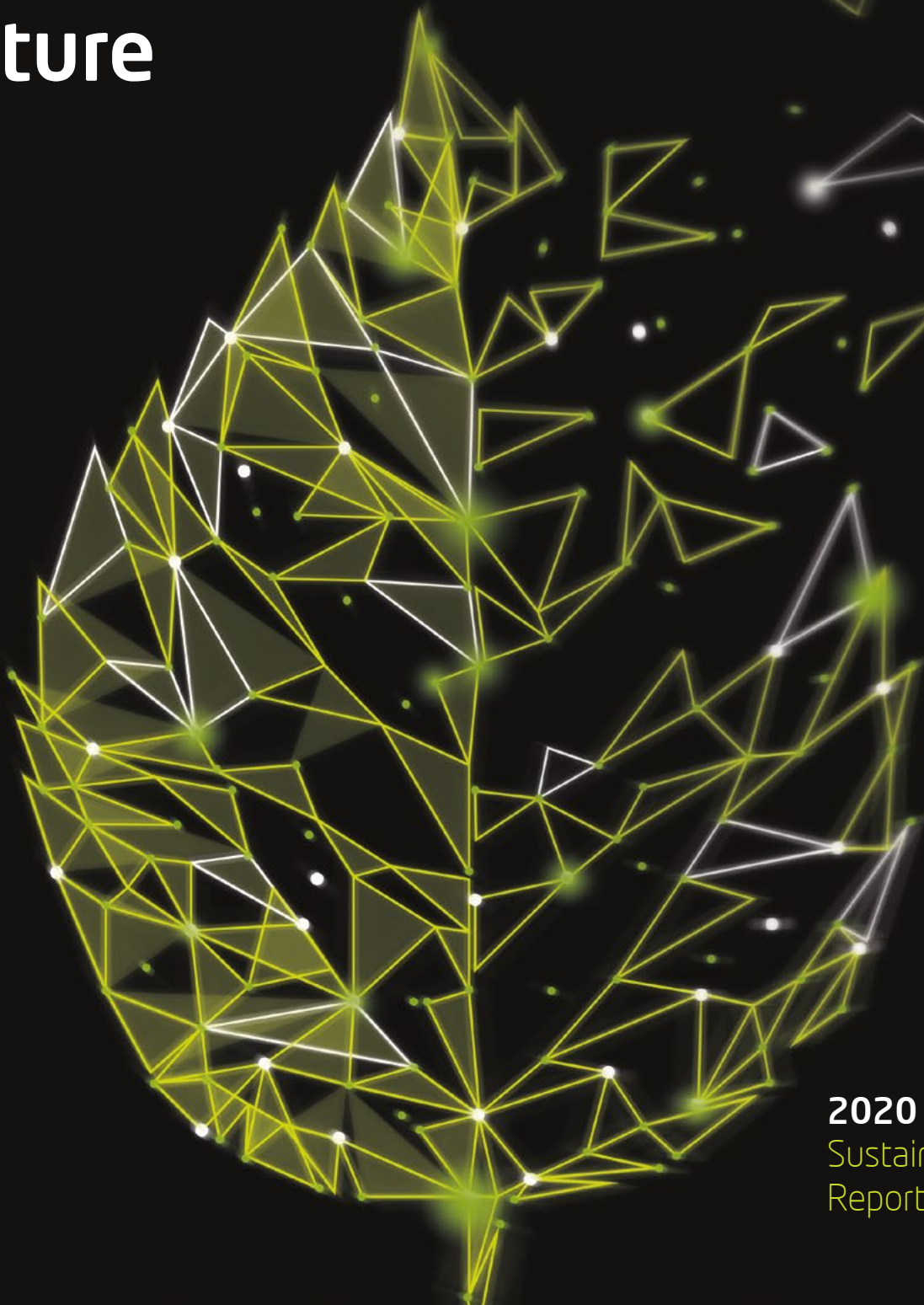


Together Towards a Sustainable Future



2020
Sustainability
Report

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Etisalat IS THE *Fastest* mobile network on Earth

A historic milestone for Etisalat and the UAE, and one step closer towards our leadership's vision of a digital tomorrow.

