



Climate Action Transition Plan

August 2025

The Climate Action Transition Plan has been approved by the Zain Group Board of Directors in August 2025

CEO's Message

At Zain, our purpose is to create lasting value for our business, communities, and the planet. Grounded in providing meaningful connectivity, we are equally committed to shaping a sustainable and resilient future for all. Climate change is one of the most pressing challenges of our time and addressing it is fundamental to safeguarding our existence.

Our climate journey is guided by clear principles and robust governance. From our Board of Directors to our Climate Action Committee, we ensure that climate responsibility is integrated into business decisions and execution. With science-based targets validated by the SBTi, we are committed to near-term actions that drive real impact, as well as the achievement of long-term goals.

Our Climate Transition Plan is woven into the way we operate and grow as a business. It shapes decisions at every level, influencing our operations, value chain, and strategic approach to sustainable growth. The plan aligns with the Paris Agreement, the guidance of the IPCC, and the GSMA's Net Zero ambition for the mobile industry.

We recognize that the transition to a low-carbon economy will require bold decisions, investment in cleaner technologies, and close collaboration with partners, regulators, and customers. We are also taking a holistic view by committing to address emissions, nature protection, biodiversity, circularity, and community impact, because lasting and effective transformation will require a comprehensive approach and outlook.

Undoubtedly, we shall face challenges in our chosen direction, but we view this as an opportunity to future-proof our business, create long-term value for our stakeholders, and contribute meaningfully to global climate goals. Through this transition plan and our '4WARD-Progress with Purpose' strategy, we are turning ambition into action one step at a time, decision by decision, across every market we serve.

We invite our stakeholders to join us on this transformative journey.

Bader Al Nasser Al Kharafi

Vice Chairman & Group CEO

Zain Group

Executive Summary

Zain Group's Climate Transition Plan outlines its commitment to achieving **Net Zero greenhouse gas (GHG) emissions by 2050**, in line with the Paris Agreement and GSMA targets. The plan applies to all Zain-controlled entities and is guided by principles of **science-based targets, transparency, and inclusivity**. The Company's climate action governance is led by the Board of Directors, with execution driven by the Group CEO and coordinated by the Climate Action Committee (CAC). Zain's **SBTi-approved targets** include a **42% reduction in Scope 1 and 2 emissions by 2030**, and a **90% reduction in Scope 1, 2, and 3 emissions by 2050**. The plan integrates climate risk assessments, using IPCC and IEA scenarios to identify physical and transition risks and transform them into opportunities through the deployment of **renewable energy, energy efficient solutions, and low-carbon technologies**. While mitigation actions include solar and wind deployment, infrastructure optimization, and future adoption of carbon capture, adaptation focuses on climate-resilient infrastructure and workforce transition support. Circularity and biodiversity are addressed through eco-design, waste reduction, and responsible sourcing. Climate initiatives are embedded in Zain's strategic planning, financial processes, and business cycles, ensuring a resilient and sustainable transition to a low-carbon economy.

Zain' Transition Plan

1. Introduction

Zain's climate transition plan is an integrated approach to the transformative journey that will take the Company to a Net Zero GHG state by 2050. It reiterates Zain's commitment to address its impact on the climate by consistently aligning its efforts with the GSMA's commitment to move the entire mobile industry to a Net Zero economy and aligning with what science says is required to achieve Net Zero by 2050.

2. Applicability

The plan is applicable for Zain Group, Zain's operating companies, subsidiaries, and entities where Zain has management control.

3. Guiding Principles

This climate transition plan is built on the guiding principles of completeness, effectiveness, responsibility and accountability. This demonstrates Zain's commitment to systematically integrating climate actions in its value chain activities for a consistent and transparent transition to a Net Zero economy. The guiding principles include but are not limited to:

- Ensuring that the plan is aligned with the guidelines of IPCC (Intergovernmental Panel on Climate Change) and the Paris Agreement for keeping global warming to 1.5°C compared to pre-industrial levels

- Relying on science-based targets to measure the effectiveness of climate actions for achieving Net Zero by 2050
- Setting ambitious, measurable and transparent near-term and long-term climate goals
- Building a strong governance model that transparently highlights board and management levels oversight and sets accountability for climate related issues
- Ensuring an inclusive transition to a low-carbon economy, safeguarding the needs of employees and communities.
- Creating the right skills and uplifting programs to instil green transition knowledge and mindset
- Engaging with all stakeholders including but not limited to employees, suppliers, partners, customers, investors and policymakers to align needs and expectations
- Working with local authorities to influence the decarbonization of commercial power and the creation of laws that incentivize climate actions
- Assessing physical and transition risks and identifying climate-related opportunities for a complete integration with the corporate risk management process
- Protecting and preserving nature and biodiversity, promoting circularity and reducing water consumption for a sustainable transition
- Building resilience against climate change by adapting to floods and temperature increases where applicable
- Using internal carbon pricing to incentivize and promote the deployment of low emission technologies and increase the share of revenue from low-carbon products and services

