

CORPORATE GOVERNANCE REPORT 2024

Introduction

Zain Group has consistently upheld a robust corporate governance (CG) framework as the foundation for its success. As a leading telecommunications operator, the company recognizes the critical role of governance in ensuring transparency, accountability, and long-term value creation for all stakeholders. In 2024, Zain's governance strategy was further strengthened by the introduction of its 4WARD Progress with Purpose' strategic approach: Four Forces, Twelve Accelerators, One Purpose. This dynamic strategy underscores the company's commitment to exceptional service, technological innovation, and purposeful actions, placing stakeholders at the center of its governance practices.

Zain's governance strategy is seamlessly aligned with its 4WARD framework, which focuses on Customer Delight, Digital Leadership, and Purpose-Driven Actions. Each of these forces plays an integral role in the company's commitment to delivering exceptional experiences while upholding the highest standards of governance.

At Zain, customers are at the heart of everything the company does. This principle extends to corporate governance, where customer-centric policies and practices are designed to build trust, loyalty, and transparency. The Board of Directors actively prioritizes customer satisfaction by ensuring that strategic decisions reflect the needs and expectations of Zain's diverse customer base. This year, several key policies were reviewed, enhanced, and approved to strengthen this commitment.

As a technology-driven organization, Zain has embedded digital innovation into its governance framework. The Board oversees digital transformation initiatives to ensure alignment with industry standards and regulatory requirements. By integrating digital governance into its strategy, Zain has strengthened its position as a leader in technological innovation. The governance framework includes comprehensive policies to protect customers and organizational data, mitigating risks associated with cyber threats. The Board actively monitors technological advancements to ensure that digital investments align with the company's strategic objectives and stakeholder interests.

Purpose-driven governance lies at the heart of Zain's strategy. The company is deeply committed to aligning its actions with broader societal and environmental goals, ensuring that every decision contributes to meaningful impact.

Zain's corporate governance is further strengthened by the Twelve Accelerators, a set of strategic initiatives designed to enhance performance, mitigate risks, and deliver long-term value. These accelerators reflect Zain's commitment to continuous improvement and innovation in governance.

Zain's commitment to governance principles resulted in higher environmental, social, and governance (ESG) scores, reflecting the company's leadership in environmental stewardship, social responsibility, and governance excellence. In 2024 the Board approved the ESG policy, which aims to ensure that the company maintains high standards of corporate governance, labor management and sustainability practices, aligning with its strategic goals and compliance requirements. The Corporate Governance Department is responsible for monitoring ESG, ensuring adherence to best practices, regulatory compliance and alignment with corporate values. The Corporate Governance Department reports to the Board with regard to updates or requirements to be implemented or obtained.

The Board approved the ESG Monitoring Policy and continues to review and assesses the effectiveness of the policy and associated practices, providing strategic guidance on aligning ESG objectives with corporate goals.

As Zain moves forward, the company will continue to prioritize investments in cutting-edge technology, ensuring that governance practices adapt to the challenges and opportunities of the digital age. The company aims to further integrate ESG principles into its operations, focusing on renewable energy, community development, and ethical business practices. Zain is committed to enhancing Board diversity by incorporating a broader range of perspectives to foster innovation and effective decision-making. In line with this commitment, an independent board member with expertise in finance, academia, governance, and strategy has been added to the Board of Directors. This addition increases the percentage of independent directors on the Board, as approved by shareholders during the Annual General Assembly (AGM).

By deepening its collaboration with stakeholders, Zain seeks to ensure that its governance practices reflect the needs and expectations of all parties involved. Zain's governance framework emphasizes the importance of stakeholder engagement, ensuring open and effective communication with all stakeholders. By fostering meaningful interactions, Zain reinforces its commitment to transparency, accountability, and the critical role stakeholders play in shaping the company's strategic direction.

The Board continues to promote ethical leadership, advancing a culture of integrity and resilience. Furthermore, Zain's focus on integrated disclosure and sustainability reporting underscores its dedication to transparency and accountability. By addressing emerging risks, enhancing shareholder engagement, and aligning its practices with global benchmarks, Zain positions itself as a leader in corporate governance, leveraging innovation and sustainability to drive impactful outcomes.

The company remains proactive in monitoring and responding to regulatory developments, ensuring compliance and maintaining its position as a leader in governance.

With a robust governance framework, the company is well-positioned to navigate the complexities of the modern business environment while delivering exceptional value to stakeholders.

Moving forward, Zain's dedication to governance excellence will remain a driving force behind its success, ensuring that the company continues to lead with purpose, integrity, and innovation.

The Board continues to have a strong oversight into Zain's Sustainability strategy to ensure the organization creates positive sustainable value for all, focusing on long-term strategies that encompass financial performance, societal impact, and environmental sustainability.

During the year, the company achieved various milestones showcasing Zain's holistic approach to providing meaningful connectivity. In 2024, Zain received the formal approval of its net-zero targets verified and validated by SBTi (Science Based Targets Initiative) in addition to maintaining its A- score in the 'Carbon Disclosure Project (CDP) Score Report for the fourth year in a row. In addition, Zain conducted Reasonable Assurance for the first time on its Scope 1 and 2 emissions ensuring further accuracy and transparency on Zain's environmental reporting indicators.

The company also launched its Responsible Marketing & Communications Standard reflecting its commitment to ethical and transparent practices, ensuring inclusivity, diversity, and the protection of vulnerable populations. Zain also expanded its processes for screening suppliers on sustainability-related risks to cover a larger number of suppliers across its operations in addition to updating its supplier self-assessment questionnaire to include aspects on net-zero, biodiversity and traceability.

With regards to children's rights, the company launched the #EveryChildHasRights campaign to raise awareness of the critical threats faced by children in conflict-affected regions, achieving over 16.5 million impressions across its social media channels.

In a rapidly evolving global landscape, Zain prioritizes effective risk management and adaptability to address challenges such as supply chain vulnerabilities and geopolitical uncertainties. Operating within a

robust regulatory framework, Zain upholds high standards of governance and ethical business conduct. The Board of Directors ensures compliance with global benchmarks, while executive management implements these directives through actionable strategies.

Zain's culture is rooted in diversity, inclusion, integrity, and transparency, guided by a comprehensive code of conduct. Adhering to the Capital Markets Authority (CMA) regulations in Kuwait, Zain aligns with a unified governance framework designed to enhance operations and promote best practices. The company's code of conduct highlights its commitment to ethical standards, supported by comprehensive employee training programs accessible to all stakeholders who engage with Zain.

Transparency is central to Zain's approach, with clear disclosures on ESG performance and risk management fostering trust with stakeholders. This report highlights how Zain integrated ESG principles into its strategies in 2024, balancing compliance, innovation, and societal impact to lead in governance and drive sustainable growth.

In 2024, Zain was presented with the World Finance's a "Best Corporate Governance Award" in Kuwait for the fourth year in a row. World Finance is a print and online magazine that provides comprehensive coverage and analysis of the financial industry, international business, and the global economy. Zain was recognized for the integrity and transparency of its practices. Zain has also adopted a good Investor Relations and Corporate Governance Framework that enhances the overall governance environment within the company in line with applicable laws, regulations, and leading practices. Wherever possible, Zain looks to exceed the requirements of the corporate governance regulations.

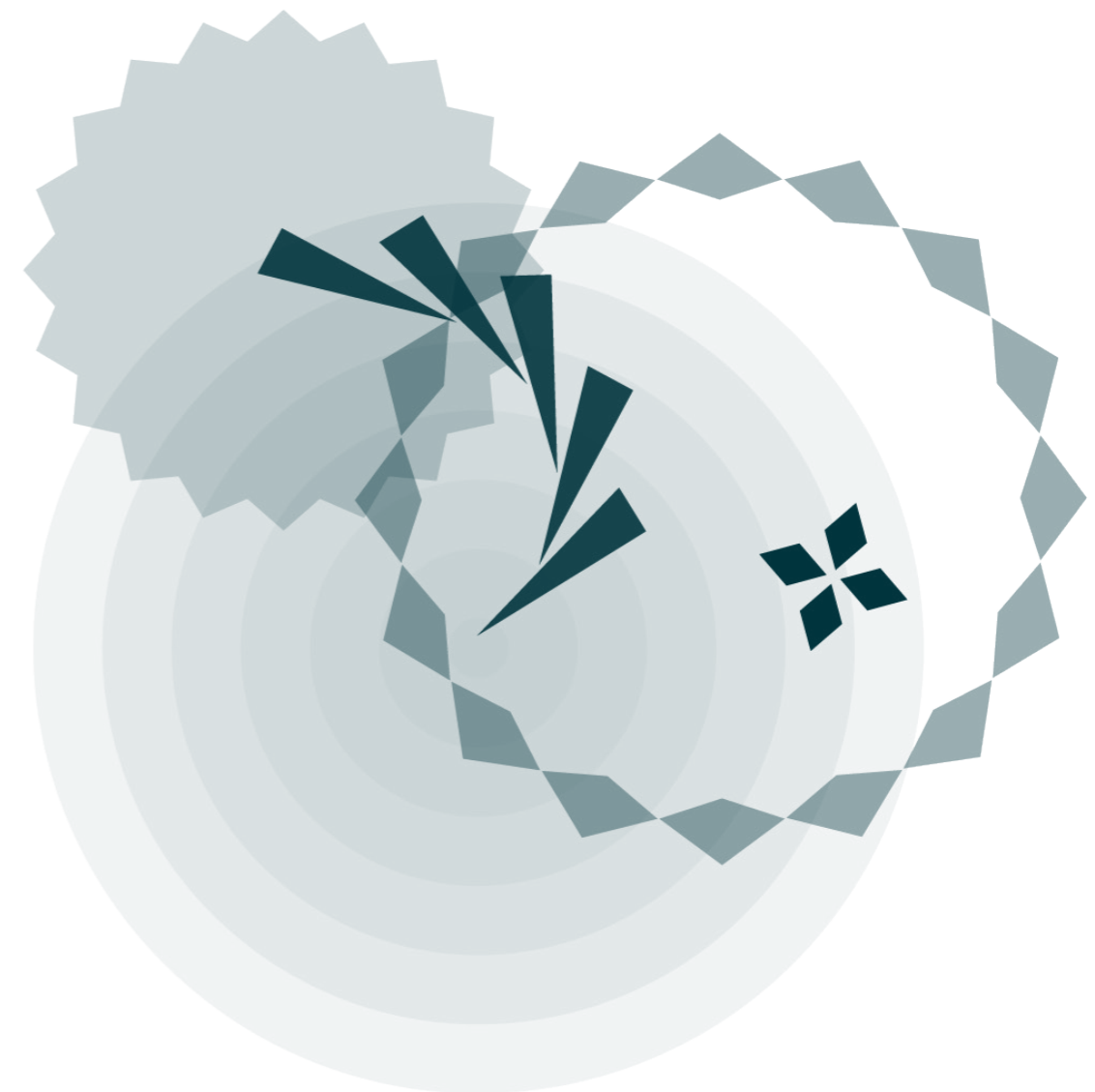
The information contained in this report is based on the laws on corporate governance and their amendments issued by the CMA, the Ministry of Commerce and Industry, Boursa Kuwait and other relevant regulatory authorities in the State of Kuwait, and the laws and regulations of the jurisdictions in which the company operates. Zain decided to focus on efforts to promote innovation, open the way to face future challenges, and enhance competitiveness by implementing an innovative way of working amidst rapid transformations. Zain's operations are based on principles according to the applicable laws.

It executes its policies to protect the rights of stakeholders and to enhance the added value of all parties. . This includes the economic, social and developmental contribution made by its operating companies in the communities in which they operate. In addition, the Group pursues growth through innovative management, as it works to create new and unique value through partnerships and various projects. The company's internal policies are also based on values, principles and practices of global corporate governance.

The Board and executive management believe in building positive relationships among all stakeholders by strengthening corporate governance. One of the essential methods used by Zain in emphasizing the quality of information in this regard is auditing ESG reports by independent external auditors approved by the regulatory authorities. These reports and publications contain detailed information on ESG strategy, development, performance and impact.

The corporate governance report has been prepared per the laws and regulations issued by the relevant governmental and regulatory agencies in Kuwait. A copy of this report is also available on the company's website, www.zain.com.

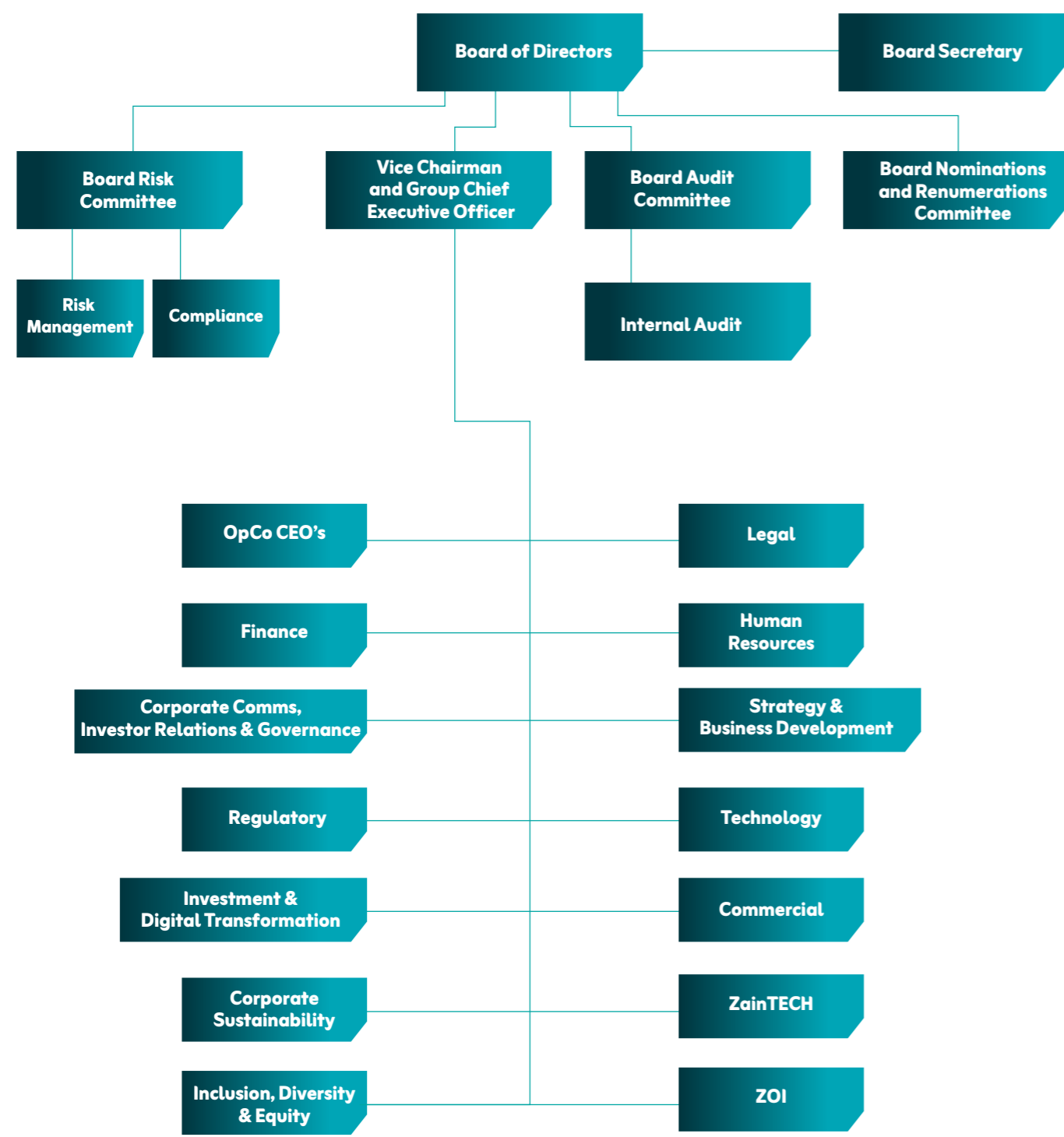
The Board of Directors approved the Corporate Governance Report for the year 2024.



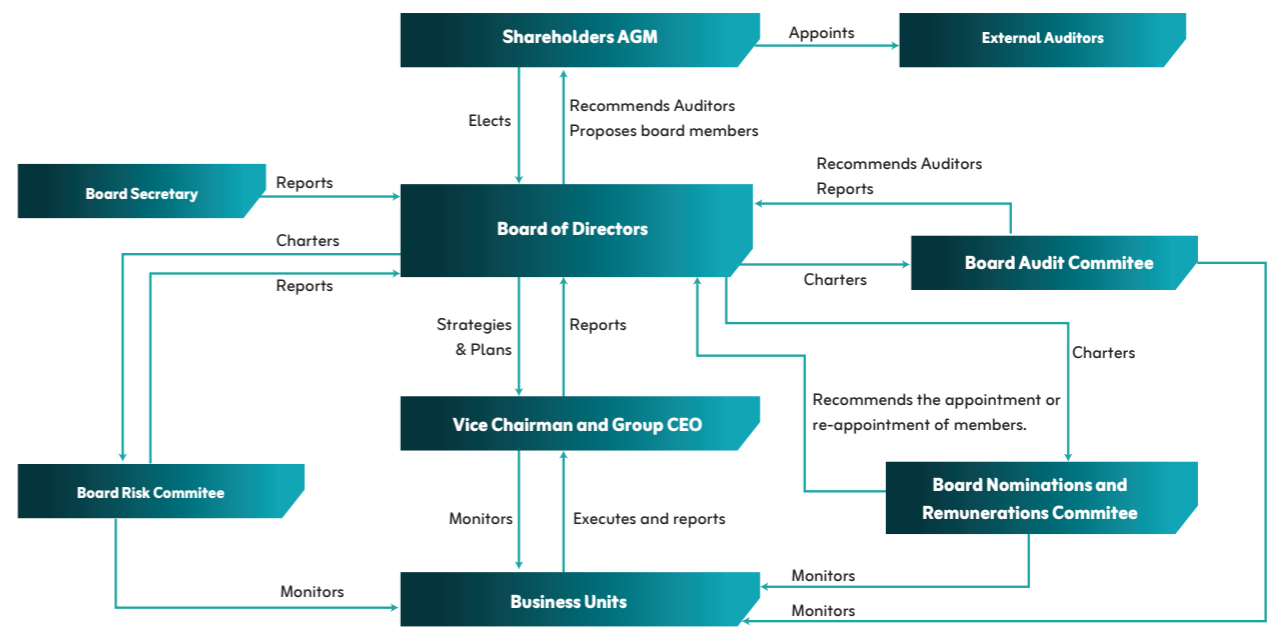
Rule I: Construct a Balanced Board Composition

Establishing an appropriate framework for decision-making is among the pillars of sound corporate governance. It depends on assigning responsibility and providing transparent reports that ensure understanding and monitoring of the company's development.