Based on analysis by Ookla® of Speedtest Intelligence® data Q2-Q3 2020

About this Report

Welcome to Etisalat's sustainability report encompassing our United Arab Emirates (UAE) operations for the calendar year 2020. This report demonstrates Etisalat's commitment to sustainable development highlighting the economic, environmental, and social performance.

This report has been prepared in accordance with the GRI Standards: Core option. We report on the topics that are most material to our business and stakeholder groups. It has successfully completed the GRI's Materiality Disclosure Service. To view the GRI content index, please refer to Appendix B.

We welcome your feedback on this report and our performance. Feel free to email us at: sustainability@etisalat.ae

Cautionary Message

This report contains forward-looking statements that express the way in which Etisalat intends to conduct its future activities. These statements may include terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that express certain actions that may be taken in the future. Etisalat has made every effort to ensure the report is as accurate and truthful as possible. However, by their nature, forward-looking statements contain inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond Etisalat's ability to control and therefore, do not represent a guarantee that events implied in these forward-looking statements will actually occur.



Chairman Message

The COVID-19 pandemic has shown the pressing need for robust digital infrastructure and reliable connectivity to build resilient societies; allowing millions of people to work, buy, socialise, access medical care, and learn, all without leaving their homes.

Etisalat's 2020 Sustainability Report will highlight how the company has been a catalyst for other sectors and foundational in building resilience of communities across operating markets, hence, driving sustained business growth.

We believe in the positive impact that technology can bring and strive to adopt technologies that ensure long-term benefits to our environment and the climate. Sustainability remains at the core of our strategy and operations. In this report we showcase our strategic direction aligned with UAE Vision 2021 and the United Nations Sustainable Development Goals (UN SDGs). Our sustainability framework directs our efforts towards maximising the telecommunication sector's contribution to national and global sustainable development objectives.



On the other hand, our 2020 financial results were a testament of resilience and agility, we have adapted to the new normal and were able to envision a new future with various opportunities, hence, setting the company on a growth track and ensuring sustainable value creation to all stakeholders.

Moving forward, I am confident that we will continue to play a major role in the new world; we are committed to providing safe, efficient, and environmentally responsible ICT services, and will always strive to preserve the planet for future generations by lending the power of technology for the greater benefit while maintaining sustainability goals as a guiding compass.

Jassem Mohamed Alzaabi
Chairman – Etisalat Group

Group CEO Message

2020 will be seen as a defining year in history, with the pandemic making it clear that telecom and digital technologies have had a profound impact on societies across the globe.

With the world beginning its recovery from the pandemic, it will be essential to do so in a manner that creates the jobs of the future, builds strength to face all crises, restores nature and leaves no one behind. The 2020 Sustainability report focuses on the accomplishments and efforts to support all segments of the society in the face of uncertainty, hence, affirming Etisalat's position as a world class telco.

Sustainability is at the core of everything we do. We strive hard to operate responsibly and transparently by living our inspiration 'Together Towards a Sustainable Future'. Our strategic framework focuses on five key pillars of accountable business practices, marketplace and customers, connecting communities, environmental management, and our people. Our sustainability plans and efforts are aligned to support the ambitious goals of UAE Vision 2021 and the United Nations Sustainable Development Goals as well as our commitment to the GSMA initiative to move the entire mobile industry to net zero carbon emissions by 2050. Our sustainability commitment predicates upon the principle that technology can help solve the biggest challenges and promote a true digital culture that provides everyone with access to services that improve the quality of life.

Digital transformation plays a key role and has always remained at the core of our strategy encompassing a



broad spectrum of initiatives. This includes the new cloud-based products and services, the enhancement and development of our digital channels and automation of internal as well as customer-facing processes through the adoption of Robotic Process Automation (RPA) or Artificial Intelligence (AI) driven platforms. Our position has allowed us not only to achieve our vision of digitalising and empowering communities, but also ensuring sustainability throughout our endeavours. 5G will be a new cornerstone for building a digital society bringing a new era of digital economy providing new solutions to challenges faced by all mankind in the pursuit of sustainable development and value creation.

