commerce Investment and Agriculture event.

2015

- Zain Group was presented with the CSR Initiative of the Year Award by CommsMEA for its implementation of the Family Reconnection Project in Jordan and later in South Sudan.
- Zain Group was awarded the Best Brand Award for the second consecutive year at the Telecom World Middle East Awards.
- Zain Jordan was the recipient of two awards at the Telecom World Middle East Awards: Best Network and Best Customer Experience.
- Zain Kuwait, Zain Jordan and Zain Bahrain were presented with the Consumer Innovation award at the Global Telecoms Business Awards 2015 for their direct operator billing services that were launched in partnership with SLA Mobile.
- Zain Jordan was presented with the Best Industry Service award at the CommsMEA Awards for its Zain Innovation Campus (ZINC).
- Zain Sudan was awarded First Place at the Sudan Social Responsibility Awards, organized by the Sudanese government.

2016

- Zain Group was awarded with the Best Overall Operator award by CommsMEA.
- Zain's brand was identified as the Best Telecom Brand in the Middle East at the Telecom Review Summit Excellence Awards.
- Zain Group was named the Best Employer Brand at the annual LinkedIn Talent Awards.
- Zain Group was awarded The Finance Team of the Year award at the annual MENA CFO Excellence Awards.
- Zain Bahrain was recognized as the GCC Best Employer Brand for its distinctiveness in employee hiring, training and retention, as well as its commitment to being a social and equal opportunity employer.
- Zain was awarded the Best Mobile Operator and Best Internet Service Provider in Kuwait by Service Hero.
- Zain Kuwait received four titles as part of the Advertising Creativity Awards.
- Zain was presented with the Health, Safety and Environment Performance award by the Kuwait National Petroleum Company (KNPC).
- touch Lebanon was granted the Teknotel award for the Best Customer Service offered by a telecom operator in the Middle East.

2017

- Zain Group was awarded with the Best Network Functions Virtualization and Software-Defined Network Solution Provider at the 5G MENA Awards held by Informa.
- Honored with the Outstanding Contribution to the Mobile Industry award by the GSMA, being recognized for its efforts in empowering and improving living condition of the most vulnerable communities including those fleeing from crisis in Syria.
- Zain's brand was identified as the Best Brand for telecom in 2017 at the Telecoms World Middle East Awards.
- Zain Kuwait received the Gold Medal for Excellence in Corporate Sustainability for the Arab region for its fourth consecutive year at the Arab Organization for Social Responsibility.
- Zain Bahrain was named the GCC Best Employer Brand by the Employer Brand Institute and Stars of the Industry Group.
- Zain Saudi Arabia was chosen as the best Internet of Things (IoT) Application and Service during the 5G MENA Conference.

2018

- Zain Group was awarded with the Best Brand for Telecom during the Telecom World Middle East Awards.
- The Arab Media Forum's Advertising Creativity Awards recognized Zain Kuwait four times in the following categories: Zain LIFE 2018 TVC; Kuwait National Day 2018 TVC; Creative Corporate Sustainability Programs; and an award for public relations.
- Zain Sudan's Managing Director, Elfatih Erwa was presented with the Lifetime Industry Service Award by CommsMEA.
- Zain Jordan received the Gold award for the Best Social Entrepreneurship Responsibility Initiative in the Arab World in the Mohammed Bin Rashid Awards for Young Business Leaders for Zain Innovation Campus (ZINC).
- Zain Iraq and Ericsson jointly won the Network Infrastructure Initiative of the Year award from CommsMEA.

2019

- Zain Group recognized as the Best Gender Diversity Initiative in the Workplace for a Corporate in MENA region for its Groupwide Women Empowerment (WE) Gender Diversity Program by Entrepreneur Magazine.
- Ali Al-Zahid, Zain Iraq CEO, was named the Middle East's Best CEO in the Telecommunications Industry for 2019 by the Dubai based CEO Middle East magazine.
- Zain was awarded the Best Telecom Operator and Best Brand accolades at the Telecoms World Middle East Awards.
- touch Lebanon was awarded the Product of the Year within the Telecom category for the company's Student Plan, touch Mobile App and touch Business Bundles.
- Zain Group and EXFO Inc., a company that tests tools and service assurance for mobile networks, were jointly recognized with the 5G MENA award for Best Telecom Service Innovation.
- Zain Group was recognized as the Best Overall Telecom Group by CommsMEA for delivering impressive operational and financial results despite a range of challenges and industry developments.
- Zain Saudi Arabia received the Best 5G Infrastructure Deployment award during the Telecom Review Leaders' Summit.
- Zain Saudi Arabia was recognized as the Best MEA Telecom Operator in the MEA by CommsMEA.



SANAD's Partnership with Zain

Zain Group established a three-year partnership with SANAD to help launch palliative and hospice practices through a holistic approach in the communities Zain operates in. SANAD, an NGO based in Lebanon, is a field leader with a vision to help develop and strengthen palliative and hospice care in the Arab world. Through SANAD's extensive expertise, the partnership's aim is to integrate hospice and palliative care into the health care system and create a community of various stakeholders ranging from doctors, nurses, social workers, dieticians, pharmacists, and key decision makers. The SANAD partnership's scope is based in Jordan, Kuwait and Lebanon. Throughout the three years, the partnership made great strides in the field of hospice and palliative care and below, we have listed the key accomplishment achieved through the partnership:

2018

- Launched and planned a needs assessment to establish hospice services in Kuwait with the endorsement of the Ministry of Health.
- Conducted a needs assessment for a training workshop on mental health in palliative care in Jordan.
- Submitted a Palliative Care Research proposal to the Institutional Review Board for review in Lebanon.

2019

- Hired a new hospice nurse and medical coordinator for SANAD's service delivery in Lebanon.
- Supported Al Sidra Association for Psychological Care of Cancer Patients in Kuwait by conducting a training workshop followed by a three-week competency-based practical internship.
- Collaborated with Mental Health and Psychosocial Support (MHPSS) Working Group in Jordan to conduct a two-day workshop about embedding mental health care in palliative care.

2020

- SANAD continued the data analysis for palliative care research in Lebanon.
- Recruited a new hospice nurse, medical coordinator and psychologist.
- As part of a collaborative research project with King Faisal Specialized Hospital and Research Center, both teams adapted and translated the Carer Support Needs Assessment tool (CSNAT) which is an evidence-based tool that facilitates tailored support for family members and friends of those in palliative care. The team applied for ethical approval for testing the tool with caregivers.

In response to COVID-19 and Security Issues

Action	
Created contingency plans	Scenario A: Localized protests
	Scenario B: Ongoing protests with road blockages.
	Scenario C: High security and unpredictable
Webinar	Two webinars were conducted to raise awareness on the challenges and op-portunities faced during COVID-19 and on the policy and advocacy of palliative care, in collaboration with WHO's regional office.
Quality and Sustainability of Support	SANAD responded to the COVID-19 pandemic by setting up appropriate plans to continue their palliative care services while keeping the patients, their families and the hospice care teams safe. This led to SANAD relieving pressure from the national health care system due to the pandemic.
Increase in Referrals	The rise of COVID-19 resulted in patients preferring home-based medical care causing an increase of 10% in SANAD's patient intake in 2020.

Total staff members	Staff supported by Zain	Total number of admissions cared for by SANAD		Total number of admissions cared for by staff supported by Zain	
		2019	2020	2019	2020
Nursing Unit 7 hospice nurses	1 Hospice nurse	347	399	47	63
Mental Health Unit 2 psychologists	1 Psychologist	41	54	41	54
Medical Unit 5 Medical doctors	1 Medical coordinator	347	399	36	36

Total Psychologist Visits/Calls	
Year	People
2018	186
2019	170
2020	224

Under this partnership, the staff supported by Zain were able to achieve great strides by supporting SANAD in multiple aspects. The hospice nurse provides comprehensive hospice care while ensuring international best practices are applied and implemented evidence-based knowledge to address the physical, psychological, social and spiritual aspects of a patient's needs. The medical coordinator participated in the development of palliative care competency-based framework, training, policies, protocols and conducting internal and external capacity building sessions. The psychologist provides mindful assistance in processing emotions for patients and their families. In addition to the development of internal processes, training material, internal and external capacity building and awareness raising sessions.

05

AWARDS



AWARDS

Zain Group - The World's Best Employers list for 2020

https://zain.com/en/press/Zain_Best_Employer2020/

In 2020, Zain Group was rated as the region's highest ranked telecom group in Forbes magazine's The World's Best Employers list. In addition, Zain was also ranked fourth best employer across all industries in the Middle East. The company's inclusion in this world-renowned list is a direct result of years of prioritizing employees' safety and well-being and the ongoing investment in enhancing and developing staff. Zain has continued to pay its employees' full salaries, across all operations, despite the disruption coursed by the COVID-19 pandemic, firmly believing that its people are the company's greatest asset and ought to be treated accordingly. Zain takes pride in the ongoing efforts to develop, support and uplift employees in every facet of their roles and lives.

Zain was proactive in addressing the impact of COVID-19 by cooperating with government authorities, circulating internal and external communications across its social and print media, email, SMS, and contact centers, requesting all employees to work remotely early on. Zain personnel were also provided with the necessary tools and resources to work effectively from home, including secure connections to the company's virtual private network and encouragement to use specific work systems ensuring operational efficiency and business continuity.

Zain Group - Best Brand at 2020 Telecom World Middle East Awards

https://zain.com/en/press/Zain_Best_Brand_2020/

Zain was crowned Best Brand for 2020 for a record-breaking seven consecutive years at the prestigious Telecom World Middle East Awards. This year's success was driven by multiple factors such as the company's COVID-19 related digital innovation initiatives, corporate sustainability programs, and its marketing and social media campaigns. Through the power of the Zain brand, the company's operations focused on providing meaningful connectivity during the lockdown to minimize the impact of the pandemic on socio-economic development. During the pandemic, Zain focused on digital transformation to better serve businesses, governments, and societies, granting increased digital access to essential medical, commercial, and financial services.

Zain Group and Kuwait - Arab Media Forum's Creativity Awards

https://zain.com/en/press/Zain_Creativity_Award2020/

Zain received six creativity awards at the Arab Media Forum's Eighth Creativity Awards. A ceremony that recognizes creativity by Kuwaiti organizations in three categories: TV Commercial (TVC) Creativity, PR Creativity and Best Government App. Zain received four awards under the TV Commercial Creativity category for its most celebrated TVCs of the year: **Ramadan TVC, Kuwait National Celebration TVC, Eid TVC** and a **TVC on the heroic role of mothers during the pandemic**. Zain also received an award in the Best Government App category for the Shlonik app, which the company developed during the pandemic in collaboration with the Ministry of Health (MOH) and the Central Agency for Information Technology (CAIT). You can find more details about the Shlonik app in Products and Customers section of this report, on page 210. Zain Kuwait also received the PR Creativity award that recognized the company's concerted efforts to maintain transparency and business continuity. This array of recognitions shows Zain's effective advertising and media involvement. Zain will continue investing in media and communications activities, both traditional and modern.

Zain Saudi Arabia (KSA) - Telecom Review Excellence Awards

<https://sa.zain.com/en/all-news/news-20-11-20>

Zain KSA accepted three awards at the Telecom Review Excellence Awards 2020 held in Dubai. The company was recognized in three separate categories for Best 5G User Growth, Best Cloud Provider and Best 5G Infrastructure Deployment. Zain KSA became a digital pioneer through its 5G roll-out, which was launched in October 2019 and was the region's largest 5G network in the Middle East, Africa and Europe, and fourth largest 5G network in the world at the time. The network now extends to 50 cities across the country, enabled by more than 4,600 towers.

Zain Kuwait - Salem Al Ali Informatics Award 2020

<https://www.zain.com/en/press/shlonik20/>

Zain proudly announced that the Shlonik app received the His Highness Sheikh Salem Al Ali Al Sabah Informatics Award 2020. Shlonik was developed by Zain in collaboration with the Central Agency for Information Technology (CAIT) and under direct supervision from the Ministry of Health (MOH). It was an outcome of the public and private sectors' unified efforts and has so far been downloaded over 620,000 times. More details about the Shlonik app can be found in the Products and Customers section of this report on page 210.



06

MESSAGE FROM THE BOARD OF DIRECTORS



MESSAGE FROM THE BOARD OF DIRECTORS

With the COVID-19 pandemic being a destructive force that has brought about unprecedented disruption, weakened economies and pushed people across the world into poverty, the Board of Directors is committed to ensuring that Zain's business activities result in tangible value across the company's footprint.

For the Board, the value that the company brings forth is essential for the sustainability of the business and the ensuing socio-economic development that emanates from the company's business activities.

2020 was a year filled with challenges that stretched all of us. The pandemic and related consequences demonstrated that now more than ever, the need to have an equitable approach to the business, which is grounded on the United Nations Sustainable Development Goals (SDGs), is paramount to achieving growth and development and the only way forward.

The Board will continue to work towards realizing the premise of the SDG's centered on "leaving no one behind" and will constantly strive towards Zain being a force for good.

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

Zain Group Board of Directors



**MR. AHMED TAHOUS
AL TAHOUS**
CHAIRMAN



**MR. BADER NASSER
AL KHARAFI**
VICE CHAIRMAN
AND GROUP CEO



**MR. TALAL SAID
AL MAMARI**
BOARD MEMBER



**MR. ABDULRAHMAN
MOHAMMAD IBRAHIM
AL ASFOUR**
INDEPENDENT BOARD



**MR. YOUSEF KHALED
AL-ABDULRAZZAQ**
BOARD MEMBER



**MR. ZAKI HILAL SAUD
AL BUSAIDI**
BOARD MEMBER



**MR. ATIF SAID RASHID
AL SIYABI**
BOARD MEMBER



**MR. ALADDIN
BAITFADHIL**
BOARD MEMBER



**MR. NASSER BIN SULEIMAN
AL-HARTHY**
BOARD MEMBER

07

MESSAGE FROM THE VICE CHAIRMAN AND GROUP CEO



MESSAGE FROM THE VICE CHAIRMAN AND GROUP CEO

For Zain, 2020 was an unprecedented yet challenging year as the COVID-19 pandemic exposed immense developmental challenges across all sectors of the economy. In more ways than one, the pandemic made us realize the need to further accelerate our digital transformation, which is paramount for the company's success and the well-being of society.



This pandemic made us aware of the need to further accelerate our digital transformation which is crucial to the success of the business and the well-being of our societies. Since the beginning of the crisis, virtual and digital solutions have contributed greatly to business continuity with Zain playing a fundamental role by supporting governments with the latest technological platforms.

The company's vertical channels experienced exponential growth throughout the year, providing clear evidence that offering up to date inclusive solutions for both businesses and individuals is the only way forward. Zain Cash volumes grew by 90 percent with active customers surging from 30,000 to reach 50,000. The mobile wallet service also experienced tremendous growth by jumping from 100,000 to 400,000 users during the year.

From the pandemic's onset across all our operations, Zain played a pivotal role in ensuring that much needed internet connectivity was up and running and that all government agencies, health practitioners, civil society organizations, non-governmental organizations, educational institutions and the public had access to the internet. The company also engaged in strategic conversations with the various regulatory agencies across our footprint to ensure proper, quality connectivity. This was extremely important, particularly when total shutdowns and ensuing quarantines were set in place.

In Kuwait, Zain, in collaboration with the Ministry of Health ((MOH) and the Central Agency for Information Technology (CAIT) launched the award winning Shlonik app to fight the spread of COVID-19 in the country.

Measures to protect the safety and wellbeing of our employees were put in place and close monitoring and safety implementation plans were supervised across our operations.

The pandemic also brought to the surface the need for greater inclusion and diversity. We continued to push the boundaries in this area, taking decisive steps by joining the Valuable 500 to unlock opportunities for people with disabilities. Zain also became a signatory of the GSMA Principles to improve inclusion of persons with disabilities and be able to develop relevant products and services as well.

On the climate change front, Zain demonstrated its commitment to addressing the various risks and opportunities related to climate change and for the second year in a row participated in the Carbon Disclosure Project (CDP), where the company is categorized in the Media, Telecommunications and Data Center Services sector. Zain achieved a B rating, which is above the region's, the world and the industry C rating average. Zain is also amongst the top 35 percent of companies that reached Management level.

As COVID-19 is set to continue into 2021, the company will take further strides to optimize its operations to ensure agility and resilience across its footprint. The implementation of the 4Sight strategy is of utmost importance in this time of disruption, and we will continue to push the boundaries to be a sustainable business, guided by the organizational mission to deliver value and growth to all our stakeholders.

This edition of our sustainability report marks the tenth anniversary of continuously reporting in a transparent and accurate manner. We are dedicated to continuing on this path and we hope to deliver on our promise of providing Meaningful Connectivity.

Bader Nasser Al Kharafi
Vice-Chairman and Group CEO

08

MESSAGE FROM
THE CHIEF
SUSTAINABILITY
OFFICER



MESSAGE FROM THE CHIEF SUSTAINABILITY OFFICER

In a year marked by disruption and chaos, Zain was able to push through despite the challenges brought forward by the COVID-19 pandemic. It is during trying times that we can determine and assess how resilient and well prepared we are as a business. 2020 proved to be a great equalizer as issues that were on the back burner became center stage and remained there.



The pandemic had the revealing effect of showing inconsistencies in supply chain management with some of the most vulnerable segments of society being exposed to sudden job losses. It also brought to light inequalities and ensuing discrimination emanating from social injustice and brought forth the drastic need for serious climate action as well.

It is befitting that on our tenth anniversary of publishing our sustainability report, challenges highlighted by the pandemic require a firm commitment from all of us. In this year's report you can see how the company addressed the evolving crisis head-on, ensuring business continuity while maintaining a strong connection with all its stakeholders.

The sudden uptake and adoption of digital solutions also highlighted the digital literacy gap that exist in the region and the need to address it is more pressing than ever before. Lack of digital skills coupled with significant youth unemployment pose further risks to the region's stability and are a significant impediment to the region's development.

Coupled with the above challenges, there is much work to be done in ensuring our approach is inclusive, equitable and fair. During the year, we launched our new corporate sustainability strategy based on four strategic pillars to ensure that we provide valuable, meaningful connectivity to all. The new strategy is based on measurable targets by which we will be tracking the progress made against the set objectives.

Supply chain, diversity and inclusion, women empowerment, internal entrepreneurship (ZAINIAC), vertical segments, APIs, community outreach and strategic stakeholder engagement across various business areas experienced surges in their initiatives to ensure that the company was able to perform as per customer expectations. The 4Sight business strategy, which aims to position Zain as the leading digital solutions provider in the Middle East, continued to progress as well, setting the path for further organizational growth.

Our unique operational context laced with geo-political instability, youth unemployment, mass displacement and a lack of systemic change, makes it particularly challenging to effect change. Nevertheless, our commitment to address critical issues such as climate change, inequality and to further push our agenda for socio-economic development, helps us stay focused on the end-goal.

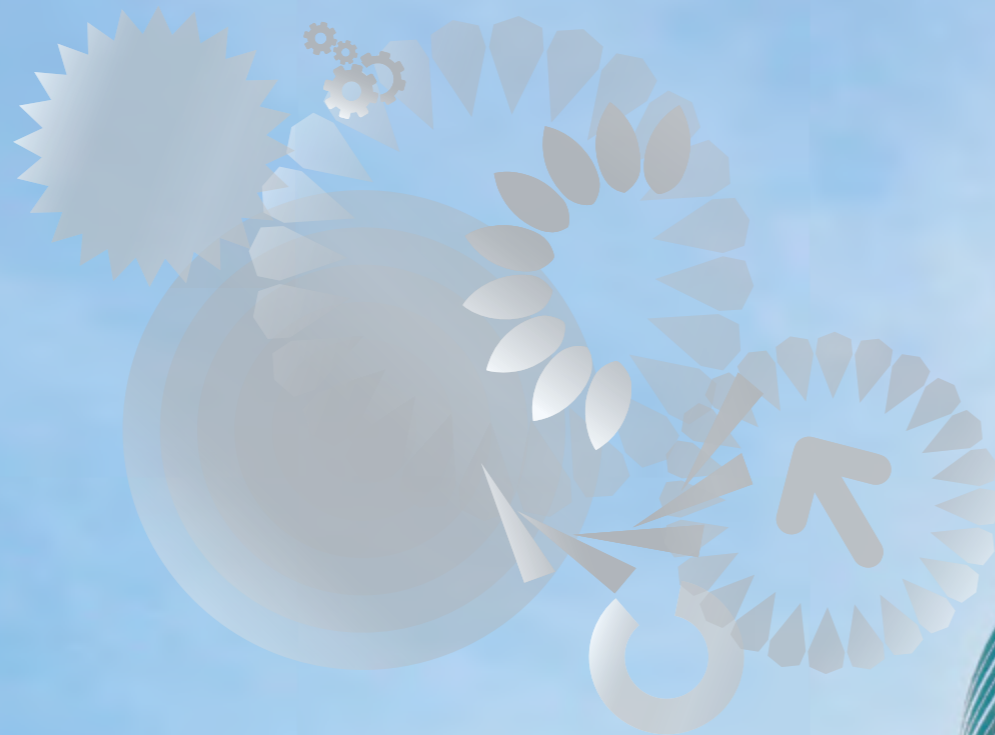
With COVID-19 transforming the landscape, it is crucial that we continue to push forward to give all our stakeholders the opportunity to access growth opportunities through our various digital solutions. It is the access to these solutions that will make a change for all.

We welcome our readers to read the report in the hope you will support us in our journey for a better world.

Jennifer Suleiman
Chief Sustainability Officer

09

COMPANY
OVERVIEW



COMPANY OVERVIEW

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

Zain is headquartered in Kuwait and is listed on Boursa Kuwait as a publicly traded company with no restrictions on shares as the company's capital is 100% free float. The largest shareholder is the Kuwait Investment Authority, which has an equity stake of 24.22%.

Moreover, Zain owns a 37.05% stake in Zain Saudi Arabia (formally Mobile Telecommunications Company Saudi Arabia), which is traded on the Tadawul Stock Exchange as a Saudi joint stock company. Furthermore, Zain has majority equity holdings in Zain Bahrain and Zain Iraq, both are listed entities on their respective local stock markets. Relevant Information on Net Sales and Total Capitalization is available in the Consolidated Financials in the financial reports section on the Zain official website.

The Zain brand is at the heart of everything we do. It is a promise to our customers, it defines our vision and drives our focus within the company. Our signature: "A Wonderful World" further looks to encapsulate the sense of energy, inspiration and diversity of our customers, employees and other stakeholders. Moreover, the brand drives the company's commitment to achieving operational effectiveness, establishing an inclusive customer experience, developing its communities and combating climate change.

The brand is one of our most important assets and has been valued at over \$2.5 billion by the Brand Finance Middle East Top 50 Brands annual report. This remarkable valuation and recognition are testament to the investment Zain places in its brand and more importantly the quality mobile and data services that the brand represents.

At one point, Zain's operational footprint extended to 23 countries across the Middle East and Africa, though in 2010 the company decided to refocus on its core region and divested out of 15 of its operations in Africa for an enterprise valuation of USD 10.7 billion. In the following year, Zain separated its networks in Sudan and South Sudan as the countries separated officially. Zain South Sudan formally became an independent operating company in January 2012.

In 2020, Zain serviced 47.8 million active customers. In its bid to become a leading digital lifestyle provider in the region, Zain provides an array of services and products across its footprint, including postpaid and prepaid packages, cloud services, mobile devices, entertainment and e-gaming services, B2B services, education and health related services. The number of prepaid and postpaid customers can be found in the 'Our Network' section of the report.

Our commercial presence extends across seven countries, with operations in Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia, Sudan and South Sudan. In Lebanon, Zain managed the touch operation on behalf of the Lebanese government between the period June 2004 to end of October 2020, after which time and due to the changing Telecom ministry in the country, Zain transferred its management contract back to the Lebanese government. This decision did not have any material or financial impact for the Group and Zain looks forward to returning to Lebanon should the opportunity arise.

Zain Group continues to be an active member of the GSM Association community. Zain takes guidance from the GSMA in areas related to sustainability, regulatory and other related affairs. In 2020, the company joined the Advisory Board and became a member of the GSMA's Principles for Driving the Digital Inclusion of Persons with Disabilities group. Zain also collaborates and participates in various initiatives set by the GSMA, including the GSMA's Humanitarian Connectivity Charter and Mobile Alliance Against Child Sexual Abuse Content.

Zain is committed to and aligned with the United Nation's Sustainable Development Goals, embedding the goals within its overall corporate sustainability strategy as the company realizes that by addressing the UN'S targets, Zain will not only improve the welfare of societies, pursuing such activities can also provide a wide range of opportunities.



**47.8
MILLION**

Active customers



**USD 5.3
MILLION**

**In consolidated
revenues**



**USD 605
MILLION**

In net income

424

smaller size generators and outdoor (bts/power) solutions were installed with the aim to reduce emissions across all operations.

Zain Kuwait supported

40 non-governmental organizations

during COVID-19, aiding underprivileged families in need.

Under Zain Jordan's Mobile Maintenance Training Centers,

252 individuals were employed after completing the program.

In Sudan,

Zain sanitized three shelters for the elderly, impacting 500 people from this community.

1000

girls aged 8-14 years old joined and completed the Girls Tech Camp in Bahrain

164,498

users benefitted from Lamsa, an e-education platform that provides educational content in Arabic in Iraq.

Zain Saudi Arabia connected

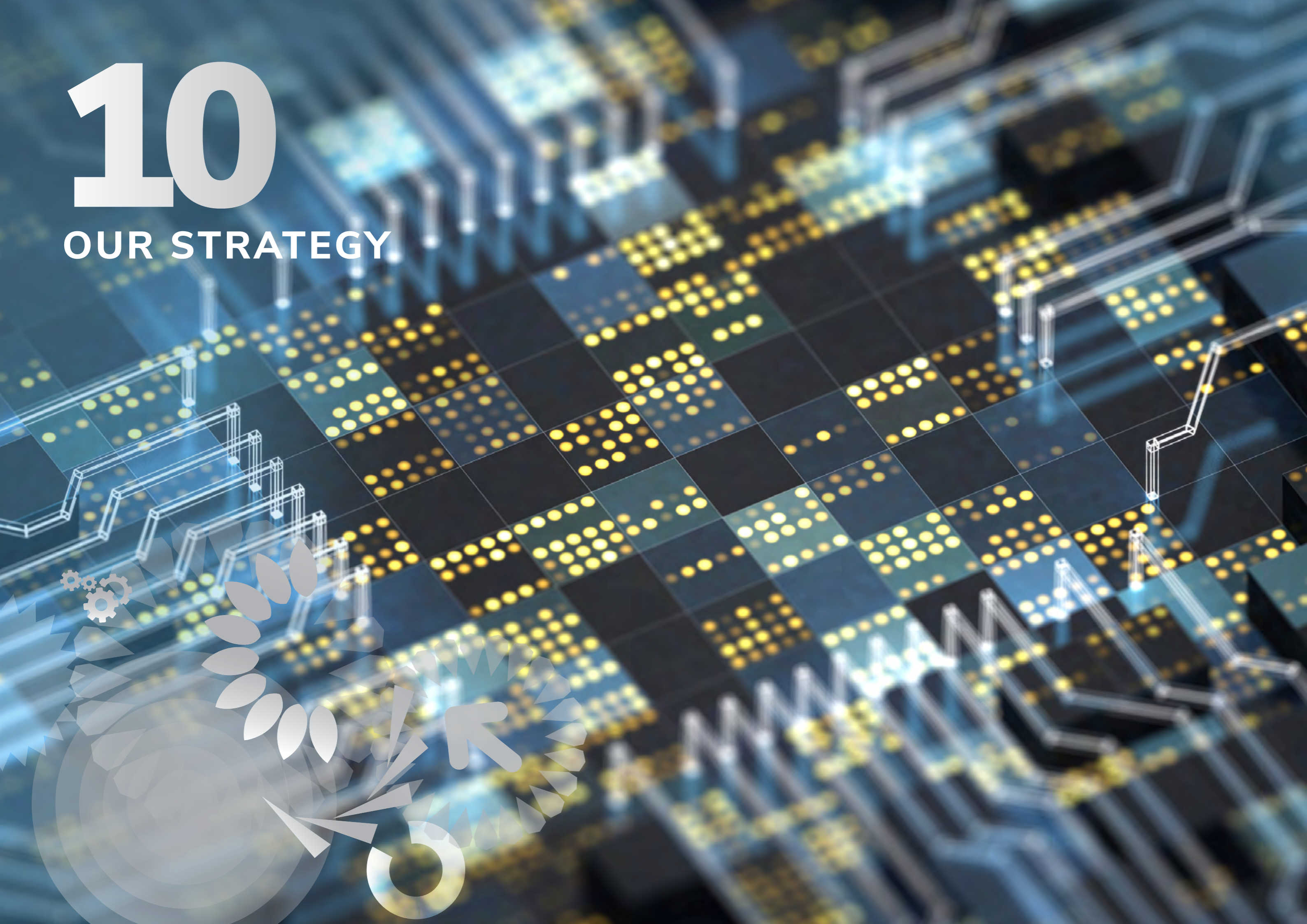
116 sites to the grid to improve efficiency and reduce emissions.

During Ramadan, Zain South Sudan provided

40 underserved families with Iftar meals.

10

OUR STRATEGY



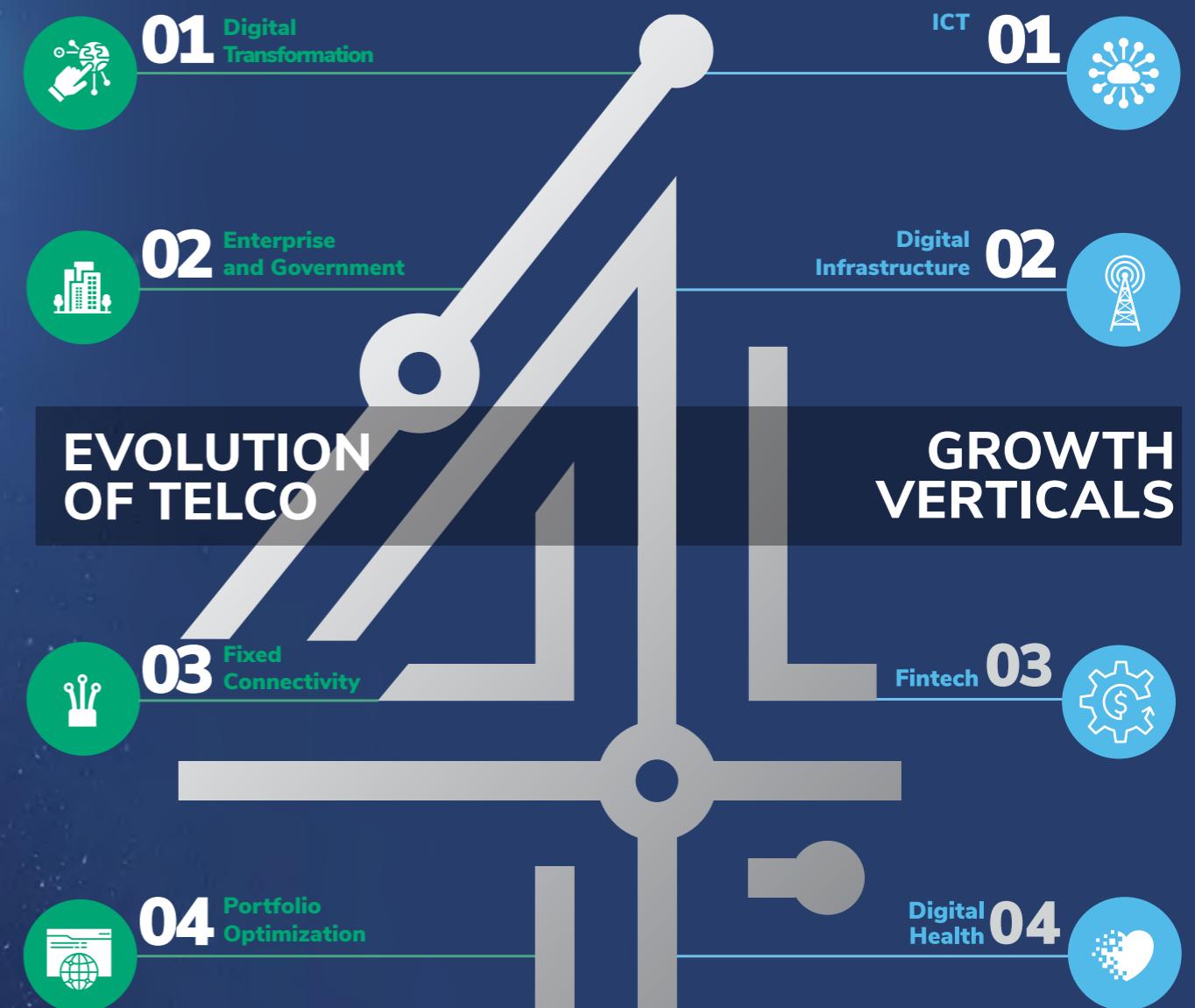
4SIGHT

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

Zain's 4Sight growth strategy demonstrates the company's readiness to address the challenges, including those brought forward by COVID-19. The investments made over the years to transform and digitize touchpoints and channels have resulted in advanced capabilities to service customers amid lockdowns and restrictions, allowing the company to be well prepared to address the shift in consumer needs and behaviors. Zain's extensive coverage and reliable connectivity played a pivotal role during the lockdowns by providing access to educational, healthcare, and online business transactions, reducing harsh socio-economic impacts across our footprint. Digital solutions introduced to businesses by Zain included cloud and cybersecurity services, which provided customers with the ability to work remotely, maintaining efficiencies.

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

CREATING OUR SUSTAINABLE AND DIGITAL FUTURE



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

EVOLUTION OF TELCO

01

DIGITAL TRANSFORMATION



Over the last few years, Zain has enhanced customer experience through digitization, which has led to an increase in online transactions. This was achieved by developing the company's digital channels including the Zain app, Zbot and Zain eSports.

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

02

ENTERPRISE AND GOVERNMENT



Zain is committed to working closely with organizations and businesses to provide necessary connectivity and the latest solutions required to grow their businesses efficiently and effectively. The suite of data hosting and cloud services Zain offers avails access to opportunities for SMEs. The company recognizes that the development of the SME sector in the region is instrumental in driving economic development by creating employment opportunities.