The Company's Organizational Structure



The Company's Framework



Applicable local laws and regulations

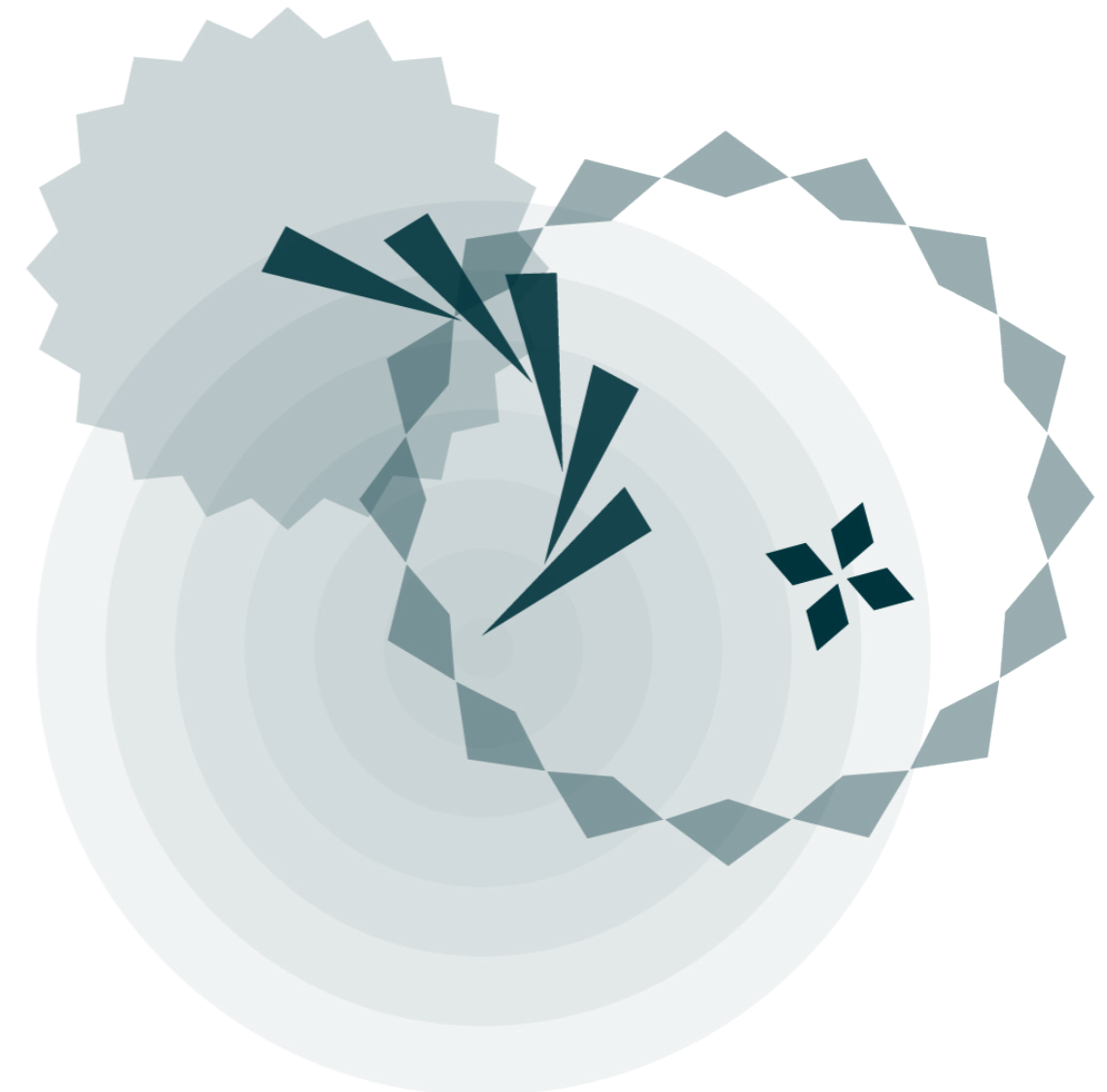
- Law no. 1/2016 [Companies Law]
- Capital Markets Authority: Law no. 7/2010
- Communications & Information Technology Regulatory Authority: Law no. 37/2014
- Boursa Kuwait – Rulebook
- Competition Protection Agency: Law no. 10/2007
- Kuwait Anti-Corruption Authority NAZAHA Law no. 2/2016
- Capital Markets Authority: Resolution no. 72/2015

About the Board of Directors

The following list includes a brief about the members of the Board, including information on the date of appointment, the educational and professional background of each member in addition to the nature of their respective positions.

Composition of the Board of Directors

Name	Classification	Education	Professional Experience	Date of Election/ Appointment
Osamah Othman Al Furaih Chairman	Non-executive	Bachelor's Degree in Business Administration	Industrial and banking sectors, Investment and business sectors, Non-profit institutions, Telecommunications, and mechanical engineering sector	11 April 2023
Bader Nasser Al-Kharafi Vice Chairman & Group CEO Representing Oztel Holdings SPC Limited	Executive	Master of Business Administration & Bachelor's degree in Mechanical Engineering	Industrial and banking sectors, Investment and business sectors, Non-profit institutions, Telecommunications, and mechanical engineering sector	25 June 2024
Abdulrahman Mohammad Ibrahim Al Asfour Independent	Independent	Bachelor's Degree in Business Administration – Accounting Major	Technical expertise in the application of IT solutions, audit, and finance	11 April 2023
Dr. Saad Ahmed Alnahedh	Independent	Bachelor's degree in Electrical Engineering with a minor in Business Administration - MBA - Doctorate in Finance	Banking governance. Holds leadership positions at the Kuwait Fund for Arab Economic Development and the IILM, Government committees, Energy Research.	25 June 2024
Talal Said Al Moamari Representing Fajr Al Naseem Co.	Non-executive	Bachelor's Degree in Business Administration	Finance experience in the telecommunications sector	11 April 2023
Zaki Hilal Saud Al Busaidi Representing Jawharat Al Jibla Co.	Non-executive	Master's degree in Public Administration	23 years in the civil service sectors, port services, investment, and insurance And communications	11 April 2023
Atif Said Rashid Al Siyabi Representing Abeer Al Shuruq Co.	Non-executive	Bachelor of Engineering in Computer Hardware and Networking Technology	20 years in information technology, business development, innovative technological solutions and information systems, investment and communications	11 April 2023
Aladdin Baitfadhil Representing Danat Al Qiblah Co.	Non-executive	Bachelor's degree in Electrical and Electronics Engineering.	21 years in the information and communication technology sector	11 April 2023
Nasser Suleiman Al-Harthy Representing Naseem AL Dilta Co.	Non-executive	Master's degree in business administration (MBA)	25 years in the investment, economic, financial, information management, legal and compliance sectors	11 April 2023
Yousef Khaled Al-Abdulrazzaq	Non-executive	Bachelor's Degree in Business Administration – Finance Major	Audit and investment expertise within the general reserve sector and investment funds	11 April 2023
Hatmal Farouq Al-Qadi	Secretary	Master of Laws (L.L.M)	Legal Consultancy Telecommunications sector	12 May 2015



Board of Directors' Meetings 2024

The Board met eleven times during the year. The Chairman of the Board – or his Deputy in his absence – sends the invite for the meeting, by any mechanism, including modern means of communication. The Chairman must call for an emergency meeting if a written request has been submitted to him by at least two members. The Board meeting shall not be valid unless attended by at least half of the members. The meeting may be held using the modern means of communication specified by the Board. Decisions may be taken by circulation, provided that this is done with the approval of all members of the Board. It is not permissible to attend Board meetings by proxy.

	Meeting No.1 6/3/2024	Meeting No.2 17/4/2024	Meeting No.3 20/4/2023	Meeting No.4 30/4/2024	Meeting No.5 13/5/2024	Meeting No.6 27/5/2024	Meeting No.7 20/6/2024	Meeting No.8 25/6/2024	Meeting No.9 7/8/2024	Meeting No.10 11/11/2024	Meeting No.11 11/12/2024	Total Meetings Attended
Osamah Othman Al Furaih Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Bader Nasser Al-Kharafi Vice-Chairman & Group CEO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Abdulrahman Mohammad Ibrahim Al Asfour Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Dr. Saad Ahmed Alnahedh* Independent								✓	✓	✓	✓	4
Talal Said Al Moamari	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	10
Zaki Hilal Saud Al Busaidi	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	-	9
Atif Said Rashid Al Siyabi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Aladdin Baitfadhil	✓	✓	✓	✓	-	✓	-	✓	✓	✓	✓	11
Nasser Suleiman Al- Harthy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Yousef Khaled Al-Abdulrazzaq	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	10
Hatmal Farouq Al-Qadi (Board Secretary)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Attendance Percentage	100%	100%	100%	100%	90%	100%	100%	90%	90%	100%	90%	

The schedule includes all Board meetings held during 2024.

- Dr. Alnahedh was appointed on 25 June 2024.

Management of Board Meetings

The Board Secretary plays a pivotal role in ensuring the Board's efficiency and adherence to laws and regulations and best practices. This involves organizing and managing Board and committee meetings, including issuing timely notices, preparing agendas, and distributing materials at least three days in advance. The Secretary is responsible for accurately documenting meeting minutes, which serve as official records of discussions, decisions, and voting outcomes, and ensuring their accessibility to all Board members.

As a critical liaison between the Board and executive management, the Secretary ensures that members receive essential information in a timely manner and maintains alignment with legal, regulatory, and internal policies. Collaborating closely with the Chairman, the Secretary supports the preparation of agendas, tracks meeting outcomes, and ensures the implementation of Board-approved decisions in accordance with company policies. Furthermore, the Secretary facilitates the onboarding of new Board members through comprehensive induction programs, which include an overview of the company's operations, governance framework, performance results, ESG concepts and strategic plans.

The Secretary oversees corporate records, including committee documentation, membership processes, and compliance-related activities. This involves generating, maintaining, and updating records to meet legal and regulatory requirements while safeguarding them as corporate archives. Additionally, the Secretary ensures invitations to relevant stakeholders for Board and committee meetings are issued promptly.

To remain effective, the Secretary stays informed about global trends in corporate governance, emerging challenges, and best practices, with a focus on the telecommunications sector by working closely with the Corporate Governance Department. This also includes keeping the Board updated on corporate sustainability developments in coordination with the Chief Sustainability Officer, thereby aligning governance practices with strategic sustainability goals.

Integral to the Secretary's role is fostering a collaborative and informed environment, ensuring the Board's expanding responsibilities are supported effectively. By maintaining rigorous documentation, facilitating seamless communication, and providing expert guidance, the Secretary strengthens the Board's decision-making capabilities and its alignment with corporate values and objectives.

The independent member acknowledges that the independence controls are met, and a copy of the declaration shall be attached to the Arabic report.

Rule II: Establish Appropriate Roles and Responsibilities

The Board of Directors consists of 10 members, including two independent members and one executive member. CMA has established regulations to ensure effective corporate governance through Board composition and the inclusion of independent members. The majority of Board members must be non-executive directors. These regulations aim to ensure unbiased oversight and balanced decision-making within companies.

The Board of Directors plays a vital oversight role, ensuring the company's sustainability, ethical conduct, and strategic direction. It oversees management, aligns operations with the interests of shareholders and stakeholders, and ensures compliance with laws and regulations. The Board sets the company's mission, vision, and long-term goals while approving key strategies and managing risks.

The Board monitors financial performance, reviews financial statements, and ensures compliance with accounting standards. It establishes a corporate governance framework, including a code of conduct, ESG policies, and internal controls, while maintaining high standards of disclosure and transparency. It also supervises anti-corruption and anti-money laundering policies, ensuring their alignment with laws and corporate culture.

Board composition and effectiveness are maintained through diverse expertise, director succession planning, and compliance with the Articles of Association (AOA). Each shareholder, whether a natural person or a legal entity, may appoint representatives to the Board in proportion to the shares that they own. The General Assembly shall elect the remaining members by secret ballot. Members are elected for three-year terms, with independent directors comprising at least 20%. The Chairman and Vice-Chairman are elected by secret ballot, and committees—Audit, Risk, and Nominations and Remunerations—are formed to focus on critical areas of governance.

The Board delegates operational strategy execution to the CEO and management, ensuring alignment with corporate values. It resolves conflicts of interest, evaluates related-party transactions, and ensures transparent communication with shareholders. Sustainability and community well-being remain central, reinforcing the Board's commitment to long-term success in a dynamic environment.

The Board of Directors serves as the primary entity responsible for the company's strategy, policies, ethics, and ESG initiatives. It ensures the company operates sustainably, ethically, and in alignment with its long-term goals. The Board oversees management to safeguard compliance with laws, regulations, and industry standards while acting in the best interests of shareholders and stakeholders.

As the custodian of strategy, the Board defines the company's mission, vision, and long-term objectives, approves strategic initiatives, and ensures that policies and business practices reflect corporate values. It establishes a robust framework for corporate governance, including a code of conduct and ESG policies, ensuring ethical practices and sustainable growth. The Board actively manages risks by implementing effective risk mitigation strategies and supervising internal controls and compliance systems.

The Board ensures the company maintains transparency and accountability by reviewing financial performance, approving financial statements, and adhering to the highest standards of disclosure. It establishes anti-corruption and anti-money laundering frameworks, fostering a culture of integrity and compliance throughout the organization.

In addition to its strategic role, the Board is responsible for overseeing its own composition and effectiveness, ensuring diversity and succession planning, and forming committees—Audit, Risk, and Nominations and Remunerations—to focus on governance priorities. The Board also ensures that executive management executes the approved strategy effectively, delegating responsibilities while maintaining oversight.

The Board emphasizes ESG as a cornerstone of its governance, addressing sustainability and the well-being of communities where the company operates. It ensures policies and decisions align with the company's ethical standards, long-term strategy, and commitment to creating value for shareholders, stakeholders, and society. This approach positions the company for continued growth and resilience in a dynamic environment.

Board Achievements in 2024

- Acquiring IHS Kuwait for tower management to support the Signal project and achieve the group's vision regarding tower management.
- Acquiring IHS Kuwait for tower management to support the Zain - Ooredoo agreement and achieve the group's vision regarding tower management.
- Investing in several generative AI technology companies like XAI, Articul8 and Intelmatix, as well as in capital growth investment opportunities and new revenue sources in deep technology funds such as Kadmos Capital supporting to the company's strategy.
- Approving several policies and regulations that contribute to enhancing work efficiency, especially those related to climate, environment, and diversity in the workplace.
- Approving the holding of an extraordinary general assembly to appoint an independent member of the Board in accordance with the CMA regulations.
- Providing support to the people of Sudan and working to support employees at Zain Sudan through the Z program, which aimed to create job opportunities for employees' relatives within Sudan or in the countries they have emigrated to.

Board Committees

The Board has implemented a system where its committees handle specific responsibilities to improve overall efficiency and better utilize members' time. While these committees focus on providing recommendations, the Board retains full accountability for all decisions.

This structure allows Board members to gain deeper insights into the company's operations, actively participate in discussions, and apply their expertise where it matters most. Committees play a key role in addressing complex issues that benefit from specialized knowledge, enabling the Board to focus on strategic oversight. The Board builds trust among stakeholders and ensures it can fulfill its supervisory duties effectively while maintaining independence from executive management.

The committees are tasked with investigating specific matters, ensuring tasks are carried out with precision and within prescribed timelines. Their findings and recommendations are presented to the Board, along with detailed action plans for implementation. Additionally, the committees oversee the execution of these plans by the relevant departments, ensuring alignment with the Board's objectives.

At Zain, three committees form the cornerstone of the governance framework: the Risk Committee, the Audit Committee, and the Nominations and Remunerations Committee. Each committee plays a distinct role in supporting the Board's functions, and its contributions are outlined in the sections below.

Board Risk Committee (BRC)

Formed: 12 May, 2015

Term: The membership period is the same as the term of the Board of Directors and not more than three years, renewable.

Responsibilities: The primary objective of the Board Risk Committee (BRC) is to support the Board in fulfilling its oversight responsibilities concerning the identification, assessment, and mitigation of risks. These encompass operational, strategic, and external environmental risks. As such, the BRC plays a pivotal role in reviewing, monitoring, and approving the company's risk-related policies, frameworks, processes, and practices.

The BRC is entrusted with ensuring that the company maintains an optimal balance between risk and return across both ongoing operations and new ventures.

A critical function of the BRC is the assessment of significant risk exposures and the evaluation of management's actions to address these risks promptly. This includes one-time interventions and ongoing initiatives, such as business continuity planning, incident response and disaster recovery planning. To enhance effectiveness, the BRC coordinates with the Audit Committee as necessary and provides regular reports to the Board.

The committee also reviews and evaluates the adequacy of internal risk management procedures within its scope of responsibility, recommending enhancements to the Board for approval. With full access to internal information, the BRC ensures that executive management's risk policies and procedures align with the company's strategic objectives and risk appetite. It actively fosters a company-wide culture of risk awareness, encouraging behaviors and practices that effectively address risks in a timely manner.

Furthermore, the BRC's supervisory role extends to evaluating executive management's performance in managing risks. By upholding rigorous standards and promoting a proactive approach, the BRC contributes to safeguarding the company's resilience and long-term success.

The Board Risk Committee oversees the compliance function, ensuring alignment with regulatory requirements and international standards. The compliance team reports directly to the Committee, providing frequent updates on key compliance matters, risk assessments, and mitigation strategies. This structure ensures effective oversight, transparency, and accountability in maintaining regulatory adherence.

Achievements of BRC during 2024

- Approving the annual amendments to the policies, regulations, and strategy of the Risk Management Department.
- Approving amendments to risk tolerance and recommending their approval to the Board.
- Reviewing the Risk Management Department's quarterly reports and taking necessary actions to mitigate the impact of any identified risks.
- Monitoring network security and cybersecurity issues for the group and its subsidiaries.
- Incorporating the compliance function into the risk committee and starting to establish an independent compliance unit in accordance with the applicable standards.

Committee Members:

Zaki Hilal Saud Al Busaidi (Committee Chairman)

Talal Said Al Moamari

Bader Nasser Al-Kharafi

Yousef Khaled Al-Abdulrazzaq

Atif Said Rashid Al Siyabi

Number of committee meetings in 2024: 4

Member	Meeting No. 1/2024 6/3/2024	Meeting No. 2/2024 12/5/2024	Meeting No. 3/2024 7/8/2024	Meeting No. 4/2024 11/11/2024
Zaki Hilal Saud Al Busaidi (Committee Chairman)	✓	✓	✓	✓
Bader Nasser Al-Kharafi	✓	✓	✓	✓
Talal Said Al Moamari	✓	✓	✓	✓
Yousef Khaled Al-Abdulrazzaq	✓	✓	-	✓
Atif Said Rashid AlSiyabi	✓	✓	✓	✓
Attendance Percentage	100%	100%	80%	100%

Board Audit Committee (BAC)

Formed: 9 June, 2011

Term: The membership period is the same as the term of the Board of Directors and not more than three years, renewable.

Responsibilities: The Board Audit Committee (BAC) plays a critical role in supporting the Board in its oversight responsibilities, including several key areas:

1. Ensuring the quality and integrity of the company's accounting practices, auditing processes, internal controls, risk management framework, financial reporting, and overall corporate governance.
2. Assessing the performance and qualifications of the licensed independent auditor (external auditor).
3. Managing and evaluating the company's relationship with external auditors.
4. Overseeing the effectiveness and performance of the internal audit unit.
5. Ensuring compliance with applicable laws, regulations, and ethical standards.

While the ultimate accountability for risk management, internal controls, and corporate governance rests with the Board of Directors, the BAC's role is to provide specialized oversight and guidance. This includes inspecting the preparation of financial reports, addressing operational and financial risks, ensuring adherence to legal, regulatory, and ethical requirements, and evaluating the performance of both the internal audit function and independent external auditors. By maintaining a robust governance framework, the BAC contributes to safeguarding the company's integrity and enhancing stakeholder confidence.

Achievements of BAC during 2024

- Discussing and following up on the quarterly reports of internal and external auditors and taking necessary actions to ensure that the noted observations are addressed.
- Approving the consolidated financial statements of the Group on a quarterly basis and recommending their approval by the Board of Directors.
- Following up on receivables and debts at subsidiary companies and coordinating with management to find an effective collection mechanism to mitigate the impact of receivables.
- Recommending the appointment of a new auditor for the Group, KPMG.
- Evaluating the performance of CEOs in the Group and subsidiary companies based on the percentage of observations addressed in the audit report and linking it to their annual performance bonuses.
- Approving the annual audit report to be presented at the general assembly.
- Working to establish an independent compliance unit reporting to the risk committee to ensure complete independence regarding compliance issues.
- Following up on the reporting of violations on a quarterly basis and supervising reports and conducting necessary investigations in case of any violation.