4. Climate Transition Plan

4.1 Governance Model

All of Zain's policies are approved by Zain's BoD before implementation and publication. The Climate Change Policy and its related Climate Change Compliance Framework that set the strategic direction of achieving Net Zero emissions by 2050 are approved by the Board. The Net Zero transition plan includes the list of energy saving initiatives, emission reduction targets, the Capex required and the resulting Opex savings, which are all integrated into the Company's overall business plans and budgets. These plans and budgets are reviewed yearly and submitted to the Board for approval. The Board ensures that those plans are aligned with its long-term Net Zero goal and near-term emission reduction targets. The Company's emissions targets are officially validated and approved by the Science-Based Targets initiative (SBTi). Zain Group's Vice Chairman and Group CEO is responsible for driving the Company's strategy and performance including the Net Zero transition plan and strategy. As the Group CEO, he ensures that physical and transition risks as well as climate change-related opportunities resulting from the deployment of energy efficient technologies are quantified and included in the business plan and budgets. The daily management and control of climate change-related issues including but not limited to the implementation of emission reduction initiatives, the management of physical and transition risks, the maximization of climate-related opportunities, and the monitoring of the Company's performance against its climate targets are delegated by the Vice Chairman and Group CEO to the Climate Action Committee (CAC) co-chaired by the Chief Sustainability and Chief Technology Officers. The CAC comprises all Group functions with clearly defined roles and responsibilities for climate change related issues. The CAC provides the BoD quarterly updates on the Company's progress against its climate change mitigation and adaptation targets.

4.2 Targets

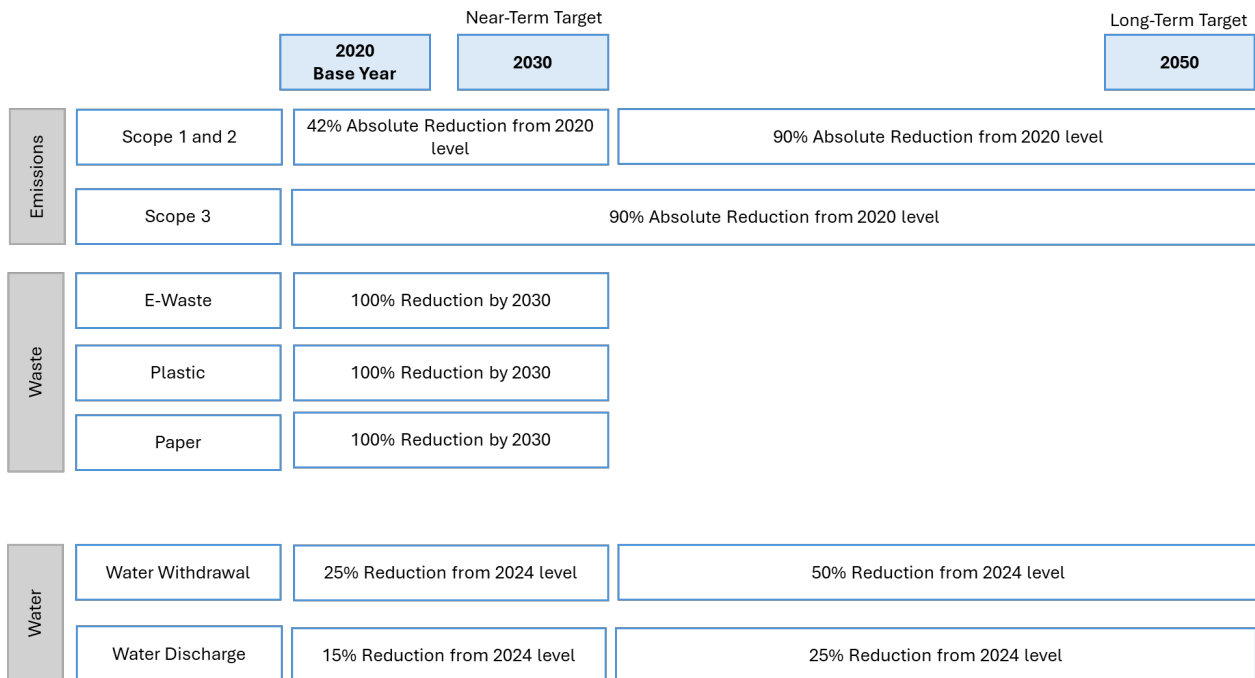
Zain uses the Greenhouse Gas Protocol guidelines for its emissions' inventory. The boundary covers all entities that are under the operational control of Zain. Our emissions inventory process is assured by an external auditor. The targets are tracked across each operation monthly. Zain's approved science-based targets are as follows:

- **Overall Net-Zero Target:** Zain commits to reaching net-zero greenhouse gas emissions across the value chain by 2050.
- **Near-Term Targets:** Zain commits to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a base year of 2020.
- **Long-Term Target:** Zain commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2050 from a base year of 2020.
- Zain also commits to reducing absolute Scope 3 GHG emissions by 90% within the same timeframe.