03

FIXED CONNECTIVITY



Zain firmly believes that superior broadband connectivity will enable and accelerate the evolution of information, education and the digital transformation of societies. 2020 witnessed the ultimate reliance on broadband to carry out day-to-day professional and educational activities. Throughout the months of the pandemic and all over its geographic footprint, Zain successfully absorbed the exponential increase in demand for broadband connectivity. Zain's preferred approach to the roll-out of fixed networks is through shared infrastructure (preferably with utility companies) which provides operational efficiencies.

04

PORTFOLIO OPTIMIZATION



Across operations, Zain consistently seeks opportunities to make the best allocation of resources. The company continues to establish solutions that share a greater collaboration with players within the industry to leverage on shared resources. The company has embarked on a program to sell its towers and lease them back, allowing sharing of passive network infrastructure, which optimizes energy consumption.

GROWTH VERTICALS

The new cores that Zain is investing in are leading the technological evolution and bringing the latest digital developments to the region.

01

ICT



4Sight places particular emphasis on enterprises and governments, enabling them to effectively achieve their objectives. Zain is also committed to diversifying its portfolio with products and services that increase efficiency, strengthen security, and trust, and enable clients to offer better services to their own customers.

Zain is establishing a regional hub delivering infrastructure, managed, and professional services, which works closely with local Zain Business teams to extend reliable ICT and digital services, responsive support, and seamless experience to enterprise and government customers.

Zain Data Park (ZDP) represents a key component of the ICT core and is Zain's hub for cloud hosting and advanced managed services, incorporating everything from cloud to cybersecurity. ZDP is already operational in Kuwait and Jordan and will soon offer local services in other Zain markets.

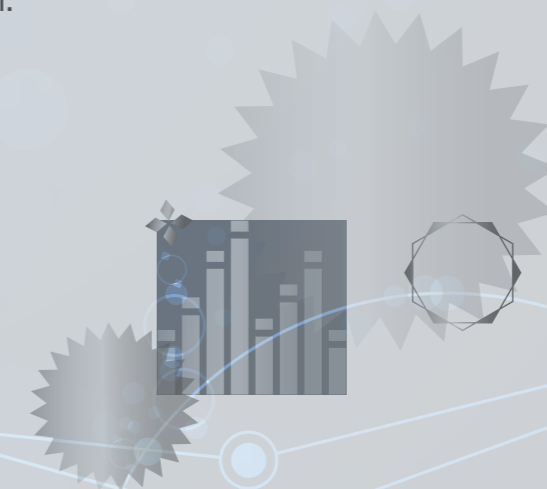
02

DIGITAL INFRASTRUCTURE



Zain continues its strategy to separate network operations from the telecom business, and the ensuing sale of the company's passive network infrastructure in Kuwait and will be launched in Saudi Arabia.. To this end, Zain entered a strategic partnership with TASC Towers Holding, an independent tower operating company with a focus on developing markets.

With Zain's vision of becoming a leading digital infrastructure player and TASC's solid experience and strong operating skills in the field, this digital infrastructure partnership is set to significantly contribute to the technological and digital evolution of the region.



03

ZAIN FINTECH



Over the past few years, Zain Group achieved key milestones in realizing its Fintech strategic objectives. Zain continues to drive and scale its mobile banking services to the communities it operates in. By offering such digital tools across the board, the company is providing revolutionary and far-reaching benefits to the most disadvantaged and vulnerable groups.

To support digital innovation and solution development in the Fintech space, Zain continues to cooperate with FOO, a regional Fintech entity offering a full spectrum of innovative end-to-end mobility related digital solutions.

**1. TAMAM KSA**

Licensed by Saudi Central Bank (SAMA), 'Tamam' is the first consumer micro-financing license in region. The platform is Shari'a compliant and offers consumer micro-finance in less than 5 minutes via a seamless digital customer experience through a mobile app.

**2. ZAIN CASH JORDAN**

With the introduction of new financial digital services, Zain Cash played a key role in supporting the government funding support "Munha" during the pandemic.

**3. ZAIN CASH IRAQ**

The journey continues with the introduction of new financial digital services to the underbanked population in Iraq. The pandemic year witnessed an exponential growth in its customer base and volumes along with a variety of initiatives in supporting the government to reach out to all citizens.

During the pandemic, Zain Cash launched a series of awareness campaigns in both Jordan and Iraq such as constant updates on the latest COVID-19 developments, promoting the use of digital payments instead of cash, digital groceries with free delivery, Wash your hand initiative, and others.

The Zain Cash teams managed to successfully work from home ensuring the best customer experience and journey.

04

ZAIN HEALTH



Zain aims to expand its reach to the healthcare sector with a focus on transforming the patient care journey through the implementation of a series of digital initiatives in the sector. The company's infrastructure, technological capabilities and strong customer base offers healthcare providers a prime opportunity to partner with Zain and create much needed e-health services. Zain's e-health services will continue to be developed in the following years.

**"WASFA" PILOTS – AL RASHED ALLERGY CENTER AND AL AMIRI CARDIOLOGY CENTER**

Wasfa is an end-to-end e-prescription digital platform.

By connecting medical stores, pharmacies, and prescribing doctors, Wasfa allowed the Ministry of Health (MOH) to control end-to-end prescription and dispensing of drugs in the State of Kuwait. Wasfa provides insights and analytics on patients, doctors and pharmacists' habits and behaviors in order to minimize waste and fraud and generate significant savings for MOH as well as introducing the concept of preventive care. Operational in two sites since August 2019, Wasfa generated over 350,000 e-prescriptions.

**SHLONIK PLATFORM**

Another milestone for Zain during 2020 with the Ministry of Health (MOH) in the State of Kuwait, where Zain's team played a key role in supporting the authorities to control the spread of COVID-19 ensuring the safety of all citizens.

Zain developed a state-of-the-art digital platform in collaboration with MOH and the Central Agency for Information Technology to manage the process for patients in quarantine. The platform was developed in record time and was ready for operations during one of the largest repatriation campaigns in the region during April/May 2020 to bring back Kuwaiti citizens from abroad. It has since become a vital function for the MOH to manage the quarantine process.

Shlonik platform is an excellent demonstration of Zain capabilities as a trusted digital provider for public authorities and it has won a series of awards highlighting the importance of private/public sector partnerships.

ZAIN GROUP INVESTMENT AND DIGITAL TRANSFORMATION

Our Digital Transformation journey continued in an exceptional year whereby technology created the required bridge amid the pandemic to connect people, to ensure business continuity, and to adapt to the new status quo.

Zain took a pro-active step in securing digital services in various markets adapting to the needs of each market and creating the required opportunities to fight the pandemic.





1. ZAIN VENTURES

Investing in the world of venture capital provides Zain with a vast range of opportunities to diversify and expand its reach in the surrounding ecosystem. Zain expanded its relationship with regional and international venture capital funds such as MEVP, Wamda and Colle Capital supporting the respective portfolio companies whenever fit.

Zain also continued its active engagement in direct strategic investments in a variety of start ups in the region offering its wide geographical reach and rich customer base.

EXPAND OUR NETWORK :

Investing in multiple venture capital funds focused on technology startups

	COMMITMENT
 MIDDLE EAST VENTURE PARTNERS II	USD 5 Million June 2016
 wamda capital	USD 3 Million April 2015
 MIDDLE EAST VENTURE PARTNERS III	USD 8.5 Million April 2020
 COLLE CAPITAL	USD 2 Million August 2016
Invested	Received
\$16.5m	\$13.2m
Oustanding Value	Value Generated
\$20.2m	2.02x

2. ZAIN GROUP API: A SINGLE DIGITAL HUB FOR ZAIN MARKETS

In 2020, Zain further built upon its Zain Group API Program, offering customers top-tier regional and international content. Zain Group API digital partnerships provided unified connectivity for partners to use services like Direct Operator Billing and attracted key content providers such as Apple, Google, DOCOMO Digital, OSN, Digital Virgo, Codapay and Centili across Zain's markets.

This efficient, one-stop shop platform allows Zain Group to scale its partnerships and prosper in the digital landscape. This enables global digital players to seamlessly use Zain Group API as one common platform and reach 50 million customers with a single connection and contract. Zain Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia and Omantel are benefiting from new revenue streams from this cloud service. In 2020, Zain Group launched the largest digital service for Zain Sudan using the Group API platform.



49.6 MILLION

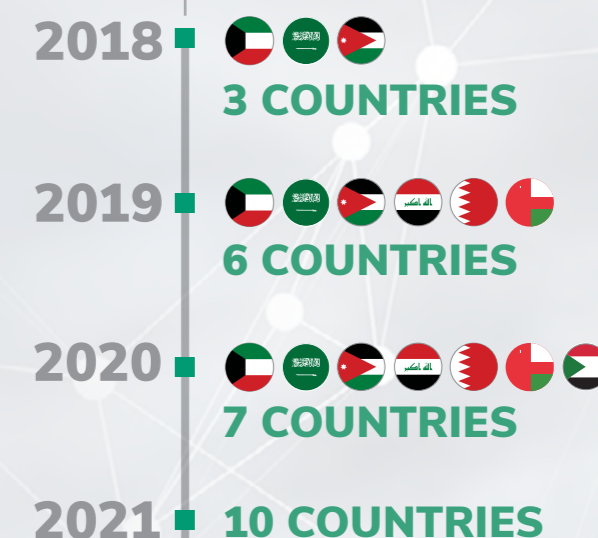
CUSTOMERS CONNECTED

One of the largest reaches offered by a single connection across the MENA region



7 COUNTRIES

ALREADY ON BOARD



70 MILLION

TRANSACTIONS PROCESSED

Since the launch of the Zain Group API platform

3. LIVESTREAMING: A NEW DIGITAL SERVICE

LIVESTREAMING
POWERED BY ZAIN

Zain Live Streaming: Zain live streaming is a web application that provides digital attendance for events to ensure viewing of the event as well as keeping social distancing regulations set forth by the Ministry of Health.



4. ZAIN eSports

zain
esports

Continuing its efforts to reach out to the youth of the region and find better propositions for the multiple broadband services being offered by Zain's operations, Zain esports was launched as a sub brand in November 2020. Zain esports plans to organize major and minor tournaments, along with multiple engagement activities throughout the years. The company aims to ensure that Zain esports builds an active and safe community of gamers by following child online protection protocols to avoid bullying, harassment, online abuse and other risks outlined by the Broadband Commission for Sustainable Development's Report: 'Child Online Safety: Minimizing the Risk of Violence, Abuse and Exploitation Online', UNICEF's COP Guidelines and other internationally recognized entities.

Zain esports started with the FIFA 21 Middle East Challenge during the last quarter of 2020, in partnership with Sony PlayStation and EA Sports. The event was one of the largest FIFA 21 tournaments held on the PlayStation Network in the region with more than 3,000 gamers. It was broadcasted live on Twitch, with more than 350,000 viewers across the English and Arabic streams.

11

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Zain Group is committed to the highest standards of corporate governance. The Board and the management at Zain ensure that a culture of strong commitment to compliance with laws, regulations and best practices in governance is rooted in all its activities, operations, contracts, and different aspects of business. The company considers compliance to be one of its top priorities.

The reinforcing and enhancement of corporate governance is an ongoing priority for the Board and the management with the aim of maintaining sustainable growth under the company's corporate values to meet the expectations of all of its stakeholders.

Zain has maintained its alignment with the standards and regulations set by the Ministry of Commerce and Industry (MOCI), Bursa Kuwait, the Capital Markets Authority (CMA), the Communication & Information Technology Regulatory Authority (CITRA), the Ministry of Finance (MOF), the Anti-Corruption Authority (Nazaha), the Competition Protection Authority (CPA), and other regulatory entities. moreover, considering the recent reclassification of the Kuwait market as an emerging market by FTSE, S&P and MSCI, Zain strives to improve its business operations to conform to best practices and international standards when it comes to its governance, social and environmental practices.

The highest governing body is the Board of Directors. The Board of Directors is responsible for establishing the company's values, mission and vision, setting the strategy, and delegating tasks to the executive management. The Board reviews and approves the company's business plans, significant company policies and the inherent level of risk in these plans in coordination with Board Risk Committee. In addition, the company has put together its positions on corporate governance in the form of "Corporate Governance Framework" and ensures that such a framework is in practice in all its operations.

Moreover, the Board is responsible

for approving the internal policies and charters and ensuring transparency, independence, and separation of power between the Board and executive management. Hence, they approve authorities delegated to the executive management and develop policies that regulate the relationship with stakeholders.

Each member of the Board and the executive management is dedicated to fulfilling a designated purpose and is working towards a collective goal. These goals incorporate economic, environmental, and social factors.

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

Board Audit Committee (BAC)

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

Board Risk Committee (BRC)

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

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

Board Nominations and Remunerations Committee (BNRC)

This committee is responsible for nominating and re-nominating members of the Board of Directors and the Executive Management. It also conducts an annual review of the required skills and competencies in the Board and Executive Management, considering the company's approved strategic objectives and corporate governance rules issued by the Capital Markets Authority. In coordination with the Executive Management, the Committee shall prepare the succession plan for the Executive Management, including emergency cases or unexpected vacancies to ensure the sustainability of the company's business.

The Committee maintains a training system to develop the skills of employees. The committee also evaluates the performance of the executive management and facilitates the evaluation of the Board of Directors. BNRC also plays a key role in the remuneration of the Board and the Executive Management in accordance with applicable rules and regulations. Achievements of BNRC during 2020 include approval of the mechanism for calculating and distributing annual remuneration for executive management, proposal of the Board remuneration to be approved by the AGM. It is also involved in the evaluation mechanism and subsequently the training programs for Board members.

The Executive Management is appointed by the Board of Directors. The Board selects members of the executive management based on competencies and capabilities that ensure that the company's strategy is consistent with the expected performance to maximize the value of stakeholders. Therefore, the executive management follows the policies and regulations adopted by the Board. The Board holds periodic meetings with the executive management to discuss the operations, obstacles, and opportunities. Accordingly, performance standards are set for executive management consistent with the company's objectives and strategy. The Executive Management leads the company's business and operations by managing activities and operations to ensure profit optimization and cost reduction in accordance with the company's strategy and objectives. The Board, in approving the charters for the various committees, recognizes the important role management must play and has given the various committees sufficient authority to involve management in their meetings and discussions to the extent the committee members feel this will prove beneficial to the decision-making process. To facilitate the Board's oversight role, the Executive Management shall provide the Board and concerned committees with periodic performance reports during a given period against Key Performance Indicators set by the Board.

The Board approves the principles and codes, and the executive management is responsible for implementing them. Each executive ensures that their respective policies and procedures are in compliance with the company's ethics and principles and has the ownership of the department's policies and procedures.

The Executive Management shall carry out their responsibilities as delegated by the Board of Directors and in accordance with laws and regulations issued by the CMA and related regulatory authorities. The role of the management extends to ensure the proper implementation of the company's approved Corporate Governance Framework. Executive management ensures that internal control and risk management systems are in place, monitors the adequacy and effectiveness of such systems and ensures compliance with the company's risk appetite approved by the Board of Directors. The company's Risk Appetite is reviewed by the BRC and approved by the Board. Risk limits are then cascaded from the approved Risk Appetite to the material risk takers through the BNRC. The Board, in coordination with BRC, is responsible for reviewing the level of risk, maintaining a clear mapping of the risks faced by Zain, ensuring that appropriate systems of risk-management and control have been put in place, evaluating options, and taking decisions on possible options for mitigating risks.

The company works to maintain and improve efficiency by creating management plans and specific targets and implementation processes. The Board regularly receives reports on the status of execution. Zain clearly distinguishes between the responsibilities and authority of the Board members and executive management and promotes the efficient execution of the duties of the Board and the management based on the laws and regulations, best practices and the approved internal policies and charters. The Board delegates execution of these internal policies to Executive Management, to facilitate efficient operations and swift and responsive decision-making for crucial issues.

Zain has a system to ensure the proper operation of business in the Group by specifying the guiding principles and procedures to management through its internal policies and charters. The company works to improve structures for business operations, through complying with Zain Group Code of Conduct, Human Rights Policy Statement and the Articles of Association. Zain provides guidance and management of its subsidiaries in accordance with relevant laws and regulations and best standards. Moreover, Zain strives to strengthen risk management systems through implementation of risk policies and principles throughout all its operations.

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

The Board is decisive and responsive to the changing demands of different stakeholders. Members provide oversight and support to management for strategic long-term value. An effective governance framework enables all stakeholders to better understand, plan and implement strategies in response to challenges and risks arising from changes in laws, market, financial and operational factors.

Sustainability issues, including the socio-economic and environmental impacts of Zain, fall under the responsibility of the Chief Sustainability Officer (CSO). The Chief Sustainability Officer develops the company's sustainability strategy, measurements and KPIs and coordinates with relevant stakeholders to communicate key issues both internally and externally as deemed necessary. Impacts and other issues pertaining to these themes are reported to both Executive Management and the BOD by the Chief Sustainability Officer through a variety of tools that include periodic reports such as quarterly performance reviews and the annually published Sustainability Report. The Sustainability Report is prepared and reviewed by the Chief Sustainability Officer (CSO) and the final approval is provided by the Board.

Zain has appointed the Chief Diversity and Inclusion Officer who is responsible for leading Diversity and Inclusion across Zain with specific focus on the company's internal Gender Diversity, Internal Innovation and Youth Development.

Governance and compliance topics are handled by the Chief Communication Officer (CCO). The corporate governance and compliance function reports to the CCO. The Annual Corporate Governance Report is prepared and reviewed by the Chief Communications Officer and the final approval is provided by the Board.

The frequency of revision for social, economic, and environmental issues are done annually review, semiannually, with some topics done in an ad-hoc manner:

Annual review:

- Internal Control Review done by an independent auditor through the governance team.
- Annual review of all policies and charters including risk and remuneration
- Annual assessment of the Board
- Annual sustainability report
- Annual risk framework review including company's risk profile, risk strategy, risk appetite and risk control framework.

Semiannual review:

- Governance check semiannually as required by the CMA

Ad-hoc: as raised by the Board, executive management, shareholders, regulators and other stakeholders.

The Board seeks to identify new business opportunities and to identify gaps in expertise to improve the company's business strategy and capacity for innovation. The Board follows a third-party evaluation process which provides an unbiased independent recommendation to assist the Board in taking their roles and responsibilities to the next level. The company appointed Price Waterhouse Coopers (PWC) to conduct this impartial review of the Board assessment.

The BOD consists of nine Members, with two Members of the Board appointed by the Kuwait Investment Authority (the investment arm of the Kuwait Government and Zain's largest shareholder). The remaining Board Members represent other shareholder groups (companies and individuals). The Board includes one independent Board member. Members of the BOD maintain independence and hold no major equity in the company. The Vice Chairman is an executive member since he has been appointed as the Group CEO by the Board. The Board was elected during the Annual General Meeting for shareholders which was held in March 2020. The Board of Directors are elected every three years for a renewable period by a secret ballot. Each shareholder, regardless of the number of shares held thereby, shall have the right to attend General Assembly meetings, and shall have a number of votes equal to the number of the votes allocated for that class of shares. There are nine members, all of whom are male with a three-year membership and age ranging from 37-63.

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

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

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

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

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

A total of 5 Board Meetings were held in 2020. Country lockdowns and other safety measures taken by Kuwaiti government and other jurisdictions where Zain operates, have come in the way of Board meetings during the second quarter of the year. According to the Capital Markets Authority Resolution No. (30) of 2020 regarding the financial statements for the financial period ending on 3/31/2020, which provides an exception from the provisions of Article (1-15) of the twelfth book (listing rules) From the executive regulations of Law No. 7 of 2010 and their amendments, all companies listed on the Stock Exchange are obligated not to approve their financial statements ending on 3/31/2020 and to postpone their disclosure to both the Authority and the Stock Exchange simultaneously until the deadlines are set for their financial statements ending on 6/30/2020 and so forth.

Meetings between Zain's Executive Management and the BOD take place on both a periodic basis and as required. Authority regarding economic, social, and environmental issues related to Zain are delegated by the BOD to members of the organization's Executive Management based on the pre-defined responsibilities of each Executive. The company is keen to align its business values and strategy with social and economic needs while embedding responsible and ethical business practices into every activity carried out by the company.

Zain has in place specific policies and procedures for handling unethical or unlawful behavior. These are articulated in the company's whistleblowing, insider trading, code of conduct, conflict of interest, related party transactions, sanctions, human rights, and stakeholders and shareholders' rights protection policies. New Board members are provided with all policies and charters as part of their initiation process after the AGM. The Corporate Governance framework at Zain ensures the implementation of control systems to prevent conflicts of interest and improper conduct. The company developed its conflict of interest policy which sets out the guidelines for the identification, reporting, disclosure, prevention, or strict limitation of potential conflicts of interest. Each member of the Board of Directors and Executive Management shall be responsible for disclosing to the Board any cases that may result in a conflict between their interests and the interests of the company. The Board shall monitor and deal with cases of conflict of interest reported by the members of the Board, the Executive Management or the company's employees and ensure that such cases have been dealt with in an appropriate and timely manner with the necessary approvals in accordance with the relevant regulatory requirements.

The Board also reviews all proposed transactions with related parties to ensure that no conflict may arise as a result of such transaction. Any Board

member shall not attend or participate in any discussion or decision-making or voting that involves a subject, transaction, or proposed transaction where there is a potential conflict of interest.

Zain's whistleblowing policy covers the mechanism of reporting any misconduct internally and investigation of suspicious activities. This Policy is intended to encourage and enable employees to raise any concern by offering a reporting and investigation mechanism that is objective, confidential and independent so that appropriate corrective action can be taken without any concerns for retaliations.

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

The entire BOD shall be fully accountable for promoting effective governance and sound practices of the remuneration system of the company.

The BOD, through the Nominations and Remunerations Committee, is responsible for drafting/updating the remuneration policy consistent with the company's risk strategy. The BNRC is responsible for monitoring the implementation of the remuneration system and ensuring that there are no significant deviations from the policy and the system of rewards. The BNRC is also responsible for reviewing the policy on a regular basis and when necessary, taking into consideration the extent of compliance with the laws and guidelines issued by the relevant regulatory bodies such as the Capital Markets Authority and others. The Committee submits proposed policy amendments to the Board for approval.

The overall strategy of the company is set and approved by the BOD and is translated into Key Performance Indicators (KPIs). KPIs are documented and communicated to ensure alignment of the management activities to the strategy applied. The KPIs are based on the company's overall strategy and are approved by the Board of Directors. The Executive Management implements this strategy and reports thereon to the Board of Directors on a regular basis.

The total annual remuneration of each Board member shall be approved annually during the Annual General Meeting of shareholders as per the recommendations of the BNRC, and by the Board of Directors. It shall comprise of Board Membership, Committees membership, and Performance Bonus. The total Board remuneration shall not exceed 10% of the net profits of the company (after depreciation, reserves, and payment of dividends to shareholders not less than 5% of the company's capital or any higher percentage, as provided in the Articles of Association of the company).

The Executive Management remuneration considers the environment in which it operates and the results it achieves. It includes the following key components:

Fixed remuneration:

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

Variable remuneration:

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

At Zain, communications with shareholders and investors are handled by the investor relations department (IR), which reports to the CCO. The purpose of this function is to take various measures to publicize understanding of the company by shareholders and investors. The IR team also liaises with the different internal stakeholders such as communications, finance, accounting and corporate governance and legal departments. The company also communicates with shareholders and investors through General Meetings of Shareholders, analyst calls, various conferences and events, and online material including the official website. The company continuously works to improve its website for stakeholders for shareholders and investors to further their understanding of the company's business.

Disclosing timely and accurate information to its stakeholders is a key indicator of accountability and transparency. Therefore, Zain complies with all local laws and regulations in this regard as stipulated by the CMA, company's Law issued by the MOCI and Boursa Kuwait guidelines. Additionally, internal policies and procedures are created based on the said laws and regulations in addition to best practices. The company outlines its measures and guidelines in its disclosure and transparency policy. The internal disclosure and transparency policy clearly defines and includes the types of information that qualify as material, basic principles, responsible persons and teams, timeliness, process, and other matters.

In 2020, no violations were reported against Zain regarding its disclosure and transparency practices.

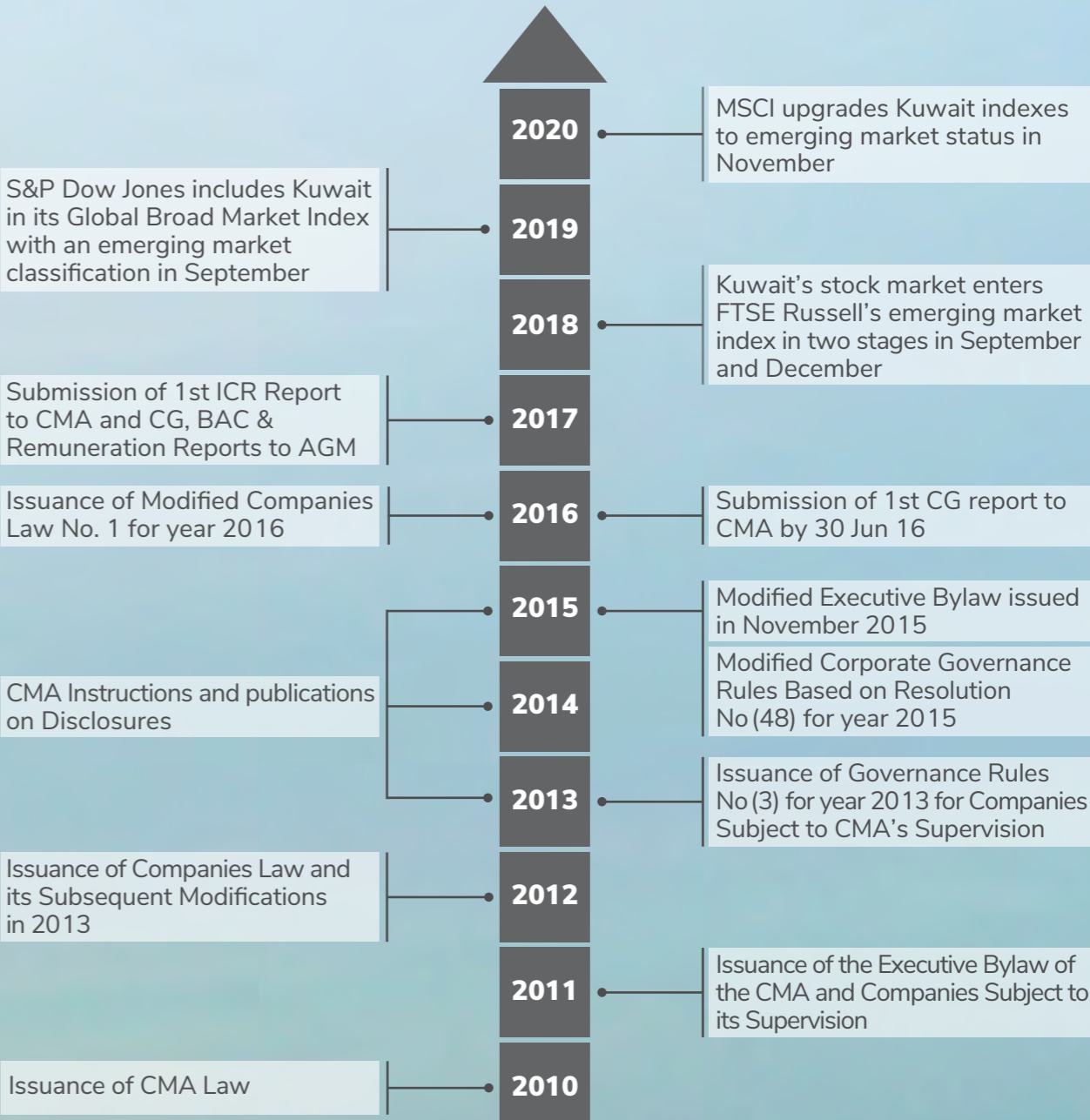
Under the sponsorships of the Chairman, and through the Board Nominations and Remunerations committee (BNRC) the Board shall conduct, at least annually, an assessment of its performance as well as the performance of each committee and each individual director which will address its composition, responsibility, structure, processes and effectiveness in accomplishing its remits and responsibilities. The annual assessment enables the Board of Directors to assess the efficiency and effectiveness of the Board in discharging its responsibilities. Since the Board of Directors determines the general climate of professional and ethical conduct within the organization, it is necessary to regularly assess the governance and performance of the Board. This provides the Board with a comprehensive overview of performance and allows the Board to fill the gaps through the planned training plan and work to improve the performance of the Board and its supervisory capacity. This process will help in solving the company's problems and challenges related to governance and compliance which is in the best interest of shareholders and stakeholders.

The assessment of the Board of Directors is also a means of improving performance and reducing constraints that may prevent the full implementation of their responsibilities. In 2020, the Board of Directors continued with the method of assessing the performance of the Board as approved previously. Members and Committees were evaluated by an independent third party. The third-party evaluation is conducted by a neutral, seasoned third party (PricewaterhouseCoopers PWC). The objective of this assessment is to provide an unbiased assessment of the operations of the Board of Directors. This assessment helps the company to raise the efficiency and improve the performance of the Board and its members and committees, which is reflected on the performance of the company. Such an assessment helps the company to identify potential problem areas, improve its ability to manage risks related to Board performance, and measure Board performance indicators against governance standards and applicable legal and regulatory requirements.

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

Training is given to new Board members as part of the induction program which was created by the corporate governance department and is handled through the Board secretary.

In addition, all employees are provided with the company's principles and values upon joining the company through internal policies and procedures.



12

ENTERPRISE RISK MANAGEMENT



1. Report Main Section

The COVID-19 pandemic accelerated a multitude of cyber security risks across the world. To address the various evolving threats, the company took affirmative action and executed considerable efforts under its crisis management processes and response framework. Zain's meticulous assessment of all its risks through its agile, relevant and robust framework to respond to COVID-19, allowed the company to implement appropriate measures to rapidly respond to this evolving situation. In addition to aligning to international best practices, which include Committee of Sponsoring Organization (COSO) and ISO 31000 guidelines, the flexibility of the framework ensures that Zain is responsive to the ever-changing landscape in which it operates.

Risk Management Governance Structure:

Board Risk Committee (BRC)

Annually reviews and approves framework changes, quarterly review adapting to risk trends

Enterprise Risk Management function

Directly reports to the Board Risk Committee, conducts a risk assessment once a year covering all of Zain's operations

In addition, the Board Risk Committee (BRC) oversees compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the organization. Zain's identified risks are based on a multidimensional approach where the company assesses its social, economic and environmental impacts from a risk perspective.

Zain continues to actively engage with all its stakeholder and conducts comprehensive research on trends and opportunities to make sure that it captures and mitigates the risks that could materialize. The BRC along with Group Risk Management plays a vital role in overseeing Zain's assurance functions, such as the Internal Audit and Corporate Governance department and their respective board committees.



Risk Management Framework

Zain's Enterprise Risk Management Framework is guided and benchmarked against leading international risk management standards such as ISO 31000 and COSO framework.

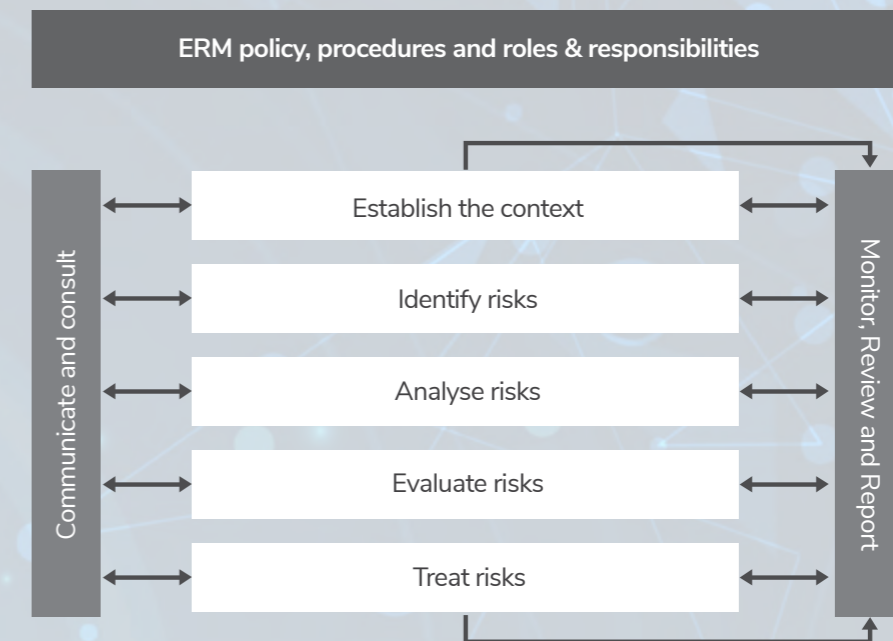


Figure 1: Zain Risk Management Framework (alignment to ISO 31000)

The Impact-Likelihood matrix is the methodology used to determine the risks rating of the events that impact the company across its operations. Such impacts are assessed holistically across various parameters that include financial, reputational, climate change, markets, customers, employees and others. The rating also takes into consideration the 'pre' and 'post' mitigated status of the risks, thereby providing information on both the inherent and residual risk status of the organization.



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

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

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

As part of assuring that Zain identifies and manages risks at their infancy stages, the company consistently engages with material stakeholders to be able to control and address their needs and concerns on a first-hand basis. The below is a list of how the Risk department engages with its top four stakeholders.

- 1. Employees:** This year the Group Risk department continued to plan, create, and gather information regarding its security awareness campaign which was launched in 2020 across all of Zain's operations.
- 2. Government & Regulators:** Engagement with government is done through the Corporate Governance team.
- 3. Shareholders:** Group Risk Management reports to the Board Risk Committee on a quarterly basis.
- 4. Executive Management:** Group Risk Management and the operation's risk management teams engage regularly with management to ensure that risks are being identified, addressed, and mitigated as per the direction of the Board of Directors.