Committee Members:

Nasser Suleiman Al-Harthy (**Committee Chairman**)

Aladdin Baitfadhil

Abdulrahman Mohammad Ibrahim Al Asfour (**Independent**)

Yousef Khaled Al-Abdulrazzaq

Dr. Saad Ahmed Alnahedh (**Independent**)

Number of committee meetings in 2024: 4

Member	Meeting No. 1/2024 6/3/2024	Meeting No. 2/2024 13/5/2024	Meeting No. 3/2024 6/8/2024	Meeting No. 4/2024 10/11/2024
Nasser Suleiman Al-Harthy (Committee Chairman)	✓	✓	✓	✓
Aladdin Baitfadhil	✓	✓	✓	✓
Abdulrahman Mohammad Ibrahim Al Asfour (independent)	✓	✓	✓	✓
Yousef Khaled Al-Abdulrazzaq	✓	✓	✓	✓
Dr. Saad Ahmed Alnahedh* (independent)			✓	✓
Attendance Percentage	100%	100%	100%	100%

*Dr. Alnahedh was appointed on 25 June 2024.

Board Nominations and Remunerations Committee (BNRC)

Formed: 12 May, 2015

Term: The membership period is the same as the term of the Board of Directors and not more than three years, renewable.

Responsibilities: The Nomination and Remuneration Committee (BNRC) supported the Board's oversight of the company's remuneration and nomination policies and procedures to ensure their effectiveness, alignment with strategic objectives, and adherence to regulatory standards.

The BNRC is also responsible for reviewing and approving the criteria and procedures for the selection, appointment, and reappointment of members of the Board of Directors and senior management. This includes verifying that the nomination policies and practices align seamlessly with the company's long-term vision and objectives.

The committee oversees the nomination and re-nomination processes for Board and executive management positions, ensuring the presence of a well-qualified and competent leadership team. It conducts an annual assessment of the skills and expertise required within the Board and executive management, ensuring alignment with the company's strategic priorities and the corporate governance framework as outlined by CMA.

In collaboration with executive management, the BNRC is responsible for developing a robust succession plan for senior leadership roles. This plan includes contingencies for emergencies and unforeseen vacancies, ensuring the uninterrupted continuity of the company's operations. The committee also oversees the establishment and maintenance of a comprehensive training and development system to enhance employees' skills, strengthen leadership capabilities, and support ongoing growth.

Further, the BNRC evaluates management performance and facilitates the Board's performance assessment process, contributing to a culture of accountability and excellence. The committee also plays a critical role in determining remuneration packages for Board members and executive management, ensuring compliance with relevant regulations and industry standards while aligning rewards with performance and corporate objectives. This remuneration report is ultimately approved by the majority shareholders during the AGM. It is also subject to scrutiny by the CMA.

Through its strategic contributions, the BNRC helps sustain a governance framework that supports the company's growth, resilience, and alignment with stakeholder expectations.

Achievements of BNRC during 2024

- Approving the mechanism for calculating and distributing the 2024 annual bonuses for employees and CEOs within the group and including them in the annual remuneration report.
- Approving and conducting a quarterly review of the Group's succession planning policy and plan, ensuring the implementation of the policy, and prioritizing the appointment of Zain employees.
- Approving the company's organizational structure.

Committee Members:

Atif Said Rashid Al Siyabi (Committee Chairman)

Osamah Othman Al Furaih

Bader Nasser Al-Kharafi

Talal Said Al Moamari

Abdulrahman Mohammad Ibrahim Al Asfour (Independent)

Number of committee meetings in 2024: 4

Member	Meeting No. 1/2024 21/2/2024	Meeting No. 2/2024 12/5/2024	Meeting No. 3/2024 3/10/2024	Meeting No. 4/2024 11/11/2024
Atif Said Rashid Al Siyabi (Committee Chairman)	✓	✓	✓	✓
Osamah Othman Al Furaih	✓	✓	✓	✓
Bader Nasser Al-Kharafi	✓	✓	✓	✓
Talal Said Al Moamari	✓	✓	✓	✓
Abdulrahman Mohammad Ibrahim Al Asfour (Independent)	✓	✓	✓	✓
Attendance Percentage	100%	100%	100%	100%

Corporate Governance Framework



Relationship between the Board of Directors and Executive Management

Foundations of a Strong Relationship Between the Board and Executive Management

The strength of the relationship between the Board of Directors and executive management is built on a shared understanding of key elements such as the company's vision and mission, strategic framework, team capabilities, implementation plans, and performance objectives. This shared understanding ensures that roles, responsibilities, and areas of authority are clearly defined, fostering mutual respect for each party's contributions and expectations.

Roles and Responsibilities of the Board of Directors and Executive Management

The Board of Directors:

The Board defines the company's strategic direction and overarching objectives. It also ensures the company's protection by establishing standards and policies that govern the performance of executive management and employees, thereby achieving operational efficiency and sustainability.

Executive Management:

Executive management focuses on implementing the strategies and policies set by the Board, ensuring that the defined objectives are achieved within the strategic framework. Their key duties include translating strategic vision into actionable plans, overseeing operations, monitoring performance, managing risks, communicating with stakeholders, and ensuring compliance with regulatory requirements.

Separation of the Roles of CEO and Chairman of the Board

In line with the laws and regulations in Kuwait, It is not permissible to hold the positions of CEO and Chairman of the Board simultaneously. This separation aims to enhance transparency and ensure a balance of power within the company. While the Chairman focuses on strategic oversight, the CEO is responsible for the day-to-day operational and executive management. This division of roles supports effective governance and reduces potential conflicts of interest.

The Role of Governance

The governance framework defines the policies and procedures that regulate the relationship between the Board of Directors and executive management. This framework ensures the application of these principles within the company culture and fosters effective communication between the two parties.

Collaboration to Achieve Common Goals

The Board of Directors empowers executive management through strategic direction and performance oversight. Conversely, executive management relies on the Board as a source of guidance and support, focusing on implementing strategies effectively. The Board sets clear performance objectives and authority limits, enabling executive management to operate confidently and efficiently.

Continuous Performance Evaluation

The Board evaluates the performance of executive management through rigorous processes that include monitoring results, ensuring accountability, providing guidance, and sharing expertise. This evaluation serves as an opportunity to drive continuous improvement and enhance clarity in expectations.

Zain's Corporate Culture

Zain's corporate culture is built on open and transparent communication, trust-building, and alignment of efforts between the Board of Directors and executive management. The executive management is committed to implementing strategic decisions within the Board's guidelines, ensuring alignment between objectives and policies.

This collaborative relationship reflects an integrated approach that ensures the sustainability of corporate success and reinforces the values of effective governance.

Rule III: Recruit Highly Qualified Candidates for the Members of a Board of Directors and the Executive Management



Osamah Othman Al Furaih

CHAIRMAN OF THE BOARD OF DIRECTORS

- A representative of Kuwait Investment Authority
- Member of the Board of Directors since 2023
- Chairman of the Board of Directors since 2023

DATE OF BIRTH: 1973

EDUCATION: Bachelor's degree in Business Administration from Tennessee State University

WORK EXPERIENCE: Over 24 years of experience in investment, industrial, banking, aviation, tourism, hotel, and transportation sectors. A prosperous career in project management and development, investment, portfolio and asset management, investment valuation, project and corporate strategies financing, credit, securities analysis, and risk forecasting across Europe, America, and MENA.

OTHER MEMBERSHIPS: Senior Investment Manager at Kuwait Investment Authority of the General Reserves fund. He is the Chairman of the Arab African International Bank (2024-till date). He was the Chairman of the Board of Directors of the Kuwait Flour Mills and Bakeries Company from (2018-2023). Previous Board Member at Kuwait Airways from (2018-2020.) Held the position of Chairman of the Board of the Kuwait Small Projects Development Company (2014-2017), previously the Vice-Chairman of the Board of Directors of The Arab International Hotels Company (2004- 2011). He served as the Chairman of the Board of the Touristic Enterprises Company and was a Board member at Arab African International Bank, Industrial Bank of Kuwait, the Syrian Arab Company for Hotels and Tourism, Kuwait United Poultry Company.



Bader Nasser Al-Kharafi

VICE CHAIRMAN AND GROUP CEO

- Member of the Board of Directors since 2011
- Vice Chairman of the Board of Directors since 2014
- Group CEO since 2017

DATE OF BIRTH: 1977

EDUCATION: Master of Business Administration (MBA) from London Business School, a Bachelor's degree in Mechanical Engineering from Kuwait University, and currently pursuing a PhD at IE University in Madrid.

WORK EXPERIENCE: He is one of the most active business leaders in the Middle East and Africa region. with an exceptional track record in leading business development and consulting projects for major corporations and international institutions. His activities span the finance, investment, business, and industrial sectors through a vast network of projects across the Gulf region, the Middle East, Europe, Africa, and Asia. He also has expertise in risk management, serving as a member of the Board Risk Committee at Zain.

OTHER MEMBERSHIPS: Chairman of the Board of Zain Sudan, Board Member of Al-Khatem Telecom Company in Iraq, Vice Chairman of Zain Saudi Arabia, Chairman at Boursa Kuwait, Vice Chairman of Gulf Cable and Electrical Industries Company, Vice Chairman of the Board of National Investments, Board Member of Fouad Holding, Board Member of Global Beverage Company (Coca-Cola), Member of the Middle East Advisory Board at Coutts Bank (UK), and Chairman of the Board of INJAZ, a non-profit organization.



Talal bin Said Al-Moamari

MEMBER OF THE BOARD OF DIRECTORS

- Member of the Board of Directors since 2017

DATE OF BIRTH: 1972

EDUCATION: Bachelor's degree in Business Administration from Duquesne University, Pittsburgh – Pennsylvania, as well as Senior Executive Program from London Business School, UK

WORK EXPERIENCE: Mr. Al-Moamari serves as the Chief Executive Officer of Omantel and brings over 20 years of extensive experience to this role. He played an instrumental role in various initiatives and projects, primarily the privatization of Omantel, the major restructuring project which brought together mobile and fixed operations, and the legal merger of Oman Mobile with Omantel. Additionally, in 2017, Mr. Al-Moamari successfully directed Omantel's strategic acquisition of an equity stake in Zain Group.

OTHER MEMBERSHIPS: Member of the Board of Trustees at the College of Banking and Financial Studies, Oman, and a member of the Board of Directors of the Omani French Friendship Association.



Abdul Rahman Mohammed Ibrahim Al-Asfour

INDEPENDENT BOARD MEMBER

- Member of the Board of Directors since 2018

DATE OF BIRTH: 1981

EDUCATION: Bachelor's degree in Business Administration with a major in Accounting from Kuwait University

WORK EXPERIENCE: Extensive technical experience in the application of information technology solutions, worked as a financial expert in the management of information systems at Equate Petrochemical Company, He has experience in the field of auditing through his work at the State Audit Bureau.

OTHER MEMBERSHIPS: Chief Executive Officer of Alpha Group Holding. He also served as a board member of WABA Medical Insurance Company.



Youssef Khaled Al-Abdul Razzaq

MEMBER OF THE BOARD OF DIRECTORS

- A representative of the Kuwait Investment Authority
- Member of the Board of Directors since 2018

DATE OF BIRTH: 1983

EDUCATION: Bachelor's degree in Business Administration, majoring in Finance, from Kuwait University

WORK EXPERIENCE: His experience extends to 18 years at Kuwait Investment Authority in the general reserve sector. He is currently a senior investment manager within the General Reserve Sector under the local equities department at the Kuwait Investment Authority.

OTHER MEMBERSHIPS: Member of the Board of Directors, Chairman of the Audit Committee of the Tourism Enterprises Company (2012-2019), Member of the Board of Directors and Chairman of the Audit Committee and Chairman of the Human Resources Committee in the Public Facilities Management Company (2015-2018).



Zaki bin Hilal bin Saud Al Busaidi

MEMBER OF THE BOARD OF DIRECTORS

- Member of the Board of Directors since 2020

DATE OF BIRTH: 1973

EDUCATION: Master's degree in public administration from the University of Exeter, United Kingdom, and Bachelor's degree in public administration from Yarmouk University in Jordan

WORK EXPERIENCE: He has nearly 27 years of experience, having worked in the Ministry of Civil Service in the Sultanate of Oman in 1996 for 18 years, held the position of Director General of Organization and Job Classification, and held the position of CEO at the Institute of Public Administration since 2014.

OTHER MEMBERSHIPS: Member in the State Council in the Sultanate of Oman and Member in the Consultation Board for the Supreme Council of the GCC. Board Member in Liva Group company (insurance company)



Atef bin Said bin Rashid Al-Siyabi

MEMBER OF THE BOARD OF DIRECTORS

- Member of the Board of Directors since 2020

DATE OF BIRTH: 1980

EDUCATION: Bachelor of Engineering in Computer Hardware and Network Technology from Coventry University, a Master of Business Administration from Franklin University, Certificate in Professional Leadership Development from HEC Paris.

WORK EXPERIENCE: He is the Chief of Information Management at the Oman Investment Authority (OIA) in the Sultanate of Oman. His track record extends to more than 21 years in Information Technology and business transformation. His experiences vary from hands-on experience leading innovative technology solutions and system operations to transforming business operations and driving technological advancements. He is involved in various investment initiatives in the ICT sector, where he has been leading numerous assignments, devising comprehensive strategies, and delivering several ICT projects at the national level.

OTHER MEMBERSHIPS: Director of Information Management at the General Reserve Fund (SGRF) in the Sultanate of Oman.



Aladdin Baitfadhil

MEMBER OF THE BOARD OF DIRECTORS

- Member of the Board of Directors since 2020

DATE OF BIRTH: 1978

EDUCATION: Bachelor's degree in electrical and electronic engineering from Sultan Qaboos University, He holds certifications in executive leadership programs from Harvard University and London Business School.

WORK EXPERIENCE: Eng. Aladdin Baitfadhil is the Chief Commercial Officer (CCO) at Omantel, the Sultanate's leading integrated telecommunication services provider. Eng. Aladdin has been the torchbearer of Omantel's digital transformation journey responsible for driving the growth of Consumer and Enterprise business units of Omantel across core telco products, cloud-based ICT Solutions and emerging technologies. He is a renowned business leader in the telecom's landscape with over 20 years of strategic and operational experience in diverse multi-domain roles – spanning across marketing, sales, network operations, service delivery and customer experience.

OTHER MEMBERSHIPS: Vice Chairman of the Board of Directors of "Infoline" company. He holds executive board positions in NAMA Water, Oman Data Park (ODP).



Nasser Suleiman Al-Harathi

MEMBER OF THE BOARD OF DIRECTORS

- Member of the Board of Directors since 2020

DATE OF BIRTH: 1975

EDUCATION: Master of Business Administration from Victoria University in Australia, Bachelor of Finance from the United Arab Emirates University, National Leadership and Competitiveness Program (NLCP) from Oxford University.

WORK EXPERIENCE: He has experience of up to 26 years in the investment, economic and financial sectors. He is the Depute President for Operations at the Oman Investment Authority, responsible for financial and administrative affairs, information management, legal affairs, and compliance.

OTHER MEMBERSHIPS: ASYAD Group Chairman, Vietnam Oman Investments, Chairman, Charmain of Takatuf Oman.



Dr. Saad Ahmed Alnahedh

INDEPENDENT BOARD MEMBER

- Member of the Board of Directors since 2024

DATE OF BIRTH: 1986

EDUCATION: Bachelor's degree in Electrical Engineering with a minor in business administration from the University of Kansas in 2008, an MBA from the University of California, Irvine in 2012, and a Doctorate in Finance from the University of Colorado Boulder in 2017.

WORK EXPERIENCE: Alnahedh is a Professor of Finance at the College of Business Administration, Kuwait University, teaching undergraduate and MBA students. He has extensive expertise in regulatory and governance policy development, banking supervision, and have previously consulted for the Central Bank of Kuwait, a pioneering institution in issuing US-dollar-denominated short-term sukuk and enhancing liquidity management in the global Islamic finance industry. Alnahedh is also affiliated with the Harvard Business Review Advisory Council and has published his research on corporate finance, governance, risk management, banking supervision, mergers and acquisitions, and institutional investment in top-tier academic peer-reviewed journals.

OTHER MEMBERSHIPS: Member of the Board of Directors of the Kuwait Fund for Arab Economic Development since 2021. He served as the Chair of the Risk Management Committee and is currently the Chair of the Investment Committee. He also served as the Chair of the Risk Management Committee of the International Islamic Liquidity Management Corporation (IILM). He has also contributed to key government initiatives, including improving key performance indicators (KPIs) for government entities through the Government Performance Follow-Up Agency.

About the Executive Management at Zain Group



Ossama Matta
CHIEF FINANCIAL OFFICER
APPOINTMENT DATE: 2010

EDUCATION: Master's degree in Business Administration from the American University of Beirut, Certified Public Accountant (CPA) certificate

WORK EXPERIENCE: Ossama Matta has over 26 years of extensive experience in financial and administrative roles across the Middle East region. He joined Zain in 2004, initially serving as the Chief Financial Officer for the company's operations in Lebanon, MTC Touch. He was later promoted to Chief Financial Officer of Zain Kuwait. Since 2010, he has held the position of Group Chief Financial Officer for Zain, overseeing financial operations across the company's markets in the Middle East.



Mohammad Al-Marshed
CHIEF TECHNOLOGY OFFICER
APPOINTMENT DATE: 2024

EDUCATION: BS in Electrical Engineering from California State University, Long Beach, a Master Certificate in Project Management from George Washington University, and an Executive Master's degree in Consulting and Coaching for Change at HEC Paris;

WORK EXPERIENCE: Mohammad Al-Marshed has over 22 years of experience in telecommunications and ICT. Joining Zain in 2002 as a networks engineer, he has excelled in networks, ICT, digital transformation, wholesale, data governance, and climate change. Career highlights include serving as CTO for Zain KSA in 2012, driving greenfield operations in Bahrain, Iraq, KSA and South Sudan, and leading 5G rollouts across Zain's key markets, making it the largest 5G operator in MENA.



Kamil Hilali
CHIEF STRATEGY OFFICER
APPOINTMENT DATE: 2018

EDUCATION: MSc. in Industrial Engineering from ENIM (Morocco), Master of Business Administration from Suffolk University (MA, USA), and Master of Finance from London Business School (UK) and professional Venture Capital training from Stamford University (CA, USA).

WORK EXPERIENCE: Kamil Hilali brings over 22 years of extensive experience in management and strategic planning, business transformation, growth strategy, mergers and acquisitions, early-stage investments, telecoms, digital infrastructure, ICT, and international connectivity. He serves on the Board of Directors for Zain Saudi Arabia, Zain Al Ajjal Morocco, TASC Towers Holding, and Zood.

About the Executive Management at Zain Group



Mohammad Abdal

CHIEF CORPORATE AFFAIRS AND COMMUNICATIONS OFFICER

APPOINTMENT DATE: 2015

EDUCATION: Bachelor of Science in Business Administration with a double major in Finance and Information Management Systems from Portland State University, USA

WORK EXPERIENCE: Mohammad Abdal oversees Investor Relations, Corporate Communications, and Governance at Zain. With 24 years of experience, he played a key role in Zain's expansion across the Middle East and Africa and established the Middle East Investor Relations Association (MEIRA) in Kuwait.