Thanks to our stakeholders including employees, customers and shareholders for their support and trust in our transformation journey of resilience and change. Looking onto the next year, we hope for a prosperous future for humanity and for our planet.

Hatem Dowidar
Chief Executive Officer – Etisalat Group

01

About Etisalat

Corporate Profile

Etisalat Group is one of the world's leading telecom groups in emerging markets. With consolidated net revenues at AED 51.7 billion and consolidated net profit of AED 9.0 billion for 2020. Its high credit ratings reflect the company's strong balance sheet and proven long-term performance.

Headquartered in Abu Dhabi, Etisalat was established over four decades ago, in the UAE as the country's first telecommunications service provider. An international blue-chip organisation, Etisalat Group provides innovative solutions and services to 154 million subscribers in 16 countries across the Middle East, Asia, and Africa.

OUR CHARTER

OUR VISION

Our vision to 'Drive the Digital Future to Empower Societies' is inspiring and guiding us in the transition from a traditional telecom operator into an integrated digital solutions provider. This is enabling us to fortify a leading position in the industry by working towards achieving the following goals:



Reshaping the lives of consumers.



Accelerating the economic growth of businesses.



Enhancing the competitiveness of the countries in which Etisalat operates.

To realise this vision, we continue to execute against four balanced strategic imperatives that align the strategic direction of all operating companies by taking full advantage of growth opportunities going forward. Our four strategic imperatives are defined as follows:

MAXIMISE VALUE OF THE CORE BUSINESS



Defend the core and stimulate growth through innovation and premiumisation

GROW DIGITAL/ ADJACENT SERVICES



Scale up priority adjacencies via organic and inorganic investments

BECOME AN AGILE, DIGITAL AND EFFICIENT GROUP



Sustain long term value creation via a lean, future proof operating model across Etisalat Group

EXPAND AND OPTIMISE PORTFOLIO



Fully leverage scale economies of the Group and enrich value contribution across the footprint

OUR VALUES



EMPOWERMENT

Enabling people to take ownership, be motivated, act appropriately to achieve the defined organisational, group and team objectives



AGILITY

Being able to respond quickly by adapting to, and working in, a variety of situations with diverse individuals and groups



COLLABORATION

Cooperating across organisational levels and unit boundaries, recognising and adapting to different ways and styles of working to achieve goals



CUSTOMER CENTRICITY

The willingness and ability to give priority to customers, delivering high-quality services and providing a great end-to-end customer journey that exceeds their expectations

AWARDS AND RECOGNITION 2020

During 2020, Etisalat was recognised with the following awards and achievements:



**STRONGEST
BRAND IN MEA**



**MOST VALUABLE
TELECOM BRAND
PORTFOLIO
IN MEA**



**MOST VALUABLE
CONSUMER
BRAND IN THE
UAE**



**WORLDS
FASTEST
MOBILE
NETWORK**

**ETISALAT WAS RECOGNISED
AS THE FASTEST MOBILE
NETWORK IN THE WORLD,
BY OOKLA, THE GLOBAL
AUTHORITY ON MEASURING
NETWORK SPEEDS.**

Etisalat continued its brand value growth in UAE and across the Etisalat brand portfolio (touching 11 billion USD) and receiving recognitions such as 'Most Valuable Consumer brand in MENA region' three years in a row, 'Most Valuable Telecom brand in MENA region' four years in a row, 'Most Valuable Telecom portfolio brand in MENA region' four years in a row.

Etisalat UAE, for its efforts in HR, was recognised as having the 'Best Employee Engagement Strategy', 'Best Innovative L&D Initiative' and Best Executive & Learning Development Programme' by Future Workplace.

Etisalat UAE was recognised as the leading wholesale player in the region by being awarded 'The Best Regional Wholesale Carrier' by Telecoms World.

Etisalat UAE was recognised as the 'Best Middle Eastern Wholesale Operator', 'Best Middle East Operator' and won the Leader Merit Award for 'Industry CEO of the Year' by Telecom Review.