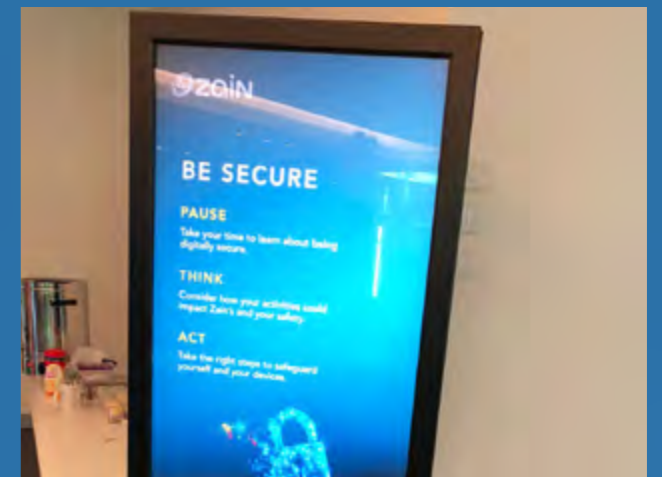
Security Awareness Training

Security Risk



In January 2020, the Group Risk Management function conducted a week-long comprehensive cyber security awareness workshop for employees as well as focused trainings for security professionals across Zain's operations. The workshops provided security awareness tips on how to detect security threats and protect company data. To create a culture of risk awareness, the workshop included topics on the importance of information security to develop a more secure and resilient business environment. Expertise and information were shared on topics such as cyber attacks, fraudsters who attempt to steal personal information and login credentials, and how to avoid leakage of sensitive personal and business data. The company will continue to conduct such workshops on an annual basis to ensure that we keep employees across all operations informed.

Information Security Awareness Program



Topics covered during the information security awareness session

- Malware/Ransomware
- Remote Access
- Physical Security
- Wi-Fi
- Cloud
- System Hardening
- Network Mapping
- Secure Coding
- Clear Text Protocol
- Logging
- Two-Factor Authentication
- Password Security
- Mobile/ Laptop Security
- Social Engineering
- Incident Reporting
- Clean Desk Clear Screen
- Internet User
- Backup

	Bahrain	Kuwait	Jordan	Sudan	Iraq	KSA
Total Staff at OPCO who completed the training	188	1640	1249	867	1213	1823
Total number of staff who attended face-to-face awareness sessions	169 (89%)	300 (18%)	803 (64%)	273 (31%)	416 (34%)	750 (41%)
Percentage of staff who completed digital awareness sessions	100%	100%	100%	100%	100%	100%
Total number of channels utilized	5	6	6	4	4	4
Total number of quiz respondents	121	215	380	128	263	750



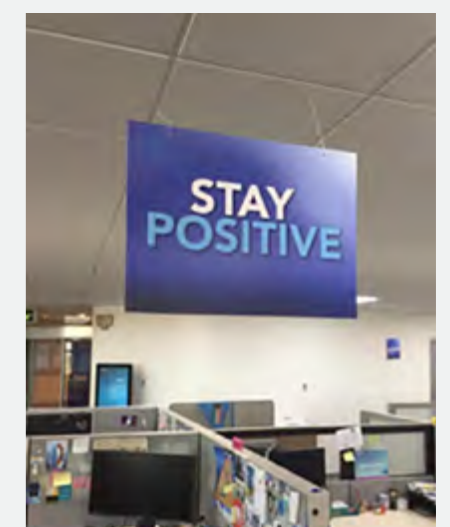
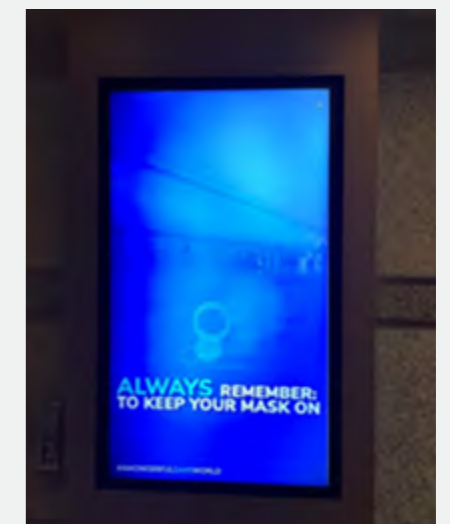
Commencement of Group wide **Cyber Security Program Maturity Benchmark** exercise to operationalize the company's Cyber Security Strategy 2019-2021. The scope includes a full spectrum review of telecom & IT security environments across



Business Continuity Management

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

Group Risk developed critical continuity indicators to monitor the response to the pandemic at operating companies. The indicators were and continue to be presented and reviewed by the COVID Crisis Committee at Zain Group. Further, Group Risk developed the Safe Return to Work plan for gradual resumption of staff attendance to offices.



Initiatives that engage with external stakeholders

Initiative	Date of Adoption	Opcos in Scope	Nature of Initiative (Binding/Voluntary)	Range of Stakeholders involved
Stamp of Approval for Maintenance & Operations	20-May-19	Zain Kuwait	Voluntary	Uptime Institute Professional Services
Information Security Management System	6-Mar-18	Zain Bahrain	Binding	Telecommunication Regulatory Authority
	2-Feb-19	Zain Kuwait	Voluntary	DNV-GL
ISO 27001:2013	15-Jan-20	Zain Jordan	Voluntary	SGS
	5-Apr-18	Zain Sudan	Voluntary	DNV-GL
Business Continuity Management System	Feb-20	Zain Kuwait	Voluntary	DNV-GL
ISO 22301:2012				
Environmental Management System	02-Feb-2019	Zain Kuwait	Voluntary	DNV-GL
ISO 14001:2015				
Quality Management System	02-Feb-2019	Zain Sudan	Voluntary	DNV-GL
	16-April-2018	Zain Kuwait	Voluntary	DNV-GL
	14-Jan-2018	Zain Bahrain	Voluntary	DNV-GL
ISO 9001:2015				

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

As a precautionary principle, Zain complies with applicable environmental requirements in the design of its products and delivery of services. The advancement in technological solutions and its evolution is one of our principal risks, which is monitored by the BRC, Climate Action Committee, and the Board. Our business depends on technology to develop and deliver low carbon products and services to our customers. Our product design and procurement teams engage with our suppliers to develop products with lower eco footprints. The checklist used as part of the design process includes climate-related considerations such as energy use and end-of-life disassembly for repair or reuse.

Further, our ISO 14001 certificated environmental management system (EMS) in Zain Kuwait, is an integrated management system framework that monitors environmental risk exposure.

Climate change risks are included in Zain's Risk Universe and is in the process of being included in our Risk Management Policy and therefore are included in the company's risks assessment and evaluation. Our Risk Management and Sustainability chiefs are part of the Climate Action Committee and are in regular conversation on the evolving climate change related risks. Our Climate Change Risk process monitors physical and transition risks likely to affect our operating companies.

The process to identify climate risks and opportunities follows a bottom-up approach by asking strategy, commercial, technology, regulatory and other departments across operating companies to analyze historical and projected data related to both physical and transition risks as well as opportunities.

With respect to the physical risks, some of the data sources include the World Bank Group (WBG), which uses inputs data from the Coupled Model Inter-comparison Project, Phase 5 (CMIP5) models included in the IPCC's Fifth Assessment Report (AR5). Zain's identified physical risks include rising means in temperatures, changes in precipitation patterns and extreme variability in weather patterns. For the transition risks, mainly historical data of fuel and electricity prices are collected, extrapolated and used to calculate the possible impact of energy price increases on our operating costs. The company identified the change in customer behavior specifically customer migration as a transition risk. The risks and opportunities identified by the operating companies for both physical and transition risks are consolidated at Group level by the Group Risk division. Our risk management framework is followed by our operating companies' risk departments for their risk identification, quantification, and mitigation exercise.

In 2019, we included risks and opportunities that could be realized due to effects of change in climate. We conduct risk synergy forums on an annual basis where colleagues from risk management of respective operations convene and present synergies for adoption. Due to COVID-19, Zain was not able to conduct its risk synergy forum this year however the Group Risk Management department continued to meet virtually with each operation on a quarterly basis. The importance of identifying risk and opportunities were duly discussed to impart awareness. Any risk or opportunity that has the potential of impacting our revenues is recorded in our risks' registry for further analysis.

As the climate change risk identification process is escalated to the company wide risk management process, Zain's risk management criteria is used to determine the extent to which the identified risks and opportunities are substantive or strategic in terms of their financial impact. This is followed in letter and spirit by our operating companies for all risks, whether climate related or not. Those risks and opportunities go through a qualitative analysis process to classify them into low, medium, or high based on their likelihood to impact the business. The general risk identification exercise is conducted on an annual basis for our respective operating companies by the Risk Management Department, the outcomes of the assessments are tracked on a quarterly basis through key risk indicators. In 2020, Zain's inclusion of climate-related risk into its general risk identification exercise is under process with the aim of including it in 2021. The likelihood of the risks is calculated based on the occurrence witnessed in historical data and the projections provided by the WBG. This allows Zain Group Risks department and the Climate Action Committee to identify physical and transition risks.

Data Privacy

Zain Group values personally identifiable information (PII) entrusted to its operating companies by its subscribers, employees and suppliers. Therefore, the company is committed to collection, usage, retention and non-disclosure of PII personal data in a transparent and secure manner, in compliance with applicable legal and regulatory requirements for processing personally identifiable information.

Customers are presented with the choice to allow the processing of their PII by Zain's operating companies, except where applicable laws specifically allow the processing of such without prior consent.

Our customers are provided with a privacy notice over various channels (electronic - website, paper – sales contract) on processing of their personal data. Privacy notices on the website provide the below in addition to any other information as required by applicable local law:

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



Below are the privacy policies available online from Zain operations:

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

Our operating companies process data for designing products to enhance the quality of services offered to customers. However, customer information and the usage data is not transferred or shared to a third party.

All customers who have a contract with our operating companies are automatically covered under the scope of secondary purpose. Zain is committed to maintaining our customers' privacy. Information associated with any events involving unauthorized parties gaining access to our customers' information are confidential.

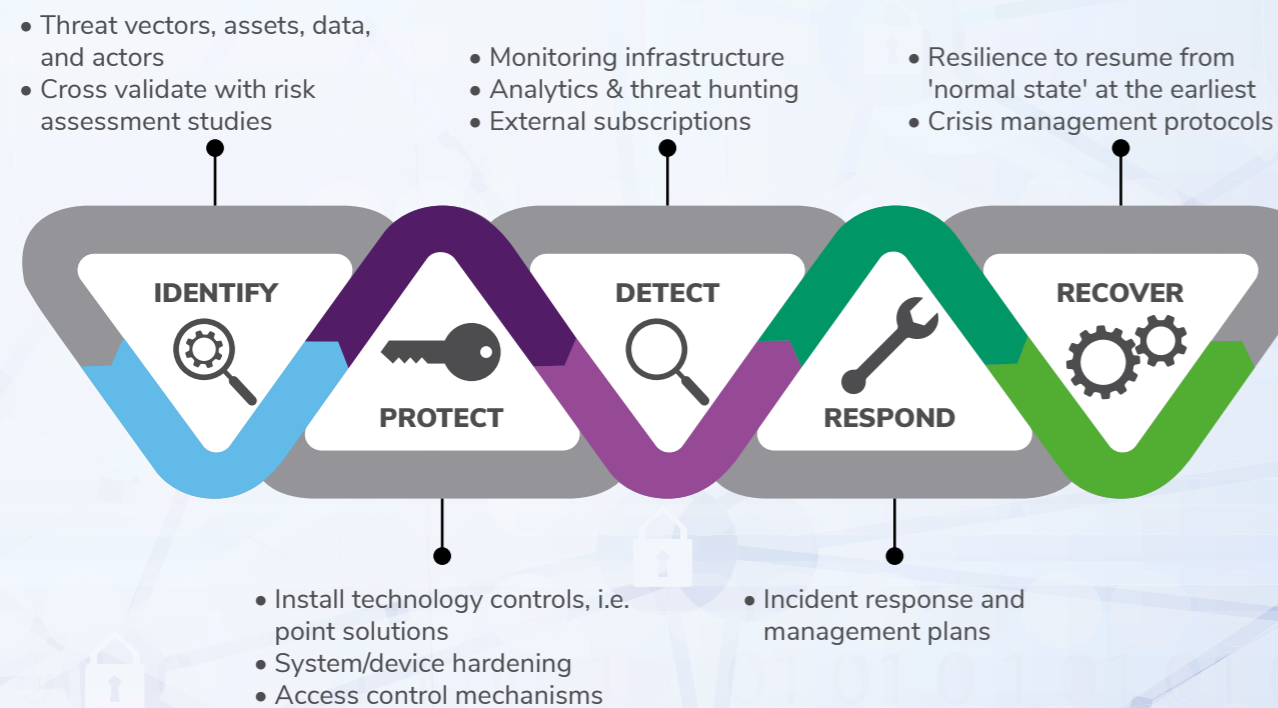
Identifying and addressing data security risks

The expanding cyber ecosystem requires us to transform our use of technology to maximize benefits. Cybercrime and cyberwarfare as evolving threats have led to a variety of impacts on individuals, enterprises, and societies. Telcos are specifically a prime target being a Critical National Infrastructure (CNI) entity; for processing and storing confidential and sensitive information. Telcos have thus been targeted by the following types of incidents (non-exhaustive list):

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

To mitigate and reduce the possibility of above-mentioned incidents, Zain has developed cyber resilience, which is the ability to effectively identify, protect, detect, respond and recover from potentially catastrophic cybersecurity threats. To achieve cyber resilience, Zain effectively identifies the risks, designs robust controls and continuously measures effectiveness to create a sustainable and secure operating environment.

The following is an illustration of a framework referenced in Zain's cyber resilience strategy.



13

ADDRESSING KEY CHALLENGES TO HUMAN RIGHTS



ADDRESSING KEY CHALLENGES TO HUMAN RIGHTS

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

With the onset of COVID-19, it is critical to adhere to human rights principles as they should be considered a guiding tool in navigating response efforts. In 2020, growing socio-economic tensions due to the pandemic exacerbated economic instability across the Middle East. The disproportionate impact of the crisis emphasizes the importance of conducting business in a fair, transparent and equitable manner.

For Zain, prioritizing the protection of human rights within and across the business during this time is of utmost importance. It is during such circumstances that a collaborative effort throughout our value chain on human rights is crucial to establishing systematic and long-lasting changes across our communities.

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

Zain recognizes that part of its social contract is that it should always strive to be inclusive in its approach to business and play a leading role for the betterment of society. The company recognizes its responsibility towards ensuring that it embeds human rights principles in all of its activities. As such, Zain continues to align to the United Nations Guiding Principles on Business and Human Rights Reporting Framework. Zain's commitment to the principles demonstrates the company's strong stance in upholding the highest human rights standards within and across our markets as it is extremely relevant to areas impacted by conflict and instability.

Zain's Position on Human Rights

In 2020, Zain took a concerted step by developing a human rights policy statement that encompasses its values in acknowledging its respect for human rights in a manner that contributes to positive systemic change in its communities.

The policy illustrates the principles embedded into our organization, which set out the minimum obligations that every person working for the company or engaged with Zain must adhere to. The objective of the policy is to establish the guidelines required for our operating companies to equally commit to human rights, as these guidelines describe the governance framework as a minimum requirement and is applicable to all the operating entities that constitute part of the Zain Group. Through this policy, Zain firmly believes on the right to access communication; right to privacy and freedom of expression; child rights and child safety online, and it stands against child labor, forced labor, modern slavery, human trafficking and use of conflict minerals. Zain is taking steps to promote fundamental human rights through access to our products and services.

At Zain we commit to respecting human rights as defined in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the ILO Declaration on Fundamental Principles and the Rights at Work. Zain's policy is also guided by the United Nations Guiding Principles for Business and Human Rights, the UN Convention on the Rights of Persons with Disabilities, the United Nations Convention on the Rights of the Child, the Guidelines of the Organization for Cooperation and Economic Development for Multinational Companies, and is aligned with the principles of the United Nations Global Compact and the Global Network Initiative's principles on Freedom of Expression and Privacy (GNI principles).

The policy is published on Zain Group's website, here:

EN: <https://www.zain.com/en/about-us/corporate-governance/code-conduct-ethics/>

AR: <https://www.zain.com/ar/about-us/corporate-governance/code-conduct-ethics/>

Zain's Most Salient Human Rights Issues

Zain has identified the most relevant human rights issues primarily through high level interactions within the company, namely between the Vice-Chairman and Group CEO, Chief Sustainability Officer, and other senior executives including the Board of Directors, Chief Risk Officer, Head of Legal/Legal Counsel, and Chief Communications Officer.

In 2020, the company conducted a comprehensive and diligent stakeholder engagement exercise to ensure that it reflects and considers the input of all its stakeholders through a Group-wide survey. Furthermore, the company ensured that it discussed human rights extensively through social media campaigns highlighting the topic; engagement with shareholders and key investors; communication with local communities regarding site selection; and human rights impact assessment studies prepared as part of the due diligence process when applicable for corporate investments, joint ventures, and mergers and acquisitions.

Through such engagement, incorporating the context of our communities, assessing the negative impacts of broadband connectivity and the Sustainable Development Goals (SDGs), Zain has identified its most salient human rights issues as the following:

1. Labor rights, treatment and safety
2. Public safety
3. Customers' right to privacy
4. Child online safety

Zain's scope for human rights extends to all its areas of operations which include Bahrain, Iraq, Jordan, Kuwait, Saudi Arabia, Sudan and South Sudan. In addition, Zain ensures that its local and international suppliers also share its commitment to responsible business practices, which include human rights. Such human rights standards are upheld by Zain's suppliers and partners through compulsory compliance with Zain's Supplier Code of Conduct and through a screening process that takes place prior to the registration of new suppliers.

In 2017, Zain began its supplier self-assessment exercise, which touched upon human rights amongst other relevant topics, by conducting site visit evaluations for material suppliers. This exercise continued in 2018 and 2019. In 2020, Zain expanded its scope and streamlined the self-assessment questionnaire to local suppliers targeting 156 suppliers in total. Furthermore, in matters regarding geographical expansion or entry into new revenue streams through acquisitions of licenses or existing businesses, Zain pays attention to human rights impact assessments including gender equality, inclusiveness as well as fair and equal opportunity labor practices such as child labor, compulsory labor, etc. This report covers all of Zain's most pertinent human rights issues that took place over the year. During this period, there were no human rights abuses committed under Zain's scope.

Specific Human Rights Policies at Zain

The policies related to addressing human rights issues are shared and readily available to all relevant stakeholders and accessible to all employees through the Zain Group website. Such specific policies are articulated within the Human Rights Policy Statement, Human Resources Policy, the Supplier Code of Conduct, the Corporate Sustainability (CS) Policy and the Environmental and Social Management Plan Guidelines. With regards to customers, Zain's policy of protecting its customers' data privacy is articulated in the GSMA Mobile Privacy Principles, which Zain took part in developing and to which it maintains its adherence. Zain's position on the non-disclosure of customer information and the protection of the confidentiality and privacy of all personal information is publicly available on the website¹.

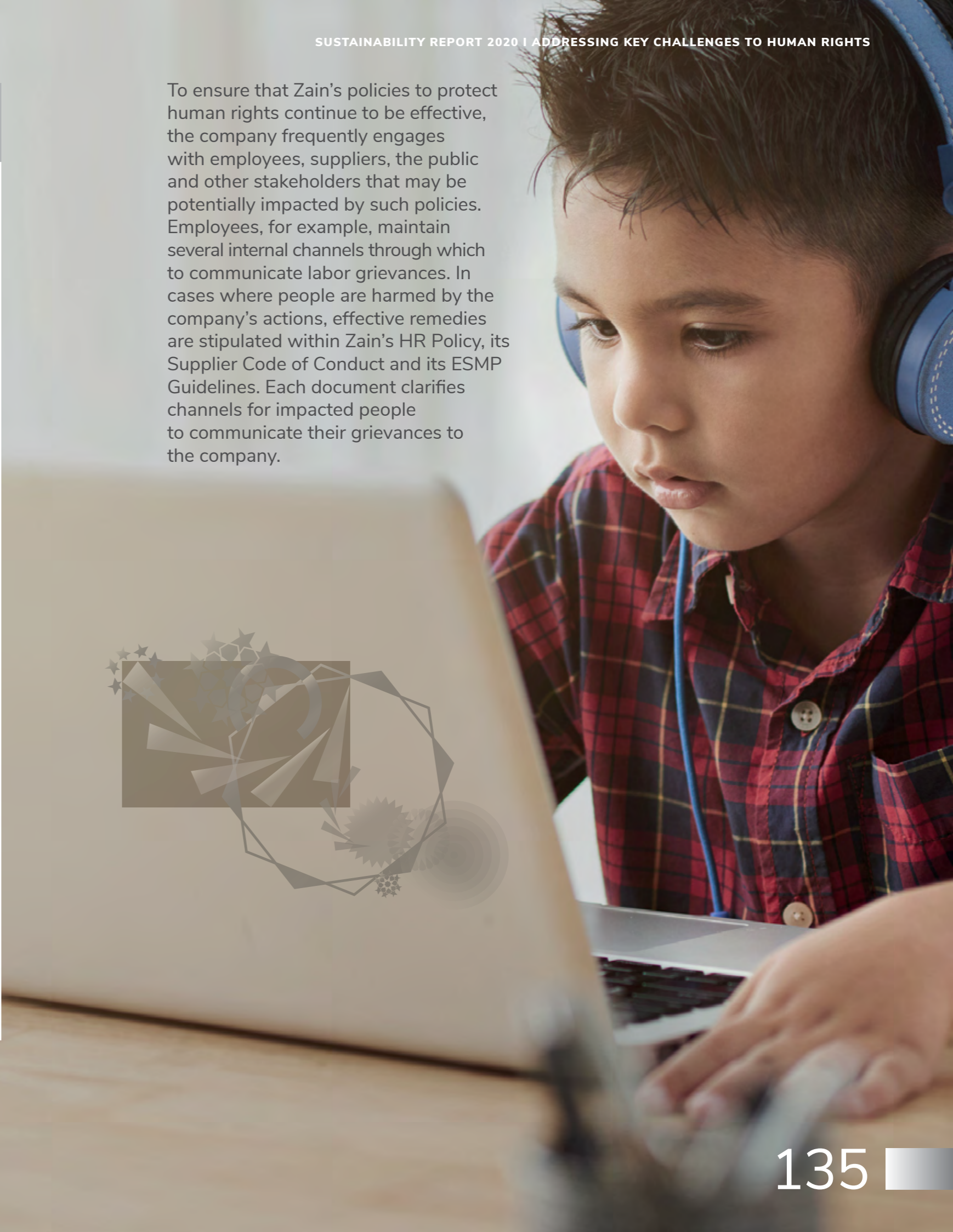
ZAIN'S MOST SALIENT HUMAN RIGHTS ISSUES	STAKEHOLDER ENGAGEMENT ON HUMAN RIGHTS ISSUES	IMPACT ON ZAIN'S POLICIES
Labor Rights	The company's Code of Conduct is publicly available on the company's website, and its Human Rights and Human Resources Policies are communicated to and shared with all employees. Zain also has in place open communication channels across the Group, which enables all employees to voice their concerns, feedback and views on the company's policies and procedures. As such, the Human Rights and Human Resources Policies fluid documents, that are responsive to employee priorities and are adjusted accordingly. In 2020, the creation of the Human Rights Policy and amendments were made	Zain maintains multiple channels for employees to report any violations of their labor rights or mistreatment. In addition, Zain's geographical expansion or entry into new revenue streams is preceded by human rights impact assessments that influence the company's decision-making processes and resulting action.

ZAIN'S MOST SALIENT HUMAN RIGHTS ISSUES	STAKEHOLDER ENGAGEMENT ON HUMAN RIGHTS ISSUES	IMPACT ON ZAIN'S POLICIES
	to the Supplier Code of Conduct that were developed in line with best industry practice as far as labor practices, including forced and child labor.	
Public Safety	Zain ensures that its activities, such as the establishment of base stations, are in accordance with the Environmental and Social Management Plan (ESMP) guidelines and are carried out in compliance with relevant regulatory bodies.	Zain maintains the policies specified in the ESMP Guidelines that safeguard against exposure to electromagnetic fields (EMF), radiation and other potentially harmful exposures.
Customers' Rights to Privacy	Zain's protection of its customers' personal data is communicated through its annual Sustainability Report in the 'Our Products and Customers' section and through the website. In 2020, under the Sustainability Accounting Standards Boards (SASB) guidelines, Zain reports on data privacy and the entry can be found in the Enterprise Risk Management section on page 120.	The company continues to adhere to the GSMA Mobile Privacy Principles and is committed to protecting the personal information of its customers. The company applies stringent measures to avoid data leaks, theft and/or loss. Zain also aims to respond to such issues with the utmost precaution and diligence. Zain complies with laws and regulations related to the protection of customer privacy and data and takes steps to align with ISO certifications related to the subject.

¹ <http://www.zain.com/en/privacy-policy/>

ZAIN'S MOST SALIENT HUMAN RIGHTS ISSUES	STAKEHOLDER ENGAGEMENT ON HUMAN RIGHTS ISSUES	IMPACT ON ZAIN'S POLICIES
Child Online Safety	<p>Zain's firm commitment to protect children is demonstrated through its proactive engagement in initiatives that focus on protecting children and collaboration with key stakeholders such as World Childhood Foundation USA, Child Helpline International and related stakeholders. Due to the impact of COVID-19, there has been a dramatic increase in online activity putting children at greater risk of online harm.¹ In response, the company ensured that its Human Rights Policy Statement covers and protects children's rights and safety online.</p>	<p>Zain maintains its adherence to the GSMA's Mobile Alliance Against Child Sexual Abuse Content. In 2020, Zain published its Human Rights Policy that commits to child rights, child online safety and child labor. This policy is applicable to all of Zain's operating countries and those entities under Zain Group Management control in addition to all its suppliers and business partners as well. In June 2020, Zain established a three-year partnership with UNICEF, signing a memorandum of understanding (MoU) to work towards the advancement of the rights of children in the region. Zain and UNICEF will collaborate based on their respective expertise on strengthening activities around child rights. The MoU covers aspects on online gaming, raising awareness on child online safety and convening stakeholders on online protection.</p>

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



¹ <https://www.unicef.org/sites/default/files/2020-04/COVID-19-and-Its-Implications-for-Protecting-Children-Online.pdf>

14

MATERIALITY ASSESSMENT



MATERIALITY ASSESSMENT

Zain Group recognizes the impact the pandemic has had in directing change and transformation in our daily lives.

COVID-19 disrupted most industries and brought out the many inequalities marginalized communities face on a daily basis. In 2020, many of the communities Zain operates in experienced vast changes in their line of work. Mass unemployment, supply chain disruption, gaps in educational systems, and various human rights issues such as human trafficking; forced labor; and modern slavery were brought to the forefront during the pandemic. To ensure that Zain consistently aligns its strategic objectives to an evolving landscape, the company conducted a comprehensive materiality assessment to help understand the effect of COVID-19 on our landscape.

The company is determined to consistently provide transparent information and data that reflects the company's socio-economic and environmental impacts of its operations while reflecting the company's values as a responsible business.

Determining Materiality to Zain

Materiality is defined as the principle that determines which topics are relevant, sufficiently important or essential to report on. The report's topics and content are based on a materiality assessment exercise to understand what are the issues that are material for both Zain and its stakeholders. As such, the materiality matrix is determined by components that weigh the needs of the present without compromising future generations. The impact measurement takes into consideration internal and external factors that include Zain's overall mission, competitive strategy, concerns expressed directly by stakeholders, social expectations, the company's supply chain, and climate change risks and opportunities. In order to achieve this, the company established several methodologies to assess the significance of its impacts.

The determination process of issues material to Zain was achieved by identifying general sustainability topics that were exacerbated by the pandemic with respect to Zain's social, economic and environmental impacts. The company also took into consideration topics that are relevant to the industry and the context in which Zain operates.

The company then created a shortlist of 21 topics based on previous reports and upcoming trends, which include:

- 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 its leadership and executive management
- Sustainability interests raised by stakeholders
- Sustainability topics impacted by COVID-19

Stakeholder Inclusiveness

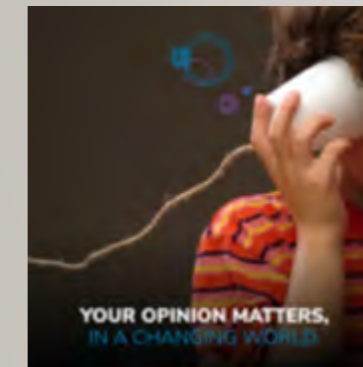
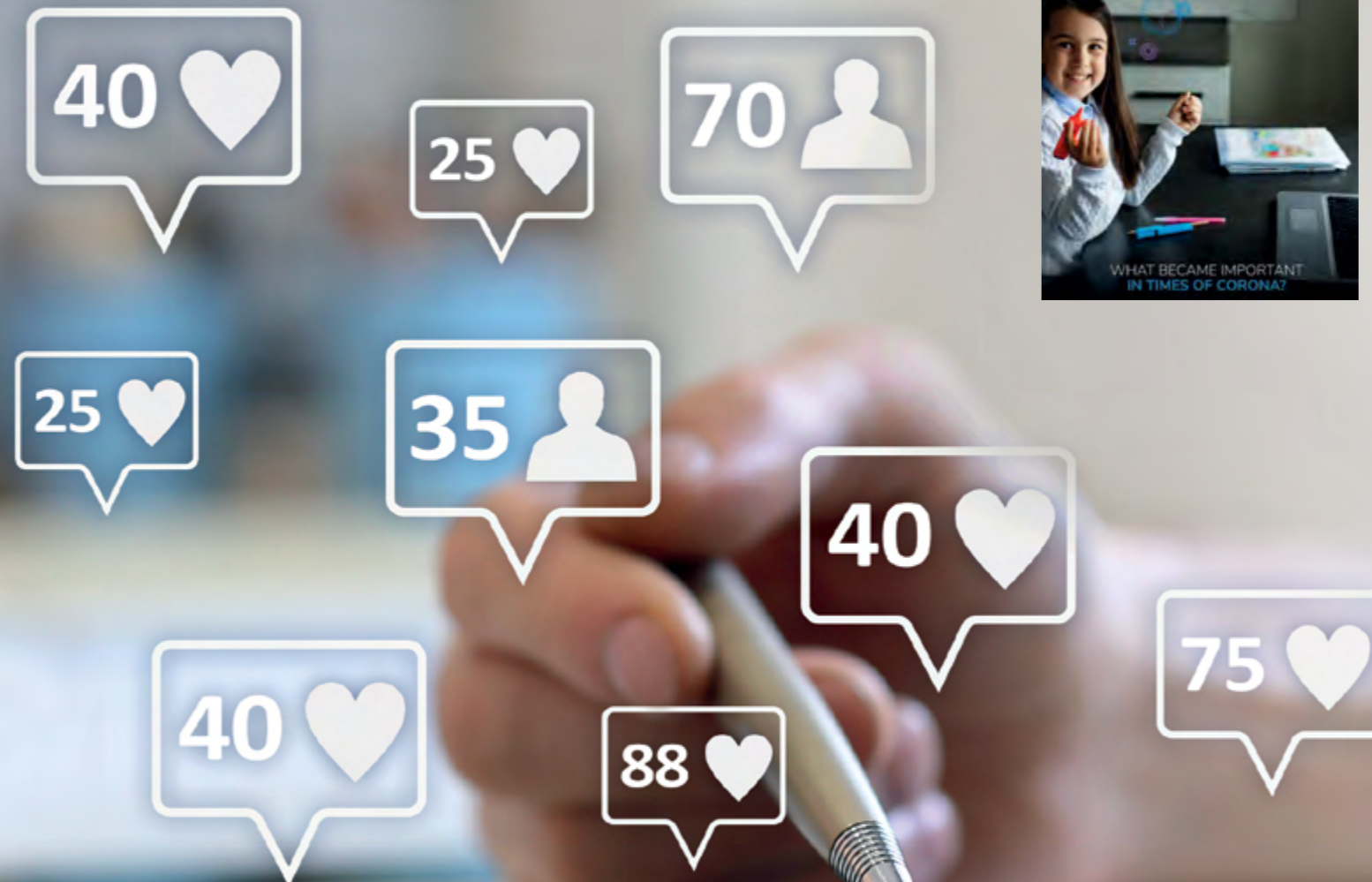
Zain defines stakeholders using the definition provided by Global Reporting Initiative (GRI):

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

The stakeholders considered in this process range from those who directly invest in the organization such as employees, shareholders and suppliers to those who are impacted by the company’s operations, which include its local communities and civil society.

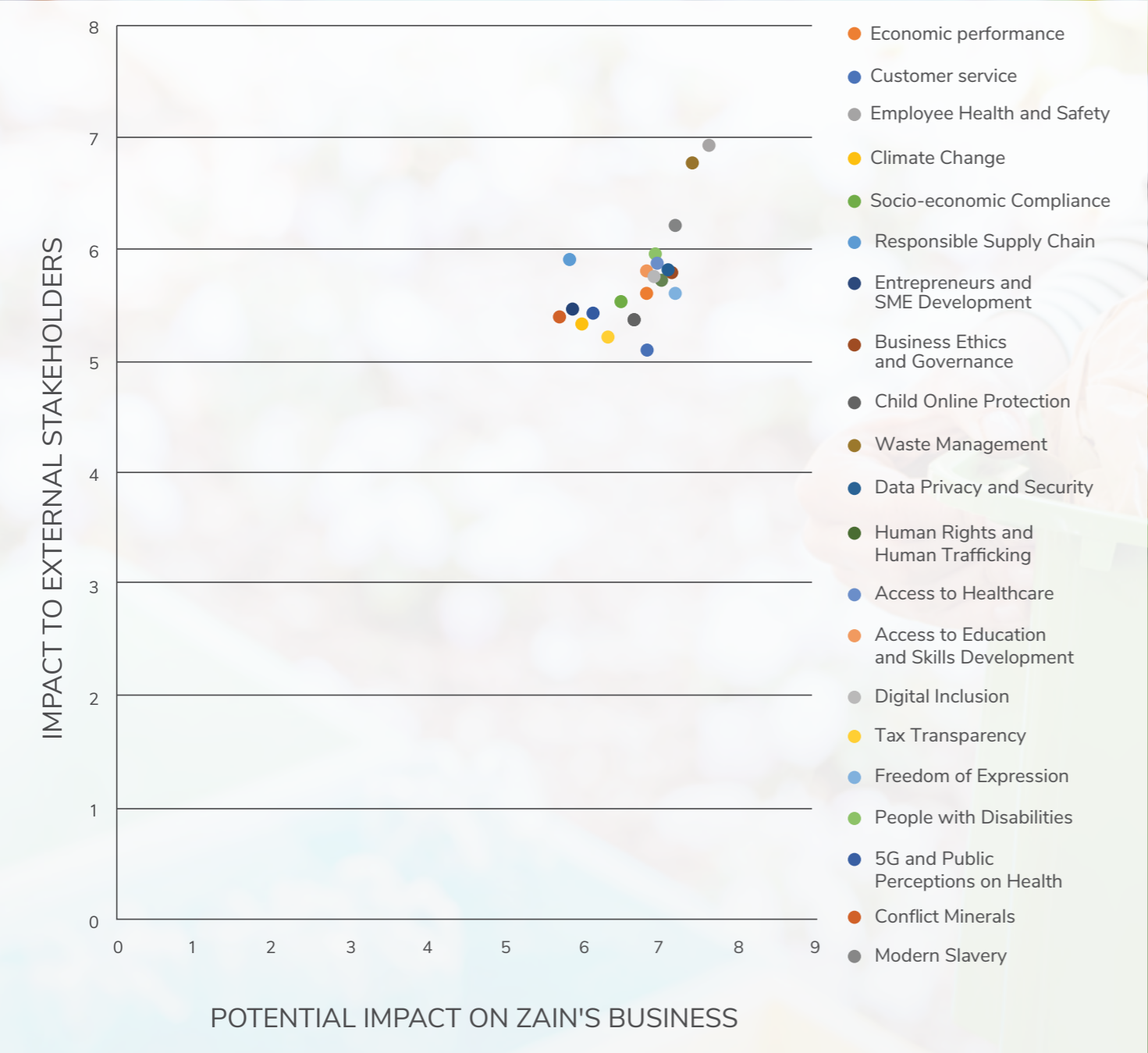
Based on this definition, Zain identifies its main stakeholders for the purposes of this report as:

- C-suite executives and top management
- Employees
- Customers
- Regulators
- Suppliers
- Business partners
- Financial institutions
- Shareholders
- General public



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

1. Corporate sustainability (CS) social media outreach: These campaigns engage the general public and Zain’s employees, shedding light on key sustainability themes that are most relevant to each stakeholder group. Furthermore, Zain encourages its audiences to provide feedback on the highlighted issues through social media engagement techniques such as polls, surveys and questions highlighted in the caption.
2. Internal forums: Designed to engage both the Group and the operating companies in order to measure priorities, share best practices, and discuss issues related to their specific business area. During 2020 and due to health and safety precautions, all forums after March were held virtually.
3. Engagement through various corporate functions such as investor relations, risk, procurement, and commercial functions: Several Zain functions devote significant resources to maintaining frequent dialog and transparency with stakeholders through investor and shareholder meetings, frequent communication with regulatory bodies, meetings with partners, customer polling and other engagement processes related to each relevant function.