Malek Hammoud

CHIEF INVESTMENTS AND DIGITAL TRANSFORMATION OFFICER

APPOINTMENT DATE: 2017

EDUCATION: Bachelor's degree in Electrical Engineering from the American University of Beirut, MBA from the London Business School, and a Chartered Financial Analyst (CFA)

WORK EXPERIENCE: Malek Hammoud drives the Group's digital investment strategy focusing on revenue diversification and building new business verticals across the region. Over the past 7 years, he has overseen the establishment of Zain Ventures, Zain Fintech (Tamam, Zain Cash and Bede), Dizlee (Group API platform), Zain esports, and other emerging initiatives. With his extensive regional and international experience from the investment and banking sector, he plays a key role in the implementation of Zain's strategy.



Jennifer Suleiman

CHIEF SUSTAINABILITY OFFICER

APPOINTMENT DATE: 2018

EDUCATION: Degree in Art History and Archeology from Washington University, Missouri, USA.

WORK EXPERIENCE: With 32 years of experience, Jennifer Suleiman oversees the company's sustainability strategy and KPIs, including the development and publication of annual consolidated sustainability reports and disclosures. She leads the company's engagement with the GSMA on sustainability related matters as well as with the UN Global Compact and its related communication on progress disclosure. She Co-Chairs the Zain Climate Action Committee and is responsible for disclosing the CDP.

About the Executive Management at Zain Group



Firas Oggar

HEAD OF LEGAL

APPOINTMENT DATE: 2017

EDUCATION: Master's degree from the University of Paris in international business law

WORK EXPERIENCE: Firas Oggar is a qualified lawyer before the Paris Bar (France) with 24 years of experience in prestigious institutions in France and the Middle East. He has held senior executive positions, is a member of the GC Powerlist Middle East (Legal 500), and serves as a visiting professor at the University of Paris Panthéon-Assas.



Nawal H. Bourisli

CHIEF PURPOSE AND
HUMAN RESOURCES OFFICER

APPOINTMENT DATE: 2018

EDUCATION: Completed a leadership development program at Harvard Business School.

WORK EXPERIENCE: Nawal Bourisli oversees the strategy for Human Resources and Purpose, focusing on talent development, change management, recruitment, maintaining company values and culture, employee rewards and motivation, fostering job engagement, creating an optimal work environment to enhance productivity, and leadership development.



Andrew Arowojolu

CHIEF REGULATORY OFFICER

APPOINTMENT DATE: 2016

EDUCATION: Ph.D. in mobile wireless communication and Master's in Microelectronics and Communication from the University of Liverpool (Distinction), Bachelor's in Electrical and Electronic Engineering from the University of Lagos (First Class), LL.M (Master of Law) degree in Technology Media and Telecommunications Law (Distinction) from the Queen Mary University of London Center for Commercial Law Studies.

WORK EXPERIENCE: Dr. Andrew Arowojolu possesses 31 years of experience in the telecommunications sector, covering markets in the Middle East, Europe, Africa, and Asia. He is responsible for developing the group's regulatory strategy, collaborating with telecommunications advocacy and trade associations, and liaising with regulatory authorities in all the countries where the group operates.

About the Executive Management at Zain Group



AbdulGhaffar Setareh

CHIEF RISK OFFICER

APPOINTMENT DATE: 2016

EDUCATION: Telecommunications Engineering degree from the Ecole Nationale des Telecommunications, Rabat, Morocco

WORK EXPERIENCE: AbdulGhaffar Setareh has over three decades of extensive experience and a proven record of achievements in the telecommunications and information technology sector. He has worked and led diverse teams in operations, engineering, insurance, cybersecurity, and risk management across all Zain operations in the Middle East and Africa. He holds professional certifications in “Certified Risk and Information Systems Control” (CRISC) and as “Certified Information Security Manager” (CISM).



Javier Cuadrado

CHIEF INTERNAL AUDITOR

APPOINTMENT DATE: 2023

EDUCATION: CIA (Certified Internal Auditor), COSO Internal Control, COSO Enterprise Risk Management, and TEIA (Technical Evaluator on Internal Audit); Executive Development (PDD), IESE – Madrid; Master in Financial Markets, Universidad Autónoma – Madrid; and Bachelor’s degree in Economics, Universidad Autónoma - Madrid.

WORK EXPERIENCE: Javier Cuadrado brings 21 years of experience in internal audit and the telecom industry. He has held senior audit roles in renowned organizations in Spain, Chile, and the UAE. He also served as a team leader at the Institute of Internal Auditors (IIA Spain), an affiliate of the US-based Institute of Internal Auditors, which establishes standards for the internal audit profession.



Maryam Saif

CHIEF INCLUSION, DIVERSITY AND EQUITY OFFICER

APPOINTMENT DATE: 2017

EDUCATION: Master’s degree in Organizational Behavior and Bachelor of Science in Computer Programming from London Met University, Strategy Execution from Said Business School, University of Oxford.

WORK EXPERIENCE: Maryam Saif is certified in Diversity, Equity, and Inclusion in the Workplace, with extensive experience leading diversity and inclusivity initiatives. Her focus areas include social diversity, internal innovation, and youth development. She is a member of the British Psychological Society and the Association of Coaching, a Practitioner in Change Management, a Fellow of the Institute of Recruitment Professionals, and holds a Level 7 Advanced Coaching and Mentoring qualification from the Chartered Institute of Personnel and Development (CIPD).

Board Nominations and Remuneration Committee (BNRC)

Please refer to Rule II of this report, which contains all information on the functions and achievements of the Committee as well as the composition and meetings.

Remuneration Report for the Board of Directors and Executive Management

Summary of the company's remuneration and incentives policy, particularly related to members of the Board, executive management, and managers.

The Board is responsible for creating the compensation policy, which establishes the foundation for the compensation structures of both the Board and the Executive Management. This policy's alignment with the company's objectives and performance is of paramount importance. The policy is a manifestation of the company's strategic aims and takes into account the principles of operational integrity and financial standing. Undoubtedly, this policy constitutes an integral component of the overarching corporate governance structure. The Nominations and Remuneration Committee (BNRC) oversees the execution of this policy, as facilitated by the Board.

The company's remuneration policy was created in accordance with the following principles:

1. Link rewards to the degree of risk
2. Attract and retain the best professionals
3. Ensure equality within the company and competitiveness outside.
4. Comparison of market performance levels using analyses from specialized consulting firms
5. Ensure transparency in awarding bonuses
6. Link to performance indicators (KPIs) for Board members and Executive Management
7. Be consistent with the company's strategy and objectives, both long-term and short-term
8. Match the experience and qualifications of the company's employees at different employment levels

The company's remuneration policy determines the reward system in line with the objectives of the company, shareholders, and stakeholders. This policy reflects standards and principles of best practices in good governance based on the relevant regulatory requirements.

Implementation and Review of the Remunerations Policy

The NRC plays a critical role in supervising the implementation of the remunerations policy, conducting thorough annual reviews to ensure compliance with regulations issued by the Capital Markets Authority. Proposed amendments to the policy are presented to the Board of Directors for approval, reflecting the company's commitment to transparency and accountability in its operations. The remunerations policy is regularly updated to align with the corporate strategy and the risk framework approved by the Board.

Alignment Between Strategy and Key Performance Indicators (KPIs)

The remunerations policy is based on KPIs derived from the company's overall strategy, as approved by the Board of Directors. The executive management implements this strategy and submits periodic reports to the Board to ensure ongoing alignment with corporate objectives.

Board Member Compensation

- **Maximum Compensation:** Compensation for Board members does not exceed 10% of the company's net profits after deducting taxes, interest, depreciation, reserves, and distributing dividends to shareholders of no less than 5% of the capital, or the higher percentage stipulated in the company's memorandum.
- **Approval:** Compensation for Board members is presented to the annual general assembly for approval, based on recommendations from the NRC and the Board of Directors.
- **Fiscal Year 2024:** Total compensation for Board members amounted to 540,641 Kuwaiti Dinars, pending shareholder approval at the ordinary annual general assembly.

Executive Management Compensation

Fixed Compensation

- Fixed compensation is determined based on the nature of job responsibilities and the predefined career path of each executive.
- A salary index reflecting the value of each position to the company is established.
- Salaries are reviewed annually by the NRC in coordination with Human Resources, if necessary, to ensure alignment with market conditions and corporate performance.
- Fixed compensation includes salaries, allowances, benefits, and end-of-service indemnities, granted under the approved salary and grade structure, applicable laws and regulations, and the employee contractual agreement guide issued by HR.

Variable Compensation

- Variable compensation is tied to the achievement of predefined financial and non-financial objectives.
- It is designed to incentivize and reward executive management based on individual performance and the company's overall performance.
- Variable compensation includes two components:
 - **Annual Variable Pay:** Granted based on yearly performance.
 - **Multi-Year Variable Pay:** Linked to long-term goals, such as stock grants under incentive programs.

Balance Between Fixed and Variable Compensation

- The company ensures an appropriate balance between fixed and variable compensation to maintain financial sustainability.
- The ratio of fixed to variable compensation is reviewed annually by the Board based on NRC recommendations, with the option to reduce variable compensation in cases of unsatisfactory financial performance.

Commitment to Good Governance

The company is dedicated to reinforcing transparency and sound governance within its compensation structure, reflecting its commitment to fostering a balanced and sustainable relationship between corporate performance and remunerations.

Commitment to Good Governance

The company is dedicated to reinforcing transparency and sound governance within its compensation structure, reflecting its commitment to fostering a balanced and sustainable relationship between corporate performance and remunerations.

Remunerations and benefits of Members of Board of Directors							
Total number of members	"Remunerations and benefits through the parent company"				Remunerations and benefits through the subsidiaries		
	Fixed remuneration and benefits (Kuwaiti Dinar)		"Variable remuneration and benefits (Kuwaiti Dinar)"		"Fixed remuneration and benefits (Kuwaiti Dinar)"		"Variable remuneration and benefits (Kuwaiti Dinar)"
	Health insurance	Annual remuneration	Committees' remuneration		Health insurance	Monthly salaries total of the year	Annual Remuneration
10		540,641	82,600				

Total remunerations and benefits granted to five senior executives who have received the highest remunerations. This is in addition to the Chief Executive Officer and the financial manager or their deputy, if not included *																
Total executive positions	Remunerations and Benefits through the parent									Remunerations and Benefits through the subsidiaries						
	Fixed remuneration and benefits (Kuwaiti Dinar)								Variable remuneration and benefits (Kuwaiti Dinar)	Fixed remuneration and benefits (Kuwaiti Dinar)						Variable remuneration and benefits (Kuwaiti Dinar)
	Monthly Salaries (total of the year)	Health Insurance	Social Security	Annual Tickets	Housing Allowance	Transportation Allowance	Health Club Allowance	Childrens Education Allowance	Annual Remuneration	Monthly Salaries (total of the year)	Health Insurance	Annual Tickets	Housing Allowance	Transportation Allowance	Childrens Education Allowance	Annual Remuneration
5	1,063,548	3,881	3,795	9,614	118,320	34,560	4,667	12,000	2,674,322							

There are no material deviations from the remuneration policy approved by the Board of Directors.

Rule IV: Safeguard the Integrity of Financial Reporting

Written pledges by both the Board of Directors and the Executive Management of the integrity of the financial statements

Please refer to the financial statements section in the 2024 annual report.

Board Audit Committee

Please refer to Rule II of this report, which contains all information on the functions and achievements of the Committee as well as the composition and meetings.

In the event of a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, a statement will be included detailing and clarifying the recommendations and the reason/s behind the decision of the Board of Directors not to abide by them.

There were no inconsistencies between the Audit Committee recommendations and the decisions of the Board of Directors during 2024.

Emphasizing the independence and impartiality of the external auditor

Unbiased financial assessments rely on the external auditor's independence and impartiality. This foundational principle ensures transparent reporting, builds investor trust, and secures the credibility of financial disclosures, reflecting the company's dedication to accountability and adherence to global governance standards.

The Companies Law and the CMA regulations stipulate specific requirements that external auditors must meet when preparing their audit reports and verifying the accuracy of company reports. Zain is committed to having the external auditor be independent of the company and its Board and not perform actions that may affect impartiality and independence. Therefore, the Audit Committee shall recommend the appointment, reappointment or change of the external auditor to the Board, including determining their fees and reviewing their appointment letters. The external auditor is officially appointed at the Ordinary General Assembly based on the recommendations of the Board while fulfilling the following requirements:

- The external auditor is a licensed auditor by the CMA and has fully met all registration requirements stated by the CMA
- The external auditor is independent and does not perform additional tasks that may affect neutrality and independence

Audited financial statements are fundamental to strong corporate governance, offering a reliable assessment of a company's financial health and performance. They enhance transparency, support regulatory compliance, and build stakeholders' trust, enabling effective decision-making and oversight.

The company's accounting system is structured to ensure comprehensive financial management by identifying, classifying, analyzing, and reporting transactions while maintaining strict accountability for assets.

The external auditor is essential to this framework, tasked with verifying the accuracy and integrity of financial statements and ensuring adherence to applicable laws, regulations, and standards. Their professional evaluation provides an objective analysis of Zain's financial position, operational outcomes, and cash flow management, while also assessing accounting practices and potential risks.

To ensure the effectiveness of the audit process, the Board of Directors facilitates the external auditor’s work by providing the necessary time, resources, and access to fully understand the company’s operations. The Board also closely examines the auditor’s opinion letter, proactively addressing observations and collaborating with executive management to maintain compliance and operational excellence.

This structured approach highlights Zain’s commitment to transparency, accountability, and adherence to international governance standards, ensuring confidence in its financial reporting and overall operations.

The external auditors meet with the Audit Committee quarterly; additionally, they have the right to request a meeting with the Committee when necessary, without the presence of executive management. The Board must call for a General Assembly meeting based on a request from the external auditor within 15 days from the date of the request. The external auditors attend the meetings of the General Assembly and read their report to shareholders, explaining any obstacles or interferences from the Board during the performance of their duties. The auditors must also inform the CMA of any material violations or obstacles and their details.

Accordingly, KPMG Al-Qenae & Partners has been appointed to perform the functions required by the independent external auditor. We would like to confirm that KPMG is not providing any additional services for Zain.

About KPMG Al-Qenae & Partners

KPMG in Kuwait operates through its member firms KPMG Al-Qenae & Partners and KPMG Advisory W.L.L., providing a full range of audit, tax and advisory services to a portfolio of clients which include major corporations, government institutions, public sector agencies, and not-for-profit organizations.

With over 250 employees and ten partners based in Kuwait, we form part of a global network of KPMG firms operate in 142 countries and territories with more than 275,000 partners and employees working in member firms around the world, drawing on global industry insights to complement our strong local knowledge.

KPMG Al-Qenae & Partners are part of the larger MESAC cluster. The KPMG Middle East, South Asia and Caspian ('MESAC') region comprises member firms operating in 21 countries and territories. The MESAC region covers more than 30 office locations and has over 10,000 professionals and associates.

Auditors’ Fees

The total fee for audit and other assurance services for the Group and its subsidiaries amounts to KD 1.518 million (2023: KD 1.113 million).

Rule V: Apply Sound Systems of Risk Management and Internal Audit

A brief statement on the implementation of the requirements for the formation of an independent department/office/unit for risk management:

The Independent Risk Management Department was established in strict compliance with corporate governance standards, demonstrating the company’s commitment to robust risk oversight. Led by the Chief Risk Officer (CRO), the department operates with full independence, sufficient resources, and direct access to the Board of Directors, ensuring transparency and impartiality.

The department is tasked with identifying, evaluating, and supervising organizational risks, functioning as an essential component of the second line of defense within the company’s Three Lines of Defense framework. Reporting directly to the Board Risk Committee under the approved organizational structure, it ensures comprehensive oversight and timely escalation of critical issues.

Fully aligned with legal and regulatory requirements, the Independent Risk Management Department enhances the company’s ability to proactively manage risks, safeguard assets, and support long-term strategic objectives. This structure not only reinforces accountability but also adheres to the highest corporate governance standards, promoting sustainable growth and stakeholder confidence.

Board Risk Committee

Please refer to Rule II of this report, which contains all information on the functions and achievements of the Committee as well as the composition and meetings.

Internal Control Systems

Defining values, principles, and roles is pivotal for informed decision-making. Implementing our code of conduct and internal policies is vital for efficient, ethical, and legal operations. Thus, we prioritize adherence to applicable laws, guidelines, and practices through robust external and internal controls. These systems safeguard stakeholder rights and bolster our objectives and strategic pursuits.

OUR VISION

“To become the leading provider of innovation and digital lifestyle communications by providing the best and simplest experience for our customers”

OUR VALUES

Heart	Radiance	Belonging
The courage to make the choices that makes this a better world	Putting inspiration at the center of our powerful leadership	Breaking boundaries and bringing people together

INTERNAL CONTROL FRAMEWORK

Three-line defense	Defined Responsibilities	Control Environment	Risk Assessment	Awareness
<ul style="list-style-type: none"> Internal Audit Risk Management Corporate governance and compliance 	<ul style="list-style-type: none"> Independent functions Quality and Integrity Assignment of roles per governance principles 	<ul style="list-style-type: none"> External factors that shape the internal control environment such as laws, regulations, charters and international standards Independent registered external auditors 	<ul style="list-style-type: none"> Compliance risks Market risks Operations risks 	<ul style="list-style-type: none"> Policies Procedures Code of conduct Technical tools and software Training

External mechanisms for control and oversight

External control mechanisms are overseen by entities external to the organization, encompassing regulatory bodies, government agencies, independent auditors, and other pertinent bodies. These mechanisms predominantly aim to evaluate adherence to legal frameworks, regulations, and optimal practices.

Within this context, Zain voluntarily undergoes an independent audit to evaluate its holistic corporate governance structure. The company is subject to rigorous oversight and examination by several authoritative bodies, including the CMA, the Ministry of Commerce and Industry, the Anti-Corruption Authority, the Competition Protection Agency, and the Communications and Information Technology Regulatory Authority (CITRA), along with relevant governmental and regulatory entities in all operational jurisdictions.

The CMA undertakes diligent supervisory inspections, closely monitoring corporate activities in alignment with pertinent legislation. Consequently, the company's operations undergo comprehensive audits, yielding detailed reports incorporating compliance status, implementation efficiency, and any necessary adjustments, breaches, or corrective actions. Furthermore, all corporate records are subject to scrutiny and auditing under the purview of the CMA.

In accordance with both the Kuwaiti Companies Law and international accounting standards, the company is obligated to designate an auditor during the Ordinary General Assembly. This appointment occurs subsequent to a recommendation put forth by the Board of Directors, alongside endorsement from the Audit Committee of the Board.

The chosen auditor must not simultaneously hold the position of Chairman or Board member within the same company whose financial records they are entrusted to audit. Additionally, they cannot occupy an executive role within the company, engage in overseeing its accounts, or maintain any direct kinship up to the second degree with individuals involved in the company's management or account supervision.

Furthermore, the appointed auditor is barred from acquiring shares in the entities whose financial records they audit. It is also a stipulation that the auditor abstains from purchasing or selling company shares throughout the auditing period while actively providing advisory services to the company. Adherence to these regulations ensures the integrity and impartiality of the auditing process.

The auditor has the right, at all times, to review all the company's books, records and documents and to request the data he deems necessary. The auditor or his delegate must attend the ordinary general assembly meetings and submit a report on the company's financial statements. The report shows the financial position of the company at the end of the fiscal year and the results of the company's business operations for that year. It also includes a statement on whether the data contained in the report of the Board and the company's books are compatible with generally accepted accounting principles and what is stipulated in the law. The Board or a number of shareholders representing 25% of the capital may request the replacement of the auditor during the fiscal year.