Etisalat received the Frost & Sullivan 2020 UAE Data Centre Services Industry 'Company of the Year' Award.

Etisalat was also recognised by winning the 'Best AI advancements' Award by Telecom World Middle East.

Memberships

- ▶ CEB Global Limited
- ▶ European Telecommunication Standards Institute
- ▶ FTTH Middle East and North Africa FZ LLC
- ▶ First.Org, Inc.
- ▶ Foundation for the Global Compact
- ▶ Gartner Gulf FZ-LLC
- ▶ Global System for Mobile Communications Association (GSMA)
- ▶ Information Systems Audit and Control Association
- ▶ Institute of Risk Management
- ▶ Internal Auditors Association
- ▶ International Telecommunication Union
- ▶ Pacific Telecommunications Council
- ▶ SAMENA Telecommunication Council
- ▶ United Nations Global Compact (UNGC)

02

SUSTAINABILITY

Sustainability is at the core of everything we do. We strive hard to operate responsibly and transparently by living our inspiration for 'Together Towards a Sustainable Future'. We are committed to having a positive impact on our communities, while at the same time maintaining sustainable success.

We are embarking on a progressive roadmap to monitor, benchmark and continuously enhance our economic, environmental, and social performance.

Stakeholder Engagement

Understanding the views and concerns of Etisalat's diverse stakeholders informs our business practices and corporate priorities. We regularly engage our key stakeholder groups, represented in the diagram below, to help shape and drive our sustainability strategy. Through various communication channels we listen and seek feedback from the stakeholders who are affected by our business.



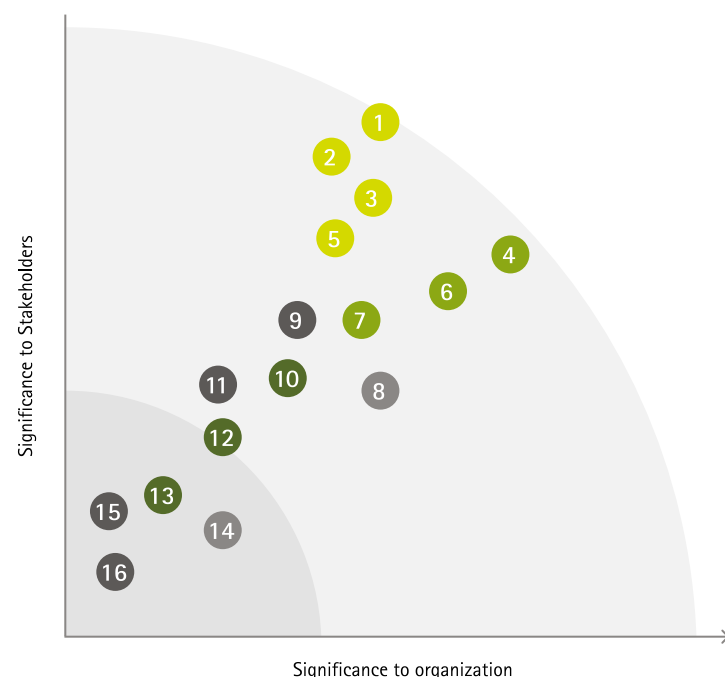
Materiality Assessment

We continuously seek to identify and respond to existing and emerging global and regional matters that present risks as well as opportunities for our business and key stakeholders. To identify key material issues, we:

1. **Identify** a list of potential material issues through desk-based research, including a review of peer companies, industry standards and employee interviews.
2. **Prioritise** stakeholders (both internal and external groups) and topics to rate material issues in terms of their perceived importance.

3. **Review** results internally within Etisalat management and the sustainability team. This review ensures the list of material issues captures and is inclusive of all stakeholder perspectives.

In 2019, we reviewed our material topics and refined them to ensure they accurately reflect our understanding of the significance of each topic in terms of significance to stakeholders and significant to organisation. Reporting on our priority material topics has continued for 2020. The findings of our materiality assessment are presented in our materiality matrix.