After conducting the materiality assessment exercise across our markets, Zain recognized that certain topics became more apparent due to the impact of COVID-19. By compiling our stakeholders' responses on the materiality of each topic, Zain found that employee health and safety, waste management and modern-day slavery are the top-rated topics to be addressed. The company responded to the aforementioned topics through the following activities:

1. Employee health and safety

- a. Due to the company's concern for the well-being of its staff and ensuring employee health and safety measures, among many other criteria, Zain was ranked 4th best employer across all industries in the region and Best Telecom Employer in the region by the International edition of Forbes magazine for 2020.
- b. In response to COVID-19, Zain formed a Crisis Response Committee led by executive management to ensure that all country operations implemented appropriate measures to rapidly respond to the evolving situation.
- c. The company implemented several measures to provide guidance with respect to travel, working remotely, and health and safety awareness through various communication channels that included SMS, social media, and internal announcements.
- d. All of Zain's premises were periodically sterilized and the existing maintenance crew were provided with specific sterilization and cleaning material to ensure proper disinfection and safety of areas.

2. Waste management

- a. The company set stringent targets to address climate change through its 2020-2025 corporate sustainability strategy in alignment with the procurement team's direction to enhance its supply chain management process. By integrating a circular economy model, eliminating plastic packaging and embedding waste management policies, Zain expects to manage its waste in an efficient and sustainable manner.

3. Modern slavery

- a. Zain has taken a deliberate step to develop a human rights policy that firmly cements its values and respect for human rights, aiming to drive positive grassroots change in the communities in which it operates.
- b. Zain audits its suppliers on modern slavery practices in its supplier self-assessment questionnaire.
- c. In the Zain Supplier Code of Conduct¹, suppliers are expected to abide by internationally recognized labor practices.

¹ https://d364xagvl9owmk.cloudfront.net/media-10-4-18/media/filer_public/27/20/2720d140-3b68-41c1-bc2b-088f61d7d340/supplier_code_of_conduct_bilingual2020.pdf

15

OUR OPERATING
CONTEXT



TAX LAWS AND REGULATIONS

THE CHALLENGE

The tax landscape continues to change rapidly in the GCC and the Middle East in response to Base Erosion and Profit Shifting (“BEPS”) actions issued by the Organization for Economic Co-operation and Development (“OECD”) that pose challenges to the taxpayers and relevant stakeholders which include the following:

- Implementation of VAT in Bahrain effective January 1, 2019.
- Increase in VAT rate in the Kingdom of Saudi Arabia from 5% to 15% during 2020.
- Implementation of the Economic Substance requirements in the United Arab Emirates and the Kingdom of Bahrain during 2019.
- Implementation of the Transfer Pricing documentation and Country-by-Country Reporting obligations for MNE groups based in and/or operating from certain GCC countries in compliance with BEPS Action 13. This is effective for financial years commencing on or after January 1, 2019.

SOME FACTS

- In 2019, the Kingdom of Saudi Arabia ("KSA") and the United Arab Emirates ("UAE") have implemented the Transfer Pricing ("TP") documentation and Country-by-Country ("CbC") Reporting obligations for MNE groups based in and/or operating from those countries in compliance with BEPS Action 13.
- During 2019, the UAE and the Kingdom of Bahrain have implemented the Economic Substance ("ES") requirements in compliance with BEPS Action 5.
- Saudi Arabia, UAE and Qatar have activated the exchange relationships for CbC reporting. This means that MNE groups with the ultimate parent entities ("UPE") in those countries may not have to undertake secondary filing in other jurisdictions where the CbC exchange relationships are activated.
- In September 2020, the Oman tax authority introduced CbC reporting requirements for large businesses. The rules apply for large MNE groups having a legal entity or a branch in Oman with annual turnover of over OMR 300 million (US\$ 779 million). The CbC rules are effective for fiscal years beginning on or after January 1, 2020.
- On May 23, 2018, a double tax treaty ("DTT") between KSA and UAE was signed, making it the first DTT between GCC countries. It entered into force on April 1, 2019 and was effectively applied from January 1, 2020.
- The double tax treaty that was signed between the UAE and Iraq in 2017 was ratified by the UAE on April 10, 2018 and by Iraq on September 16, 2019.
- On May 12, 2019, officials from Kuwait and Iraq signed a DTT. It will enter into force after the ratification instruments are exchanged between the two countries.
- Bahrain has introduced VAT with effect from January 1, 2019.
- The Saudi Arabian government has increased the standard rate for VAT in Saudi Arabia from 5% to 15% effective July 1, 2020.
- During 2019, the Sudan government increased the corporate income tax, known as MIT, by 2 percentage point, to be applied retroactively from fiscal year 2018. Zain Sudan has disputed the retroactive application before the courts in Sudan.
- During 2018, the Jordanian government imposed an additional tax on corporations, known as social contribution, with effect from January 1, 2019. The new tax is based on 2% of the taxable income of telecom companies and 1% of other companies.

ZAIN'S RESPONSE

- Zain employs professionals who are responsible for its tax affairs in every country in which Zain operates. Zain tax teams follow a clearly defined set of principles and behaviors, along with Zain Tax Strategy, Code of Conduct and Tax Risk Management Policy, which are also aligned with the Zain Group Code of Conduct.
In response to OECD's BEPS Action items, and the rapid changes in the tax landscape in the region, Zain has taken the necessary steps and actions to comply with the four minimum standards in the various jurisdictions where they operate. In particular:
 - In response to Action 13 in relation to TP documentation and CbC reporting, Zain has developed an in-house capability through designing an affective targeted policy for compliance, specifically:
 - Local File ("LF") and Master File ("MF") have been prepared and are being updated on an annual basis.
 - CbC report is prepared on annual basis and filed with the relevant tax authorities in compliance with the regulations.
 - In response to the ES requirements (Action 5), Zain has ensured full compliance as per the regulations.
- In response to the other key Actions, Zain has taken the initiatives to prepare the ground for their implementation as soon as they are implemented in the relevant countries where it operates.
- Zain will implement the provisions of the new DTTs, where applicable, once they enter into force and become effective.
- Zain Bahrain has taken the necessary steps to comply with the new VAT law in Bahrain.
- Zain Saudi Arabia is in full compliance with the increase in VAT rate.
- With respect to the increase in the corporate income tax in Sudan, Zain Sudan has disputed the retroactive application of the increase before the courts in Sudan.
- Zain Jordan will comply with the new social contribution tax on its net income.

REGULATORY SECTION

THE CHALLENGE

The MENA region continues to face challenges in the regulatory domain such as the renewal of operating and spectrum licenses, acquiring more spectrum to accommodate the needs of new technologies and data growth, adherence to the changing policies of different regulators and resilience to support needs.

ADDITIONAL FACTS

Zain Bahrain

Zain Bahrain successfully renewed in 2018 and 2019 its IMTL frequency license, ISL, IFL, ISP, VAS and VSAT licenses for a duration of 10 years. The NFWS license is due for renewal by January 7, 2022. An award mechanism is expected to take place in 2021.

The TRA approved the launch of the E-SIM service, provided it fulfils the SIM-Card Registration Regulation requirements. Thus, server based remote activation is not currently permitted.

The TRA has granted Temporary Frequency Licenses suitable for 5G services (trial) without tendering in the 3.5 GHz band which is valid up to the end of 2020 with no Spectrum Usage Right Fee (SURF) amount to be paid for all mobile operators' in the kingdom.

ZAIN'S RESPONSE

Zain Bahrain is prepared for engagements in the process of the frequency license award/ renewal of (100 MHz in the c-band) that is expected to take place by TRA in 2021.

Zain welcomes initiatives which will help enhance telecommunications services; however, the company in collaboration with TRA will explore the possibility of allowing server based remote activation for smart wearables by fulfilling any other requirements put forward by the TRA in 2021.

Zain Bahrain has publicly announced the launch of 5G services and commenced 5G services coverage in limited areas.

ADDITIONAL FACTS

Zain Saudi Arabia

Communications and Information Technology Commission (CITC) has announced plans to allow new mobile virtual network operators (MVNOs) to compete to provide services in the kingdom.

At the end of July 2020, CITC issued a public consultation for its 5-year plan of spectrum for commercial and innovative purposes. CITC intends to release more than 10 GHz of additional radio spectrum by 2024. The CITC indicated in its National Spectrum Strategy that it is seeking to raise between SAR 18 billion and SAR 36 billion.

ZAIN’S RESPONSE

Zain is engaged in ongoing discussions with different stakeholders with the intention of ensuring commercial plans, infrastructure, and technical capabilities to host more than one MVNO are in place. The award of the MVNO license was impacted by COVID-19.

Zain Saudi Arabia is highly advocating for the CITC 5-year plan of spectrum for commercial and innovative purposes as this plan is crucial for the development and enhancement of the telecom industry.

ADDITIONAL FACTS

Zain Iraq

The Communication and Media Commission in Iraq (“CMC”) plans to have mobile number portability (“MNP”) launched in Iraq. The CMC’s plan is to have MNP in place by Q2 2020.

The CMC has launched a study with experts to assess the 2G+3G license extension and the grant of 4G license.

Liberalization of the International gateway (IGW) in Iraq.

ZAIN’S RESPONSE

Zain Iraq provided extensive feedback on the MNP process in which the CMC has taken Zain’s comments on board. Due to the COVID-19 situation, the implementations of the MNP has moved to the end of 2020.

Zain has lobbied with the CMC to implement the study. The CMC decided to renew the 2G+3G license and granted a 4G license for a total of eight years which will commence from August 2022 until August 2030.

Zain Iraq will continue its efforts in lobbying for the liberalization of the IGW (voice gateway and data gateway) acknowledging that to provide an enhanced quality of service for 4G and to reduce the cost of IP transit, it is imperative that the IGW licenses must be granted to MNOs, and Fibre Optic while seeking to expand fibre contract with ITPC.

ADDITIONAL FACTS

Zain Jordan

The TRC has concluded its strategic market review (SMR) across mobile, fixed and leased lines markets.

In regards to the Infrastructure Sharing and National Roaming and IXP (Internet Exchange Points), the TRC aims to regulate the process of establishing and running the IXPs through the IXP consultation, as they need to have central TRC controls on aspects such as cost sharing, location, etc.

The TRC has granted additional 5 MHz to Mada Jordan in the 3500 MHz band to support local operators against coronavirus circumstances.

ZAIN'S RESPONSE

Zain Jordan had discussions with the TRC highlighting the need to have the SMR published however, due to the COVID-19 situation, key decisions have been delayed.

Zain developed and provided its response on the IXP consultation to the TRC and supports the establishment of such bylaw.

All MNOs are requested to contribute around 6,000 free data lines loaded with (20Gb) for university students and expats who arrived at the country and being subject to quarantine in designated areas.

ADDITIONAL FACTS

Zain Kuwait

In March 2020, CITRA published new bylaw on services provided for people with disabilities.

CITRA launched an Industry Consultation process regarding the Mobile Virtual Network (MVNO) launched in the Kuwaiti market. In July 2019, CITRA issued tender documents calling for bids for the issuance of an MVNO license. Bidders submitted their offers in November 2019.

To support the impact of COVID-19, CITRA allocated temporary spectrum to all MNOs of 2 x 3.3 MHz in the 1800 band to support the service of providing free 5GB/day.

ZAIN'S RESPONSE

Zain supports the released bylaw and started the process to assess the required changes along with a timeframe.

Zain has been actively engaged with CITRA to shape regulatory outcomes by focusing on best practice regulations related to new MVNOs markets. CITRA is yet to make a final decision concerning the MVNO process.

Zain offered all subscribers 5GB of internet usage free of charge on a daily basis for the period of one month starting from March 22 to April 21, 2020.

ADDITIONAL FACTS

Zain Sudan

In 2020, Zain Sudan successfully acquired an additional 2x5 MHz in the 1800 MHz band and 2x5 MHz in the 2100 MHz band to deploy 4G-LTE services in the country.

All telecommunications companies have agreed with the government to increase the number of SIM cards per customer from 5 to 10 SIM cards.

Mobile financial Services (MFS) was expected to be launched in August 2020 which will replace the existing Me 2 U (credit transfer service) in Sudan. A key condition is that the Me 2 U (credit transfer service) will now have a cap of SDG 100 per month in order to promote the uncapped MFS service.

ZAIN'S RESPONSE

The spectrum has been deployed and the pilot project has shown a QoS improvement. This has been expanded to the rest of the country and Zain continues to adhere to its commitments towards the country's developments and technological advancements.

The implementation plan is to be launched in two phases commencing in April 2020 and to be completed by September 2020. The implementation plan however has been delayed due to unique circumstances of the COVID-19 situation.

Zain Sudan advocates the issuance of Mobile financial Services (MFS). The Implementation process has faced some delays due to the COVID-19 situation which is impacting the progress of the project.

ADDITIONAL FACTS

Zain South Sudan

In December 2018, the Ministry of Telecommunication in South Sudan issued a notice requesting for all Mobile Network Operator (MNOs) to migrate all inbound and outbound traffic to the South Sudan International Gateway (SSIGW).

Currency rate inflation.

A harmonization agreement on the license which irrevocably recognizes Zain South Sudan's license was signed on September 14, 2018. The agreement calls for routing of international traffic through the government's gateway and restoration of out of service sites.

ZAIN'S RESPONSE

Zain has highlighted to the SSIGW that the International Voice Traffic Agreement needs to be finalized as soon as possible. The company complied to both the inbound and outbound international traffic by migrating it to the government's SSIGW gateway in fulfilment of the government's directive. Discussion is ongoing in between the NCA and Zain to reach the final agreement on the matter.

Zain has proposed that the NCA approved currency rate should be changed from SSP 170 (USD 1) to the current commercial rate of SSP 184 (USD 1). Approval has been received by the NCA to increase the rate by 5% periodically to reach market rate with SSP 300 (USD 1). The implementation took place on August 1, 2020.

Restoration plan of total number of 38 sites commenced in August 2020. However, due to the current situation, 20 sites have been implemented and the remaining were delayed. The challenges to implement are due to unforeseen weather patterns which include the rainy seasons and the COVID-19 situation.

YOUTH UNEMPLOYMENT SECTION

THE CHALLENGE

A Regional Youth Bulge and High Youth Unemployment

The MENA region has the highest number of youth in the world, as they comprise half of the population. The rise of vulnerable children and youth unemployment in the region is typically due to rising conflict, geopolitical instability and mass displacement which was exacerbated by the COVID-19 pandemic.

ADDITIONAL FACTS

- Two thirds of the population are under the age of 35 years old.
- Prior to the Covid-19 crisis, 25% of youth were unemployed and 40% comprise of women.¹
- Based on research conducted by the Internal Labor Organization (ILO), during the pandemic the labor participation rate for youth continues to decline indicating that young people are three times more likely to become unemployed than adults.²

ZAIN'S RESPONSE

Under Zain's newly established Corporate Sustainability Strategy, the company has defined 'Generation Youth' as one of its focus pillars. Within this focus area, Zain defined set targets which are to be achieved by 2025. In coherence with the context of the company's operating markets, Zain has set a target in which it aims to reach 838,000 unemployed youth across its communities. This target was extrapolated by extracting 5% of unemployed youth in each of its markets which includes: Bahrain, Iraq, Jordan, Kuwait, Saudi Arabia, Sudan and South Sudan.

In response to the pandemic and the rise in youth unemployment the company conducted the following activities across its markets:

- In Kuwait, the company conducted a series of workshops under its 'KON' initiative aiming to support social entrepreneurs in launching their business and addressing society's most pressing challenges. This workshop was conducted online where 74 people registered and attended the program. Further, the company continued its internal internship program where Zain received 100 application in which 30 interned in Zain Kuwait.

- Zain Bahrain launched four different training programs in 2020 which are:
 1. Professional Recruitment Program: 10 youth were employed in Zain
 2. Summer Internship: 5 people were recruited.
 3. Z-DNA Program: 5 people have been employed by Zain.
 4. Future Pioneers Training: After completing the program 56 youth joined the company as full time employees.
- Zain Jordan conducted a total of eight different programs, where some of the programs fall under Zain Jordan's Innovation Center (ZINC). All programs aimed to develop skills in topics such as film making, mobile maintenance, and call center agents. The total reach from all eight streams was 267,487 youth where 667 received full time employment.
- The company in Iraq established several training programs where Zain supported virtual job fairs, workshops conducted by Zain employees, hosted entrepreneurship competitions, and partnered with entities such as Harvard, Google Developers and governmental entities. In Iraq, the company was able to reach a total of 44,294 youth through such programs.

¹ <https://www.worldbank.org/en/region/mena/overview>

² <https://www.weforum.org/agenda/2020/10/you-can-fix-youth-unemployment-in-the-middle-east-heres-how/>

CLIMATE CHANGE SECTION

THE CHALLENGE

Impact of Climate Change

The MENA region in specific is extremely prone to the negative impact of climate change as throughout the years, the region has experienced several droughts, consistent rise in mean temperatures, and intense rain fall and flooding. Climate change is expected to impact various scarce resources such as water, biodiversity, food production, and tourism. Such threats pose great developmental challenges leading to hazardous and negative impacts.

ADDITIONAL FACTS

- By 2025, water resource will reach severe levels.
- Some areas in the MENA region such as Iraq and Jordan will end up losing all qualities of fertility because of deteriorating water supplies.
- Rising sea levels will lead to grave negative impacts on the regions as most countries depend on their coastal areas for economic activities and agriculture.
- If the temperature rises by 2°C, up to 40% of existing species in the region will become extinct.
- In region, 75% of buildings and infrastructure are at risk due to climate change.³

ZAIN'S RESPONSE

Zain recognizes that climate change's impact on businesses is creating a new series of risks and opportunities that leads to potential liabilities stemming from greenhouse gas (GHG) emissions. The company continues to set targets to reduce GHG emissions and build resilience by addressing such risks, unlocking new market opportunities and improving resource efficiency which ultimately leads to safeguarding the environment in our communities.

As part of this strategic approach the company defined three areas of focus which aim to tackle the company's business activities from a holistic perspective.

1. Network and Energy Consumption
2. Governance and Communications
3. Waste Management and the Circular Economy

To learn more, please visit the [Climate Change section on the Zain Group Website](#) and the 'Our Climate Action' section on page 253.

³ https://www.cidob.org/en/publications/publication_series/menara_papers/future_notes/future_challenges_of_climate_change_in_the_mena_region

16

ENGAGING WITH OUR STAKEHOLDERS



ENGAGING WITH OUR STAKEHOLDERS

At Zain, we constantly maintain a high-level of transparency and communication with all our relevant stakeholders. Centered around consistent and proactive engagement, the company can effectively pursue its business objectives and processes to ensure that the organization addresses and remains responsive to the needs of each of its key stakeholders.

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 47.8 million customers	Reliable and accessible service	Investments in our network quality and coverage	Continuously investing in our networks to provide the latest and most reliable network coverage and quality
		Review network performance	Monthly and quarterly reviews with all operations
	Innovative service	Provide customers with access to the latest technology	On a continuous basis
		Continued to expand 5G networks in Kuwait, Saudi Arabia and Bahrain	On a continuous basis
		Diversify and explore additional products and services	On a daily basis
	Affordable service	Launch tailored products and services covering different value segments and cater to the connectivity needs of customers for both voice and data	On a daily basis
		Provided access to free voice and data packages	During lockdown month(s) in our operating countries



Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 47.8 million customers	Accessible service	Provide our customers with both basic connectivity and value-added services at affordable prices	On a daily basis
		Zain secured laptops and tools (softphones, VPN, Virtual Desktop Infrastructure and data dongles) for its customer-facing staff, in order for them to be able to continue to resolve queries from valued customers while working from home	During lockdown periods in our operations
		Ensure services are available through multiple channels (mobile app, online, retail outlets, and contact centers)	On a daily basis
		Packages for the hearing impaired are also available	Available in Jordan and to be offered across all operations by 2025
	Stay informed about promotional offerings and relevant information	Communicate via direct messaging, social media platforms and various media outlets	On a daily basis
		Provide updated information on Zain's channels	On a daily basis

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 47.8 million customers		Provide professional assistance in all our retail stores, outlets and contact centers	On a daily basis
	Customized services (products and services that fit different needs and lifestyles and are inclusive)	Maintain ongoing engagement with customers to ensure an accurate understanding of customer needs (examples of engagement processes include customer research and collecting feedback within retail outlets and contact centers).	On a daily basis
		Design and offer bundled packages that group mobile data and service packages with other products	On a daily basis
		Offer customized packages for specific segments such as youth, students, women, the underserved, refugees, disabled and those at the bottom of the pyramid	Offered across all operations. Details are provided in the 'Our Products and Customers' Section of the report on page 213.

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 47.8 million customers		Becoming a signatory for the GSMA's 'Principles for Driving the Digital Inclusion of Persons with Disabilities' and conducting a two-day workshop in collaboration with the GSMA's Mobile for Development Assistive Technologies team to better understand how to design and include products and services for the disability community	N/A
	Ease, clarity and transparency of billing	Offer support through contact centers and other accessible channels Innovative measures were introduced such as mobile branches for door-to-door deliveries and arrangements with delivery platforms to sell scratch cards through their applications	Zain's branches, social media and call centers are available to answer any inquiries During the lockdown periods in our operations and continued throughout the year
	Information security and data protection	Provide online services and billing options	Zain online services are available to all customers across all communication channels

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 47.8 million customers	Fast and efficient complaint resolution	Operate contact centers and respective contact channels such as the branches, call centers and social media channels where complaints are then routed to the resolution department	On a continuous basis
	High quality customer care	Continue to address the shift in customer needs and behavior	On a continuous basis
		Maintain various channels to keep customers informed, receive feedback and measure performance (through customer satisfaction surveys, store experience surveys, contact centers, and brand trackers)	On a continuous basis
		Track Net Promoter Scores – the degree to which customers would recommend our services to others – across operations	On a weekly basis
		In line with government regulations, the company provided safety guidelines and supplies for the staff at physical branches	For lockdown periods across our operations

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Customers: 47.8 million customers		Continued to provide an interactive digital channel called zBot which is a smart customer service that uses Artificial Intelligence (AI) to respond to customers' needs	N/A
Shareholders and Investors: Largest shareholder is the Kuwait Investment Authority 24.22%	Strong return on investment	Remain profitable	On a weekly basis
		Increase customer base	On a weekly basis
		Maintain shareholder value	On a weekly basis
		Maintain management access and excellence	On a weekly basis
	Provide a fair and transparent understanding of the company's strategy and business to potential and actual investors	Provide updates through Investor Relations department	On a weekly basis
		Issue periodic reports (ie. Financial Statements, Earnings Release, Investors Presentation, Analyst Call Reports, Earning Presentation, Investor and Audited Financial Statements)	On a quarterly basis
		Conduct analyst or earnings calls	On a quarterly basis

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Shareholders and Investors: Largest shareholder is the Kuwait Investment Authority 24.22%		Host an Annual General Assembly Meeting (AGM) meanwhile adhering to social distancing health measures	Annually
		Conduct virtual one-to-one meetings with current and potential investors and sell side and buy side analysts	On a quarterly basis
		Disclosing the company's financial performance	On a quarterly basis
		Provide Market disclosure	Zain provides market disclosures in accordance to the Capital Markets Authority (CMA) and as may deemed necessary
	Management excellence	Increase transparency and efficiency	On a quarterly basis
		Ensure access to C-Level Executives	On a daily basis
	Encourage more investors to be interested in the company's shares to improve the number of buyers and sellers and therefore improve the liquidity of the share in the market which hopefully will improve the relative performance of the shares	Provide communication and updates through our Investor Relations Department	On a weekly basis
		Issue periodic reports (ie. Financial Statements, Earnings Release, Investors Presentation, Analyst Call Reports, Earning Presentation, Investor and Audited Financial Statements)	On a quarterly basis
		Conduct analyst calls	On a quarterly basis

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Shareholders and Investors: Largest shareholder is the Kuwait Investment Authority 24.22%	Provide investors and other stakeholder audiences with a clear, honest and accurate picture of the company's past performance as well as its prospects for the future	Attend virtual conferences to strengthen relations with both current and potential investors	On a quarterly basis
	Have multiple engagement channels with the organization	Targeting interested investors in the region Functional forums Open door policy with Senior Management	On a quarterly basis On a daily basis
Employees: Over 7,500 Full Time employees	Job security and satisfaction	Engage employees, maintain open communication channels and develop action plans based on employee feedback The quarantine period was not deducted from any leave or payroll.	Communicating with employees through various communication channels which includes social media and internal communication During quarantine period
	Employee benefits	Offer competitive benefits packages comparable to the local markets	N/A
	Opportunities for development, growth and skills development	Developed a comprehensive training and development program that offers several opportunities to improve holistically.	Zain offers training opportunities to employees whenever it is requested

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Employees: Over 7,500 Full Time employees		Established succession management policies and employee guides to facilitate career growth Continued to drive an internal e-platform, Zainiac, where employees share innovative ideas and create solutions that aim to stimulate creativity within the company.	On a yearly basis Bi-annually
	Competitive salary	Conducted benchmark exercises and salary surveys for similar regional and international organizations and implemented a salary scale	Bi-annually
	Working for a company that matches their values	Implement multiple engagement channels Conducted multiple engagement programs such as gender diversity and other sustainability related activities	On a continuous basis On a weekly basis on social media platforms and internally, minimum once a month
	Access to international conferences and networking opportunities	Enable employees to participate in conferences and forums	Employees are encouraged to develop and further their skills whenever opportunities present themselves

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Employees: Over 7,500 Full Time employees	Health and safety protection	Maintain a Health and Safety policy for employees and temporary workers	On a continuous basis
		Conduct fire and emergency drills	Conducting fire and emergency drills annually as per policy but after obtaining approval from the Department of Civil Defense
		Maintain insurance coverage for all employees	On a continuous basis
	Stay informed on company activities	Share information on website, social media platforms, internal announcements and conventional media channels	Zain constantly engages with its employees through various communication channels.
		Launched an internal Zainers App where employees are able to process internal workflow processes and keep connected to the latest announcements	N/A
		Publish Sustainability Report	On an annual basis

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions	Minimal visual and noise pollution	Deploy super silent Diesel Generators in urban areas.	A continuous process
		Install camouflage solutions for base stations, where applicable	A continuous process
	Commitment to upholding health and safety standards	Uphold ESMP Guidelines that include health and safety provisions	On a continuous basis
	Address priority community needs (such as education, health, and economic development) and mitigate societal deficits (such as youth unemployment, human displacement and job readiness)	Launched the 2020-2025 Corporate Sustainability (CS) Strategy. More information can be found in the 'Our Sustainability Agenda' section on page 235. Support and develop locally relevant CS activities and establish partnerships that further the CS agenda and that address prevalent societal deficits Launch awareness campaigns on the company's social media channels	Monitoring of the strategy implementation is on a monthly basis and tracks the progress and status of its initiatives on a quarterly basis Zain CS tracks the progress and status of its initiatives on a quarterly basis On a monthly basis

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions	Tackle climate change through climate action which includes emissions reduction, energy efficiency and awareness	Install DG Battery hybrid solutions where feasible	A continuous effort
		Install Higher efficiency DC Power systems	A continuous effort
		Use outdoor cabinets where feasible	A continuous effort
		Explore possibilities for site-sharing and implement the 'right-sizing concept'	A continuous effort
		Implement e-waste recycling and reuse initiatives	A continuous effort
		Comply with ESMP regulations	A continuous effort
		Set long-term carbon emission reduction targets	A continuous effort
		Benchmark energy efficiency progress with similar regional and global organizations	A continuous effort
		Members of the Carbon Disclosure Project (CDP) that provides guidance on how the company manages climate change in alignment to the Task Force on Climate-related Financial Disclosures (TCFD)	A continuous effort

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions		Launched several social media campaigns raising awareness of the negative impact of plastic waste	A continuous effort
		Committed to furthering the Post-2015 Sustainable Development Goals	A continuous effort
	Engage Zain in relevant community events and forums	Participate in relevant community events and forums	On a regular basis
		the company provided safety guidelines and supplies for the staff at physical branches	During lockdown periods across our operations
		Internal and external about communications about COVID-19 safety measures were undertaken through social media, e-mails, SMS, call back tones, radio channels, traditional media and billboards	During lockdown periods across our operations
		All Zain's premises are periodically sterilized, and the existing maintenance crew were provided with specific sterilization and cleaning material to ensure proper disinfection and safety.	During lockdown periods across our operations and continued throughout the year

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
General Public and Community Institutions: Neighborhoods near base stations, media, NGOs and advocacy groups, charities, associations, foundations, schools, universities, and medical institutions		The company teamed up with the Mentor Arabia Foundation, to launch a social media campaign, entitled #StayZain. The regional campaign offers tips for parents, children and youth to maintain good mental and physical health, to reduce anxiety and depression, to motivate them to think positively and to avoid negative behavior during and after COVID-19 quarantine period.	During the month of May 2020
	Provide favorable terms	Encourage discussions with relevant departments through upper management	To ensure that certain terms are made with the highest level of transparency and fairness, Zain continuously revises its terms and conditions to make sure it is aligned with best practices
		Discuss and negotiate contracts and terms	To ensure that certain contracts and terms are made with the highest level of transparency and fairness, Zain continuously revises its terms and conditions to make sure it is aligned with best practices

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Business Partners: Suppliers, contractors, and distributors	Provide timely payments	Conduct periodic evaluations	On a daily basis
		Maintain open channels of communication and clearly articulate contract terms and agreement to ensure both parties agree on method and date of payments	On a quarterly basis and depending on each contract
	Maintain opportunities for frequent interaction and engagement with Zain	<p>Maintain open channels of communication.</p> <p>Established a three-year partnership with UNICEF by signing a memorandum of understanding (MoU) in order to work towards the advancement of the rights of children in the region</p> <p>Participate in forums that includes all of Zain's operating markets to ensure alignment in strategic approach</p>	<p>Zain communicates with its business partners on a continuous basis</p> <p>N/A</p> <p>On an annual basis</p>

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Business Partners: Suppliers, contractors, and distributors	Remain informed about Zain's guidelines and standards regarding human rights, health and safety, environment and labor standards	Communicate Zain's Supplier Code of Conduct which is included in the contracts	Zain is sending the Supplier Code of Conduct when onboarding new suppliers and communicating it to its existing suppliers on a yearly basis. In addition, Zain resends its Supplier Code of Conduct to all suppliers if changes have been made.
		Provide Supplier Assessment Questionnaire when onboarding new suppliers and recommunicate to existing suppliers	On an annual basis
		Developed a Human Rights Policy Statement that sets guiding principles and governance framework applicable for all employees, suppliers, partners, subsidiaries and entities managed by Zain must adhere to.	N/A
	Access to information about the company including financial data, customer data and other relevant information	Publish Annual Report and issue other periodic reports	On an annual basis
		Publish disclosure reports	On a quarterly basis
		Maintain open direct channels and frequent engagement with public officials	On a continuous basis

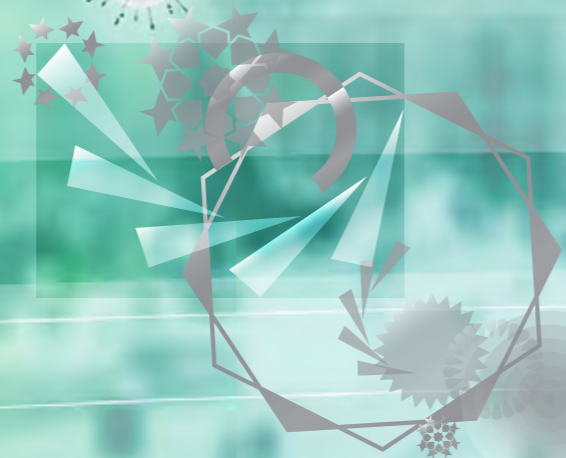
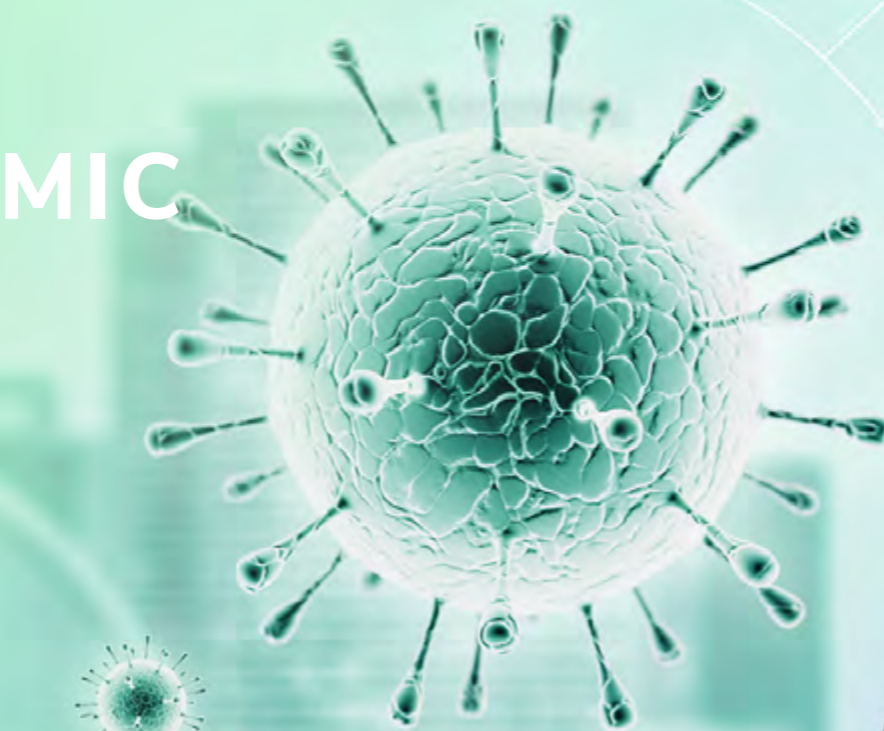
Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Government and Regulators: Kuwait Stock Exchange (KSE), Capital Markets Authority (CMA), Telecommunications Regulatory Authority (TRA), other National Telecommunications Regulators, and Ministries of Communication	Access to telecommunications services for citizens	Maintain network quality and coverage	On a continuous basis
		Comply with laws and regulations	As per laws and regulations, reports are provided annually, semi-annually and continuous disclosure
	Corporate and other taxation	Submit corporate income tax returns, Zakat and National Labor Support Tax (NLST)	On an annual basis
		File Indirect tax declaration	On a monthly basis depending on the local tax declaration where applicable
		Submit payroll income tax to the tax authority	On a monthly basis depending on the local tax declaration where applicable
		Conduct meeting and ongoing contact with tax authorities to ensure they are up to date with the most recent tax laws	On a continuous basis
		Engage with external tax advisors and receive newsletters on the most recent tax laws and regulations	On a continuous basis

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Government and Regulators: Kuwait Stock Exchange (KSE), Capital Markets Authority (CMA), Telecommunications Regulatory Authority (TRA), other National Telecommunications Regulators, and Ministries of Communication	Compliance with regulations	<p>Ensure and oversee compliance through Corporate Governance and Compliance Department, Regulatory Department and other relevant functions</p> <p>Ensure compliance with the regulatory requirements in the countries where we operate</p>	<p>The team keeps a close eye on the changes in regulations, industry, environment therefore continuous cooperation is in place between the internal and external parties</p> <p>The team keeps a close eye on the changes in regulations, industry, environment therefore continuous cooperation is in place between the internal and external parties</p>
	Stakeholders' Rights Protection	<p>Implemented through the Corporate Governance framework</p> <p>Policy approved by the Board of Directors is in place and shared with Executive Management</p> <p>Ensured that principles of transparency are applied throughout the whole organization with the focus by Corporate Governance and Investor Relations departments work collectively to guarantee transparency and efficiency throughout operations</p>	<p>On a continuous basis including periodic reporting</p> <p>On an annual basis</p> <p>On a continuous basis including periodic reporting</p>

Our Stakeholders	Stakeholder Priorities	Our Response	Frequency of Engagement
Government and Regulators: Kuwait Stock Exchange (KSE), Capital Markets Authority (CMA), Telecommunications Regulatory Authority (TRA), other National Telecommunications Regulators, and Ministries of Communication	To develop the company's reputation and provide an insurance against unforeseen events	<p>Invest in network quality and coverage</p> <p>Maintain business continuity and contingency plans</p> <p>Maintain insurance coverage for critical assets (such as data centers and employees)</p>	<p>On a continuous basis</p> <p>On a continuous basis</p> <p>On a continuous basis</p>
	Awareness of key organizational risks	<p>Update the Risk Register</p> <p>Update the Key Risk Indicators</p> <p>Maintain mitigation plans for all significant company risks that are communicated directly to the Board Risk Committee</p>	<p>On a yearly basis,</p> <p>On a quarterly basis</p> <p>On a quarterly basis</p>

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OUR ECONOMIC IMPACTS



OUR ECONOMIC IMPACTS

THE CHALLENGE

According to the International Finance Corporation (IFC)¹, the region's wholesale and retail sectors are being impacted and are considered exceptionally vulnerable due to COVID-19, resulting in falling consumer demand.