The Board Risk Committee oversees the compliance function, ensuring adherence to regulatory requirements and corporate governance standards. The compliance team operates independently, conducting its own audits to provide an additional layer of protection. Regular reports on compliance matters, risk assessments, and mitigation strategies are submitted directly to the Committee, promoting effective oversight, transparency, and accountability.

Internal controls systems

The Board understands the complex landscape of risks inherent to the company's operations, including the scope of risks that pass through environmental, social, and governance domains. Maintaining an unwavering vigilance, the Board remains committed to mitigating the company's exposure to these risks. Collaboratively engaged with executive management, the Board allocates a course of action to deal with these risks. The Board's role extends towards the identification of both internal and external relevant factors that highlight these risks. With strategic policies and tactics, the company's risk appetite outlines the framework within which these identified risks are to be addressed. A pivotal cornerstone

within this intricate structure is the company's internal controls, fixed to amplify stakeholder value and foster the attainment of strategic objectives.

This network of controls not only aligns operations with best practices, statutes, and regulations but also serves as a support for risk management. These systems serve as the foundation for the establishment of a robust internal control framework and as a channel through which strategic objectives are achieved. This ensures the delivery of dependable financial reports to both internal and external stakeholders, supports operational efficiency, guarantees legal compliance, and secures corporate assets.

Auditing Activities at Zain

The following list contains key procedures taken by the company to ensure adherence to integrity and ethical values:

1. The company's organizational structure takes into account the Four Eyes Principle
2. The Internal Audit Department is independent as it reports to the Board Audit Committee. One of the responsibilities of this department is to audit the company's operations and procedures, to ensure compliance with relevant laws, policies and standards, and to identify areas that can be modified
3. Assigning an independent audit office to evaluate and review the internal control systems and to prepare a report to be submitted to the CMA on an annual basis
4. An independent auditor reviews and evaluates the performance of the Internal Audit Department every three years; a copy of the findings report is provided to the Board Audit Committee and the Board of Directors.
5. A risk-based annual audit plan focuses on identifying and addressing areas of greatest risk to the organization, ensuring efficient allocation of audit resources. This approach involves assessing the organization's strategic, operational, financial, and compliance risks to prioritize audit activities. High-risk areas receive greater attention to mitigate potential impacts and enhance internal controls. The internal audit plan is an approved three-year plan that follows a risk-based approach, auditing all operations and ethical standards of our company according to identified risks. This three-year plan is approved by the Board of Directors, ensuring it aligns with the company's long-term strategic goals. The plan is dynamic, adapting to emerging risks and regulatory changes throughout the year. Regular collaboration with management and the Board ensures alignment with organizational objectives. By emphasizing risk, this audit plan strengthens governance, enhances accountability, and provides valuable insights for decision-making and risk mitigation.
6. The appointment of an external auditor to audit financial statements is a critical process ensuring transparency, compliance, and accountability. The auditor is selected during the Ordinary General Assembly based on the Board of Directors' recommendation and Audit Committee endorsement. This independent auditor (KPMG) assesses the accuracy and fairness of financial records, ensuring alignment with regulatory standards and international accounting principles, thus reinforcing stakeholders' trust and the organization's commitment to good governance.
7. Hiring an external independent auditor to perform limited and reasonable assurance on the sustainability report has been an integral part of our practices for the past 12 years, enhancing the credibility and reliability of our reporting. We have expanded our assurance process to include both reasonable and limited assurance, as mandated by the Board. The company appointed an independent auditor to evaluate the accuracy of disclosed data and ensure adherence to sustainability standards and frameworks. Limited assurance involves a high-level review to confirm plausibility, while reasonable assurance provides an in-depth examination of material sustainability metrics. Over the past 12 years, audits were conducted by Deloitte for seven years and by Ernst & Young for the last five years. This structured and dual-layered approach ensures transparency, aligns with regulatory and stakeholder expectations, and strengthens trust in the organization's ESG initiatives. Through this continued engagement, the company reaffirms its commitment to accountability and sustainable practices, fostering confidence among stakeholders and investors.

Zain's control environment relies on the dedication to upholding integrity and ethical principles. This commitment extends to preserving the independence of the Board of Directors in relation to executive management, as well as their vigilant oversight of internal controls within the company. Zain's environment is further characterized by the establishment of a well-defined organizational structure, administrative hierarchy, and clear delegation of authority and responsibilities to effectively monitor progress towards business objectives. Furthermore, a key aspect of this control environment is the unwavering dedication to attracting, nurturing, and retaining top talent. Simultaneously, there is a resolute commitment to ensuring accountability throughout the organization for the implementation of robust internal controls.

The framework of internal control systems includes a collection of policies, procedures, standards, and protocols designed to uphold organizational governance. The Board assumes the responsibility for shaping the structure and parameters guiding executive management in the company's operational landscape. These internal policies and procedures have garnered the Board's endorsement, ensuring their alignment with shareholder and stakeholder rights, ethical codes, applicable laws, regulations, and industry benchmarks.

Furthermore, the Board undertakes a comprehensive annual assessment of risks, supplemented by evaluations triggered by substantial shifts in company dynamics, market conditions, or regulatory standards. Consequently, the policies and procedures comprise control mechanisms tailored to mitigate these identified risks. The Audit Committee assumes the key role of analyzing the adequacy of internal control systems in the company. In line with this authority, the committee conducts a comprehensive appraisal, concluding in a report that contains its insights, judgments, and recommendations on the effectiveness of said systems.

The efficient control environment at Zain allows the members of the Board and executive management to understand their responsibilities and the limits of their authority. The employees in this environment are also committed to following the company's policies, procedures, and code of conduct. The control environment also includes technical competency and ethical commitment.

In a proactive stride towards strengthening our control environment, the Board has formulated and published written protocols, including policies, procedures, codes of conduct, and standards of behavior. The overarching objective of these measures is to cultivate a culture of ethical behavior, instilling a positive culture that demands uniform adherence to these standards across all tiers of our organization. Furthermore, our executive management champions unwavering integrity and elevated professional benchmarks. Their leadership approach serves to reinforce our internal control mechanisms, fostering a robust framework that resonates throughout the company.

The Board guarantees the appropriate segregation of duties and procedures, maintaining documents and records, and assessing performance by independent bodies. Conducting independent checks on performance is a valuable control method. Based on the regulations and instructions by the CMA, the company appointed an independent auditing firm, to assess and review internal control systems. The Internal Control Review (ICR) includes a complete assessment of the company's internal control system to determine whether the company's functions and departments are operating as intended and whether they can manage the risks that the company may face in its day-to-day operations. The Internal Control Review (ICR) is vital to governance as it ensures risk mitigation, operational efficiency, transparency, compliance, fraud prevention, stakeholder confidence, and informed decision-making, thereby upholding accountability and facilitating sustainable organizational growth. As part of its commitment to upholding best practices in corporate governance, the Board of Directors has approved the appointment of BDO as the new independent auditor to conduct the Internal Control Review (ICR). This decision reflects the Board's dedication to ensuring transparency, impartiality, and alignment with the latest standards in auditing practices. By engaging a new auditing firm, the company aims to bring fresh perspectives and reinforce confidence in its internal control systems. BDO's expertise will provide valuable insights into strengthening risk management, compliance, and operational efficiency, further demonstrating the Board's proactive approach to maintaining robust governance frameworks.

The ICR provides stakeholders, including shareholders, regulators, and the Board, with an overview of the effectiveness of the internal control environment. It highlights weaknesses in the company's internal control environment and identifies processes that can be improved.

The procedures of the Internal Control Review involve assessing documentation, identifying risks, evaluating processes, conducting control tests, verifying compliance, analyzing data, interviewing management, reporting findings, making recommendations, and promoting ongoing improvement. The findings and recommendations are shared with the Board and the CMA.



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Opinion letter

The Board of Directors
Mobile Telecommunications Company K.S.C.P. 'Zain Group',
Safat, 13083
State of Kuwait

20 March 2025

Dear Sirs,

Report on Accounting and Other Records and Internal Control Systems

We have examined and reviewed the internal controls systems of Mobile Telecommunications Company K.S.C.P. 'Zain Group' for the year ended 31 December 2024.

The review covered the following areas:

- General Control Environment;
- Governance, Corporate Communications, Investor Relations, and Compliance;
- Investment and Digital Transformation Department;
- ZainTech;
- Strategy and Business Development Department;
- Human Resources Department;
- Financial Affairs Department;
- Legal Affairs Department;
- Regulatory Affairs Department;
- Internal Audit Department;
- Risk Management Department;
- Technology Department;
- Sustainability Department;
- Commercial Department; and
- Inclusion, Diversity, and Equity Department.

Our examination has been carried out as per the requirements of the Executive regulations of Kuwait Capital Market Authority (Book No. 15 "Corporate Governance" article 6-9).

As members of the Board of Directors of the Mobile Telecommunications Company K.S.C.P. 'Zain Group', you are responsible for establishing and maintaining adequate internal control systems, taking into consideration the expected benefits and relative costs of establishing such systems and complying with the requirements contained in the CMA instructions mentioned in the above paragraph. The objective of this report is to provide reasonable, but not absolute, assurance on the extent to which the adopted procedures and systems are adequate to safeguard the assets against loss from unauthorized use or disposition; that key risks are properly monitored and evaluated; that transactions are executed in accordance with established authorization procedures and are recorded properly; and to enable you to conduct the business in a prudent manner.

Because of inherent limitations in any internal controls system, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that management information and control procedures may become inadequate because of changes in conditions or that the degree of compliance with those procedures may deteriorate.

There are no material exceptions in the report and having regard to the nature and volumes of the Company's operations, during the year ended 31 December 2024, in our opinion, the company's internal control systems have been established and maintained in accordance with the requirements of the Capital Markets Authority and Corporate Governance rules.

Yours faithfully,

Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

A brief statement on implementing the requirements for forming an independent department/office/unit for internal audit

In alignment with corporate governance laws and regulations in Kuwait, establishing an independent internal audit department necessitates thorough adherence to regulatory guidelines. This involves defining the department's scope, formulating strong internal audit procedures, appointing qualified personnel, ensuring independence from operational functions, reporting directly to the Board Audit Committee, and upholding a consistent evaluation process to verify compliance and effectiveness. Such implementation reinforces transparency, accountability, high ethical standards and effective risk management within the organization's governance framework. The Internal Audit Department operates independently. It falls under the supervision of the Chief Internal Auditor and reports to the Board Audit Committee. In addition, BAC is concerned with supervising financial reporting, risk management and internal control and is also responsible for submitting recommendations to the Board regarding the appointment of an external auditor.

The requirements to form the Audit Committee and define its responsibilities in the organization are complied with the relevant laws and regulations issued by the CMA and the Ministry of Commerce and Industry, which greatly enhanced the role of audit committees in the governance framework. The extent of the Audit Committee's role and duties is evident through its responsibilities (for details on the role and responsibilities of the committee, please see the second rule of this report). Internal audit is an independent, objective assurance and advisory activity designed to add value and improve the company's operations. The Internal Audit Department helps achieve the company's objectives by providing a structured and disciplined approach to assessing and enhancing the effectiveness of risk management, internal control, and governance processes.

In line with our mission, the Internal Audit Department provides the Executive Management, Risk Committee and the Board of Directors with information, assessments, recommendations and advice regarding the audited operations and other critical issues.

The Internal Audit function's primary responsibilities can be summarized as follows:

- Evaluating the adequacy of the internal control systems
- Recommending improvements in controls
- Assessing compliance with policies, procedures, and sound business practices
- Evaluating compliance with laws, guidelines, and regulations
- Examining operations to determine whether results are consistent with established objectives and whether processes are being carried out as planned
- Working closely with departments to identify and evaluate risks and controls without compromising the principle of independence
- Preparing an internal audit work plan based on a systematic risk assessment, including the risks/control issues identified by the executive management, the audit committee and the Board

The Chief Internal Auditor issues reports to the Audit Committee and the Board while carrying out the tasks and responsibilities assigned to the management. The Chief Internal Auditor meets with the Audit Committee of the Board periodically to report on the plans and results of the audit function and provide any other information required. In addition, he has direct access to the Chairman and the Board in matters of pressing importance.

Rule VI: Promote Code of Conduct and Ethical Standards Professional Conduct and Values

At Zain, ethics and professional conduct are fundamental to corporate governance. Upholding the highest ethical standards requires a structured and strategic approach, ensuring that integrity is embedded in all aspects of the company's operations. Zain fosters a culture of accountability, transparency, and ethical responsibility through the following key initiatives:

1. LEADERSHIP COMMITMENT

Ethical behavior starts at the top. The Board of Directors and executive management lead by example, demonstrating a steadfast commitment to ethical principles. Their actions set the tone for ethical decision-making across the organization.

2. COMPREHENSIVE CODE OF CONDUCT

Zain has established a clear and comprehensive **Code of Conduct**, applicable to the Board, executive management, employees, suppliers, and partners. This document outlines the company's values, expectations, and ethical guidelines, ensuring alignment across all stakeholders. The **Board of Directors** also adheres to a **separate Code of Conduct**, which is provided as part of the **induction program** for new board members upon joining the company, reinforcing their ethical responsibilities from the outset. Additionally, Zain has developed a **separate Supplier Code of Conduct** to ensure that ethical conduct is upheld across the company's supply chain. This code establishes guidelines for responsible business practices, compliance, and integrity at the supplier level. Both the **Company Code of Conduct and Supplier Code of Conduct** are widely communicated and publicly available on the company's website, ensuring transparency and accessibility for all stakeholders.

3. EMPLOYEE TRAINING AND STAKEHOLDER ENGAGEMENT

Ethical awareness is reinforced through comprehensive training programs designed to educate all stakeholders who engage with the company. These programs cover ethical decision-making, compliance requirements, and responsible business conduct, ensuring a deep understanding of ethical expectations at all levels. To enhance accessibility, video awareness materials are available on the company's website for all stakeholders, providing essential guidance on ethical practices. Additionally, in-depth training programs are delivered through HR in collaboration with third-party experts, tailored to employees based on their level of expertise and functional responsibilities. This structured approach ensures that ethical standards are consistently upheld across the organization. To enhance supplier engagement, Zain introduced training videos on human rights, promoting ethical labor practices and grievance mechanisms. The company monitors participation, gathers feedback, and sets quantifiable targets to ensure alignment with its ethical and sustainability standards. Additionally, a supplier self-assessment Questionnaire is embedded in the process to assess and verify suppliers' commitment to corporate policies. Through structured training and assessment methods, Zain continuously strengthens supplier compliance, ensuring alignment with its sustainability principles and fostering responsible business practices.

4. INTEGRATION INTO PERFORMANCE EVALUATIONS

Adherence to ethical standards is a key factor in employee performance assessments. Ethical behavior is integrated into recognition systems and career development, reinforcing its importance in professional growth.

5. WHISTLEBLOWER PROTECTION AND CONFIDENTIAL REPORTING

To foster a culture of accountability and integrity, Zain has implemented a secure and anonymous whistleblower mechanism that enables employees and stakeholders to report ethical concerns, including harassment in the workplace, without fear of retaliation. This mechanism provides a safe and confidential channel for addressing potential misconduct, ensuring that all reports are handled with the utmost discretion and in alignment with corporate governance best practices.

6. TRANSPARENCY AND PUBLIC ACCOUNTABILITY

Ethical conduct is continuously reinforced through public reporting. Zain publishes regular updates and annual reports on its website, highlighting progress and initiatives that strengthen ethical governance.

7. ETHICAL CONSIDERATIONS IN DECISION-MAKING

Ethics are embedded in the company's decision-making processes. Employees at all levels are encouraged to evaluate decisions through an ethical lens, ensuring responsible and principled business practices.

8. EXTERNAL AUDITS AND COMPLIANCE REVIEWS

Zain engages independent auditors to assess adherence to ethical standards and evaluate the effectiveness of internal controls. These external reviews enhance corporate governance and reinforce transparency.

9. CONTINUOUS IMPROVEMENT AND POLICY UPDATES

The Code of Conduct is regularly reviewed and updated to align with evolving industry practices, regulatory changes, and stakeholder expectations, ensuring that Zain remains at the forefront of ethical business conduct.

10. ACCOUNTABILITY AND ENFORCEMENT

Violations of the Code of Conduct are addressed through clear and consistently applied disciplinary measures. Zain ensures that all actions are fair, aligned with company policies, and uphold the integrity of the organization.

By embedding ethics into its governance framework, Zain reinforces its commitment to integrity, responsibility, and long-term trust with all stakeholders.

The company is firmly committed to the United Nations Universal Declaration of Human Rights (UDHR), the Core Conventions of the International Labor Organization (ILO) and the OECD Guidelines for Multinational Enterprises. By doing so, we can have a positive and long-term impact, as corporate sustainability provides key competitive advantages. Zain does not rely on mere adherence to legal minimums, but as an industry leader, we aspire to be among the best in global sustainability practices. To achieve this, the Board, executive management, and all parties at Zain are committed to the highest human rights and labor standards and establishing a sound environment and good governance practices in all business activities.

Personal Data Protection and Privacy

Zain and its subsidiaries and affiliates are subject to laws, regulations, charters, and resolutions enacted and promulgated by the relevant legislative bodies and regulatory authorities in each respective jurisdiction. In addition, Zain complies with international standards such as those issued by the Sustainability Accounting Standards Board (SASB) and the International Standards Organizations ISO/IEC 27001 information security management standard. The protection and privacy of personally identifiable information (PII) entrusted to Zain by customers, clients, employees, suppliers, stakeholders, local and international strategic partners, and other individuals Zain works with are paramount to the organization. Accordingly, we are committed to protecting and respecting the privacy of all data subjects who engage with the company securely and transparently to comply with applicable legislation. Zain embeds its privacy administration processes in its Group-wide regulatory compliance management and risk evaluation program, which actively supports the implementation of Zain Group's '4Sight' strategy. The over-arching privacy policy at Zain sets out the broad principles and guidelines for collecting, processing, storing, and disclosing personal data in line with applicable laws and regulations. We also issue privacy notices on the websites of all Zain operating companies. These privacy notices are regularly updated, provide information on the latest country-specific data protection laws and regulations, and outline any country-specific mandates we further implement to protect your data. Please refer to the company's website to view the full data protection and privacy policy. The policy is approved by the Board.

Human Rights

Zain is committed 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. The 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 UN Convention on the Rights of the Child, the Guidelines of the Organization for Cooperation and Economic Development for Multinational Companies, and it is in alignment with the principles of the United Nations Global Compact and the Global Network Initiative's principles on Freedom of Expression and Privacy – GNI Principles. This policy applies to all Zain operating companies and those entities under Zain Group management control. The policy also applies to all our suppliers and business partners. Our suppliers are expected to adhere to the Zain Group Supplier Code of Conduct and the Zain Group Human Rights Policy. Zain is

committed to monitoring this policy's implementation through its internal processes overseen by Group Sustainability, Group Risk Management, Group Corporate Governance and Group Legal, whose mandate is to report on a transparent basis the progress made on human rights issues to the Board. In addition, human rights issues are communicated in Zain's Annual Corporate Sustainability Report.

Conflict of Interests

Zain's governance framework includes a set of policies aimed at protecting the rights of shareholders and other stakeholders. This framework includes the conflict-of-interest policy that defines employee actions when there is a potential conflict between their personal and the company's interests. The policy also sets limits for employees where possible conflicts may arise.

Board members and Executive Management at Zain are obligated to disclose every actual or potential case of conflict of interest, as defined within the company's policy based on relevant laws, regulations, and international standards. Zain's conflict of interest policy includes clear examples of cases of conflict of interest and the methods of addressing and dealing with them. A conflict of interest occurs when an individual's interests influence their judgment, decisions, or actions in a way that negatively affects their professional commitments or responsibilities and raises questions about whether their decisions can be unbiased. Accordingly, Zain includes conflict of interest in its policies, procedures and charters and treats every case with top priority.