Table1: Emissions targets

Type of Targets	Scopes / Targets	2020	2030	2050
Absolute / 1.5°C	Scope 1 emissions (t CO2e)	401,370.94	232,795.14	52,178.22
	Scope 2 emissions (t CO2e)	730,328.98	423,590.81	94,942.77
	Scope 1 + Scope 2 emissions (t CO2e)	1,131,699.92	656,385.96	113,169.99
	Reduction Targets		42.0%	90.0%

Figure1: Climate Targets



4.3 Risks and Opportunities

Scenario Analysis: Zain performs climate change scenario analysis using IPCC physical scenarios namely the SSP1-1.9 known as the sustainability scenario aligned with the 1.5°C goal, the SSP2-4.5 known as business-as-usual scenario, and the SSP5-8.5 known as fossil fuel development scenarios. The data obtained from the CMIP6 climate models' generator are considered for the projection of temperature and precipitation at the horizon of 2030 and 2050. For transition risks, Zain uses the IEA NZ2050 scenario.

Risks: Physical and transition risks are considered in Zain's Risks universe as defined in the Company Risk Management Policy. Based on our risk identification and management process, temperature increase is identified as a physical risk because of its possible impact on cooling energy consumption which would lead to increased energy costs. Changes in precipitation patterns are found to be another physical risk that will pose adaptation challenges to our Operation in South Sudan. Increases in fuel and electricity tariffs are found to be transition risks on our business based on historical trends and the prospect of a lift of subsidies on energy prices in the markets where we operate.

Opportunities: Zain transforms the identified physical and transition risks into opportunities by implementing renewable power and deploying energy efficient production equipment where feasible and viable to reduce Opex.

4.4 Climate Action

Mitigation: In the short term, Zain will focus on two main initiatives to cut its emissions: the deployment of onsite clean energy sources such as solar and wind power solutions, and the optimization and simplification of all the production systems as well as headquarters and office buildings facilities. In the medium and long term, Zain will consider the deployment of solar farms and the use of power purchase agreements (PPAs) where and when feasible. Zain will also consider the use of Artificial Intelligence (AI) to optimize the energy consumption of its network infrastructure. Energy efficiency is a key criterion of the evaluation of products, services and equipment sold to Zain. Zain will consider carbon capture and storage solutions as a supplement to remove residual emissions.

Adaptation: Zain will build resilience to climate change by deploying more robust infrastructure and temperature resistant equipment. Zain will ensure an inclusive transition that takes care of the impact of the transition to a low-carbon economy on employees and communities and create the right skills uplifting programs to instil green transition knowledge and mindset

Zain will balance mitigation and adaptation to create more value for its shareholders while minimizing its impact on the environment.

4.5 Strategy

Zain follows the ICT sectoral decarbonization pathway which is aligned with the SBTi guidelines for achieving Net Zero by 2050. Zain's climate transition plan is aligned with the company's 4WARD strategy and is embedded across its financial planning processes, and business plan cycles. Mitigation and adaptation initiatives as well as the quantification of their related Capex, Opex savings and emission reductions are integrated into the Company's 5-

years business plans which are updated every year. Zain uses the results of climate risks and opportunities analyses as well as scenarios analysis to inform its long-term strategic plans to ensure that the Company builds resilience to climate change.

4.6 Circularity

Zain's circularity approach is based on compliance with international waste management best practices, the collaboration with suppliers and partners to implement eco-design principles, the extension of the lifetime of equipment through reuse, repurpose, repair, recycle, and the proper disposal of waste as a last resort. The objective of Zain is to eliminate all forms of waste in its entire value chain.

4.7 Biodiversity

Zain's climate transition plan includes an analysis of the impacts of the deployment and operation of its infrastructure on nature and biodiversity and the identification of potential issues such as community impacts, land rights and use, supply chain, and protected areas. Zain will ensure that requirements for nature and biodiversity conservation are included in the sourcing of raw materials needed for the manufacture of products sold to the company, and that these materials can be traced back to their source.