COVID-19 disrupted supply chains across different industries by increasing pressures in cash flow due to the decline in sales and fixed costs.

More than half of the MENA region's population does not have access to traditional banking services and safe options to secure, transfer, save and accumulate money².

Digital services bring forth significant benefits to the advancement of societies. There remains strong correlation between the development of information, communication technologies (ICT) and economic growth, as embedding digital services increases productivity and improves efficiencies. As Zain navigates the impacts of COVID-19, the company has been able to maintain its business activities, create and retain meaningful employment, sustainably manage its supply chain, and enhance its digital financial services across its operations.

¹ https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/covid-19-response-brief-mena

² <https://www.shopsplusproject.org/sites/default/files/resources/Digital%20Financial%20Services%20in%20the%20MENA%20Region.pdf>

ZAIN'S RESPONSE

Through its value chain, Zain was able to maintain 79,765 jobs in 2020.

This year, Zain enhanced its supply chain process by incorporating a series of steps to ensure a more responsible supply chain. The company updated its supplier code of conduct and increased the completion rate of the supplier self-assessment questionnaire to 156 suppliers across all our operations in 2020.

Zain continued to develop its digital financial services in Iraq, Jordan and Saudi Arabia. This year, the total customer base reached 312,665 active customers across the three markets.

Financial Performance

For the full-year 2020, Zain Group generated consolidated revenue of KD 1.63 billion (USD 5.3 billion), reflecting a 2% Year-on-Year (Y-o-Y) decrease, while consolidated EBITDA for the period declined by 8% Y-o-Y, to reach KD 673 million (USD 2.2 billion), reflecting a healthy EBITDA margin of 41%. The table below highlights the company's financial results in 2020 compared to 2019.

	Financial Performance: Direct Economic Value Generated and Distributed			
	2020		2019	
	KD m	US\$ m	KD m	US\$ m
Revenue	1,627	5,311	1,661	5,471
Cost of Sales	(448)	(1,462)	(459)	(1,512)
Operating Costs	(506)	(1,651)	(473)	(1,559)
Net Profit	185	605	217	715
Retained Earnings	359	1,183	319	1,052
Dividends Paid	(133)	(432)	(130)	(427)
Dividends paid to non-controlling interests	(6)	(20)	(5)	(17)
Staff Costs	(129)	(419)	(129)	(425)
Finance Costs Paid	(77)	(252)	(112)	(370)
(Repayment of)/proceeds from bank borrowings (net)	(193)	(636)	(47)	(154)
Income Tax Payments	(42)	(138)	(17)	(55)
Kuwait Foundation for Advancement of Sciences Paid	(0.67)	(2.18)	(0.77)	(2.54)
National Labor Support Tax and Zakat Paid	(17)	(55)	(3)	(11)

Zain Group's 2019 Annual General Meeting (AGM) was held on 19th March 2020, that approved a cash dividend of 33 fils per share. A first by any corporate entity in Kuwait, the AGM approved Zain's adoption of a minimum cash dividend policy of 33 fils per share for three years (from 2019 to 2021).

Zain's Economic Impact through the Value Chain

Zain's value chain consists of various key players that support the company in providing top quality products and services to its customers. The value chain is mainly comprised of networks and equipment providers, hardware and software manufacturers, product research and development, and distribution channels. Through the value chain, Zain continues to generate employment opportunities across its markets. Providing opportunities for work helps boost the economy by providing individuals secure and meaningful sources of income.

In 2020, the MENA region, in comparison to the global context, was the only one that exhibited increasing poverty rate pre-crisis. The unemployment rate was also exceptionally high in the region, especially for women and youth. Such challenges have worsened due to the pandemic, especially as people dropped out of schools and lost their jobs. Through our value chain, Zain provided opportunities for employment to individuals with the aim of enhancing their livelihoods and quality of life. Even though the pandemic has severely impacted employment and job opportunities, Zain was able to maintain the jobs exhibited below across its operations.

Zain's Economic Impact through its Value Chain - Our Supply Chain 2020						
	Bahrain	Iraq	Jordan	Kuwait	Saudi Arabia	Sudan
Outlets	2,340	60,000	3,085	1,762	20,900	30,000
Distributors	2	4	6	8	4	48
Franchise Shops	-	82	28	110	218	81
Flagship and Zain-owned stores	15	29	28	4	29	3

Zain's Economic Impact through its Value Chain - Our Supply Chain 2019

	Bahrain	Iraq	Jordan	Kuwait	Saudi Arabia	Sudan
Outlets	2,229	60,000	3,186	5,250	17,765	30,000
Distributors	4	13	6	6	4	49
Franchise Shops	0	72	29	123	268	81
Flagship and Zain-owned stores	19	29	34	5	31	3

Total Number of Jobs in 2020

 **BAHRAIN**
116

 **IRAQ**
1,375

 **JORDAN**
6,254

 **KUWAIT**
6,891

 **SAUDI ARABIA**
4,045

 **SUDAN**
61,084

Responsible Supply Chain

Zain recognizes the crucial role supply chain management plays in sustaining the organizations' operations and activities. The company leveraged this opportunity to push the envelope in continuing to develop processes that ensure Zain responsibly and sustainably manages its suppliers across its operations. Zain prioritizes its commitment to engaging with its suppliers on the grounds of integrity, respect for the law and going beyond to create positive socio-economic and environmental impacts across the company's operating markets. Zain continues to enhance this process when onboarding new suppliers while monitoring its existing ones. Adhering to Zain's 2020-2025 corporate sustainability strategy, under the social business pillar, Zain set the below targets that guide the company to establish a responsible and ethical supply chain.

Target to be achieved by 2025	Status
Embedding waste management policies into supplier contracts, including aspects of the circular economy model	Complete
Address 70% of Group suppliers and 50% of local suppliers to complete Zain's supplier self-assessment questionnaire	Ongoing
Training 70% of Group suppliers and 50% of local suppliers on Zain's social and environmental standards	Ongoing

This year, Zain refined its supplier code of conduct to ensure that it continues to clearly articulate the company's expectations of its suppliers. The code touches on various topics from compliance, to mitigating climate changes, labor and human rights, health and safety, and anti-corruption.

Specific clauses included in the supplier code relate to the circular economy.

- Saving natural resources through the integration of environmental/climate change aspects into design and planning processes as indicated in the environmental and social management plan (ESMP) and as per the circular economy concept.
- Ensuring the implementation of appropriate waste management and pollution control procedures in line with the local regulations, Zain's ESMP, the circular economy and any other internationally recognized protocols.

Zain continued to dedicate time and resources to ensuring the sustainability of its supply chain as the company relies significantly on its suppliers to ensure that it provides high quality products and services to its users. Below are action points undertaken based on Zain's supplier assessment process.

Complete Zain's supplier self assessment questionnaire

156 Group and local suppliers completed the questionnaire

Signatory to Zain's supplier code of conduct

100% of suppliers are signatory to Zain's supplier code of conduct

Align to international best practices through Zain's ESMP guidelines

100% of suppliers are aligned to international best practices through Zain's ESMP guidelines

Conduct two audit visits per year on selected suppliers on social and environmental criteria

No physical audits were conducted this year due to travel restrictions

The table below provides a breakdown of the number of questionnaires completed per year. The company selected the suppliers that needed to complete the questionnaire based on their materiality to the business. Zain is working on evolving the Supplier Self-Assessment Questionnaire process by filtering out, categorizing, and grouping suppliers based on categories that reflect their materiality.

This process will enable the company to compute the percentage of suppliers who were assessed on social and environmental criteria. To achieve this, Zain continued to streamline its process of its Supplier Self-Assessment Questionnaire this year to its local suppliers for the first time in line with the targets set in the Corporate sustainability strategy. The company shared the questionnaire to 349 suppliers across its Group and local operations, where 156 suppliers completed the questionnaire. The responses were also reviewed and audited by Zain's Corporate Sustainability teams.

2017	2018	2019	2020
10 suppliers	7 suppliers	8 suppliers	156 suppliers

Progression of Supplier Self Assessment Questionnaire



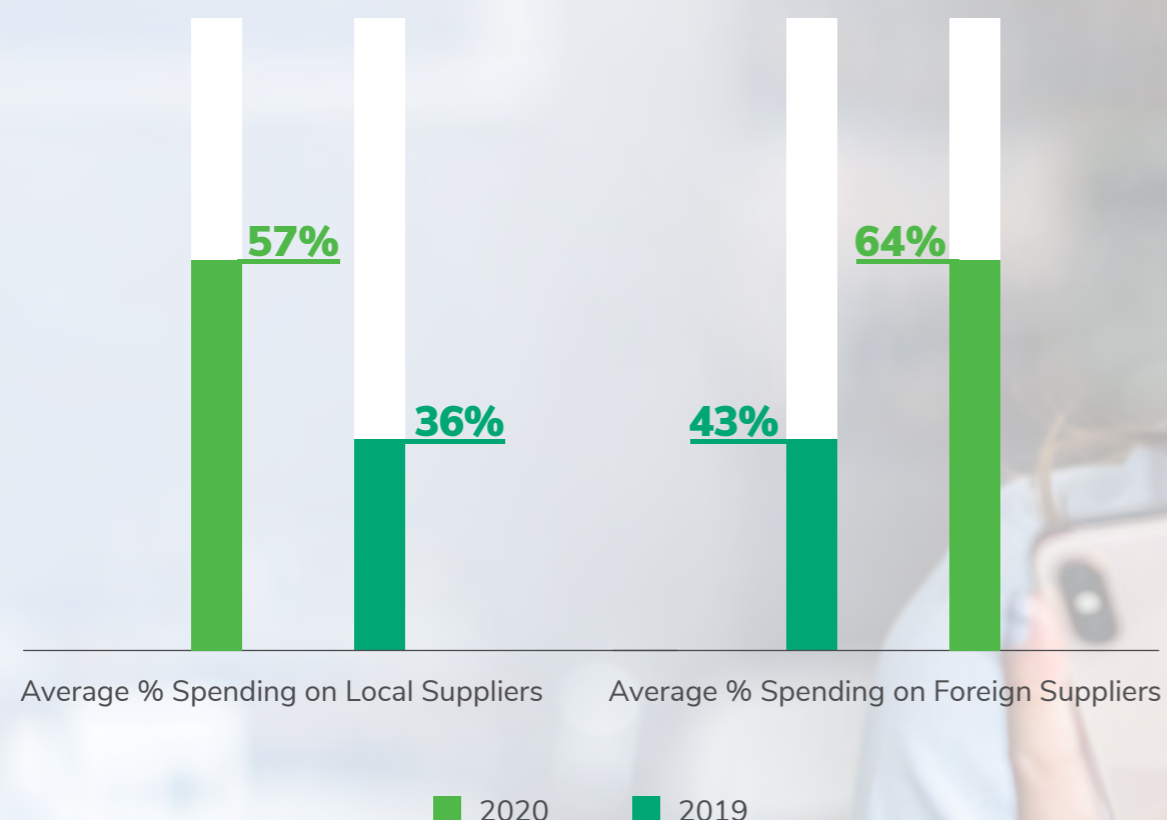
Procurement Spending

To ensure we operate efficiently, Zain continued to consolidate and streamline the process of engagement with its suppliers. By consolidating it at the Group level, Zain is able to make sure it is cohesive in its approach. In response to the restrictions set on travel and equipment transfer, Zain had to rely more on local suppliers, resulting in an increase in the spending on local suppliers by 21% in 2020.

2020 Procurement Spending Per Operation		
Operation	% Spending on Local Suppliers	% Spending on Foreign Suppliers
Bahrain	22%	78%
Iraq	11%	89%
Jordan	31%	69%
Kuwait	48%	52%
KSA	88%	12%
Sudan	43%	57%
South Sudan	14%	86%
Total	57%	43%

The graph below illustrates the company's procurement spending for local vs. foreign suppliers for 2020 in comparison to 2019.

Procurement Spending: Year-on-Year



Financial Inclusion

The mobile money industry continues to showcase its transformational impact on societies across the world. As two billion people globally remain unbanked, the need for a more inclusive financial system is highlighted. As such, digital financial services provide room for greater financial inclusion, economic growth and empowerment. The GSMA's State of the Industry Report on Mobile Money indicates that 2019 was a major milestone globally, as the number of registered mobile money users surpassed one billion people.

Over one billion mobile money registrants in 2019

US\$1.9 billion processed through mobile money

Exceeded traditional cash in and cash out services by 57%

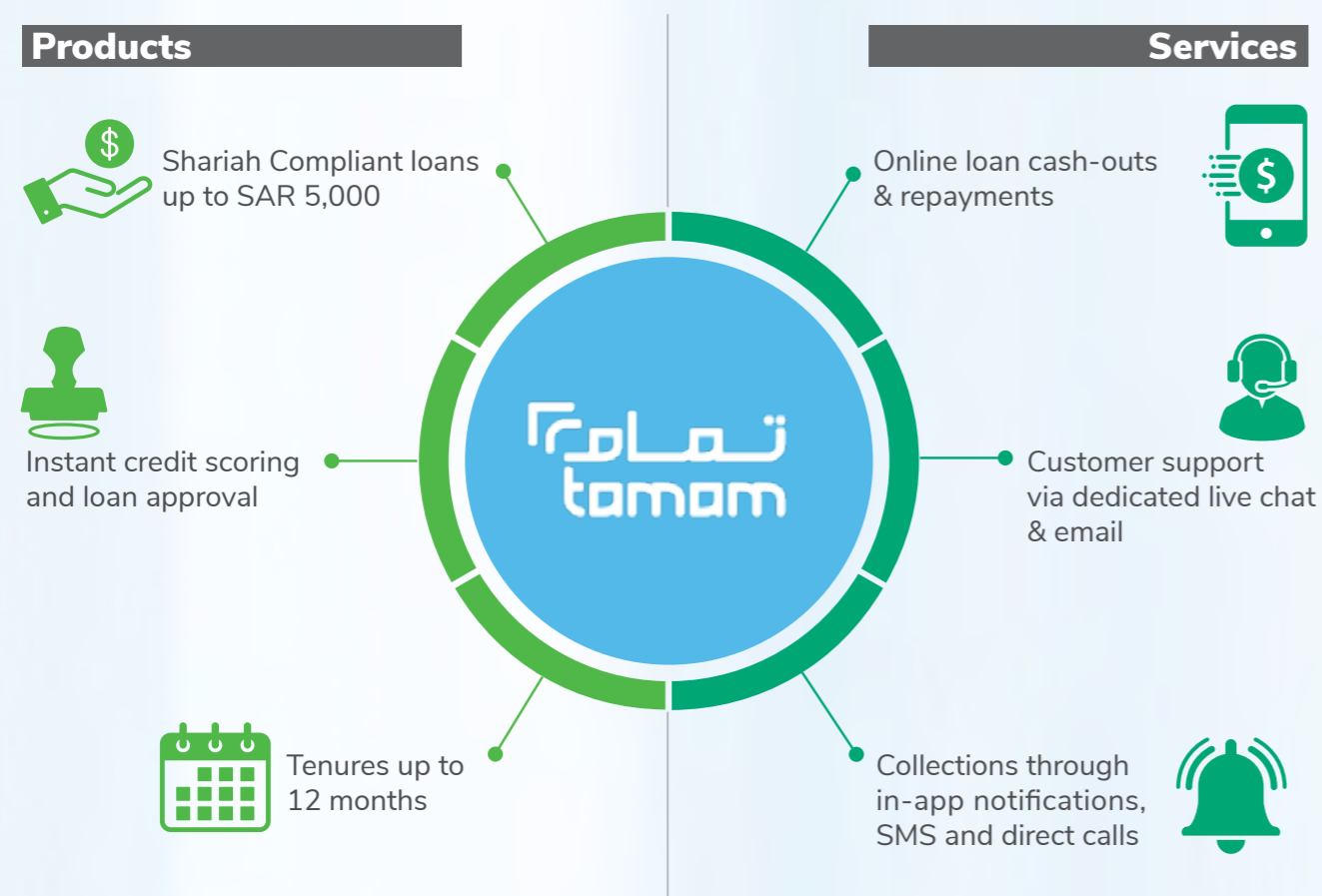
Zain continues to play a significant role in the mobile money ecosystem, as it not only leverages on its reach and technology to provide reliable financial services, but it operates in communities that benefit greatly from a more accessible financial system.

In markets such as Iraq and Jordan, the unbanked population remains relatively large in both countries, with an unbanked population exceeding 50%. In Saudi Arabia, the opportunity to offer digital financial products and services continues to evolve as 76% of banking customers use digital platforms and 60% use mobile platforms³.

³ <https://www.huxley.com/en-jp/blog/2019/05/has-the-digital-boom-affected-the-banking-and-finance-industry-in-the-gulf/>

Tamam in Saudi Arabia

Tamam is considered the first entity to offer a fully digital and instant microloan proposition in Saudi Arabia. Serving a population of around 35 million people, this micro-lending platform offers loans of up to SAR 5,000 (US\$1333) in less than five minutes based on credit scores generated in real time.



Since the launch of Tamam in 2019, the company has disbursed approximately 1,300 loans to more than 700 unique users. Some of the metrics include:

- 65% of users are Saudi nationals
- 75% are from major cities in Saudi Arabia
- Majority of users have a monthly income of 5,000-10,000 SAR

Zain Cash in Iraq

In Iraq, Zain Cash continues to grow in prominence, establishing a large customer base. It is considered a leader in the financial service ecosystem in the country, and as of 2020, Zain Cash had attained over 50,000 active customers and a 132% Y-o-Y increase in the value of transactions processed. Zain Cash currently offers access to conduct payments through wallet cards, purchase of digital goods, money transfers, and salary disbursements.

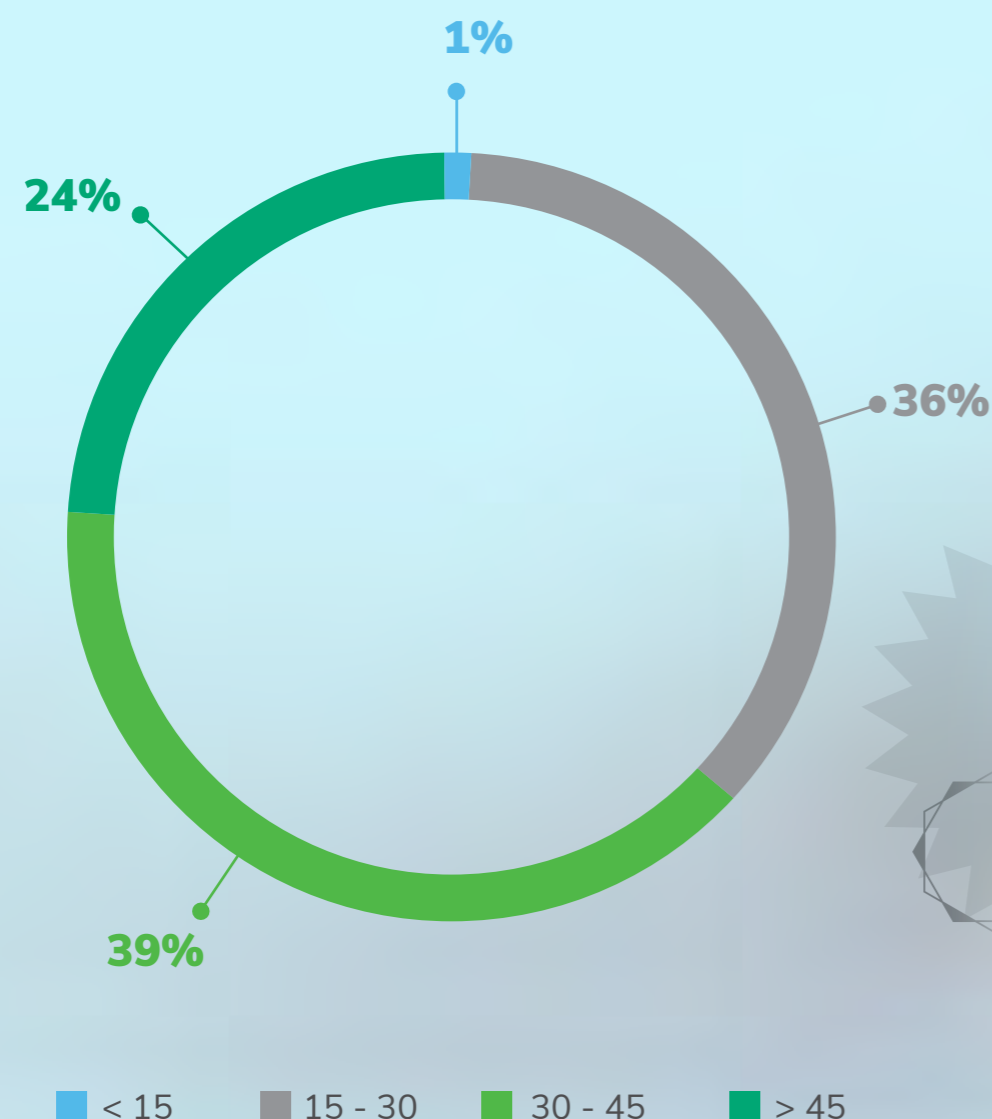
The service also targets underserved segments such as internally displaced people (IDPs) and refugees residing in Iraq through Zain's partnership with the United Nations High Commissioner for Refugees (UNHCR) and IrisGuard, a UK based electronic payment solutions company that provides end-to-end iris recognition biometric technology.



Zain Cash in Jordan

A revamped service in Jordan, Zain Cash was able to establish a base of 260,000 active customers with a market share of 24% in 2020.

The customer age breakdown highlights the diversity in users and the potential of the service.



In 2020, the number of licensed mobile money providers in Jordan increased, reaching seven. In addition, there are six banks that also offer similar services in the country. This points to the growing appetite for financial digital services.

The value of Zain Cash Jordan's transactions grew in 2020 to reach JD357 million (US\$504 million). The services currently offered under Zain Cash includes onboarding customers digitally, utility payments via the wallet, salary disbursements, Mastercard payments linked to the wallet, including card management options, e-vouchers from different stores, digital donations, and direct merchant payments.

During the pandemic, the materiality of digital financial services has grown exponentially, and in response to the crisis Zain Cash undertook the following:

- To support government disbursements, Zain Cash handled 400,000 bulk payment transactions solely, valued at a total amount of JD59 million.
- Introduced cardless ATM services in cooperation with three banks for cash deposits and withdrawals covering more than 400 locations.
- Zain Cash cooperated with the Arab Women Enterprise Fund to create different techniques to reach out to a large number of women to become e-wallet holders, increasing financial inclusion rates in Jordan. This cooperation resulted in over 22,000 new women users, and the signing up of 30 female agents and merchants. The partnership also launched events to raise awareness of the importance of using e-wallets and increasing the number of female active users.

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OUR PRODUCTS
AND CUSTOMERS



OUR PRODUCTS AND CUSTOMERS

THE CHALLENGE

Research conducted by the GSMA, indicated that there is a significant gap for mobile internet usage between people with disabilities and people without.

The impact of COVID-19 led to a large number of schools closing, leaving 1.2 billion children¹ with no access to a classroom.

Affordability remains a key barrier for low-income customers to benefit from using internet-enabled digital services. Addressing affordability will help in reducing the usage gap of 3.3 billion people around the world.²

ZAIN'S RESPONSE

Zain became a signatory and is a member of the GSMA Assistive Tech Advisory Group in the GSMA's global effort to launch 'Principles for Driving the Digital Inclusion of Persons with Disabilities'. In addition, Zain continued to offer its Basma Line+ service in Jordan, which offers a mobile package for the deaf/hearing impaired community.

The company continued to provide the Zain Kids application in six markets. Efforts to scale the application to additional markets coupled with the impact of the pandemic resulted in a 298% increase in the number of children subscribing to the application in comparison to 2019.

Through Zain Group's Application Programming Interface Platform, the company launched Busuu, a digital service that allows users to learn 11 different global languages. The unique proposition of this platform is that it allows users to pay for the subscription based on their usage of the application rather than on a monthly/quarterly subscription. This provides room for a greater number of people to benefit and use the platform.

Zain recognizes the importance of ensuring the accessibility of its products and services across its footprint. Through its core services, the company aims to increase access to its networks and optimize cost through digitization of its services. The company developed a suite of verticals or non-core services that include e-health, e-education, e-gaming, and financial services that lead to transforming and disruption of existing ecosystems. By taking an inclusive approach in designing, creating, communicating, and marketing its products and services, the company aims to achieve systemic and long-lasting positive change.

This year, Zain continued to leverage its reach by continuing to scale its Group API. Due to the company witnessed a large upscale and increase in usage on its digital services by 37.8% between February – April 2020. In response to this growth, Zain established new partnerships to provide customers a larger variety of services across its operations. Group API allows Zain to be more efficient in scaling services reaching a wider audience. Coupled with providing a wide range of services, the company continues to ensure that it takes an inclusive and equitable approach in conducting such activities leading to an increase in adoption. For example, Zain partnered with Busuu, which provides specialized language training in 11 global languages. To ensure accessibility, users pay for the service based only on a daily price point thus only paying for the days that they use the service rather than a monthly/quarterly subscription.

¹ <https://www.weforum.org/agenda/2020/04/coronavirus-education-global-covid19-online-digital-learning/>

² <https://www.gsma.com/mobilefordevelopment/blog/squeezed-between-lower-incomes-and-a-growing-need-to-be-online/>

Zain B2B Growth

Since the inception of Zain Business, the company managed to transform the way businesses operate, from meeting their needs of operating in a competitive and rapidly changing environment, to helping them excel in their operations and offer high quality customer experience.

The Zain Business portfolio constitutes mobile, fixed, IoT, managed hosted services, security and data center services, enabling the unit to be one of the leading providers of digital services in the MENA region. Zain Business serves over 50,000 governments and enterprises, with more than 50 unique and innovative products and services on offer.

Through its reach and operating from 15 business locations, Zain Business services contribute to the overall economic growth of their communities. By ensuring that other businesses can thrive, Zain is ensuring that they can expand their own operations leading to job creation and operational efficiency.

During the unprecedented global pandemic, Zain Business has extended tremendous support to multiple industry verticals, across its markets of operations, which include supporting SMEs, corporates, and governments through 30 enterprise initiatives.

Prominent examples include the launch of the interactive Shlonik COVID-19 traceability app in Kuwait, and the full hosting of the COVID-19 crisis call center by Zain Sudan in collaboration with the Ministry of Health, which received 4,500 to 5,000 calls daily.³ Zain Business also provided free Microsoft Teams and WebEx licenses to B2B customers in Iraq and Bahrain, remote working solutions in Saudi Arabia, and free and secure student and teacher access to the Zain's educational platform in Jordan.

³ <https://www.unicef.org/sudan/stories/call-221-sudans-covid-19-hotline-volunteer-doing-all-he-can-save-lives>

Access to communication for vulnerable segments

BASMA LINE+

Launched in 2019, Basma Line+ is a mobile bundle package that targets the deaf/hearing impaired community. This package was launched to address the challenges this community faces related to accessibility and was designed to address their specific needs. The Basma Line+ bundle includes 3,000 minutes of video calls, 12 GBs of cellular data, 60 local minutes, and 2,000 minutes of voices calls made within Zain's network. Offered at a discounted rate, there are 353 people from the deaf/hearing impaired community subscribing to the service.

FREE BASICS V2

For its second year, Zain Iraq continued to provide its FreeBasics.com service, which provides users access to Facebook, Facebook Messenger, and a selection of additional websites free of charge. This service was launched in partnership with Facebook. Through this service, Zain's customers can communicate with family and friends at any time through their mobiles and smart devices. In 2020, the company witnessed that more people are now using this service reaching a total of 2.6 million beneficiaries with a year-on-year growth of 8%.

YOUTH COMMUNITY OFFERS

Launched in 2015, the Youth Community Offer provides discounted mobile packages to youth in Sudan. The offer provides Zain the opportunity to tap into the youth segment as they represent 64% of the country's population. Through this offer, youth who heavily rely on mobile communications can access such package equitably. Users who subscribe to the service can call other subscribers at a discounted rate of 0.111 SDG/minute. To date there are 6 million youth subscribing to the service.

Zain's Key Digital Verticals

1- E-Education Services

LAMSA

Zain continued to offer its Lamsa service which is a safe, reliable, and ad-free e-education platform for children. The platform educates children through a range of interactive games and stories. Offered in English and Arabic, Lamsa is targeted at children between the ages of 2-8 years old. Learning the alphabet, numbers, how to distinguish positions, shapes, colors, and animal names and sounds is offered. Lamsa contributes to the development of children and builds up their language and creative skills, ultimately enhancing their self-confidence. By offering multiple learning modes, this application aims to be inclusive and cater to children with different learning styles. A single subscription package of Lamsa includes up to five devices, improving accessibility. The platform is offered in Bahrain, Iraq, Jordan, and Saudi Arabia.

SADEEM

Sadeem is an e-platform application that connects students, teachers, and parents together online, providing students with the tools needed to help reach their potential. The platform provides various tools such as notifying parents on important announcements, the ability to follow up on attendance, examination dates, schedules, and students' grades. Sadeem benefits parents and students by offering them accessibility to textbooks, homework, and detailed progress reports. Parents are given access to the school or other parents, in order to receive feedback on any issues. Bridging the communication gap between the school, parents and students provides a better experience and supports students in their development. The application is available Bahrain, Iraq, Jordan, and Saudi Arabia.

KIDOTAINMENT

Offered in Iraq, Jordan and Saudi Arabia, Kidotainment is a digital service that nurtures children and young people's creativity and knowledge. The platform provides children with over 1,700 videos, providing them high quality educational content in Arabic and English. This year, more than 13,000 children benefitted from the service.