Board members are also obligated to disclose any personal interest in the business and contracts for the company's account. This disclosure is recorded in the minutes of the meetings. The Board member with personal interests in the topic at hand refrains from participating in voting on the relevant resolution. If a Board member has a personal interest, a special report from the auditor shall be attached to this disclosure. According to the CMA executive bylaw, the company assigns an independent expert to submit a report to the General Assembly or the Board regarding any transaction or any arrangement whereby each of the parties enters into any project or buys an asset or provides financing for it when the value of the transaction or arrangement is equivalent to 10% or more of the company's total assets. Such reports are submitted before the deal or agreement is approved.

The policy is based on several principles, such as protecting the rights of stakeholders and maximizing shareholders' value. In addition, it emphasizes maintaining the confidentiality of transactions and information issued by the Board.

Sanctions

Zain Group has developed a sanctions policy in line with applicable sanctions laws and regulations. This policy summarizes the precautions imposed by the sanctioning authorities that control the company's ability to conduct any activity in some high-risk regions or with sanctioned persons. This policy also sets out restrictions and measures which must be followed by every employee in the company consistently. The company is committed to complying with the sanction laws and regulations in all the countries in which it operates; this aligns with its strategy and vision as the most trusted network provider. This policy covers the effects of non-compliance with the sanctions laws and regulations and the process for reporting such violations.

Anti-Corruption

The Board has adopted an anti-corruption policy within the framework of corporate governance at Zain. The anti-corruption policy sets out the principles which Zain and its subsidiaries follow, based on zero tolerance for bribery and corruption. This policy aims to ensure appropriate measures are in place to combat corruption and bribery in all company operations to avoid any violations of relevant laws and regulations.

Zain Group strictly prohibits offering, authorizing, or receiving bribes under any circumstances, including bribery of individuals and government officials. Such actions are unethical and illegal. We strive to succeed with honesty and fairness, relying on our excellent performance and ethical business practices. We are committed to conducting our business activities with integrity, in line with our company Code of Conduct. This policy is communicated to all stakeholders, promoted, and supported by awareness and training initiatives, to ensure full understanding and compliance by all stakeholders.

The policy has been prepared under laws and regulations and covers various topics, including business conduct, giving and receiving gifts, doing business with a third-party, political and charitable contributions (Zain does

not provide financial support to political parties and affiliations), financial facilities, non-controlling ownership percentages, commitment to maintaining accuracy and integrity in keeping company records, reporting and disciplinary measures in case of policy violation, conflict of interest, related party transactions, economic sanctions and anti-money laundering.

Anti-Money Laundering (AML)

Zain's commitment to the highest ethical and legal standards extends to its business operations across all countries. Accordingly, Zain Group takes all necessary measures to prevent money-laundering activities within its footprint. The Board approved this policy to ensure that Zain is committed to complying with all requirements of relevant Anti-Money Laundering and Counter-Terrorist Funding Laws, Regulations and Standards. This policy aims to ensure the completion of risk-based controls that prevent the misuse of Zain Group assets by money launderers and those involved in financing terrorism. It also protects Zain, its employees, and stakeholders from involuntarily committing money laundering and terrorist financing violations.

Diversity, Equity and Inclusion

Zain's Board is committed to the diversity, equity and inclusion (DEI) principles starting with the principles behind the composition of the Board, which is in line with the size and geographic spread of Zain, its portfolio, culture and status as a listed company. The company recognizes the importance of a diverse Board in providing a range of opinions in the decision-making process, which is beneficial to the company's long-term success and protects stakeholder rights. When selecting Board members, the process is based on reasonable criteria, and there is no discrimination on any personal or physical attributes that do not speak to a person's ability to perform as a member. The Board supports Zain's DEI approach and management efforts to ensure that the diversity of the Board and Executive Management is continuously enhanced.

The board approved this policy which aims to promote diversity on the Board in terms of experience and knowledge regardless of gender, race, ethnic origin, disability, age, nationality, national origin, religion/belief, marital status, and social class. At Zain Group opposes all forms of discrimination. This policy is largely set up to address the importance of a diverse Board in employing the unique identities, skills and experiences of the members in a way that collectively benefits the company.

Zain is proud to be among the first telecom providers in the region to have established a DEI department to indicate how seriously the company uplifts our entire workforce and benefits society.

This DEI department adopts a series of carefully prepared programs and initiatives in more than one field, such as programs for gender diversity, a program for people with special needs, a program for youth empowerment, and an internal innovation platform (helping Zain employees to turn their ideas into startups of their own) and programs for mental health. As Zain believes its employees represent its greatest advantage, it takes pride in its continuous efforts to support its employees. While Zain Group continues its programs and initiatives to enhance its workforce, it seeks at the same time to harness the power of this diversity to build a business model that inspires others and sets an example in the labor markets looking for a change. Details of DEI's initiatives and policies are available on the company's website.

Rule VII: Ensure Timely and High-Quality Disclosure and Transparency Disclosure mechanisms and characteristics

As a listed company in the premier market in Kuwait, Zain ensures transparency through timely and high-quality disclosure, in accordance with corporate governance rules set by the Capital Markets Authority (CMA). Here are specific actions the company takes in this regard:

- **Forming of a disclosure team:** Dedicated corporate governance and investor relations teams are responsible for overseeing the company's disclosure and transparency processes. The team works with various departments to ensure accuracy and timeliness, including the BOD, legal, finance, and the whole executive team. The team is responsible for supervising the disclosure process in accordance with the requirements of the CMA to ensure full compliance by the company with the instructions contained in Module Ten of the CMA's executive bylaw on disclosure and transparency. Accordingly, the Corporate Governance and Compliance Department works to provide any clarifications related to disclosure requirements. This department is the main point of contact responsible for communicating with and responding to the inquiries of the CMA and the relevant regulatory authorities.
- **Development of a Disclosure Policy:** Crafted a comprehensive disclosure policy that aligns with CMA regulations. This policy defines material information, disclosure timelines, responsible parties, and communication channels. The policy is easily accessible to all employees and stakeholders as it is available on the website. It ensures the accurate, realistic, and timely disclosure of all material information related to the company, including financial position, performance, ownership, and corporate governance. The policy aims to enhance the company's ability to comply with the rules, laws, and instructions issued by the CMA and other relevant regulatory bodies while ensuring fairness and equality in providing the right to access that information. The policy defines a framework for the proactive disclosure of information related to the company. It emphasizes achieving a balance between the confidentiality required by our customers with the information needed by stakeholders such as shareholders, regulators, and analysts. This policy defines the principles and requirements of transparency and the types of information that will be disclosed to ensure that stakeholders are treated fairly. The Board monitors the disclosure process and communicates with internal and external stakeholders. A set of the company's internal policies has been published on the official website after the approval of the company's Board to provide a clearer picture of the company's internal processes, policies and procedures, which leads to a deeper connection with shareholders and other stakeholders and reaching the highest levels of trust with different groups of stakeholders.
- **Identification of Material Information:** Clearly defined what constitutes material information according to CMA guidelines and developed internal procedures to quickly identify such information and ensure its prompt disclosure.
- **Disclosure Channels:** Zain utilizes approved channels for disclosing information, such as CMA email correspondence, Boursa Kuwait portal and the company's official website. Zain ensures that the information is accessible to all stakeholders, including international investors.
- **Timely Disclosure:** The company adheres to CMA's guidelines on timely disclosure. Material information should be disclosed as soon as it becomes available, ensuring that all stakeholders receive the information simultaneously.
- **Financial Reporting:** Zain prepares and publishes financial statements in line with International Financial Reporting Standards (IFRS) and CMA regulations. This includes quarterly and annual reports, which provide a clear and accurate view of the company's financial performance and position.
- **Consistency and Accuracy:** We ensure that all disclosed information is consistent across various communication channels as accuracy is crucial to maintain investor trust.
- **Whistleblower Mechanism:** Zain implemented a confidential mechanism for employees and other stakeholders to report potential violations of transparency or unethical behavior. This encourages early detection and rectification of issues.
- **Internal Controls:** Zain established robust internal controls and procedures to verify the accuracy and completeness of disclosed information. We also conduct periodic reviews of these controls by an independent third party to identify and address any gaps.
- **Disclosure Calendar:** The company has a disclosure calendar that outlines the expected timing of regular and ad-hoc disclosures throughout the year. This helps in planning and coordination with all internal and external stakeholders.
- **Insider Trading Policies:** Zain enforces strict insider trading policies. Company insiders must adhere to trading windows and obtain pre-clearance before buying or selling company shares. In addition, Zain maintains a permanent record

of the insider's trades. Accordingly, Boursa Kuwait is obligated to receive the insiders' watchlist and to verify that the people whose names appear in that list comply with the provisions of applicable laws and regulations when trading in securities. Boursa Kuwait is also obligated to consider the adherence of the insiders of the listed company not to trade during the prohibition periods indicated in the regulations and to announce all disclosures received accordingly.

- **Investor Relations:** The team maintains active and transparent communication with investors and provides updates on company performance, strategy, and other relevant matters through press releases, investor presentations, and conference calls.
- **External Audit:** Zain works with a reputable external auditor (KPMG) to independently verify the accuracy of financial statements and disclosure practices.
- **Annual General Meetings (AGMs):** Zain conducts AGMs as required by CMA rules. These meetings provide a platform for shareholders to engage with management, ask questions, and express concerns.
- **Ethical Culture:** The company fosters an ethical culture where transparency is valued and encouraged at all levels of the organization.
- **Continuous Improvement:** The team regularly reviews and updates disclosure and transparency practices to align with evolving CMA regulations and industry best practices. By implementing these strategies, our company demonstrates its commitment to transparency, meets CMA requirements, and fosters investor confidence in the Kuwaiti market. Zain ensures that all stakeholders are on board with the principle that transparency is an ongoing effort that requires dedication and vigilance.
- **Data protection and privacy policy:** The company is legally and ethically obligated to protect customer information to ensure that it is not misused in a way that harms the customer's interests or the company's reputation. All employees are responsible for protecting customer information and not disclosing any information they are not authorized to disclose, following the relevant regulatory requirements. All employees are fully aware of all policies related to data protection, distribution, transmission, preservation, or disposal.
- **Disclosure archive:** All public disclosures are posted on the company's website; with the approval of the Corporate Governance and Compliance Department and in cooperation with the Corporate Communications and Investor Relations Departments, the company utilizes its website to communicate with stakeholders (shareholders, investors, customers, regulatory authorities, etc.) and distribute company information that is required to be published. The information available on the website includes annual reports, quarterly reports, financial information, and market disclosures (for more than 13 years) and other information.
- **Disclosures record for the Board of Directors and Executive Management:** The company keeps a comprehensive record encompassing all disclosures made by its Board members and Executive Management. This record is consistently updated to align with the latest disclosures, ensuring utmost accuracy. Additionally, the company upholds a record containing disclosures from insiders. All such vital information and disclosures are stored within an internal electronic library. This platform ensures seamless accessibility to relevant parties at the required moments. Notably, the company's official website features an archive comprising all market disclosures made by the company over the past thirteen.

Investor Relations (IR)

Zain is committed to providing information and reports to shareholders and potential investors through the Investor Relations (IR) department. The Board has approved an IR policy that confirms compliance with applicable laws, rules, and instructions, that covers all employees of the company and the company's Board of Directors. The IR policy includes all means of communication with shareholders, potential investors, analysts, and the media; this includes annual and quarterly reports, news, prospectuses, memoranda for shareholders, press releases held by official spokespersons, and information on the company's website.

The most important principles of this policy are protecting shareholders' rights, communicating with shareholders, and issuing disclosures to shareholders. Accordingly, important information is made available to shareholders through appropriate means of disclosure such as periodic reports, annual reports, the company's website, Boursa Kuwait website, quarterly communication with analysts and relevant conferences, etc.

The responsibility for implementing this policy lies with the employees of the IR Department, in addition to other stakeholders in the company. This department plays a vital role in ensuring the protection of shareholders' rights by the company. The IR department includes multiple competencies and expertise, which ensures easy and continuous communication with shareholders, potential investors, analysts, and the media.

The main objectives of Investor Relations

1. Establish consistent and reliable communication channels with investors in compliance with relevant regulations and laws, including those issued by the CMA and the Commercial Companies Law of the State of Kuwait
2. Strengthen the company's position in the market and attract shareholders and investments
3. Establish a link between executive management and the financial community to strengthen the relationship of executive management with analysts and stakeholders
4. Provide financial and non-financial information related to the company to the Board of Directors, executive management, shareholders, and analysts.

Following the disclosure of the financial statements, the IR department organizes a call between Executive Management and analysts to discuss the results of the company's financial statements and open the door to any inquiries that analysts may have regarding the company's performance. The transcripts of these calls are available on the company's website to be a reference for shareholders and the public in both Arabic and English. The IR team and Executive Management attend IR conferences to attract potential investors' interest and hold individual meetings with local and international potential investors and existing shareholders. All executives attending these conferences are fully prepared to answer any questions or inquiries raised during the meetings, provided that these meetings meet all relevant regulatory requirements.

The IR department is responsible for assembling the company's annual report, including requesting input from relevant departments. In addition, the IR team reviews the content received from these departments and ensures its consistency with the company's strategy and approved public image.

Key highlights of the year 2024 for the Investor Relations Department:

- Participated in three different Corporate-Days, hosted by HSBC, Arqaam Capital and EFG Hermes (London & Dubai).
- Nominated in two prestigious categories at the Middle East Investor Relations Association (MEIRA) Awards, "Best IR Corporate in Kuwait" and "Best IR Professional", highlighting Zain's ongoing commitment to IR excellence, effective stakeholder engagement, and leadership in the region.
- Successful management of three General Meetings (two AGMs and one EGM), achieving a record-high quorum of 81% for the EGM.

IT infrastructure and disclosure processes

- The Capital Markets Authority has launched an enhanced XBRL Electronic Disclosure System in 2024, covering financial statements, capital adequacy reports, market disclosures, and general assembly requests. The XBRL Electronic Disclosure System enhances transparency, accuracy, and compliance by standardizing financial reporting. It automates processes, reducing manual efforts and submission time. The system improves data accessibility, strengthens regulatory oversight, and fosters investor confidence. By streamlining disclosures, it modernizes financial reporting, creating a more efficient, competitive, and transparent investment environment in Kuwait.
- The company's website includes all the disclosures that date back more than fourteen years. The website also includes periodic financial reports, analyst reports and other facts and indicators.
- The website contains information about the Board, executive management and the company's code of conduct, and the main principles and values that support the company's operations.
- **Zain IR App:** Developed in 2017, it is a comprehensive platform that caters to all IR activities and publications of the company. The Zain app primarily focuses on disseminating key information to stakeholders, such as company financials, shareholders' presentations, earnings calls and management transcripts. Additionally, it provides updated share price information, dividend details, and analysts' consensus to ensure investors are well-informed about Zain's performance. The app also features an updated calendar that lets users track all the upcoming events

related to Zain, ensuring that they do not miss any significant announcements. The Zain IR App is a crucial tool. It enhances the transparency and efficiency of all IR activities, ultimately leading to better communication with investors and greater value creation for all stakeholders.

- The CMA is addressed by e-mail (in addition to mail) to provide the required information and disclosures.
- Communication with the CMA takes place through the CMA's electronic portal, which was established to facilitate the transactions of the entities covered by its supervision and enhance and raise work efficiency in an electronic environment.
- The company submits all required documents, such as the company's annual financial statements, the request, and other requirements necessary for holding the AGM, through the online platform provided by Kuwait Clearing Company. Moreover, all requests and inquiries by stakeholders are also received electronically by the Ministry of Commerce. Additionally, the platform facilitates other procedures and services.
- As listed in the Premier Market, Zain uses the electronic system provided by the Kuwait Clearing Company to hold its AGM and enable the companies' shareholders to participate in the shareholders' meetings without attending in person.
- The company's intranet includes an electronic library that contains all the details and information, which are easily accessible at any time with the correct credentials.



Rule VIII: Respect the Rights of Shareholders

Summary of shareholders' meetings during the last three years

	AGM for the year ending on 31/12/2021	AGM for the year ending on 31/12/2022	AGM for the year ending on 31/12/2023	EGM	AGM
Date of BOD meeting	10/2/2022	13/3/2023	6/3/2024	22/4/2024	27/5/2024
Date and time of the General Shareholders Meetings	22/3/2022 10:00 a.m.	11/4/2023 11:00 a.m.	6/5/2024 11:00 a.m.	22/5/2024 11:00 a.m.	25/6/2024 11:00 a.m.
Venue	Zain HQ (in-person) and KCC Live streaming (online)	Zain HQ (in-person) and KCC Live streaming (online)	Zain HQ (in-person) and KCC Live streaming (online)	Zain HQ (in-person) and KCC Live streaming (online)	Zain HQ (in-person) and KCC Live streaming (online)
Percentage of Shareholders in Attendance	75.14%	80.12%	77.05%	81.16%	76%

Protection of Shareholders' Rights

The company is dedicated to upholding equitable shareholder engagement. Furthermore, it is committed to safeguarding shareholder assets against any potential misappropriation by the Board, executive management, or key stakeholders. The company adheres to impartial treatment of all shareholders within the same category, devoid of bias, aligning with corporate interests and in accordance with legal statutes and regulatory frameworks.

The company is committed to providing the following rights to the shareholders:

- Recording the ownership value in the shareholders' register with Kuwait Clearing Company (KCC)
- Disposal of shares through registration of ownership and/or transfer
- Receipt of cash and share dividends
- Acquiring a share of the company's assets in case of liquidation (after payment of all debts of the company)
- Obtaining data and information about the company's business and operational and investment strategy regularly
- Participation in meetings of the General Assembly of shareholders and vote on its decisions
- Election of Board members
- Monitoring the performance of the company in general and the work of the Board in particular
- Accountability of board members or executive management if they fail to perform the tasks assigned to them

All shareholders, regardless of their ownership size, are treated fairly and without discrimination. This includes providing equal access to information, voting rights, and dividends. As part of the company's corporate governance framework, the protection of shareholders' rights policy has been developed to ensure the company's commitment to respecting and protecting the rights of all shareholders per the relevant laws and regulations. In the provisions of the regulations and instructions issued by the regulatory authorities, this policy applies to the company, its subsidiaries, the Board of directors, the executive management, and all employees about their role in protecting the rights of the shareholders.

Zain has open lines of communication with shareholders by regularly holding general meetings where shareholders can voice their opinions, ask questions, and receive updates about the company's performance and strategy.

Shareholders' Register at the Kuwait Clearing Company (KCC)

In April 2004, Zain signed an agreement with the Kuwait Clearing Company (KCC) to maintain a record of its shareholders with the KCC. Accordingly, the KCC provides the following:

- Create an index for all shareholders, which includes the names, trading numbers, number of shares and nationalities.
- Update the data according to all trading activities on Boursa Kuwait
- Perform all procedures for transfer of ownership in addition to buy/sell transactions after obtaining all the required approvals from the regulatory authorities
- Track procedures for lost/damaged certificates and the related issuance of new ones
- Distribute cash dividends and stock splits
- Provide the company with shareholders' balance reports on a daily/monthly basis
- Provide the company with profit reports on a daily/monthly basis
- Provide the company with unclaimed dividend reports monthly
- Distribute outstanding share certificates, issue new shares for heirs, and register them
- Record mortgage transactions on the company's shares
- Prepare AGM invitations in coordination with the company
- Allow shareholders to obtain the company's information or documents in compliance with laws and regulations

Shareholders' voting and participation at the AGM

The company encourages all shareholders to participate in the Annual General Meetings (AGM) and to vote on all resolutions adopted by the Assembly, including the selection of the members of the Board. Any class of shareholders is entitled to attend the meetings of the General Assembly without paying any fees for their attendance. The voting in the General Assembly shall be by secret ballot.

The Board invites all shareholders to the AGM under the laws and regulations. When organizing the general meetings of the shareholders, the company includes the agenda and the date and place of the meeting in the invitation. In addition, the company provides all information related to the agenda items well before the General Assembly, particularly the reports of the Board, the external auditor and the financial statements.

The company encourages shareholders to actively participate in the General Assembly, discuss the issues on the agenda and related inquiries, and ask questions to Board members and the external auditor. The Board or the external auditor shall answer the questions to the extent that they do not jeopardize the interests of the company.

Shareholders are provided access to all the data contained in the disclosure register of the Board members and Executive Management members without any fees. In addition, shareholders are also entitled to access the minutes of the AGMs.

The company sends out invitations for the extraordinary general assembly meeting at the request of a number of shareholders who own at least fifteen percent (15%) of the company's capital within thirty (30) days from the date of the request as stated in the relevant laws. In addition, shareholders who own a percentage of five percent (5%) of the company's capital may add items to the agenda of the General Assembly meetings.

Each shareholder may file a case to nullify any decision issued by the Board or the general assembly (ordinary or extraordinary) in violation of the law, the company's articles of association (AOA) or the company's memorandum, or that was intended to harm the interests of the company. In addition, shareholders who own at least 15% of the capital may appeal before the court in the decisions of the ordinary and extraordinary General Assembly, which prejudice the rights of the minority shareholders.

Zain Guarantees the Following Rights for Shareholders:

PROXY VOTING: Facilitating proxy voting to allow shareholders who cannot attend meetings to exercise their voting rights. This promotes greater shareholder participation in decision-making. The voting is conducted through a secret ballot. Shareholders can cast their votes whether they choose to attend in person, online, or through proxy.

DIVIDEND POLICY: Establishing a transparent dividend policy that outlines how dividends are determined and distributed to shareholders. This ensures that dividends are distributed fairly and consistently.

Right to Information: Ensuring shareholders have access to accurate and timely information about the company's financial performance, strategy, risks, and corporate governance practices.

SHAREHOLDER EDUCATION: Providing educational resources to help shareholders understand their rights, responsibilities, and how to effectively engage with the company. The company created the board diversity policy to educate the shareholders about the importance of having a diverse board. A diverse Board with a range of views enhances decision-making, which is beneficial to the company's long-term success and the interests of stakeholders. When selecting board members, the process is based on factual criteria and there is no discrimination on any personal or physical attributes that would not speak to the person's ability to perform as a Board member.

Rule IX: Recognize the Roles of Stakeholders Protecting the rights of stakeholders

At Zain, corporate governance represents a comprehensive approach that reflects its commitment to responsibility and sustainability. Its practices are not limited to transparency, accountability, and fairness but extend to a broader vision that considers the interests of all stakeholders, not just shareholders. With the evolution of governance standards in 2024, it has become essential for companies to move toward more inclusive models that ensure a balance between various stakeholders.

Zain focuses on promoting fair treatment, ensuring effective disclosure, and providing communication and engagement mechanisms for all stakeholders, including employees, customers, regulatory bodies, suppliers, communities, and the environment. The company is also committed to empowering shareholders to exercise their rights effectively and fostering an interactive environment that supports open dialogue while implementing strict oversight mechanisms to mitigate conflicts of interest and ensure sound governance.

Amidst ongoing regulatory changes and growing societal expectations, Zain adopts a proactive approach that strengthens governance practices to enhance long-term sustainability and reinforce its relationships with all stakeholders. This makes Zain a model in adopting responsible governance that goes beyond traditional methods toward a more balanced and inclusive management approach.

At Zain, continuous engagement with stakeholders is a fundamental aspect of ensuring business continuity, especially given the ever-evolving demands and expectations of stakeholders. The company is committed to protecting their rights and fostering mutual benefits by maintaining a strong and stable financial position that contributes to job creation and sustainable growth.

As part of its comprehensive governance framework, Zain has established a clear policy for protecting stakeholders' rights, ensuring compliance with relevant laws and regulations while safeguarding these rights from any violations. The Board of Directors oversees the development and periodic update of this policy to ensure alignment with legislative developments and regulatory directives.

This policy extends to the company, its subsidiaries, the Board of Directors, executive management, and employees, all of whom share a direct responsibility in implementing and ensuring compliance with its requirements. Raising awareness about this policy and ensuring adherence among all company members is a key element of Zain's corporate culture, reinforcing sound governance and protecting the interests of all stakeholders.

Stakeholder categories include shareholders, regulators, customers, employees, the community, suppliers, and third-parties such as partners and competitors.

The company safeguards the protection of the rights of stakeholders through the following:

- Dealing with all stakeholders fairly and ensuring that members of the Board, related parties and stakeholders are treated fairly and without discrimination
- Allow stakeholders to access information and data related to their activities to obtain and refer to that information quickly and regularly

As the company guarantees the protection of the rights of stakeholders, it also expects all stakeholders to fulfill their obligations governed by contracts, laws and regulations issued by the relevant authorities.

Stakeholder participation and following the company's operations

The major responsibilities of the company's Board towards its stakeholders include:

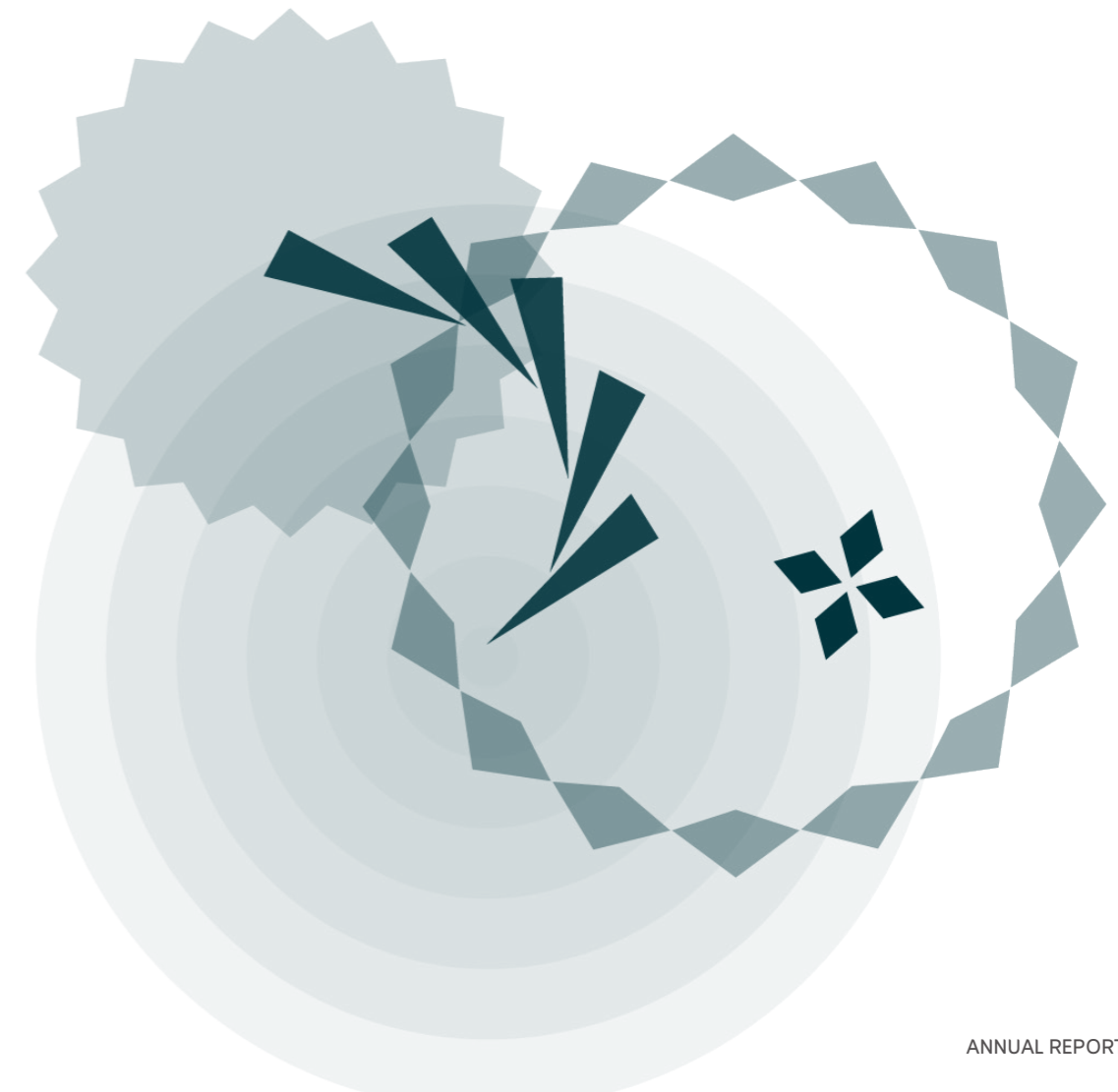
- Appointment of competent executive management – As executive management, headed by the CEO, is responsible for the day-to-day management of the company's operations and for the implementation of the company's strategy, it is one of the foremost responsibilities of the Board to select a company of personnel that is capable of performing this task competently.
- Effective and efficient supervision of the company's affairs – The company's Board has overall responsibility for the company, including approving and overseeing the implementation of strategic objectives, risk strategy and corporate governance standards. This is in addition to the Board's responsibility for overseeing executive management. The Board administers its supervisory duties directly or through its committees (Board Risk Committee, Board Audit Committee, and Board Nomination & Remuneration Committee). In addition to ensuring that the company's strategic decisions consider a balance of interests among various stakeholders, guaranteeing the achievement of common goals without harming any party.
- Adoption of sound policies – The Board must provide executive management with a clear framework for managing the company's operations. This is achieved by having oversight over the key policies followed within the company, covering such areas as investments, credit and asset and liability management, and other related policies.
- Remaining abreast of the company's conditions and performance – The Board is aware of any developments in the company's internal or external environment. This enables the Board to intervene promptly when the need arises.
- Maintaining proper capitalization of the company – Capital adequacy is one of the primary measures of a company's financial health. Therefore, it is the responsibility of the Board to ensure that the company remains reasonably capitalized, taking into account regulatory requirements and the company's strategic objectives.
- Observing laws, by-laws, and instructions – The company is governed by a set of regulations with which it must comply. It is ultimately the responsibility of the Board to ensure that there are no violations.
- Effective Communication and Transparency – Strengthening open communication channels with stakeholders and ensuring continuous disclosure of material information in a clear and transparent manner to enhance trust and credibility.
- Fostering a Fair and Ethical Work Environment – Ensuring that the company's work environment is based on ethical values and fairness, providing equal opportunities for employees, and preventing any discriminatory or unfair practices.
- Encouraging Social and Environmental Responsibility – Promoting the company's social responsibility initiatives to benefit the community and the environment, contributing to sustainable development in line with stakeholders' interests.
- Ensuring Complaints and Grievance Mechanisms – Providing effective formal channels that allow stakeholders to voice their concerns or submit complaints, ensuring they are addressed objectively and transparently.

In 2024, corporate governance underwent significant transformations that reinforced the position of stakeholders in the corporate landscape. While traditional models primarily focused on shareholder interests, the modern approach has become more inclusive, recognizing the vital role of employees, customers, suppliers, communities, and the environment in corporate success. In this context, the Kuwait Capital Markets Authority issued Resolution No. 1682024/, which strengthens integrity and financial soundness standards for listed companies by imposing stricter requirements on board members and executive management to ensure transparency and adherence to best governance practices.

In response, Zain adopts a proactive approach that reflects its commitment to sound corporate governance, where transparency and accountability are no longer just regulatory requirements but fundamental pillars for building trust between the company and its stakeholders. Zain understands that its success is not solely dependent on financial returns but also on its ability to engage positively with all stakeholders, necessitating fair policies that protect their rights and ensure equal opportunities for all.

To reinforce this commitment, Zain has implemented comprehensive stakeholder engagement strategies, including effective communication channels that allow stakeholders to voice their concerns, participate in regular dialogues, and contribute to corporate decision-making processes. Additionally, the company has established clear mechanisms for reporting violations, ensuring stakeholders are safeguarded against any internal or external pressures that may affect their interests.

Amidst these developments, adopting a stakeholder-oriented governance model is no longer just a legal or ethical obligation but a strategic choice that fosters sustainable growth, strengthens corporate resilience, and enables companies to adapt to rapidly evolving business environments. Through this transformation, Zain is not only setting a more equitable and responsible governance model but also laying the foundation for long-term success by creating shared value for all stakeholders.



Stakeholder Engagement

Our Customers

Communication Channels

- Interactive digital channel
- Customer satisfaction surveys
- Store experience surveys
- Services available through app, website, retail stores, contact centers
- Digital and alternative channels – inbound customer service agents & telesales
- Direct messaging, social media platforms and various media outlets

Priorities

- Reliable, accessible, innovative and affordable service
- Awareness about promotional material and other useful info
- Customized services
- Transparency and accuracy of billing
- Data protection and information security
- Efficient complaint resolutions
- Feedback analysis

Our Suppliers

Communication Channels

- Open direct channels and automated process engagement
- Provide periodic assessments
- Supplier Code of Conduct
- Check against conflict of interests, related party transactions, and sanctions policies
- Efficient onboarding procedures

Priorities

- Embedding principles of diversity and inclusion
- Incorporating sustainability standards
- Provide timely payments

Our People

Communication Channels

- Workshops
- Groupwide emails and awareness material
- In-person events
- Annual employee engagement surveys
- Whistleblowing form
- Zainers app

Priorities

- Job security and satisfaction
- Employee benefits
- Opportunities for development and growth
- Competitive salaries
- Have a relation to company's core values and principles
- Access to international networking opportunities
- Health and safety protection
- Mental health and wellbeing

Our Community

Communication Channels

- Social media awareness campaigns
- Support and develop sustainable initiatives and activities
- Establish meaningful partnerships
- Participate in community events, forums and workshops

Priorities

- Build climate change mitigation and adaptation plans, in addition to biodiversity protection
- Enable an inclusive digital society
- Responsible supply chain management
- Commitment to upholding health and safety standards.
- Establish community outreach programs that support underprivileged communities

Our Investors

Communication Channels

- Meetings, conferences (in-person and virtual)
- Annual/interim reports and presentations
- Press Releases
- Disclosure of company material info
- Analyst Calls / Webcasts
- IR app/website/emails
- Social Media
- Annual General Meetings (AGM)
- Feedback and surveys

Priorities

- Financial reporting and integrity
- Communicating the Strategy
- News about operations and activities
- Industry-specific news and updates
- Dividend Policy
- ESG and corporate governance updates
- Regulatory Updates
- Investor Relations Events & Roadshows

Our Governments

Communication Channels

- CMA online portal
- Bursa Kuwait (disclosure portal, emails)
- KCC (Kuwait Clearing Company) emails communications, eAGM
- Inspection visits
- Disclosure forms
- Annual/periodic reports
- Participation in events, workshops, forums
- Meetings (in-person and virtual)
- Website (disclosure archive, reports, articles of associations, policies)
- Topic specific correspondence with regulatory authorities
- AGM

Priorities

- Compliance with laws and regulations
- Promoting best standards in the industry and the market
- ESG principles
- Disclosure and transparency
- Raising awareness about key topics such as ESG, digital transformation and innovation investment

Rule X: Encourage and Enhance Performance Board Training and Development Plan

In Kuwait's corporate governance landscape, board training and development play a pivotal role in fostering effective governance practices and enhancing the performance of boards of directors. Recognizing the significance of well-informed and skilled board members, companies are encouraged by regulatory bodies like the Capital Markets Authority (CMA) to prioritize ongoing training initiatives.

Board training at Zain entails equipping directors with the necessary knowledge, skills, and insights to fulfill their duties and contribute meaningfully to the company's strategic direction. Here are some key aspects of board training and development at Zain:

Orientation and Onboarding: New board members undergo orientation programs that provide an understanding of the company's operations, industry dynamics, governance structure, and key challenges. This helps new directors quickly become effective contributors.

Governance Principles and Regulations: Board members are educated on the fundamental principles of corporate governance, including their roles, responsibilities, legal obligations, and compliance requirements under applicable laws and regulations.

Industry-Specific Training: Directors receive training and awareness material that include insights into industry trends, competitive dynamics, and emerging risks.

Risk Management and Compliance: Training programs cover risk assessment, mitigation strategies, and compliance frameworks to ensure members are well-versed in identifying and addressing potential risks.

Ethics and Corporate Social Responsibility: Directors are educated about ethical considerations, corporate social responsibility, and sustainability practices, aligning them with the company's values and societal expectations.

Communication and Stakeholder Engagement: Board training emphasizes effective communication, both within the board and with shareholders, employees, and other stakeholders. This includes building skills in transparent communication and active engagement.

Cybersecurity and Technology: With the increasing digitalization of business, board members receive training on cybersecurity threats, data privacy, and the implications of technological advancements.

Continuing Education: Board members are encouraged to engage in continuous learning through workshops, seminars, conferences, and professional development opportunities to stay updated on industry trends and evolving governance practices.

By investing in board training and development, Zain demonstrates its commitment to maintaining a high standard of governance. Well-trained board members contribute to effective oversight, informed decision-making, risk management, and sustainable growth, ultimately leading to enhanced shareholder value and stakeholder trust.

Board Evaluation

In Kuwait, under the Corporate Governance rules set forth by the Capital Markets Authority (CMA), board evaluation plays a pivotal role in ensuring effective corporate governance practices within companies. The board of directors, as a key governing body, is subject to annual evaluations that encompass a comprehensive assessment of its composition, performance, and adherence to governance principles. Board evaluations at Zain are designed to be rigorous and systematic processes. They involve an objective analysis of the board's structure, skills, independence, diversity, and overall effectiveness. These evaluations aim to identify strengths, weaknesses, and areas for improvement in the board's functioning. The Board, its committees and individual members are evaluated annually. The evaluation of the Board includes several topics that affect its performance, added value, and the objectives of the company in general.

Among these measures are the following:

- Attendance and key performance indicators following the company's strategy and objectives and relevant laws and regulations
- The Board's commitment to laws and regulations that deal with various topics such as business development, formation of the board's structure, adoption of internal policies and other responsibilities and roles as determined by the regulations of the CMA
- Diversity, equity and inclusion in the composition of the Council
- Environmental, Social and Governance (ESG) Performance Standards
- Coordinating meetings, topics, and agendas by relevant laws
- The items of discussion, their objective and relevance and their impact on the company's performance
- Telecom industry trends and latest developments
- The company's risks and the most critical developments and procedures.
- Communication with stakeholders and the effectiveness of these channels
- Related party transactions and conflicts of interest
- Discussing the reports issued by the regulatory authorities, auditors, or any inspection team and the work plans
- Deviations from the approved budget
- Required training courses
- Acquiring required information in a timely manner

Engaging a third party for board evaluation enhances governance by providing an independent, objective assessment of board effectiveness. It ensures transparency, identifies strengths and weaknesses, and offers actionable recommendations for improvement. A third-party evaluation eliminates internal biases, aligns board performance with best practices, and enhances decision-making dynamics.

The process typically includes defining evaluation criteria, conducting surveys and interviews, benchmarking against industry standards, and providing a comprehensive report with strategic insights.