ZAIN KIDS

A safe space for children to access curated videos and games, Zain Kids is a digital playground that can be managed by parents on their own devices. Parents have the power to set time limitations, access to parental control features, and view a content dashboard and statistics on children's usage of the application. The application also allows parents to safeguard their children while online without having to add additional safety precautions or parental controls as everything is monitored via the application. Zain Kids was scaled and is being tracked by the Group API platform. It is currently offered in Iraq, Kuwait, and Saudi Arabia. Through the Group API, the application was introduced in Bahrain and Jordan in 2020. The content is regularly updated based on children's' and parents' preferences collected through focus groups. In 2020, the service attracted a total 319,578 of subscribers, experiencing a 298% increase in users year-on-year.

2 - E-HEALTH SERVICES

SHLONIK APPLICATION

Launched as a response to the pandemic, Shlonik is an innovative application assisting the Ministry of Health in Kuwait to quarantine citizens and residents to alleviate pressure on medical workers and to provide protection and healthcare services during times of isolation and quarantine. Shlonik was developed within a span of two weeks with Zain developers working diligently with best-in-class development techniques. The application ensures that people residing in the community adhere to regulations and safety precautions during their quarantine period.

Shlonik started off by assisting the government with evacuation plans of citizens and expanded to supporting the process of quarantining individuals. Services offered include communicating statistics and news, adhering to self-quarantine procedures, listing of health centers and pharmacies, medical consultation and support, quarantine countdown indicators, notifications through SMS and in-app messages, as well as the production of a quarantine completion certificate.

The self-quarantine process includes visual (3D technology) and audio artificial intelligence to ensure citizens and residents abide by the rules and regulations set forth by the Ministry. Complete with geofencing technologies and a state-of-the-art backend with an embedded alarm system, the Ministry is informed if a quarantined individual leaves their geofenced location. By digitizing the self-quarantine process, Zain was able to alleviate the pressures faced by frontline workers, hospitals, the Ministry of Health, and other related governmental entities. By the end of 2020, 653,000 people have used the Shlonik application, which is a testament to Zain's digital presence and how digital transformation can have a lasting positive effect.

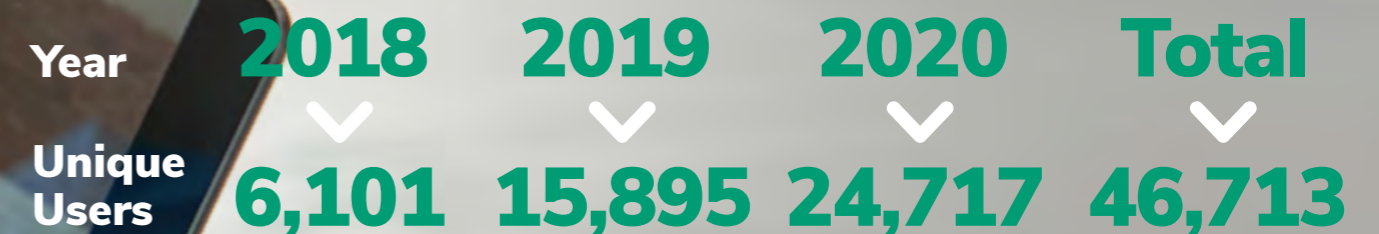
AL TIBBI SERVICE

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

3 - MICRO-INSURANCE SERVICES

SALAMTAK INSURANCE PROGRAM

For its third consecutive year, Zain continued to provide the micro-insurance service in Iraq. Targeting low-income households, the service provides access to insurance to underserved customers. This insurance service provides protection to its customers in the event of death or permanent disability as vulnerable communities tend to lack safety nets during times of emergency. address the needs of such segments to ensure affordability and accessibility. The premiums are tailored for this segment, and in 2020, Salamtak counted 46,713 customers in Iraq. The growth in customers reflects the fragile situation in the country resulting from political conditions, inefficient social systems, and years of conflict and displacement.⁴



Service	Number of Subscribers in 2019	Number of Subscribers in 2020	Y-O-Y Change	Markets Available	Targeted Community
Basma Line+	350	353	1%	Jordan	People with Disabilities
Free Basics V2	2.4 million	2.6 million	8%	Iraq	Youth
Youth Community Offer	2.2 million	6 million	172%	Sudan	Youth
Zain Kids	80,373	319,578	298%	Iraq, Kuwait, Saudi Arabia	Children
Salamtak Insurance Program	15,894	24,717	56%	Iraq	Low-income community
Busuu (launched in 2020)	N/A	20,330	N/A	Iraq	Low-income community

⁴ <https://www.worldbank.org/en/country/iraq/overview>

Protecting Customer Privacy and Breaches

Adherence to the GSMA Mobile Privacy Principles continues to be of utmost importance for Zain. Compliance with these principles ensures that best practices are followed on matters related to the privacy and confidentiality of customer data. Protocols in place assure the protection of customer data to avoid data leaks, theft and/or loss. Responses to related issues are done with the utmost precaution and diligence. The company complies with all laws and regulations related to the protection of customer privacy and data and takes steps to align with ISO certifications standards related to the matter. Zain is committed to maintaining our customers' privacy. In 2020, there were no cases concerning breaches of customer privacy, data leaks, theft or loss. Protection of customer privacy is paramount for Zain, and as such, all necessary prudent measures are developed on a constant basis to protect the customers' data at all times.

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

Zain Group: <https://www.zain.com/en/privacy-policy/>

Bahrain: <https://www.bh.zain.com/en/copyright/privacy-policy>

Iraq: <https://www.iq.zain.com/en/privacy-policy>

Jordan: <https://www.jo.zain.com/english/Pages/terms.aspx#privacyPolicy>

Kuwait: <https://www.kw.zain.com/en/privacy-policy>

Saudi Arabia: <https://sa.zain.com/en/privacy-policy>

Sudan: <https://www.sd.zain.com/English/Pages/privacypolicy.aspx>

South Sudan: <https://zain.com/en/privacy-policy/>

Engaging with Customers:

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

- Follow-up surveys that track the experience of customers within our stores and call centers. Zain has a centralized process to help the company monitor and track related KPIs.
- Continuous tracking of customer sentiments through interview, SMS and phone surveys. Through the company's Net Promoter Score (NPS) surveys, it tracks customer dissatisfaction rates and creates actionable plans to address them.
- Maintaining feedback and suggestion forums on all Zain websites. Zain also leverages its social media channels and call centers to receive customer feedback.
- Zain looks to engage with its customers even if the customer is not facing any issues. In addition, dedicated staff are held accountable to respond to customer comments and messages through social media.
- Customers can be called back based on their survey feedback to better understand their needs and enhance their experience.

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

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OUR NETWORK



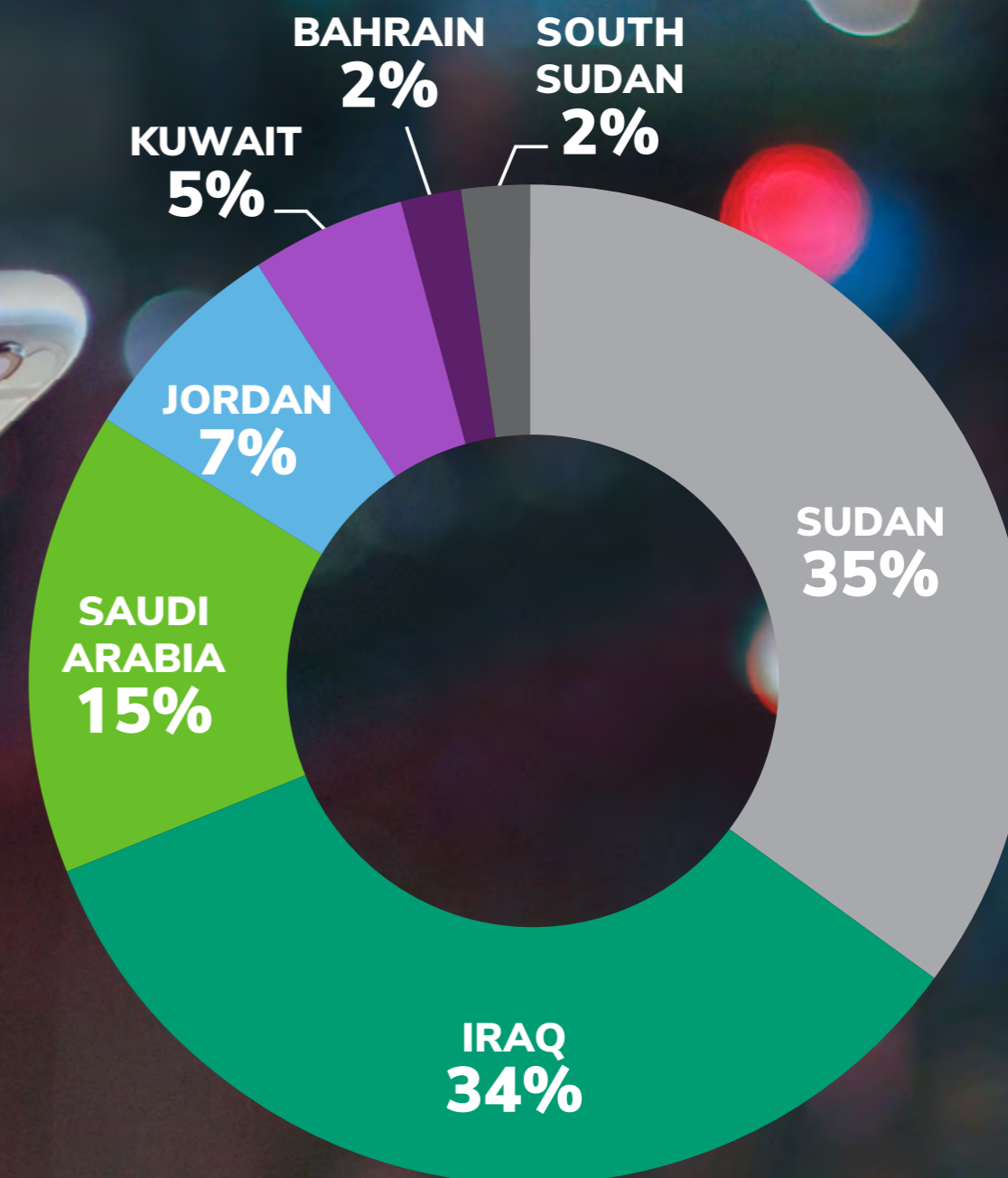
OUR NETWORK

Zain Group's total customer base reached 47.8 million by end of December 2020. Zain's overall customer base decreased by 3.6% compared to 2019 mainly due to COVID-19 implications.

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

	Ownership (%)	Active Customers (000S) December 31, 2020	Active Customers (000S) December 31, 2019	Y-O-Y Change	Active Prepaid Customers (%) December 31, 2020
Iraq	76%	16,176	15,658	3%	95%
Jordan	96.5%	3,551	3,614	-2%	69%
Kuwait	100%	2,568	2,777	-8%	60%
Saudi Arabia	37%	7,015	7,596	-8%	64%
South Sudan	100%	1,088	991	10%	99%
Sudan	100%	16,572	15,870	4%	98%

Customer Contribution: 2020



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OUR PEOPLE



OUR PEOPLE

THE CHALLENGE

Assistive technologies aim to provide people with disabilities access to maintain and improve their independence, which enhances wellbeing and allows participation in the economy. In most low-mid income countries, only 5-15% of people with disabilities have access to assistive technologies¹.

Due to COVID-19, many organizations had to implement deep budget cuts due to the impact of the pandemic on the business. Often, the budget cuts impacted the financial plan set for training employees and skills development. Simultaneously, companies needed to hire new talent to keep up with changes in operational circumstances.

In the MENA region, despite the growing number of women studying STEM subjects, there remains barriers in transitioning them into the workforce.

ZAIN'S RESPONSE

Zain's internal intrapreneurship platform, ZAINIAC, launched a hackathon centered on assistive technologies. More than 90 ideas were submitted, five idea owners were mentored, and one idea was funded by an external incubator.

The company provided training and development opportunities for its employees by leveraging on digital and virtual training programs across its operating markets. This year, Zain was able to provide 13 average hours of training per employee.

Under Zain's WE program, 100 women employees were certified in data science and 42 of them participated in a data analytics competition.

	BAHRAIN	IRAQ	JORDAN	KUWAIT	SAUDI ARABIA	SUDAN	SOUTH SUDAN	TOTAL AVR.
NO. OF FULL TIME EMPLOYEES	180	1478	1313	1678	1410*	832	85	6,976
NO. OF PART TIME AND TEMPORARY EMPLOYEES	91	1061	294	0	2	0	0	1,448
NO. OF EMPLOYEES ALL CONTRACT TYPES	387*	2,539	1607	1678	1412	832	85	8,153
NO. OF MALES (FULL TIME)	131	1121	948	1422	1243	476	72	5,413
NO. OF FEMALES (FULL TIME)	49	357	365	256	167	356	13	1,563
% OF MALES (FULL TIME)	73%	76%	72%	85%	88%	57%	85%	77%
% OF FEMALE (FULL TIME)	27%	24%	28%	15%	12%	43%	15%	23%
NO. OF NEW HIRES MALES	8	403	99	208	60	7	9	794
NEW HIRES % - MALES	4%	27%	8%	12%	4%	1%	11%	11%
NO. OF NEW HIRES FEMALES	2	149	103	36	54	10	0	354
NEW HIRES % - FEMALES	1.11%	10%	8%	2%	4%	1%	0%	5%
TOTAL NO. OF NEW HIRES	10	552	202	244	114	17	9	1,148
TOTAL NEW HIRE - %	6%	37%	15%	15%	8%	2%	11%	16%
EMPLOYEE TURNOVER - MALES	7	191	84	205	78	30	10	605
EMPLOYEE TURNOVER - MALES %	4%	13%	6%	12%	6%	4%	12%	9%
EMPLOYEE TURNOVER - FEMALES	7	109	28	27	18	24	2	215
EMPLOYEE TURNOVER - FEMALES %	4%	7%	2%	2%	1%	3%	2%	3%
TOTAL TURN OVER	14	300	112	232	96	54	12	820
RETURN TO WORK RATE AFTER PARENTAL LEAVE - FEMALES	100%	100%	100%	100%	100%	100%	NA (NO LEAVE TAKEN)	100%
RETURN TO WORK RATE AFTER PARENTAL LEAVE - MALES	100%	100%	100%	100%	100%	100%	100%	100%

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

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

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

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

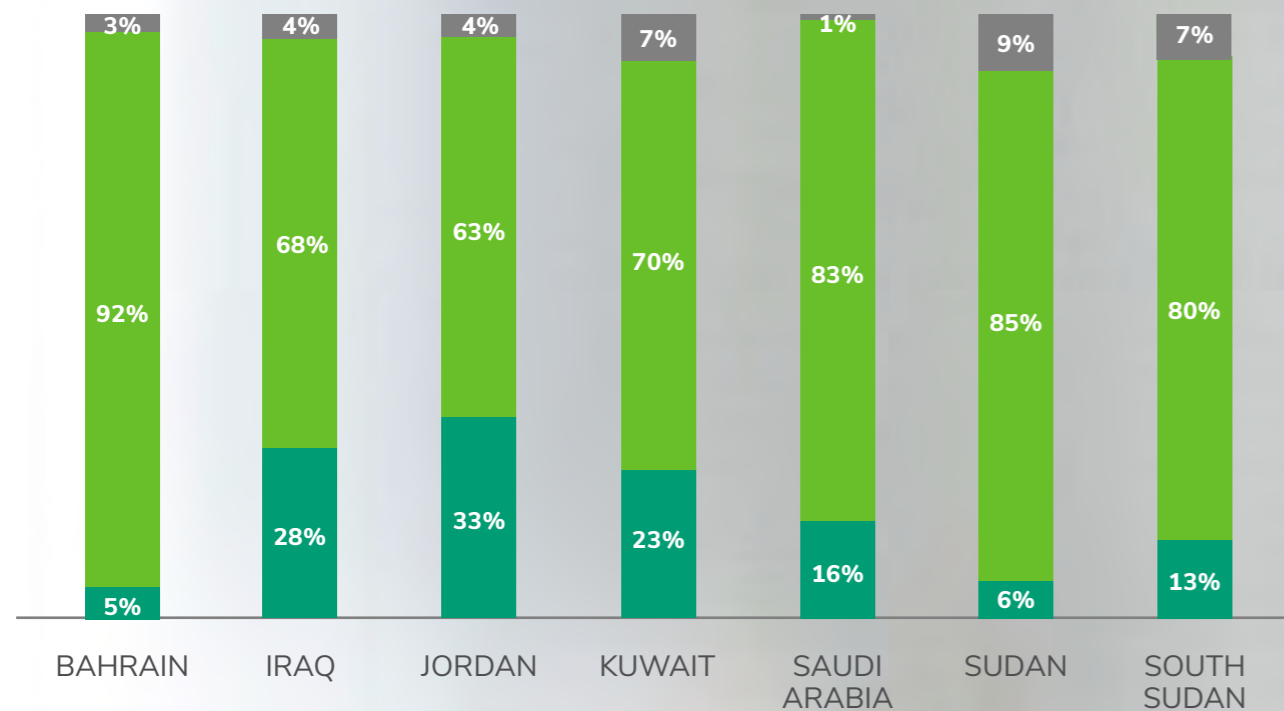
* Return to work rate is defined as employees returning to work after their respective maternity or paternity leave

* For Zain Bahrain the total No. of Employees for all contract types includes Zain Youth Employees which are equivalent to 116 employees

*For Zain KSA the total No. of Full Time Employee does not include 405 Employees from ZAIN SALE CO.

¹ <https://www.who.int/disabilities/technology/en/>

Employee Age Structure Table



- % Employees under 30
- % Employees between 30-50
- % Employees over 50

* Includes only full time employees

Achieving Results through Engagement

As new business models, emerging technologies, and agile approaches are being implemented into an organization's activities, companies are learning how they engage with their employees. The pandemic spearheaded methods of efficient and transparent communication to support employees' adjustment to working remotely. Supporting employees, creating a positive work environment, and trusting leaders to make effective decisions are key to aiding employees' drive towards investing in uncertain times.

In 2020, Zain continued to conduct engagement activities that have been modified to accommodate the impacts of the pandemic. Through accessible digital tools, Zain was able to leverage on different methods to ensure organizational workflow.

Methods used in 2020 by Zain to engage with employees

1. ZAINIAC – Internal e-platform

ZAINIAC is an internal innovation platform that was established in 2017 through the vision of the Vice-Chairman and Group CEO to foster internal ideation and intrapreneurship. The platform is open to all Zain employees, providing resources such as mentorship from Zain's senior management, support of the incubation process, and provide general assistance in developing business ideas. ZAINIAC focuses on equipping employees with the opportunity to transform their ideas into their own startups by testing their concepts, building prototypes, and pitching theories to a panel of experienced judges.

This year, ZAINIAC launched a series of sessions under ZAINIAC Sprints in collaboration with the human resources department to train employees on entrepreneurial skills. Through the program, the company conducted 13 sprints, which are 90-minute online sessions on subjects varying from business ideas in response to COVID-19 to marketing strategies. More than 1,000 employees were trained and joined the sessions across Zain operating markets.

ZAINIAC also launched its annual program with the aim of generating new business ideas. However, this year the company decided to have this edition focused around generating ideas that address challenges faced by people with disabilities. The team collaborated with WE ABLE, Zain's internal disability inclusive initiative, to establish ideas around assistive technologies and solutions. The figures below showcase the progress in adherence to the ZAINIAC process.

THE ZAINIAC PROCESS

2019 FIGURES

2020 FIGURES (WE ABLE edition)



2. Engagement with Zain's operations

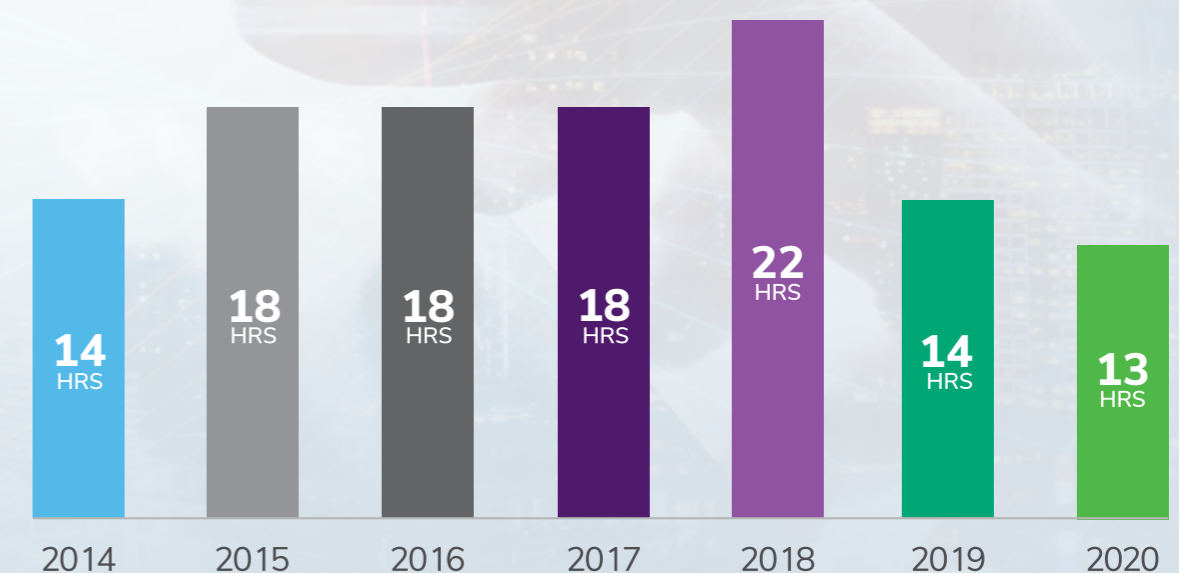
The pandemic created a form of uncertainty for many employees that impacted morale and drive. From an organizational standpoint, Zain Group prioritized its consistent engagement with its operations to ensure the company continues to support and guide employees through this time of change. Each department within the Group, conducted awareness and feedback sessions with its operating countries to ensure a smooth transition and workflow.

From a strategy and business plan standpoint, the Group established a Group-wide engagement session to ensure there was alignment to the overall strategy. As organizations were impacted economically and financially, Zain conducted its budget review process with each of its operations, with all functions participating in the discussion.

Training and Development

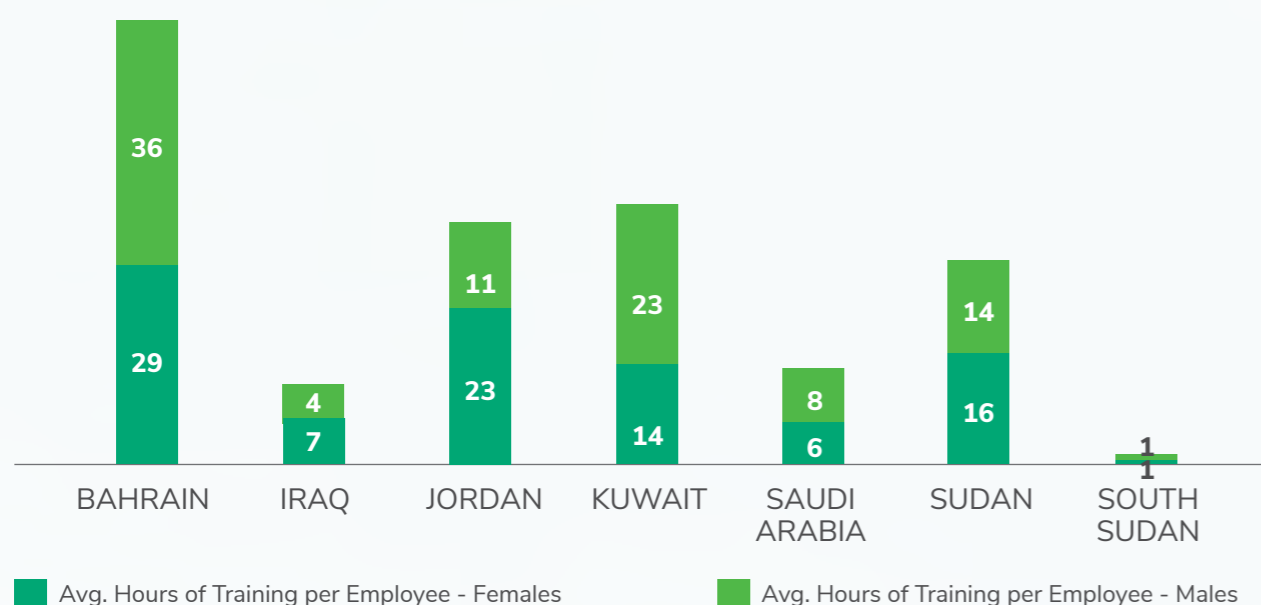
There are tremendous benefits in ensuring employees acquire new skills that will lead to improving their roles and responsibilities. When companies invest in providing training sessions to their employees, productivity often increases, and performance improves². In 2020, the company needed to adjust its approach and conduct trainings online to ensure employees remained safe which led to a drop in the hours of training per employee. This is due to the implications of COVID-19, as the company focused its efforts on recovery and responding to the challenges brought about from the pandemic.

Year-on-Year Average hours of training per employee



² <https://economictimes.indiatimes.com/small-biz/hr-leadership/people/importance-of-training-and-development-in-an-organization/articleshow/48739569.cms?from=mdr>

Developing Our Talent: Training and Development



1. Generation Z – Youth Development

Equipping and advancing the youth has always been a top priority for Zain. The company aims to encourage and support youth and help guide them to become future leaders. This approach has been taken to address some of the challenges related to local employment in some of the communities we operate in. By hiring and developing local youth, Zain is investing in the growth and development of its operating markets.

Zain's Generation Z program established in 2016 selects talented individuals every year to pursue a year-long program of learning, networking, and personal development. Originally titled Zainers 2.0, the program evolved to become one of the most anticipated youth development programs in Kuwait.

Zainers 2.0, 2016

Focused on a rotation in different departments throughout Zain Group with a focus on conducting research of various digital verticals

Generation Z, 2017

Centered on creating and establishing a business, gaining entrepreneurial skills and studying innovative trends in the market

Generation Z, 2018

The theme for this cycle was to enhance digital skills such as coding and agile project management in addition to a focus on self growth and development

Generation Z, 2019

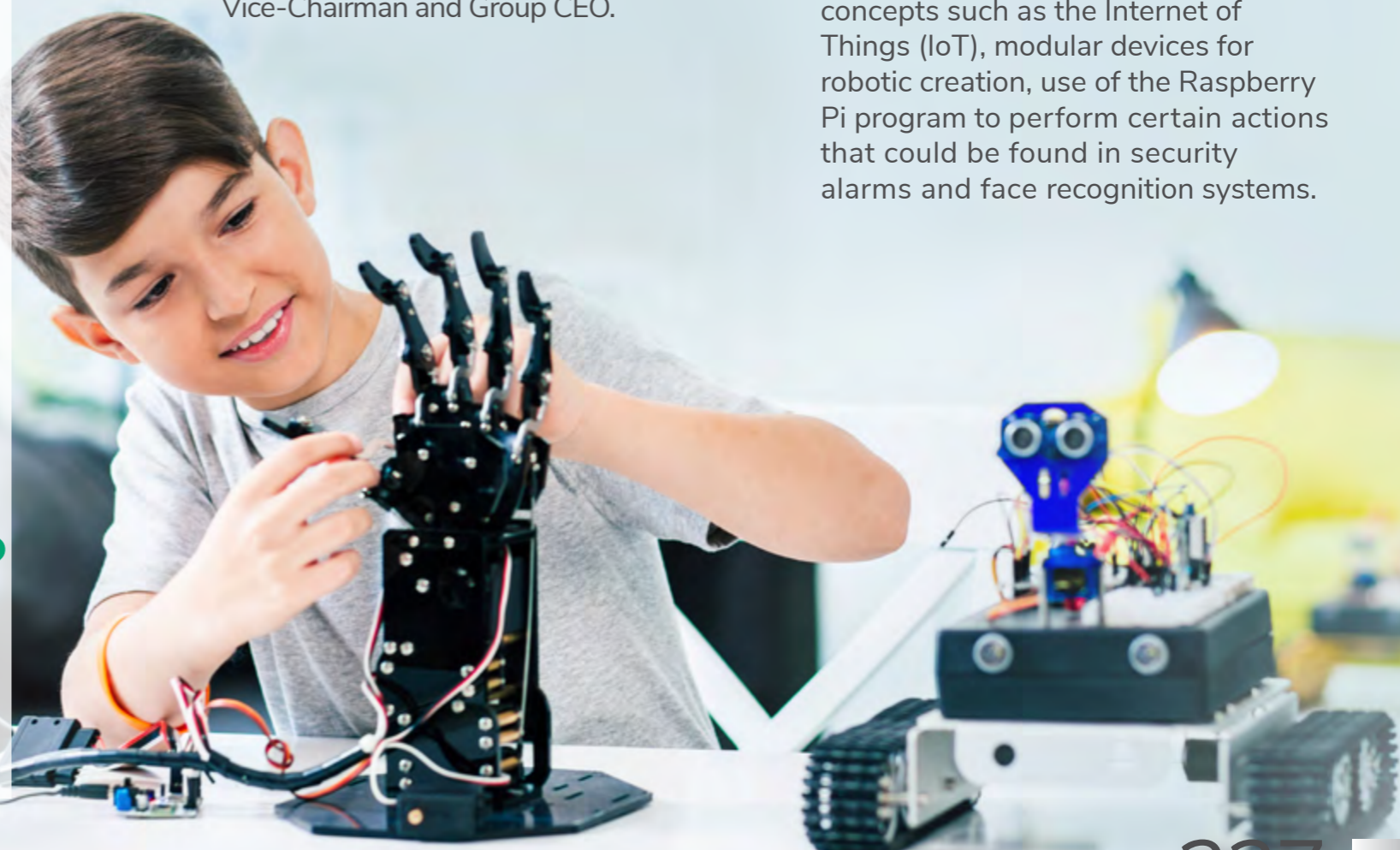
Enhancing corporate culture and teamwork when managing projects were the main focus of this edition

The 2020 cycle of Generation Z started with a rigorous selection process where the company received 280 applications. The applicants were then narrowed down to 108 candidates who then advanced to one-on-one interviews conducted through an informal approach in order to learn more about the candidates on a personal level. Following the interviews, a selected panel was chosen from different backgrounds and levels of seniority within Zain to ensure a diverse and inclusive process took place.

The interview round tested applicants on their knowledge and technical skills and their personal fit with the organization's values and culture. 15 candidates were selected to be part of a two-week assessment that included a group presentation on case studies, psychometric analysis and tests on how the candidates work under pressure. The assessment concluded with a final presentation to the Vice-Chairman and Group CEO.

Seven candidates were accepted to join the Generation Z program that incorporated three themes: corporate culture, leadership styles, and future trends. Some of the programs included in the Generation Z program in 2020 were:

- Yellowworks by AI Nowair: building tools necessary to create a more positive workplace, breaking down concepts, team building, and thought-provoking reflective activities.
- CODED: coding skills using HTML and CSS, creating dynamic websites using Python.
- Excel Workshop: gaining basic background of Excel to then transition into a more advanced level.
- Robotic workshop: learning about concepts such as the Internet of Things (IoT), modular devices for robotic creation, use of the Raspberry Pi program to perform certain actions that could be found in security alarms and face recognition systems.

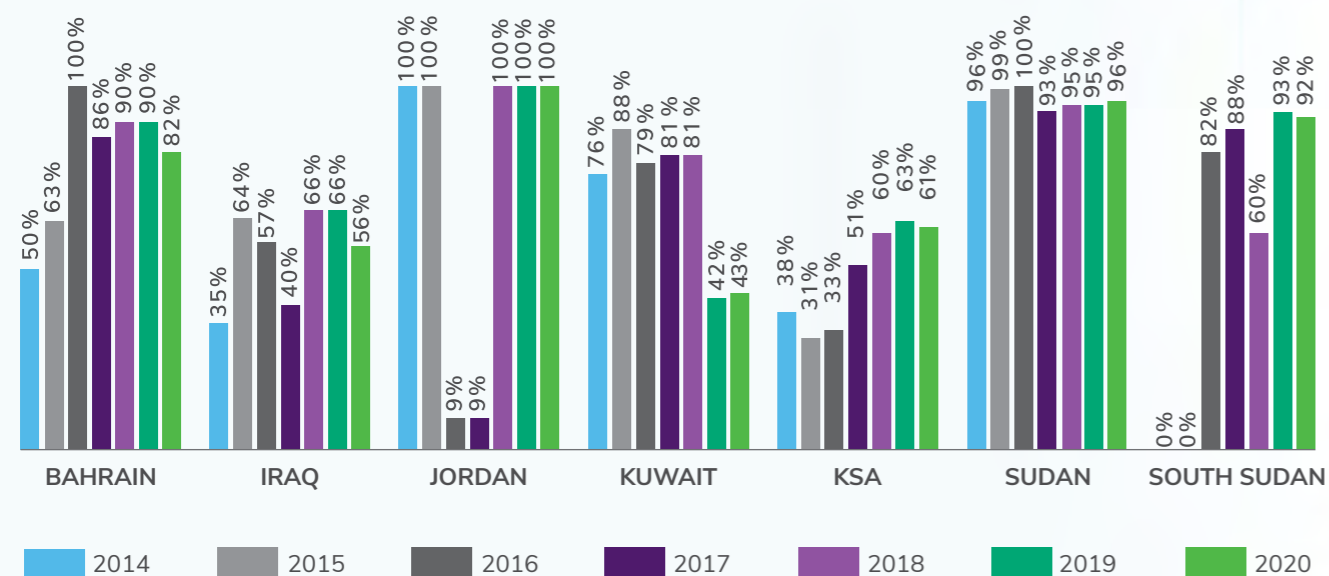


2. Supporting Local Talent

Zain is committed to investing in a local pipeline of talent. This is done to ensure we not only invest in local employees, but also recognize that local talent comes with cultural knowledge, language skills and contributes to economic stability. Under this realm, Zain adheres to local labor laws when it comes to ensuring a specific quota of its employees are local. In addition, the company also provides inclusive and equitable opportunities for all which is embedded in its HR policies and recruitment procedures.

In 2020, the percentages of locals in senior management increased across the board. The table below highlights the year on year percentages of senior management (defined as the top two management levels) comprised by locals in each of Zain's operating companies.