In Kuwait, regulatory frameworks, including Resolution No. 1682024/, emphasize board integrity and financial

soundness, making external evaluations increasingly relevant. Companies adopting third-party evaluations strengthen accountability, enhance compliance, and improve overall governance, fostering long-term sustainability and stakeholder confidence in their leadership and decision-making processes.

Zain has appointed a third-party firm to conduct an independent board evaluation, ensuring transparency and alignment with best governance practices. This evaluation will assess board effectiveness, identify areas for improvement, and provide targeted training recommendations to enhance leadership capabilities, strengthen decision-making, and support long-term corporate governance excellence.

Value Creation

Zain's Board of Directors overlooks the company's operations and the executive management's performance. It carries the additional responsibility of supervising the holistic pursuit of our strategic goals, thereby fostering continuing achievements that yield lasting value for both our shareholders and broader stakeholders. The Board's intent is to establish the cornerstones for a promising and sustainable track, aiming to push growth through responsible, comprehensive, and sustainable technological approaches. Our objective is to maintain Zain's reputation for reliability while continually generating value for our stakeholders.

Furthermore, the Board tracks advancements in our digital impact and sustainability policies, ensuring progress towards meeting targets concerning climate and environmental concerns.

Zain has proactively embraced sustainability initiatives to address evolving challenges and meet stakeholder demands, aligning with environmental, social, and governance (ESG) benchmarks. A deliberate concentration on these ESG dimensions drives enhanced financial results, compelling both the Board and Executive Management to stay attuned to industry dynamics and deliver optimal value for shareholders and stakeholders. Moreover, fostering credibility and ethical conduct in business dealings not only draws and retains shareholders but also cultivates heightened customer allegiance. These intangible aspects provide a competitive edge that amplifies the company's long-term

valuation. An exceptional ESG performance yields equivalent favorable outcomes, displaying heightened operational capacities, skilled management quality, boosted confidence and execution efficiency, as well as streamlined capital management. These elements collectively reflect the company's proficiency in strategic decision-making, consequently facilitating cautious wealth allocation and attraction. This strategic talent, in turn, steers the company towards proficient, productive, and value-centric leadership. Furthermore, ESG disclosures echo through the company's image, strengthening market value and ultimately delivering increased shareholder value.

Rule XI: Focus on the importance of social responsibility

A summary of the development of a policy that ensures a balance between each of the company's goals and society's goals.

Zain's Corporate Sustainability (CS) Policy aims to ensure that sustainability and ethical principles are embedded across every facet of its operations, business activities, and value chain. Through this policy the company aims to minimize its environmental impact, ensure positive social influence and maintain economic viability while upholding the highest level of responsibility, transparency and accountability.

The CS policy is an official statement of Zain's commitment to tackling critical social, economic, environmental, and human rights issues in its markets. The policy's key focus areas, which are an extension of Zain's CS strategy, encompass, but are not limited to climate change, supply chain management, data privacy and security, child online safety, and youth unemployment.

Throughout the years 2019 -2024, Zain's CS strategy was closely aligned with the company's 4SIGHT strategy, supporting the achievement of its goals and strategic objectives. The CS strategy has been adjusted and aligned to Zain's newly announced 4WARD Progress with Purpose corporate strategy.

Zain's Corporate Sustainability department aims to ensure that the CS Policy is upheld and translated into the necessary processes and procedures across all aspects of the company and its value chain. The department is also responsible for assessing the company's ability to create value across its environmental, social, economic, and human rights aspects and is able to do so by working cross-functionally and collaborating with multiple stakeholders.

The CS policy is available on the company's official website to ensure all stakeholders can access the policy in Arabic and English.

An overview of the programs and initiatives under Corporate Sustainability

Under Zain's CS strategy 2020- 2025, the company continues to establish programs that help support the achievement of strategic targets.

1. Climate Change:

As part of its ongoing commitment to addressing climate impacts, the company implemented a Climate Change Compliance Framework that dictates adaptation and mitigation initiatives in line with its 2050 Net-Zero commitment. This framework allows Zain to assess its business resilience to physical and transition risks, creating more value for its shareholders and customers. From a community perspective, the company continued to monitor and evaluate behavioral changes related to climate issues. Zain established specific quantitative targets for each market, aiming to engage 40% of its customer base by 2025 in line with CDP's targets. Additionally, Zain continues to demonstrate its commitment to biodiversity conservation and nature preservation, recognizing them as essential components of our broader climate action strategy. Building on the company's efforts from previous years, Zain introduced biodiversity into its supply chain management process. This new requirement ensures that suppliers assess the potential impact their operations may have on biodiversity and the traceability of the materials they use, promoting greater transparency and accountability throughout our value chain, as Zain acknowledges that the supply chain might be the one of the biggest risks for biodiversity.

Each market conducted a variety of communication campaigns where Zain embedded pre- and post-surveys to assess, and measured impacts. The following are examples of the awareness campaigns launched in each market:

KUWAIT

- Zain Kuwait reinforced its commitment to preserving ecosystems by collaborating with TadwiRe, Kuwait's first local recycling facility. This partnership includes installing e-waste bins internally to facilitate its e-waste collection initiative. By Q3, Zain Kuwait collected 107 kilograms of e-waste and released an internal awareness video to promote responsible e-waste management.

In addition to e-waste, Zain has achieved notable progress in managing other waste streams:

- Plastic (PET) Waste Reduction: 529.5 kilograms collected in Q2, increasing by 5% to 557 kilograms in Q3.
- Paper Waste Reduction: 9,076 kilograms collected in Q2, rising by 31% to 11,870 kilograms in Q3.
- Other Waste Categories: 326 kilograms of wooden waste collected.

- Zain Kuwait continued its longstanding partnership with the Kuwait Dive Team for the 26th year, reinforcing its role in preserving Kuwait's marine biodiversity conservation. This year, the collaboration supported reef health monitoring and marine waste removal initiatives, contributing to critical ecological restoration efforts. As part of these initiatives, CoralWatch, a non-profit at the University of Queensland, engages divers globally to monitor coral reefs globally and share data for scientific research. Kuwait's diving team, as a regional ambassador, plays a vital role in this global effort, helping to enhance reef conservation in the region.

In 2024, the Dive Team achieved significant results in marine waste removal, collecting 72,200 kilograms of waste in Q2 and 52,000 kilograms in Q3. The 28% decrease in Q3 was due to an unusually large operation in Q2, which included the removal of a sunken boat that contributed substantially to the waste collected during that period.

By integrating waste removal with coral health monitoring, this collaboration highlights a comprehensive approach to Zain's overarching biodiversity conservation and nature preservation commitment.

BAHRAIN

In 2024, Zain Bahrain a partner with the Ministry of Municipalities Affairs and Agriculture and the National Initiative for Agricultural Development (NIAD) to plant 2,000 mangrove saplings in the western Aker region to support Bahrain's commitment to achieving carbon neutrality by 2060. Led by His Highness Shaikh Mohammed bin Mubarak Al Khalifa, the initiative restores vital mangrove ecosystems, which serve as effective natural carbon sinks, protect coastlines, and sustain marine biodiversity, directly contributing to the Kingdom's climate and biodiversity goals.

IRAQ

- To enhance green spaces, reduce CO2 emissions, and promote climate change awareness, Zain Iraq partnered with Hala Startup to plant a total of 850 native Acacia trees in Baghdad, with 600 in the city center and 250 in a public garden.

JORDAN

- Jordan is among the most water-scarce countries globally, with per capita water availability significantly below international thresholds for water scarcity. According to the World Bank, Jordan's renewable water resources stand at approximately 97 cubic meters per person per year, which is far below than what is considered the minimum amount needed for basic human needs. This alarming scarcity highlights the urgent need for efficient water management practices and innovative solutions to ensure sustainable access to resources (World Bank, 2023). In 2024, Zain Jordan reinforced its commitment to addressing these challenges by supporting the Royal Scientific Society's initiative for remote water quality monitoring. As part of this collaboration, Zain provided data transmission lines and "Real Static IP" services to 13 strategically located stations across key surface water sources in the Kingdom.

The stations, equipped with advanced automated devices, continuously collect water samples for physical and chemical analysis, transmitting results in real time—hourly—via Zain's network to a centralized database.

This seamless data transmission enables efficient, real-time monitoring, allowing relevant ministries and institutions to make timely, informed decisions. Zain's technological support plays a critical role in the sustainable management of Jordan's limited water resources.

SAUDI ARABIA

- In 2024, Zain KSA collaborated with Ertiqqa, a non-profit organization specializing in recycling and refurbishing used computers, to initiate the second phase of its e-waste management campaign. This initiative is designed to strengthen investments in electronic waste management and advance sustainable practices within the organization. Through this partnership, 247 kilograms of electronic devices were successfully recycled, embedding circular economy principles into Zain's operations and contributing to more sustainable resource management.

2. Operating Responsibly

Zain adopted a comprehensive approach to responsible supply chain management, integrating ESG considerations across its operations. The company is committed to enhancing supplier capabilities through targeted training programs and raising awareness on sustainability-related topics to promote best practices within its value chain.

Zain maintains its responsible supply chain strategy with a rigorous supply chain management screening process to ensure they align with our values and standards with the following steps:

1. Adhere to Zain's supplier code of conduct, and human rights policy statements
2. Complete Zain's training video available on the website and complete feedback form
3. Complete Zain's self-assessment questionnaire
4. Complete physical audit for high-risk supplier

Zain enhanced its Supplier Self-Assessment Questionnaire to include net-zero goals, biodiversity, and traceability. The assessment now evaluates suppliers on their net-zero ambitions, biodiversity impact, related policies, regulatory compliance, adherence to biodiversity certifications or frameworks, and traceability which examines systems for tracking material origins, movement, and identifies regions or suppliers facing challenges.

Zain introduced a physical audit process as an added layer of verification, incorporating an observation form to document and address risks identified during audits. The form is designed to rank the severity of identified observations, and in cases of high-risk findings or violations of the supplier code of conduct, the supplier is subject to a termination process. This year, each of Zain operations had a target of 10 suppliers to verify.

Operation	Target Number of Suppliers	Completed
Bahrain	10	Yes
Iraq	10	Yes
Jordan	10	Yes
Kuwait	10	Yes
Saudi Arabia	10	No
Sudan*	10	N/A
South Sudan	10	Yes

*Due to the ongoing political crisis, Zain Sudan was unable to conduct the physical audit this year. Meanwhile, Zain KSA completed 8 out of the 10 physical audits. The remaining two physical audits will be rolled over into the 2025 targets.

Data Privacy

In 2024, Zain strengthened its focus on addressing data privacy concerns by empowering marginalized communities through targeted training programs. These initiatives aim to equip individuals with the knowledge and skills necessary to effectively navigate the evolving landscape of data protection, fostering greater digital literacy and inclusion.

Throughout the year, Zain's operations finalized their plans for data privacy programs and identified specific target segments within their communities. Some operations progressed in implementing their initiatives, while others are set to launch their programs later in 2025, ensuring comprehensive outreach and impact across all regions.

In 2024, Zain launched several data privacy and cybersecurity awareness initiatives targeting diverse communities, including humble expat workers in Kuwait, migrant workers and the elderly in Bahrain and Iraq, and students in Jordan, focusing on topics such as data security, fraud prevention, and online safety. However, initiatives in KSA and South Sudan were either not undertaken or postponed due to regional circumstances, while the ongoing conflict in Sudan also delayed planned activities.

Operation	Target Segment	Progression in 2024
Bahrain	Elderly Community Migrant Workers	In 2024, Zain Bahrain launched a cybersecurity awareness campaign for migrant workers as part of its inclusivity efforts. Using social media and posters in six languages—English, Arabic, Hindi, Tagalog, Urdu, and Bengali—the campaign covered key cybersecurity topics. For the elderly, Zain conducted a cybersecurity session at the Al Hekma Retired Society for 15 participants. The session focused on identifying fraud, protecting online banking information, and verifying identities to avoid scams, equipping attendees with vital online safety skills.
Iraq	Students	In 2024, Zain Iraq hosted three Data Privacy Awareness sessions for 161 female university and high school students in partnership with the University of Information and Communication Technology. The sessions focused on protecting personal information, preventing data leaks, and identifying security risks. Each concluded with a Q&A to assess impact, emphasizing the importance of reporting online blackmail incidents.
Jordan	Humble Expat Workers	30 summer interns working in Zain Jordan's mobile maintenance centers participated in a cybersecurity awareness session to educate them on the significance of data security, providing essential knowledge and skills to safeguard themselves against cyber threats.
Kuwait	Humble Expat Workers	The company offered its first data privacy session to upskill and share knowledge with Zain Kuwait's cleaning and janitorial services that are provided by third-party staff. The session included the following topics data privacy, physical security and information security. 79 participants joined the sessions and stated they benefitted from it.

3. Inclusion:

Under Zain’s Inclusion pillar of its Corporate Sustainability strategy, the company is committed to bridging the digital divide for vulnerable groups, including the elderly, people with disabilities, women, and children. Zain leverages its core services to transform lives and contribute to human and social development. By enhancing connectivity, the company enables access to capacity-building opportunities, fostering individual skill development and strengthening community human capital. Inclusion remains central to these efforts, reinforcing Zain’s social license to operate and its relationship with the communities it serves.

Despite progress, significant gaps persist in access to devices, internet connectivity, and digital skills, even in highly connected regions. According to GSMA, key barriers include affordability, knowledge, relevant content, safety, and accessibility. To address these challenges, Zain established specific targets and KPIs across its markets, providing strategic direction while allowing flexibility to tailor solutions to local contexts.

People with Disabilities:

Zain is committed to empowering people with disabilities (PwDs) by providing tailored services and initiatives that foster inclusivity and accessibility. Below are highlights from selected markets showcasing progress in addressing the needs of the disabled community:

- Zain Bahrain advanced its 'Natawasel' service, the first sign language video call center in government health centers. Developed to prevent medical misdiagnoses for the deaf and hard-of-hearing, Natawasel collaborated with the Bahraini Deaf Society. In 2024, Natawasel expanded its scope by partnering with the General Directorate of Traffic, enabling deaf and mute individuals to address inquiries related to traffic matters. This extension further demonstrates Zain Bahrain’s commitment to removing communication barriers and fostering equal access to essential services.
- In 2024, Zain Jordan's Basma line for the deaf and mute was reactivated, incorporating a new process in call centers to serve individuals more efficiently and informatively. The Basma Line+ was revamped after a focus group of approximately 20 mute individuals met with our commercial and sustainability teams to refine the line’s package details and benefits. The bundle had approximately 300 subscribers in 2024

- In 2024, Zain Kuwait enhanced its PwD bundle, initially launched in 2022, to better address user needs and expand its customer base. As part of this initiative, a "Tech for All" workshop was organized for 15 participants with various disabilities, utilizing the GSMA’s Mobile Internet Skills Training Toolkit. A post-workshop survey revealed interest in follow-up sessions focused on repairing and replacing mobile devices for PwDs. In response, Zain Kuwait is exploring a collaboration with a mobile services reseller to offer these services, which it plans to integrate into its 2025 initiatives for PwDs.
- This year, Zain Iraq supported **97** visually impaired students by providing a monthly 100GB data bundle. This initiative aimed to enhance their access to educational resources on YouTube, helping them prepare for their final school exams

Women in Tech (WiT)

Zain continues to work on expanding the WiT program across its operations, demonstrating a strong commitment to contributing to women’s empowerment in the technology sector and fostering a supportive community.

In 2024, the company successfully launched the fourth round of the program, training 468 participants across five of its operations in Kuwait, Bahrain, Iraq, Jordan, and Saudi Arabia. As the program continues to evolve, each of Zain’s regional operations tailored its timeline and structure to accommodate the increasing number of trainees as shown in the table below.

Year	Total Number of Women Trained
2022	384
2023	408
2024	468

4. Generation Youth:

Zain recognizes the importance of balancing the benefits of digitization with the need to address potential risks, particularly those affecting children. The company collaborates with key stakeholders, including children, parents, caregivers, governments, and child protection organizations, to tackle these challenges comprehensively. Through educational campaigns and partnerships with local entities, Zain strives to raise awareness about responsible online behavior and promote a safer digital environment.

Child Online Safety

Zain is progressing its three-year Memorandum of Understanding (MoU) with Child Helpline International (CHI) to strengthen child helplines across its operational footprint. Now in its second year, the partnership has successfully mobilized, facilitated, and enhanced the effectiveness of these helplines within Zain’s markets.

Operation	Progression in 2024
Zain Bahrain	Zain Bahrain signed an MoU with the Bahrain Helpline Office, to outline the company’s strategic initiatives and create shared value for both organizations. This year, the company is planning to add a chat service on WhatsApp to the helpline’s offerings, enhancing accessibility for all users
Zain Iraq	The initiative is currently on hold awaiting further guidance from the governmental entities.
Zain Jordan	The company continued its renewed five-year partnership with the Jordan River Foundation. As part of the collaboration, Zain Jordan took the initiative to conduct Stress Inoculation Training. Additionally, another training session on Cognitive Behavioral Therapy was held over four days, totaling 50 hours of training. The company also took part in several awareness campaigns on the helpline, which garnered a total of 15900 impressions across its social media channels.
Zain Kuwait	This year, Zain Kuwait partnered with the Kuwait National Child Protection Program (KNCPP) to launch ongoing awareness campaigns focused on safeguarding children’s rights. The helpline’s service quality improved from 50% to 83% with answered calls rising by 13% post-campaign.
Zain KSA	In 2024, Zain KSA raised awareness of the helpline and hosted various events with children to instill the importance of digital safety and responsible online behavior. After hosting several events in public spaces, the company handed out more than 1,100 giveaways to children.
Zain Sudan	Unfortunately, the helpline offices in Sudan were destroyed, prompting the company to take proactive measures to ensure children’s rights. Zain Sudan began contacting various aid agencies to re-establish a helpline in a different region and restart the program.
Zain South Sudan	Child helplines are not available in South Sudan, however, Zain continued to address strategic communications to discuss its establishment with relevant parties in 2024.

Digital Literacy

- Zain Jordan, in collaboration with UNICEF, has been advancing the B12 learning platform, benefiting 24,000 students by improving access to quality education. B12 supports both in-class and distance learning through a modern learning management system that equips schools to meet evolving educational needs. This initiative reflects Zain's commitment to digital transformation, expanding internet access, and fostering societal progress, while strengthening its leadership in the education sector.
- Zain Saudi Arabia (KSA) has partnered with Aanaab and Code School Finland through an MoU to advance digital education and literacy since 2022. This global-local collaboration aims to localize and empower digital education initiatives. To date, the program has trained 700 teachers, benefiting over 28,000 youth. By emphasizing coding skills, the initiative provides certification for teachers who complete the course and equips youth with essential digital competencies, fostering a generation prepared to tackle future challenges in a tech-driven world.

Youth Unemployment

- Zain Sudan launched a vocational training program to decrease youth unemployment and address the displacement caused by political instability in Sudan and equip individuals with practical skills that enhance their employability. Delivered entirely in-person and tailored to market demands, the program offers hands-on training in areas such as mobile phone repair, electronic device troubleshooting, and other technical skills. The program was conducted in collaboration with external partners, the initiative emphasizes sustainable livelihoods and economic resilience. Since its initiation, the program has successfully trained 800 individuals across Egypt and Sudan, preparing participants with the skills needed to secure meaningful employment.
- In 2024, Zain Iraq introduced the MaharaTech competition as part of its efforts to address youth unemployment. Over a period of three months, 30 students from five universities received training in data automation, digital communication, and marketing research while developing tech solutions to tackle challenges in the education sector. The initiative not only enhanced technical skills but also promoted entrepreneurship, empowering participants to build their careers and contribute positively to their communities.