Supporting Local Human Capital: Percentage of Locals in Senior Management



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

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

Operations	Bahrain	Iraq	Jordan	Kuwait	Saudi Arabia	Sudan	South Sudan
% of local employees	93%	97%	99%	66%	86%	100%	99%

³ <https://theundercoverrecruiter.com/investing-local-pipeline-talent/>

3. Reverse Mentoring Program

Launched in 2019, Zain's reverse mentoring program continued to be provided this year. Reverse Mentoring program continued in 2020, as an evolved traditional mentorship experience, pairing a senior executive (mentee) with a youth employee (mentor) to discuss emerging trends such as social media, technology, and graphic design. The program is designed to offer a two-way exchange where the youth mentor can also gain insights to better understand roles, expand networks, and have greater access to management. Since its launch and up to date, 211 participants have benefited from the program. The latest edition of the program was launched in August 2020 under specific themes that included: Creative Thinking, Emotional Intelligence, Digital Marketing, Internal Innovation, and Artificial Intelligence.

Creating a Diverse and Inclusive Culture

1. WE ABLE

WE ABLE is a disability inclusive initiative that was launched in 2019 with the aim of making Zain disability inclusive by 2022 across all its operating markets. The initiative was launched to address the challenges that people with disability face by creating a more inclusive ecosystem. To achieve its objective, Zain set out four primary targets:

1. Increase employment of People with Disabilities
2. Ensure all training programs are disability inclusive
3. Ensure all operating locations are accessible
4. Identify and implement assistive technologies that will enable employees with disabilities to independently complete their work

Disability-relevant programs were launched in 2020 in accordance to set targets and objectives:

- Supporting Valuable 500: Zain became a member of the Valuable 500, which is a global collective of CEOs who are positioning disability on the top of the Board agenda. Through this membership, Zain publicized its commitment to help unlock the social and economic value of people living with disabilities⁴.
- WE ABLE and ZAINIAC hackathon: The company created a hackathon that revolved around creating assistive technologies to support people with disabilities. Employees gained the opportunity to join this virtual hackathon and submit their ideas. The hackathon was done across four of our operations which include Jordan, Sudan, Iraq, and Kuwait, where 80 employees applied and 23 joined the hackathon. The hackathon was conducted over four consecutive days where five ideas were chosen to move to a mentorship phase.
- Training on disability inclusion: Zain trained a total of 70 managers across all its operations on disability inclusion in their field of work. Topics included human resources and disabilities, recruitment, and physical environment.

2. WE

Established in 2017, the WE program continues to enhance its gender inclusivity agenda internally to create a culture of inclusion. Initially launched as Women Empowerment, the program was then adapted to WE to broaden its inclusion credentials, shifting the focus to gender equality rather than just women empowerment. This program focuses on four pillars: human resources policy transformation; leadership development; female recruitment; and culture transformation. Under the leadership of the Vice-Chairman and Group CEO, WE set out two main targets to be achieved by 2022:



Increase female leadership to 25% of overall leadership



To progress through the three stages of evolution for an organization to achieve workplace gender diversity; awareness, realization and motivation

⁴ <https://www.thevaluable500.com/>

WE Champions

In 2020, Zain continued its efforts in ensuring it creates a gender inclusive ecosystem for its employees and achieve its targets by 2022. Zain partnered with Mckinsey & Company to establish bi-weekly modules to equip WE champions with the necessary skillset to support women in the company in achieving the targets set above. Each operation established a year-long action plan where WE champions are responsible for its execution in their respective operation. There are 46 champions (men and women) across operating markets. Examples of the action plans include hosting sessions with executive management on leadership, social media campaigns, succession planning, anti-discrimination policies, and WE talks.

Women in Data Science

Zain continued its Data Science Certification program in partnership with Maven Partners in 2020. This program was launched in 2019, aimed at increasing gender diversity in the field of STEM (Science, Technology, Engineering and Math). This year, 100 women were certified in Data Science, and 42 of them then joined a 12-hour competition to challenge and showcase their skills in data analytics.

3. Gender Pay Gap

Zain continues to measure and track its remuneration ratios across all levels of the organization’s hierarchy. Zain aims to continue improving its compensation ratios on a year-on-year basis and has been doing so for the past eight years. Tracking the ratios allows us to measure the pay gap ratio throughout time and assess the gaps.

AVERAGE REMUNERATION RATIO FEMALES TO MALES BY EMPLOYEE CATEGORY							
	BAHRAIN	IRAQ*	JORDAN	KUWAIT	KSA	SUDAN	SOUTH SUDAN
EMPLOYEE LEVEL 1	NA	93%	NA	93%	71%	55%	NA
EMPLOYEE LEVEL 2	91%	NA	82%	101%	84%	61%	NA
EMPLOYEE LEVEL 3	81%	83%	110%	102%	86%	59%	62%
EMPLOYEE LEVEL 4	97%	92%	101%	118%	83%	57%	99%
EMPLOYEE LEVEL 5	102%	99%	97%		80%	90%	89%
EMPLOYEE LEVEL 6		97%	95%		91%		
EMPLOYEE LEVEL 7		86%	96%				
EMPLOYEE LEVEL 8			98%				

*FOR ZAIN IRAQ, THE NUMBERS REFLECTED DOES NOT INCLUDE THE FOLLOWING ENTITIES: HORIZON AND NXN

21

OUR SUSTAINABILITY
AGENDA



OUR SUSTAINABILITY AGENDA

Marking Zain's 10 year of Sustainability Reporting, the company launched its new sustainability strategy guided by metrics that capture Zain's impact on the communities it operates in.

The strategy was created by assessing the materiality of sustainability-related topics on the business and the value it creates for society. By balancing financial returns and social values, this strategic approach aims to establish purpose-driven activities centered on Meaningful Connectivity.

Zain's 2020-2025 sustainability strategy is guided by its mission and vision which focuses on driving Meaningful Connectivity across its operating markets.

MISSION



To provide Meaningful Connectivity that leads to equitable systemic change grounded on the UN's Sustainable Development Goals (SDGs) to ultimately empower Zain's communities across its footprint.

VISION



Reduce inequalities

Safeguard the planet

Foster innovation

Build prosperous communities

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

Climate Change

Building **climate change** scenarios based on 1.5°C / 2°C and set **climate action strategy** to achieve a reduction in Greenhouse Gas (GHG) emissions, cost optimization, mitigation of risks, and identify new market opportunities



Social Business

To **reinvent purpose-driven products and services** that create social and financial value



Inclusion

To **reduce the inequality gap** related to gender divide, ethnicities, nationalities, disabilities, rural communities, marginalized, low income, elderly, refugees/IDPs and youth unemployment



Generation Youth

Empower **16 million children and youth** across Zain's footprint. Build resilience and safeguard future generations by providing them tools that will enable them to reach their maximum potential



SDGs Addressed

Zain's Regional Challenges

The region continues to face developmental challenges that are present across the board. Inequalities tied to components such as access to health, education, income levels and gender are impacting the progress and potential of creating long-term development for future generations. Bound by climate change and the scarcity of resources, social mobilization and migration continues to hinder the region's progress. Inclusive growth continues to be a crucial component in driving job creation and economic prosperity. In comparison to the rest of the world, the MENA region continues to have the highest youth and women unemployment rates, high levels of poverty, water stress and conflict.

According to the World Bank's Human Capital Index, the regions suffers from translating skills and knowledge to productive economic gains. The fragility of progress in the region was affected by the pandemic, where existing inequalities and other developmental challenges continued to grow and heighten. From an economic standpoint, the pandemic severely impacted the youth as they not only represent two thirds of the population but struggle with securing meaningful employment.

Access to technology and digital inclusion that leads to benefitting societies requires digital skills and literacy to leverage on such tools. In today's world and especially with the eruption of the crisis, technology is being used to enhance livelihoods from an educational, health, and economic aspect. With the wide range and variety of socio-economic facets that are present in the region, the needs and challenges vary across the MENA region. According to the ITU, the mobile penetration rate in the region is extremely high at 103.1%. However, this does not necessarily translate to being inclusive as when its divided into subregions, the digital divide becomes more apparent.

Per Capita, resources will be **halved by 2050** due to climate change in Arab States.

The Middle East only captures **8.4%** of its digital potential.

Across the region, high-skilled employment stands at only **21%** on average.

45% of children are being affected by cyberbullying.

90% of the total solid waste in GCC countries is disposed into dumpsites and unlined landfills.

Digital transformation spending will grow at a compound annual rate of **18%** in the region.

At the current pace, the gender gap can potentially be closed in **140 years** in the Middle East and North Africa.

Youth unemployment rate is around **31%** - the highest in the world and more than double the global average.

1. Climate Change

Zain recognizes the urgency in addressing the climate crisis that our world currently faces. We understand that in order to achieve sustainable growth, we must protect the planet and preserve its resources. Over the years, the company has taken major strides to address its environmental footprint by setting concise targets to reduce emissions, minimize waste, spread awareness, and identify the risks and opportunities of climate change.

We have designated a separate section in the report that goes into depth on how Zain is addressing its environmental impacts on page 252.



2. Social Business:

A powerful driver and critical component for sustainable development and economic growth is broadband connectivity. Access to broadband can lead to many benefits at large for societies from job creation, to reducing poverty, and human skill development. According to the World Bank's 'Broadband Networks in the Middle East and North Africa'¹ Report, broadband can contribute to economic development in the region by: enhancing local productivity and reducing economy-wide inefficiencies, enabling greater trade, encouraging foreign direct investment, develop the ICT industry, and drive job creation.

However, there remains varied challenges to ensuring the region deploys the needed infrastructure and resources for various countries to be able to leverage and use broadband for development. Some of the challenges faced by the region include the variance in international connectivity for specific subregions, limited regulations, and the lack of addressing underserved areas of a specific market.²

Under this pillar, Zain aims to focus on how its core and non-core services can drive social value in addition to financial returns. The company aims to empower marginalized and disadvantaged communities by providing them access to Broadband Connectivity to create social and financial value. Through its core services, Zain aims to increase access to its networks and optimize costs through digitization. This approach is geared towards identifying methods to providing inclusive access to connectivity targeting segments such as: low-income, rural, people with disabilities, refugees, internally displaced people (IDPs), youth, elderly, women, minority groups, and migrants.

This year, Zain focused on creating a baseline to better understand targeted communities to set accurate and transparent targets. By conducting this study, each operation is engaging with specific marginalized communities in their respective markets to assess their needs and challenges. This approach allows Zain to be able to deliver and create meaningful products and services that help increase their access to connectivity. During the time of COVID-19 and the lockdown periods, Zain provided various packages that support marginalized communities in gaining access to connectivity. Information can be found in the 'Zain's Response to COVID-19' section of the report on page 14.

Zain's digital verticals provide a wide range of opportunities to drive social and economic development, falling under the company's non-core services. Developing verticals such as e-health, e-education, and financial services transform and disrupt existing ecosystems. More details on how Zain is using its non-core services to develop communities will be found in the 'Our Products and Customers' section on page 208.

The below list are examples of Zain's Activities in addressing its targets under the Social Business pillar:



IRAQ

To improve broadband and network coverage in disadvantaged areas, Zain Iraq aimed to enhance a total of 18 sites in rural areas. Under the Communication and Media Commission (CMC), Zain has 4 sites that are currently under civil construction and acquired 14 sites in the West Southern Region of the country. Zain's emphasis on ensuring it has a greater presence in this identified area is to support the area's rural communities by enhancing its access to connectivity.



BAHRAIN

In Bahrain, Zain launched a service called Zain Delight that targets the blue-collar and humble migrant workers segments in Bahrain. This package uses data analytics to better understand customer's behavior to then be able to provide personalized offers at affordable prices. Examples of the offers include unlimited use of YouTube and Facebook for 200 files per day.



JORDAN

Zain Jordan continued to provide free WiFi connectivity in Jerash Refugee Camp. This was launched in 2017 in partnership with Banaat Connect which is an organization that aims to empower refugee women to attain meaningful jobs and steady source of income. Up to date, 1191 women benefitted from the free WiFi connectivity.

¹ <https://www.worldbank.org/en/region/mena/publication/broadband-networks-in-mna>

² <https://www.worldbank.org/en/region/mena/publication/broadband-networks-in-mna>

3. Inclusion

Zain is committed to being an inclusive company by providing opportunities for a better future that is accessible to all. The company aims to bridge the divides that exist in our operating markets, focusing on the inclusion of vulnerable communities by:

- Empowering and upskilling marginalized and disadvantaged communities
- Fostering women in STEM fields
- Addressing the Elderly Community
- Supporting People with Disabilities

The targets and strategy continue to reflect the challenges the region faces. For communities to effectively prosper and grow, inclusion needs to be embedded in uplifting and empowering all segments of societies. For Zain, digital inclusion continues to play a key role in the activities it conducts as the company recognizes that it shapes businesses, education, health and enhances communication. According to the GSMA, mobile technology in specific plays a key role in ensuring these benefits are achieved. Despite the developments and accessibility, the MENA region is still lagging behind in digital literacy and associated skills which is problematic as it is considered a barrier for when people use mobile internet to enhance their livelihoods.

Globally, there are **250 million** fewer women online than men³

➤ Around **Two Billion** people in 2030 will need an assistive product/technology including the elderly who will be needing two or more⁴

➤ For People with Disabilities, literacy and digital skills are the **largest barriers** to mobile ownership⁵

³ https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/12/GSMA_Mobile-Disability-Gap-Report-2020_32pg_WEB.pdf

⁴ [https://www.itu.int/en/action/gender-equality/Documents/GDD%20Mapping%20-%20Presentation%20\(1\).pdf](https://www.itu.int/en/action/gender-equality/Documents/GDD%20Mapping%20-%20Presentation%20(1).pdf)

⁵ https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/04/2-page_AT.2020_ACCESSIBLE-PDFv2-UPDATED.pdf

Women in Tech

This year, Zain is in the design phase of its mentorship program titled 'Women in Tech' in collaboration with the company's Corporate Sustainability and Diversity and Inclusion Department. This program aims to leverage on the knowledge and expertise of employees by connecting them with women in universities studying STEM.

This program is a component of the sustainability strategy and was created in response to the gap in the region as the MENA region has the largest percentage of women studying STEM worldwide but has one of the lowest rates of women in STEM employment. By creating successful matches, the program aspires to enable future generation of girls and women to enter the field of STEM and become change makers in the industry. Launched this year, the program's development was divided into six phases. In 2020, Zain was able to accomplish the first phase of the program.



By consulting and engaging with the women currently studying STEM, and listening to needs and challenges, Zain will be able to create a program that captures the gap and addresses the challenges. Through the consultation process the company decided to seek out feedback using two methods to ensure we can gain a holistic and comprehensive perspective of their viewpoints. The first method was through a survey, where the company was able to receive a total of 860 responses across its markets. Focus groups was another form of communication used where Zain set up virtual meetups with university students to discuss what they would aspire from a mentorship program. A total of 12 focus groups were conducted across Zain's operations with an average of 5-7 students attending the sessions. The company also held consultation sessions with universities in each respective market to assess the gender divide and breakdown of women entering and studying STEM-related fields.



Girls Tech Camp

Zain Bahrain launched its Girls Tech Camp in 2019 through its partnership with the Supreme Council for Women and Clever Play, which is an online and offline STEAM education platform targeted for children. The Girls Tech Camp teaches girls ages 8-14 years old skills on coding, computational thinking, design, computer science and soft skills such as public speaking, presentation and teamwork. In 2020, the program was operating in person and in January trained 300 girls. The program was then put on hold during the lockdown period and reopened virtually in August. The team ensured that the virtual program took the necessary safety measures to ensure that the platform is safe. The following measures were taken to ensure participants were protected from online hackers; the sessions were conducted with passwords and unique Meeting IDs, included virtual waiting rooms, and locked down the meeting rooms once all participants joined the session. In total, 1000 girls were trained throughout 2020.

Zain Disability Inclusion Strategy Workshop

In November 2020, Zain held a two-day workshop, in collaboration with the GSMA's Mobile for Development Assistive Technologies team, to better understand how to include products and services for people with disabilities. Throughout the two-day workshop, around 70 employees from Zain's operations attended the workshop. In addition, each operation created a customer journey mapping exercise for people with disabilities, recognized barriers and challenges in the customer journey and addressed pain points for pre-existing products and services they provide and ideated solutions on how to be more disability inclusive. Zain was also a signatory to the GSMA's 'Principles for Driving the Digital Inclusion of Persons with Disabilities'. The 'Principles' set out a framework for action together with recommended activities to help address the barriers that currently prevent people with disabilities from accessing and using mobile-enabled products and services.

Zain Iraq- International Day for People with Disabilities

On International Day of People with Disabilities, December 3, Zain Iraq hosted a webinar that focused on raising awareness to shed light on the challenges they face and how people without disabilities can support them. The webinar included topics such as disability etiquette, awareness on community and family support, and provided success stories of employees with disabilities at Zain. In partnership with Iraqi Alliance Disability (IAD), the webinar hosted 30 attendees. Additionally, Zain Iraq collaborated with IAD and supported an event located in Elweya club where 800 people attended the event. The Minister of Labor and Social Affairs attended the event and gave a talk on the importance of including PwDs in society. The event provided entertainment such as a fashion show, concert for children and performed the national anthem in sign language.

4. Generation Youth

Under this pillar, Zain aims to empower 16 million youth across its footprint by 2025, enabling them to reach their maximum potential. The targets under this focus area are geared towards building, creating, and supporting ecosystems that foster the well-being of young people to ensure inclusive growth and social cohesion in the region. The areas the company will be focusing on include Child Online Safety, Digital Literacy, Mental Health and Well-being, and Youth Unemployment. The topics chosen were based on assessing the context in each of Zain's markets and the challenges that children and youth face.

The MENA region continues to face multiple challenges when it comes to the development and inclusion of children and young people into the fabric of society. Children's rights continue to become scrutinized in the face of conflict, protracted emergencies and climate change.⁶ According to UNICEF, 32 million children including 5.8 refugee children and 6.8 internally displaced children need humanitarian assistance in the region. The challenges in which the region faces continues to exacerbate children's needs and support to ensure they have opportunities to become active members of society. Sudan for example has the largest migrant population in the region reaching 1.2 million people. Natural disasters continue to play a role in the safety and security of children where Iraq for instance is grappling with the impacts of the frequency of such disasters in addition to water scarcity and Sudan was left with a vast number of people homeless and displaced due to extreme flooding.

With the world shifting to a digital economy, children are spending more time online than ever before. This continues to position children at risk and exposed to numerous dangers such as online bullying, violent content, sexual exploitation and excessive screen time and addiction. Specific action points and policy changes need to be implemented in order to ensure the internet is safe for them to also be able to tap into the limitless opportunities that comes with accessing digital resources.

1/3
of young
people
across 30 countries
stated that they
have been cyber
bullied

1 out of 5
students skip
school due to
cyber bullying

80%
of children in
25 countries do
not feel safe
online and at risk
of exploitation

Youth unemployment continues to be a prevailing challenge due to the impact of the youth bulge in the region. Overall, the region demonstrates a high percentage of public sector employment where it is unable to accommodate to the large number of youths entering the workforce. Additionally, educational systems are not aligned to market needs resulting in educated and high skilled youth unable to seek employment.⁷ Especially as the economy is transgressing to further digitalization, the youth today would need to requalify at least twice in their lifetime and focus on long term skills development.⁸

Partnership with UNICEF

This year, Zain and UNICEF signed a memorandum of understanding (MoU), bringing them together to work towards the advancement of the rights of children in the region. The partnership kicked off with a co-creation process with UNICEF's country offices to identify priorities for children and women that Zain can support across their program areas. Some of the priorities that this partnership will focus on includes child online protection, gaming, education, enhancing digital skills, risk communication and youth engagement and empowerment. Zain's operations are also mapping out their current corporate sustainability priorities in the country to help identify alignment with UNICEF's programs. The collaboration and engagement will be at a global, regional, and national levels to support the achievement of the Sustainable Development Goals and respond to crises and emergencies starting first with the COVID-19 pandemic. To kick start the partnership, Zain Group and UNICEF hosted a webinar to start the co-creation process. The interactive session united all of Zain's operating countries with their corresponding UNICEF country offices to accelerate results for children and youth in the region. Through this webinar, more than 70 people attended the webinar from Zain and UNICEF offices. Lastly, the webinar was hosted by Jennifer Suleiman, Zain Group's Chief Sustainability Officer, and Bertrand Bainvel, Deputy Regional Director UNICEF Middle East & North Africa; as both introduced and expressed the importance of this recent partnership in order to create meaningful change to the communities Zain operates in.

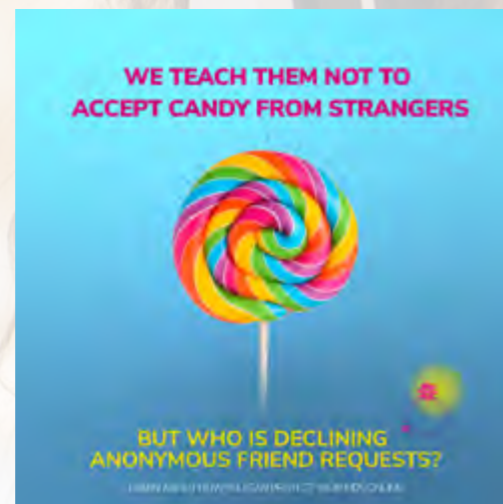
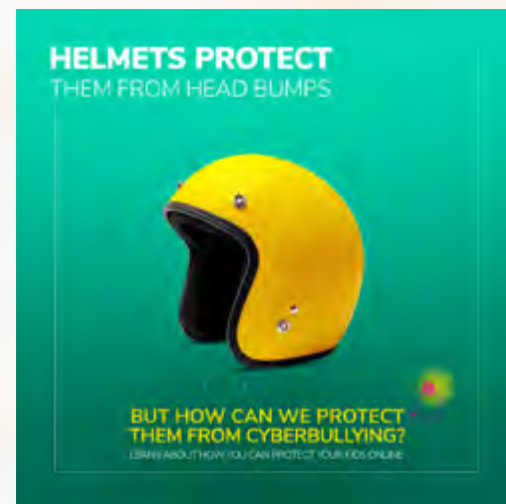
⁶ <https://www.unicef.org/appeals/mena>

⁷ <https://www.marshallcenter.org/en/publications/security-insights/demographic-change-and-youth-middle-east-and-north-africa-mena-region-issues-human-or-national>

⁸ https://www.ifc.org/wps/wcm/connect/region_ext_content/ifc_external_corporate_site/middle+east+and+north+africa/priorities/youth+employability/boosting+youth+employment+in+mena

Child Online Safety

Zain recognizes that internet safety for children depends on parents and caregivers being aware of the online risks and knowing how to help their children avoid the harms of being online. With COVID-19 transitioning most of our children's education and activities online, it is important for parents and caregivers to understand the dangers their children may face in the digital space. To address the challenge parents and caregivers are currently facing, Zain launched a social media campaign and an internal announcement promoting tools and resources that offer tips and advice on how they can keep their children safe online. The internal announcement was communicated to more than 6,200 employees across Zain's operations and had an interactive feature where employees provide a response on if the tools and resources provided were helpful or not. 91% of employees stated that they found the tools and resources helpful and useful.



Maharat Min Google (Kuwait)

Zain Kuwait in partnership with INJAZ, a non-governmental organization that delivers educational programs on entrepreneurship, financial literacy, and work readiness, launched an initiative established by Google. Maharat Min Google, is a program that trains youth with digital skills in Arabic. The skills provided in the training program include how to promote digital content, learning digital marketing skills, and building a strategy for digital platforms. 50 Zain employees were trained by Google to become virtual trainers. Zain promoted the workshop through its social media channels and was able to reach 30,000 people. 1,500 people registered for the program and 1,000 people completed it.

Mobile Maintenance Center (Jordan)

Zain Jordan's Mobile Maintenance Center was launched in 2008, with the objective of training youth with mobile maintenance skills to increase their opportunities to seek meaningful employment. Due its success, the program established its second center in 2012 and introduced its third center the following year. In 2019, the program had a total of six centers spanning across various governates in Jordan which include Tafeileh, Irbid and Karak. Up to date, 1,000 students graduated from the center with around 240-320 students completing the program on an annual basis. In 2020, 252 students out of those who completed the program this year received employment or established their own business.

Mobile Clinic for Children (Jordan)

Launched in 2002, the Mobile Clinic for Children provide health services for children residing in rural and remote areas. Fully equipped with a qualified medical team, the clinic offers free of charge medical and dental services including needed medication for children up to the age of 15 years old. The clinic, with support from Ministry of Health, also facilitates patients' transfers to different health centers and hospitals. Since 2002, the clinic was able to treat 210,000 children.

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OUR CLIMATE
ACTION



OUR CLIMATE ACTION

THE CHALLENGE

To achieve the objective set by the Paris Agreement, entities need to come together to report transparently and accurately on their GHG emissions to understand the progress on climate actions and the support needed.¹

The MENA region emits large amounts of Greenhouse Gas emissions due to low energy prices and subsidization of fossil fuels such as oil and gas.²

According to an article published by the American Chemical Society, if the world's population continue to use one disposable face mask per day, a global consumption of 129 billion facemasks will be disposed monthly.³

ZAIN'S RESPONSE

Zain continued its membership with the Carbon Disclosure Project to formalize its assessment and disclosure on climate change action. This year, the company received a 'B' scoring where Zain was amongst the 35% of companies to reach management level in the industry.

In alignment with Corporate Sustainability Strategy, Zain continues to take concerted action to reduce its emissions and achieve its 2022 emission reduction targets. In 2020, Zain installed a total of 370 outdoor (BTS/Power) solutions, 54 smaller sized generators, and upgraded 266 sites to use more efficient DC Power solutions.

The company decided to launch a group-wide social media campaign on the negative impacts of improper disposal of face masks. This campaign aimed to educate Zain's followers on how to dispose its facemasks through tips and articles. 59,800 people viewed and interacted with the campaign.

Zain recognizes that as a business it will not be able to prosper and develop without tackling climate change. Addressing the impact of climate change allows the company to identify climate change risks which leads to long term returns, optimization of resources and efficiency, and reduce costs. Protecting the planet and preserving its resources will lead to achieving sustainable growth. The MENA region grapples with development challenges that result in negative repercussions from an environmental standpoint. High temperatures and rising emissions levels will lead to resources becoming halved by 2050 per capita. In addition, 90% of the total solid waste in the gulf countries is disposed into unlined landfills.

Climate Change impacts businesses by creating a new series of risks and opportunities with potential liabilities stemming from the production of Greenhouse gas (GHG) emissions. Zain took major strides to address its environmental footprint by setting concise targets to reduce emissions, minimize waste, spread awareness, and identify risks and opportunities of climate change. By doing so, we can build resilience, unlock new market opportunities and improve resource efficiency.

Throughout the years, Zain has continued to take a strong stance in reducing its GHG emissions across its core operations. This process includes the standardization of the methodology used to assess GHG emissions across its markets, aligning energy conversion factors to the International Energy Agency and becoming a member of the Carbon Disclosure Project (CDP). In 2020, Zain set a strategic and more holistic approach to addressing climate change under its 2020-2025 Sustainability Strategy. Climate Change is one of the pillars where the organization has set three focus areas that encompasses the fields in which Zain can address its negative impacts and create positive ones.

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

¹ <https://unfccc.int/process-and-meetings/transparency-and-reporting/the-big-picture/what-is-transparency-and-reporting#:~:text=By%20communicating%20information%20on%20greenhouse,climate%20actions%20and%20support%20by>

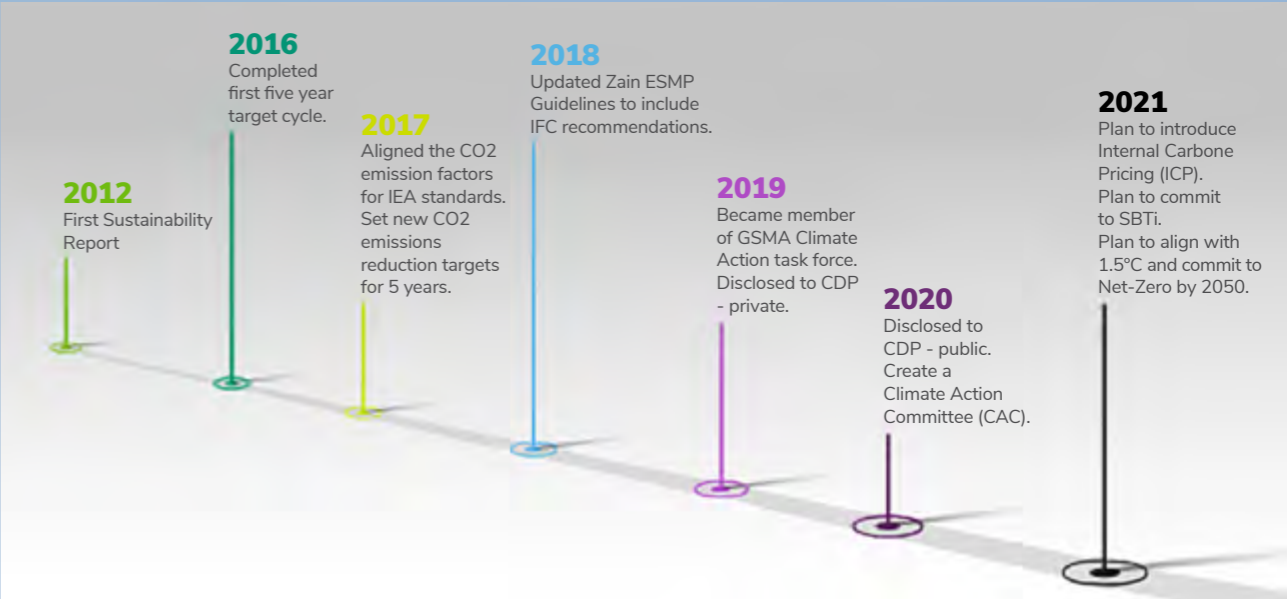
² <https://www.giz.de/en/worldwide/32164.html>

³ <https://pubs.acs.org/doi/abs/10.1021/acs.est.0c02178>

⁴ <https://www.oecd.org/dac/peer-reviews/Policy-Brief-4-Private-Sector-Engagement-to-Address-Climate-Change-and-Promote-Green-Growth.pdf>

As a member of the GSMA Climate Action Task Force, Zain furthered its emission reduction efforts by also becoming a member of the Carbon Disclosure Project (CDP) in 2019. By becoming a member of CDP, the company took a decisive step to disclose its climate impacts, energy, and greenhouse gas (GHG) emissions. Through CDP, Zain received guidance on how to improve its strategic approach to climate action. By formalizing this approach, Zain is able to assess and measure the impact of climate change on its operations on a holistic basis. As last year, was the first time the company disclosed its climate change information it decided to not disclose its scoring. In 2020, Zain's second year of its CDP membership, Zain secured a 'B' scoring for tackling climate change. This marks a significant milestone for the company as this exceeded the global average score which is a 'C'. In addition, Zain is amongst the 35% of companies that reached Management level which is a 'B' scoring in the industry which CDP categorizes as Media, Telecommunications and Data Center Services.

A company's carbon footprint is the quantity of greenhouse gases that were produced as a result of its operations. Zain's Carbon footprint is measured in terms of annual footprint that considers the impact of all the company's key activities over the course of a year. One of the most widely used reporting standards is breaking down a company's overall emissions into scopes. Zain embarked on its Climate Action Journey in 2012 through its annual Sustainability Report measuring its CO2 Emissions for all its operations. The timeline below indicates our progress and commitment to transparent, accurate reporting and measurements and what the company aims to accomplish in the next year when it comes to our carbon footprint. At this stage of the timeline, Zain has started to gather data on scope 3, which covers all indirect emissions that the organization does not own or control. This includes emissions from business travel, employee commuting to places of work, suppliers, waste management and other activities. As a pilot, Zain has been focusing on gathering data regarding business travel and employee commuting to begin our journey accurately measuring our carbon footprint.



Zain also disclosed its climate action plan to help prepare the company address policy and regulatory reforms by setting emission reduction targets, minimizing waste, and alignment to Goal 13 of the UN's Sustainable Development Goals. Through a series of determined actions, Zain demonstrated its commitment to ensuring that it mitigates and minimizes the impact of any climate-related risks and possible negative impacts on the environment.

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CLIMATE ACTION

2017-2022 Emission Reduction Targets

Category 1 – Unstable Power Grid:

Sudan	South Sudan	Iraq
15%	25%	20%

Category 2 – Stable Power Grid:

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

CO₂ Emissions Reduction (YoY) (2019-2020)

CO ₂ emissions per base station (Scope1+2)						
Bahrain	Iraq	Jordan	KSA	Kuwait	Sudan	South Sudan
61,056Kg	68,759Kg	19,791Kg	52,402Kg	44,856Kg	27,396Kg	53,627Kg

Year-on-Year Decrease/increases in emission per base station						
Bahrain	Iraq	Jordan	KSA	Kuwait	Sudan	South Sudan
1.87%	-2.06%	5.16%	10.64%	3.87%	3.29%	-34.14%

Baseline-year 2020 Decrease/ increase in emission per base station						
Bahrain	Iraq	Jordan	KSA	Kuwait	Sudan	South Sudan
-16.72%	-13.47%	21.25%	16.00%	10.50%	10.22%	-45.40%

 **BAHRAIN**

Zain Bahrain's electricity consumption is estimated based on sites topologies. In Bahrain, there was an increase in CO₂ emissions per base station due to 5G rollout and site expansions.

 **IRAQ**

Zain Iraq's fuel consumption slightly increased. However, the operation's electricity consumption slightly decreased which resulted in a reduction on overall CO₂ emissions.

 **JORDAN**

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

 **KUWAIT**

In Kuwait, Zain added 468 x 5G equipment on existing sites which led to an increase of energy consumption per base station.

 **SAUDI ARABIA**

In Saudi Arabia, there was an increase in energy consumption as 5G technology was implemented on existing sites. This led to an increase of CO₂ emissions per base station.

 **SUDAN**

In Sudan, the instability of the commercial power has led to the use of diesel generators to power Zain's base stations. As a result, there was an increase in CO₂ emissions per base station.

 **SOUTH SUDAN**

In South Sudan, Zain continued to install hybrid solutions and manage subcontractors to better manage its fuel consumption leading to a decrease in emissions.

Below 2020 figures – 6 to 8 months data

HYBRID SOLUTIONS INSTALLATIONS		
Operating Countries	DG-Battery Hybrid solution	Solar Hybrid solution
Sudan	-	-
Kuwait	-	-
Saudi Arabia	-	-
Iraq	-	-
Bahrain	-	-
Jordan	-	-
South Sudan	73	13
Total	73	13
	86	

IMPROVEMENTS TO ENERGY EFFICIENCY AND SITE OPTIMIZATION (UNITS)					
Operating Countries	Smaller size Generators	Outdoor (BTS/ Power) solution	Small shelters (≤ 2.5m x 2.5m)	Grid Connection	Upgrade to more efficient DC Power solution
Bahrain	-	30	-	-	-
Iraq	54	71	-	-	150
Kuwait	-	-	50	-	116
Saudi Arabia	-	168	-	116	-
Jordan	-	101	-	-	-
Sudan	-	-	-	14	-
South Sudan	-	-	-	28	-
Total	54	370	50	158	266

**DRIVING OPERATIONAL EFFICIENCY:
OUR SITES (TOWER SHARING PROGRAM)**

Operating Countries	Zain sharing Others' sites	Others sharing Zain sites
Bahrain	32	9
Iraq	0	0
Kuwait	0	0
Saudi Arabia	11	43
Jordan	1	0
Sudan	0	0
South Sudan	14	1
Total	58	53
Grand Total	111	

Spending associated with climate change

Initiatives	Total Direct cost (USD)	Total Indirect cost (USD)
Zain sharing Others sites	0	1,277,683
Others sharing Zain sites	0	0
Outdoor (BTS/Power) solution	3,050,562	3,050,562
Small shelters (≤ 2.5m x 2.5m)	0	334,000
DG-Battery Hybrid solution	1,825,000	0
Smaller size Generators	0	502,200
Solar Hybrid solution	753,014	0
Grid Connection	598,912	0
Free Cooling system	0	0
Total	6,227,488	5,164,445

Energy consumptions and CO₂ emissions

Descriptions	Units	Bahrain	Iraq	Jordan	KSA	Kuwait	Sudan	South Sudan	Total
Scope1 - Fuel	liters	678,606	54,338,822	405,610	60,955,757	7,604,230	23,393,197	2,340,449	149,716,672
Scope2 - Electricity	KWh	49,286,617	166,852,483	104,464,902	510,757,216	85,672,658	57,825,536	1,474,690	976,334,102
Scope3 - Fuel	Liters	0	0	0	0	3,752,450	0	0	3,752,450
Scope3 - Electricity	KWh	0	0	0	0	55,340,208	0	0	55,340,208
Scope1 emissions	Kg CO ₂	1,818,664	145,628,043	1,087,034	163,361,430	20,379,336	62,824,028	6,272,403	401,370,939
Scope2 emissions	Kg CO ₂	35,387,791	190,378,683	61,425,363	370,809,739	53,545,411	17,521,137	1,260,860	730,328,984
Scope3 emissions	Kg CO ₂	0	0	0	0	44,644,197	0	0	44,644,197
Total CO ₂ emissions	Kg	37,206,455	336,006,727	62,512,397	534,171,168	118,568,944	80,345,166	7,533,263	1,176,344,120
CO ₂ emissions per base station	Kg	58,583	69,386	19,791	52,402	42,006	27,389	38,409	-

Awareness Campaigns Across Our Operations:

Waste Reduction Campaigns:

- Zain Group launched a month-long social media campaign centered towards the excessive use of plastic during the month of July as it is internally recognized as Plastic Free Month. The goal of the campaign was to gain insights about the plastic consumption habits of our audience and shift their behavior to encourage a climate conscious mindset. We launched an interactive campaign in the format of a questionnaire where we asked our audience if they are Zain customers and if they recycle/eliminate the use of plastic. Afterwards, we launched a series of educational and awareness posts to educate the audience about the impact of plastic consumption on climate change. Post campaign, we asked the same questions to test whether the campaign impacted their behavior. Based on the comparison data, 65% of the respondents were Zain customers and 55% of our audience concurred that they are now willing to recycle and eliminate excessive plastic consumption.
- With the worldwide use and disposal of single-use personal protective equipment (PPE), there has been a major spike in pollution around the world. The impact of the improper disposal of 1% of face masks translates to approximately 10 million items, about 30,000 to 40,000 kg. Discarded PPE's have been found on beaches and waters, potentially aggravating the challenge of minimizing microplastics. To raise awareness of the negative impacts of improper disposal of PPE's, Zain Group launched a social media campaign titled #DisposeProperly to encourage and educate their followers on how to properly dispose their PPE's by providing tips and articles on what to do. Through this campaign, 56,000 people interacted with this campaign by viewing and commenting on the posts.

Campaigns addressing Climate Change:

- In Bahrain, Zain partnered the 'Aswat Podcast Platform' to support 3 episodes on climate change. The topics included in the segments were eco education, climate change in the Middle East and the impact of indoor pollution. Zain promoted the podcast through their social media channels where the post averaged at 23,000 views. The podcast had more than 1,000 listeners across all three episodes.
- Pre-crisis, Zain Bahrain continued to promote education around e-waste in schools. In January, this year Zain Bahrain was able to provide lectures to 150 students. This activity was halted due schools' lockdowns and will resume when schools are reopened.
- Across all its operating markets, Zain launched a social media post for Earth Day to raise awareness on the importance of taking care of the planet. In addition, a group wide post was also launched on Earth Hour to encourage people to all come together to switch off all the lights for a full hour. In specific, Zain Kuwait turned off all the lights in the headquarter buildings to take a stance on raising awareness on climate change.
- Zain Jordan joined one of the world's biggest survey of public opinion on climate change under Mission 1.5 which is an interactive game that aims to give 20 million people around the world the opportunity to have their say on ways to limit climate change. The campaign was led by the United Nations Development Program (UNDP). 1,000 Zain employees participated in this survey.

⁵ <https://science.sciencemag.org/content/369/6509/1314>

LOOKING FORWARD



LOOKING FORWARD

With the launch of the 2020-2025 Corporate Sustainability (CS) strategy, Zain cemented its firm commitment to agenda, which is weaved within its core business practices.

The organization supports its belief to have sustainability work cross-functionally and engage with all stakeholders through the new CS strategy to ensure the needs of both the company and the community are met by Zain's business activities. In addition, Zain adheres to a triple bottom line approach to doing business and conducts its business activities with the highest standards of ethics and transparency.

The COVID-19 crisis continues to shed light on sustainability topics and has brought them to the forefront of everything we do. The pandemic disrupted many of the world's systems and routines and mandated immediate changes. As a response, Zain managed to help and upskill the communities it operates in, from renovating one of its buildings to donate to the Ministry of Health to increase capacity for people in quarantine in Sudan, to providing free access to all educational platforms to students to complete schoolwork online across multiple markets. During this time, Zain was able to adapt and reinvent its sustainability activities and initiatives to fit with the current times and strains Zain's operating communities faced, Zain shows great commitment to adapt while still embedding the UN Sustainable Development Goals (SDGs) into everything it does.

In the future, Zain will maintain focus on providing Meaningful Connectivity to remain inclusive, foster sustainable growth, tackle climate change, promote innovation, job creation, community outreach, supply chain management, youth empowerment, and push the envelope on critical developmental topics to improve the lives of all its stakeholders. In addition, the company set numerical targets specifically to measure and capture progress against the targets implemented in its operations. Zain continues to create action-oriented solutions to tackling climate change, addressing the negative impacts of access to broadband connectivity such as child online safety and data privacy, and protection and developmental challenges such as poverty, unemployment, and exclusion of vulnerable communities. We will further emphasize the importance of establishing purpose-driven activities.

Zain will focus on aspects that will elevate and create meaningful connectivity in its operating countries through being inclusive and accessible.

The great accomplishments that have been achieved during the pandemic indicate the organization is constantly evolving with the everchanging environment.

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

Target	Met	Comments
Expand and improve Zain's stakeholder engagement strategy across all functions.	Ongoing	Concerted efforts continue to improve the identification and effectiveness of the company's stakeholder engagement processes while upholding open communication channels with our major stakeholders across our digital channels. Some of the digital channels that were expanded include Zain Kids, e-education (Lamsa, Sadeem, Kidotainment), e-health (Shlonik and Al Tibbi) and micro-insurance (Salamtak Insurance program) services. Further details on the various digital channels Zain provides can be viewed in the Our Products and Customers section, on Page 202.
Pursue advocacy and greater alignment with the Post-2015 Sustainable Development Agenda across all of Zain's functions and activities.	Ongoing	Embedding the SDGs into our corporate sustainability (CS) strategy was done to increase alignment with the SDGs in areas where shared value can be attained. Awareness campaigns and dialogue on the SDGs across our digital channels constitute a major component for the organization.
Address the needs of the displaced across the region.	Ongoing	With millions of internally displaced people (IDP) and refugees across Zain's footprint, it is essential the company take steps to improve their livelihoods and provide access for their most basic needs. The company will continue to establish partnerships and develop products and services that address the challenges they face, such as access to connectivity and financial inclusion. Zain set targets to provide access to connectivity to marginalized communities and to increase access to broadband connectivity for rural, remote, and marginalized communities under the sustainable business pillar of the CS strategy.

Target	Met	Comments
Develop and measure supplier screening targets for human rights and environmental KPIs.	Ongoing	Zain continues to circulate a self-assessment questionnaire to its most material suppliers. Going forward, the company will continue to add additional suppliers for self-assessment and increase the number of site visits. The supplier code of conduct and screening is updated and revised on a regular basis.
Creating equitable change to empower Zain's communities across its footprint	Ongoing	Zain launched its 2020-2025 CS strategy with clear, quantifiable targets to measure progress and capture change created by its operations. More details about the CS strategy may be viewed in Our Sustainability Agenda section in the report, on Page 208.
Building human capital within the organization	Ongoing	Zain continues to develop talent within the organization by providing training and development programs across the Group and its operating companies. By joining the Valuable 500, Zain also commits to having all training to be disability inclusive, leaving no one behind.
Maintain the organization's commitment to addressing climate change and minimizing its environmental footprint	Ongoing	Zain continues to improve the energy efficiency and operational effectiveness of its infrastructure with the aim to drive lower costs and reduce emissions. The company is also looking to set mitigation plans across multiple functions within the company. Zain's commitment is evidenced through its membership to the Carbon Disclosure Project, with the aim to help and guide the company's environmental action forward. Zain also set targets within its CS strategy to mitigate its CO2 emissions and reduce its OPEX.

Target	Met	Comments
Expand collaborative activities with the GSMA.	Ongoing	In 2015, Zain successfully collaborated with the GSMA and Child Helpline International to implement a comprehensive campaign to protect the rights of children in our operating markets.
		In 2016, Zain signed the GSMA Humanitarian Connectivity Charter to strengthen partnerships between the mobile industry, government, and the humanitarian sector.
		In 2017 Zain actively engaged with the GSMA and became a signatory of Mobile for Responsibility and Mobile 4 Social Good. The company continues to explore further areas for mutual collaboration with the aim of positively impacting its various communities.
		In 2018, the company continued its engagement with the GSMA on the regulatory front, through the Humanitarian Connectivity Charter, and Mobile for Humanitarian Innovation Program (M4H).
		In 2019, Zain continued to engage with the GSMA on the Humanitarian Connectivity Charter. Zain also collaborated with the GSMA and UNICEF on the mPower Youth Initiative, focusing on initiatives that enhance children's lives and enable their rights.
		In 2019, the company became a member of the GSMA's Climate Task Force to address the industry's environmental footprint.
		In 2020, Zain became a member of the Advisory Group for Assistive Technologies. In addition, Zain is a signatory to the GSMA's "Principles for Driving the Digital Inclusion of Persons with Disabilities". Zain held a two-day workshop, in collaboration with the GSMA's Mobile for Development Assistive Technologies team, to better understand how to include products and services for persons with disabilities.

Target	Met	Comments
Continue to improve governance policies and practices to maintain compliance with the Capital Market Authority (CMA) regulations.	Yes	Zain successfully complies with CMA regulations related to transparency and governance and is taking steps to further refine its compliance in alignment with global best practice. Zain will continue to push the envelope in this particular area as it takes great pride in its leading market position.
Improve relationships with regulatory bodies, customers, suppliers and solutions partners	Ongoing	Zain's business functions remain dedicated to maintaining channels for transparency and effective and frequent dialogue with all major stakeholders.
Committed to placing children's rights at the center of its corporate sustainability agenda	Ongoing	This year, Zain established a three-year partnership with UNICEF by signing a memorandum of understanding (MoU) in order to work towards the advancement of the rights of children in the region. This partnership was created to support Zain's target, which is to reach 16 million children and youth across its operating markets by 2025. Zain is committed to providing Meaningful Connectivity that leads to equitable and inclusive systemic change grounded on the SDGs, to ultimately empower communities across its footprint, to achieve the following: to support achievement of the Sustainable Development Goals for children and respond to crises and emergencies, starting with the COVID-19 pandemic.
Continue to optimize the company's risk management policies and practices.	Ongoing	Zain's Risk Management and Internal Audit functions will continue to coordinate with both the Board Risk and Audit Committees to continuously improve the organization's effectiveness in identifying and mitigating organizational risks.

Target	Met	Comments
Expand and broaden the organization's Innovation Agenda.	Ongoing	The company continues to embark on the journey of transforming into a digital service provider. In line with this goal, Zain will continue to support and develop its innovation agenda through strategic activities, including its Artificial Programming Interface (API), and partnerships on multiple digital vertical streams. Further, the company continues to contribute to the innovation space through the innovation centers in Jordan and Kuwait. Zain aims to continue to enhance the intrapreneurship ecosystem within the company through its ZAINIAC program.
Continue to take steps to address and improve gender disparity and encourage greater inclusivity within the organization.	Ongoing	<p>Zain maintains its policy of non-discrimination based on gender and continues to track progress in achieving parity in areas such as access to growth opportunities within the company. Zain will also place greater emphasis on matters related to bridging the gender gap across its footprint and achieve specified targets.</p> <p>In 2020, Zain announced its inclusion in The Valuable 500, an international initiative striving to place disability on the leadership agenda within corporates. By joining the Valuable 500, Zain commits to increasing employment of people with disabilities, ensuring all operating locations are accessible, and identifying and implementing assistive technologies; thus, supporting the achievement of the goals under Zain's WE ABLE initiative.</p>
Steadily improve customer experience across the organization.	Ongoing	The company continues to place customers at the heart of its strategy by providing them Meaningful Connectivity to help lead better lives.

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INDEPENDENT ASSURANCE REPORT



INDEPENDENT ASSURANCE REPORT

To the Board of Directors and Management of Mobile Telecommunications Company K.S.C.P.

Scope

We have been engaged by Mobile Telecommunications Company K.S.C.P. ("Zain Group") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on material areas/ performance metrics (as described below, the "Subject Matter") in Zain Group's 2020 Sustainability Report (the "Report") for the year ended 31 December 2020.

Our limited assurance engagement covered disclosures reported in full or partially as indicated in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) Content Index and Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard Content Index (Content index found on pages 282-315 of the Report), as follows:

GRI	
General Disclosures	<ul style="list-style-type: none"> • Organizational profile: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7 (Limited to 'Total number of employees), 102-8, 102-9, 102-10, 102-11, 102-12, 102-13 • Strategy: 102-14, 102-15 • Ethics and integrity: 102-16, 102-17 • Governance: 102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-29, 102-30, 102-31, 102-32, 102-33, 102-34, 102-36, 102-37 • Stakeholder engagement: 102-40, 102-41, 102-42, 102-43, 102-44 • Reporting practice: 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55, 102-56

Topic-Specific Disclosures	<ul style="list-style-type: none"> • Economic performance: 201-2 • Market presence: 202-2 • Indirect economic impacts: 203-2 • Procurement practices: 204-1 • Anti-Corruption: 205-1, 205-2 • Energy: 302-1 • Habitats protected or restored: 304-3 • Emissions: 305-1 [Direct (Scope 1) GHG emissions], 305-2 [Energy indirect (Scope 2) GHG emissions], 305-3 [Other indirect (Scope 3) GHG emissions]. • Environmental compliance: 307-1 • Supplier environmental assessment: 308-1 • Employment: 401-1, 401-3 • Occupational health and safety: 403-3 • Training and education: 404-1, 404-2, 404-3 • Diversity and equal opportunity: 405-1, 405-2 • Non-Discrimination: 406-1 • Child labor: 408-1 • Local communities: 413-1, 413-2 • Supplier assessment for labor practices: 414-1, 414-2 • Customer health and safety: 416-1 • Customer privacy: 418-1
Management Approach	103-1, 103-2, 103-3
Sustainability Disclosure Topics and Accounting Metrics	<ul style="list-style-type: none"> • Environmental footprint of operations: TC-TL-130a.1 • Data privacy: TC-TL-220a.1, TC-TL-220a.2 • Data security: TC-TL-230a.1, TC-TL-230a.2

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

Criteria applied by Zain Group

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

Zain Group's responsibilities

Zain Group's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and the terms of reference for this engagement as agreed with Zain Group on 9th February 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

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

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- a. Conducted interviews with personnel in the Group Corporate Sustainability Department to understand the business and reporting process;
- b. Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
- c. Checked documents and internal communications received by the Group Corporate Sustainability Department to validate the accuracy of information reported;
- d. Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- e. Undertook analytical review procedures over the Subject Matter and made inquiries of relevant personnel;
- f. Tested, on a sample basis, underlying source information to check the accuracy of the data;
- g. Tested the disclosure and presentation of the Subject Matter within the Report against the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31st December 2020, in order for it to be in accordance with the Criteria.

Signed by Waleed Al-Osaimi

Kuwait , 10th March 2020

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



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APPENDIX



Appendix A:

SASB Telecommunication Services Sustainability

Accounting Standard Content Index

Activity Metrics

SASB Code	Activity Metric	Zain's Response
TC-TL-000.A	Wireless Subscribers ('000)	43,882
TC-TL-000.C	Broadband Subscribers ('000)	3,881
TC-TL-000.D	Network Traffic	The average daily traffic is 16 petabytes

Sustainability Disclosure Topics & Accounting Metrics

Topic	SASB Code	SASB Standard/Metric	Section	Comments	External Assurance
Environmental Footprint of Operations	TC-TL-130a.1	Total energy consumed Percentage grid electricity Percentage renewable energy		-5,371,494 GJ -Percentage grid electricity: 68% -Percentage renewable energy: 1.355% *DG Battery Hybrid solutions usually lead to around 50% saving on fuel consumption. Estimate of KWh for solar system is based on the data provided by Zain Jordan as per the site's monitoring and management solution. 750KWh is produced per site on average.	Yes
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to behavioral advertising and customer privacy	Enterprise Risk Management	Zain is in the process of revising its customer privacy policy.	Yes
	TC-TL-220a.2	Number of customers whose information is used for secondary purposes	Enterprise Risk Management		Yes
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		This information is considered confidential, as such Zain does not disclose this indicator.	
	TC-TL-220a.4	1. Number of law enforcement requests for customer information 2. Number of customers whose information was requested 3. Percentage resulting in disclosure		This information is considered confidential, as such Zain does not disclose this indicator.	

Topic	SASB Code	SASB Standard/Metric	Section	Comments	External Assurance
Data Security	TC-TL-230a.1	1. Number of data breaches 2. Percentage involving personally identifiable information (PII) 3. Number of customers affected	Our Products and Customers		Yes
	TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Enterprise Risk Management		Yes
Product End-of-Life Management	TC-TL-440a.1	1. Materials recovered through take back programs, percentage of recovered materials that were, (2) reused, (3) recycled and (4) landfilled		Zain does not yet report on this metric.	
Managing Systemic Risks from Technology Disruptions	TC-TL-550a.1	1. System average interruption frequency and 2. Customer average interruption duration		Zain does not yet report on this metric.	
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions		Zain does not yet report on this metric.	
Competitive Behavior & Open Internet	TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations		This information is considered confidential, as such Zain does not disclose this indicator.	
	TC-TL-520a.2	Average actual sustained download speed of 1. Owned and commercially associated content 2. Non-associated		Zain does not yet report on this metric	
	TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices		Zain does not yet report on this metric	

Appendix B: GRI Standards Content Index

Standard Disclosure	Section	Comments	External Assurance
102-1	Report the name of the organization.	Company Overview	Yes
102-2	Report the primary brands, products, and services.	Company Overview, Products and Customers	Yes
102-3	Report the location of the organization's headquarters.	Company Overview	Yes
102-4	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Company Overview	Yes
102-5	Report the nature of ownership and legal form.	Company Overview	Yes
102-6	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Company Overview	Yes
102-7	Report the scale of the organization, including: <ul style="list-style-type: none"> • Total number of employees • Total number of operations • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided 	Our People, Company Overview	Yes (Limited to total number of employees)

Standard Disclosure	Section	Comments	External Assurance
102-8	Report the total number of employees by employment contract and gender. Report the total number of permanent employees by employment type and gender. Report the total workforce by employees and supervised workers by gender. Report the total workforce by region and gender. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Our People	Yes
102-9	Describe the organization's value chain.	Our Economic Impacts	Yes

Standard Disclosure	Section	Comments	External Assurance
102-10 Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: · Changes in the location of, or changes in, operations, facility openings, closings, expansions · Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) · Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	About the Report		Yes
102-11 Report whether and how the precautionary approach or principle is addressed by the organization.	Enterprise Risk, Our Climate Action		Yes
102-12 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Company Overview, Introduction Materiality Assessment, Addressing Key Challenges to Human Rights, Corporate Governance, Enterprise Risk Management, Our Climate Action		Yes

Standard Disclosure	Section	Comments	External Assurance
102-13 List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: · Holds a position on the governance body · Participates in projects or committees · Provides substantive funding beyond routine membership dues · Views membership as strategic This refers primarily to memberships maintained at the organizational level.	Company Overview, Corporate Governance, Enterprise Risk Management, Our Climate Action		Yes
102-14 Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Board of Directors Message, Vice-Chairman and Group CEO Message,		Yes
102-15 Provide a description of key impacts, risks, and opportunities.	Enterprise Risk Management, Our Operating Context		Yes

Standard Disclosure		Section	Comments	External Assurance
Ethics and Integrity in between two rows				
102-16	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Corporate Governance	A description of Zain's values, principles, standards and norms of behavior are available internally via the Human Resources Policy Manual and in the Code of Conduct available online.	Yes
102-17	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.		Mechanisms for seeking advice on ethical and lawful behavior as well as helplines and reporting lines are available internally via the Human Resources Policy Manual, Code of Conduct, Supplier Code of Conduct and Human Rights Policy statement available online.	Yes

Standard Disclosure		Section	Comments	External Assurance
Governance				
102-18	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance		Yes
102-19	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Corporate Governance		Yes
102-20	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Corporate Governance		Yes
102-21	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Corporate Governance		Yes

Standard Disclosure	Section	Comments	External Assurance
Governance			
102-22	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation 	Corporate Governance	Yes
102-23	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance	Yes

Standard Disclosure	Section	Comments	External Assurance
Governance			
102-24	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved 	Corporate Governance	Yes
102-25	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures 	Corporate Governance	Yes
102-26	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Governance	Yes

Standard Disclosure		Section	Comments	External Assurance
Governance				
102-27	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social impacts.	Corporate Governance		Yes
102-28	Evaluating the highest governance body's performance	Corporate Governance		Yes
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance		Yes

Standard Disclosure		Section	Comments	External Assurance
Governance				
102-30	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Corporate Governance		Yes
102-31	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	Corporate Governance		Yes
102-32	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	About the Report		Yes
102-33	Report the process for communicating critical concerns to the highest governance body.	Corporate Governance		Yes

Standard Disclosure	Section	Comments	External Assurance
Governance			
102-34	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Three critical concerns were raised where the Board met to discuss the issues brought to its attention by the Executive Management. The Board reviewed the input provided by the management and explored multiple options to resolve the issues including external and internal factors. Final decisions were made by the board and communicated to the management for execution.	Yes

Standard Disclosure	Section	Comments	External Assurance
Governance			
102-36	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Corporate Governance To acquire and retain the highest caliber of talent within the region and industry, Zain takes measures to ensure that its employees are compensated at levels consistent with similar organizations. Adjustments to remuneration take place based on regular performance reviews. All of Zain's full-time employees receive annual performance reviews through which the employees' attainment of key performance indicators are measured, and areas of weakness or potential growth are identified. Increases in remuneration are exclusively merit-based, and Zain exercises a policy of nondiscrimination based on gender and race.	Yes

Standard Disclosure		Section	Comments	External Assurance
102-37	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Our People		Yes
102-40	Provide a list of stakeholder groups engaged by the organization	Materiality Assessment, Engaging Our Stakeholders		Yes
102-41	Report the percentage of total employees covered by collective bargaining agreements.		7% of employees in Iraq and 100% of employees in Sudan.	Yes
102-42	Report the basis for identification and selection of stakeholders with whom to engage.	Materiality Assessment, Engaging Our Stakeholders, Our People		Yes
102-43	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Materiality Assessment, Engaging Our Stakeholders		Yes

Standard Disclosure		Section	Comments	External Assurance
102-44	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Our Operating Context, Engaging Our Stakeholders, Addressing Key Challenges to Human Rights		Yes
102-45	Entities included in the consolidated financial statements		Relevant information available in consolidated financials on the financial reports section on the Zain website. https://www.zain.com/en/investor-relations/financial-reports/	Yes

Standard Disclosure		Section	Comments	External Assurance
102-46	Defining report content and topic Boundaries.	Materiality Assessment		Yes
102-47	List all the material Aspects identified in the process for defining report content.	Materiality Assessment		Yes
102-48	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.		There is no significant information restated in the 2020 Report.	Yes
102-49	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.		Zain does not disclose information on touch Lebanon due to the Company ending its managerial contract on behalf of the Lebanese government until 31 October 2020.	Yes
102-50	Reporting period (such as fiscal or calendar year) for information provided.	About the Report		Yes
102-51	Date of most recent previous report (if any).	About the Report	Zain publishes its Sustainability Report on an annual basis. The 2019 Sustainability Report was published Q1 2020.	Yes

Standard Disclosure		Section	Comments	External Assurance
102-52	Reporting cycle (such as annual, biennial).	About the Report		Yes
102-53	Provide the contact point for questions regarding the report or its contents.	About the Report		Yes
102-54	Report the 'in accordance' option the organization has chosen.	About the Report		Yes
102-55	Report the GRI Content Index for the chosen option	Appendix		Yes
102-56	External Assurance	Independent Assurance Report		Yes
103-1	For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> · Explanation of why the topic is material · The boundary of the topic · Any specific limitation regarding the topic boundary 		Aspect Boundaries are explained throughout the Report in sections relevant to each corresponding material Aspect.	Yes

Standard Disclosure		Section	Comments	External Assurance
103-2	For each material Aspect, report the following information:		Aspect Boundaries are explained throughout the Report in sections relevant to each corresponding material Aspect.	Yes
	· An explanation of how the organization manages the topic			
	· A statement of purpose of the management approach			
	· A description of the following, if the management approach includes that component: - Policies - Commitments - Goals and Targets - Responsibilities - Resources - Grievance Mechanisms - Specific actions, such as processes, projects, programs and initiatives			
103-3	Explanation of how the organization evaluates the management approach		Zain evaluates its management approach through several mechanisms which includes the external assurance process for its annual Sustainability Report where the assurance providers provide a list recommendations after closing the assurance process. Secondly, Zain conducts an annual Internal Control Review assessing the company's internal control system and its effectiveness which is conducted by an external audit firm. The company also takes into consideration external ratings received from internationally recognized rating agencies incorporating the results into its KPIs and performance reviews.	Yes

Standard Disclosure		Section	Comments	External Assurance
Economic: Economic Performance				
201-1	Direct Economic Value Generated and Distributed	Our Economic Impacts		Yes
201-2	Financial Implications and Other Risks and Opportunities for the Organization's Activities Due to Climate Change	Our Climate Action		Yes
Economic: Economic Performance				
201-3	Coverage of the organization's defined benefit plan obligations	Our People	Provisions for postemployment benefits as of 31 December 2020 amounted to 39.6 million Kuwaiti Dinars.	
Economic: Market Presence				
202-2	Proportion of senior management hired from the local community at significant locations of operation	Our People		Yes
Economic: Indirect Economic Impacts				
203-1	Development and impact infrastructure investments services and supported	Our Economic Impacts, Our Climate Action	More information about capital expenses among which include infrastructure investments are available in Zain's Financial Reports section of the Company website.	
203-2	Significant indirect economic impacts, including the extent of impacts	Our Economic Impacts, Our Sustainability Agenda, Our Climate Action		Yes

Standard Disclosure	Section	Comments	External Assurance
Economic - Procurement Practices			
204-1	Proportion of spending on local suppliers at significant locations of operations	Our Economic Impacts	Yes
Economic – Anti-Corruption			
205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		100% of Zain's operations are assessed for fraud risks and violations of the Code of Conduct which include anti-corruption risks.
Economic – Anti-Corruption			
205-2	Communication and training on anti-corruption policies and procedures	Our People, Corporate Governance	Through its onboarding process, the company communicates its anti-corruption policies and procedures to all new joiners. Furthermore, it ensures that such policies and procedures are accessible to all through the company's internal portal.
Environmental: Energy			
302-1	Energy consumption within the organization	Our Climate Action	The conversion factor used was that for every 1 liter of fuel used is equivalent to 10 KWh however due to 30% efficiency the formula used is for every 1 liter of fuel used is equivalent to 3 KWh.

Standard Disclosure	Section	Comments	External Assurance
Environmental: Biodiversity			
304-3	Habitats protected or restored		The company aligns its environmental standards to global best practices by adhering to the Zain Environmental and Social Management Plan (ESMP) Guidelines. Under the ESMP Guidelines, the company undergoes a comprehensive process prior to site selection to ensure that base station locations do not: harm biodiversity in or around site location, negatively impact historically or culturally significant areas such as UNESCO sites, and make it necessary for people to become displaced or to resettle to a different location.

Standard Disclosure		Section	Comments	External Assurance
Environmental: Emissions				
305-1	Direct (Scope 1) GHG emissions	Our Climate Action		Yes
305-2	Energy indirect (Scope 2) GHG emissions	Our Climate Action		Yes
305-3	Other indirect (Scope 3) GHG emissions	Our Climate Action	Zain started measuring its scope 3 emissions during the reporting year and was able to gather data of the following 2 upstream categories: business travel and employee commuting for Zain Kuwait.	Yes

Standard Disclosure		Section	Comments	External Assurance
Environmental: Compliance				
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Zain incurred no significant fines or non-monetary sanctions for environmental non-compliance.	Yes
Environmental: Supplier Environmental Assessment				
308-1	Percentage of new suppliers that were screened using environmental criteria	Our Economic Impacts		Yes
Social: Labor Practices and Decent Work – Employment				
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Our People		Yes
401-3	Return to work and retention rates after parental leave, by gender	Our People		Yes
Social: Labor Practices and Decent Work – Occupational Health and Safety				
403-3	Workers with high incidence or high risk of diseases related to their occupation		Zain is committed to providing a safe environment for all of its employees hence employees are not exposed to any high incidence or high-risk diseases due to the nature of the work.	Yes

Standard Disclosure	Section	Comments	External Assurance
Social: Labor Practices and Decent Work – Training and Education			
404-1	Average hours of training per year per employee by gender, and by employee category	Our People	Yes
404-2	Programs for upgrading employee skills and transition assistance programs	Our People	At Zain, we provide employees with a range of technical and general training programs that assist in employees' career development and overall life skills.
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Our People	100% of our employees across all operations received regular performance and career development reviews.
Social: Labor Practices and Decent Work – Diversity and Equal Opportunity			
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Our People	Yes
405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Our People	Yes
Social: Human Rights – Non-Discrimination			
406-1	Total number of incidents of discrimination and corrective actions taken		No cases were reported in 2020.

Standard Disclosure	Section	Comments	External Assurance
Social: Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	Addressing Key Challenges to Human Rights, Our Economic Impacts	In addition to Zain's Supplier Self-Assessment questionnaire on material suppliers which requires such suppliers to provide policies and procedures on child labor, the company continues to work on conducting a risk assessment on the significant risks for incidents of child labor. This year, the company continued to work closely with the procurement department to assess the materiality of suppliers and increase the number of suppliers to complete the self-assessment questionnaire. The questionnaire is reviewed and audited by the Sustainability teams. Zain further reviewed its supplier Code of Conduct and included more stringent policies in re-gard to child labor.

Standard Disclosure	Section	Comments	External Assurance
Social: Labor Practices and Decent Work – Supplier Assessment for Labor Practices			
414-1	Percentage of new suppliers that were screened using labor practices	Our Economic Impacts	Yes
414-2	Significant actual and potential negative impacts for labor practices in the supply chain	There are no significant actual or potential negative impacts for labor practices in the supply chain.	Yes
Social: Society – Local Communities			
413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100% of our operations include local community engagement and development programs.	Yes

Standard Disclosure	Section	Comments	External Assurance	
Social: Society – Local Communities				
413-2	Operations with significant actual and potential negative impacts on local communities	Our Climate Action	The company aligns to the Zain Environmental and Social Management Plan (ESMP) Guidelines. The ESMP Guidelines were developed to minimize Zain's potential harmful environmental impacts, protect the safety of its surrounding communities and address negative impacts of the company's business activities. The processes in the ESMP Guidelines include reviewing environmental and social risks, notifying local communities before undertaking any installation or maintenance work and issuing policies that address grievance from local community members. Zain's equipment is tested regularly to ensure compliance is maintained with the International Commission on Non-Ionizing Radiation Protection (ICNIRP) for occupational public exposure to electric and magnetic fields, and to guarantee that the public is protected and made aware of EMF zones by restricted access and appropriate signage of Antenna propagation zones that exceed the ICNIRP maximum public level.	Yes

Standard Disclosure		Section	Comments	External Assurance
Social: Product Responsibility – Customer Health and Safety				
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Our Products and Customers	In accordance to industry standards, the company ensures that all its products and services are in accordance to health and safety best practices when it comes to network equipment. When it comes to launching new products and services into the market, the company abides by health and safety standards set by the local regulatory entities. Furthermore, the company covers all health and safety impacts of its products and services in its Environmental and Social Management Plan (ESMP) which includes public exposure to Electro- Magnetic Fields, compliance to International Commission on Non-Ionizing Radiation Protection (ICNIRP).	Yes

Standard Disclosure	Section	Comments	External Assurance
Social: Product Responsibility – Marketing Communications			
417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Information available in the 2020 Consolidated Annual Financial Statements, Note 28.	
Social: Product Responsibility – Customer Privacy			
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Our Products and Customers	Yes
Social: Product Responsibility – Compliance			
419-1	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Information available in the 2020 Consolidated Annual Financial Statements, Note 28.	

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