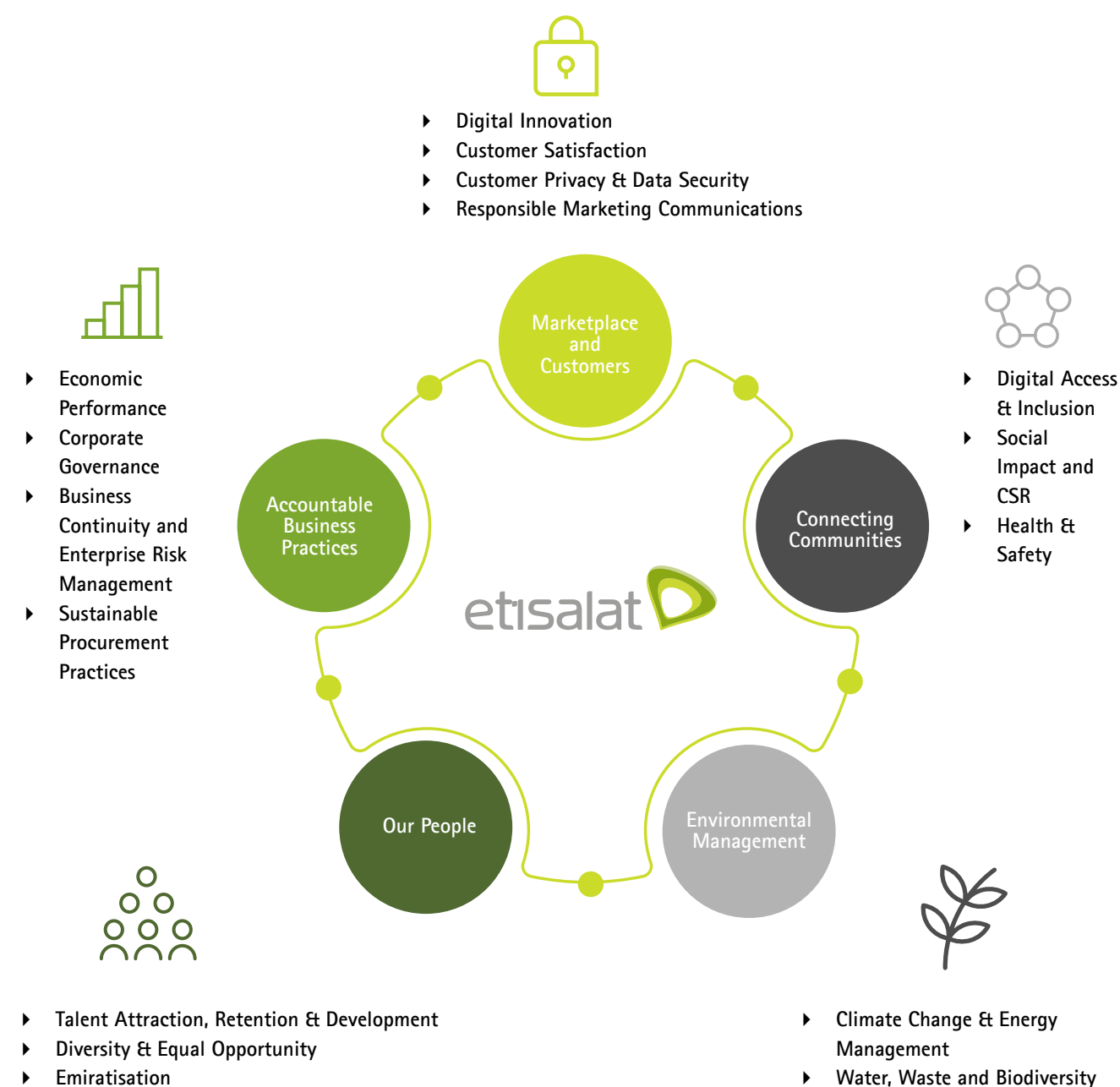
#	MATERIAL TOPIC	PRIORITY
1	Customer Privacy and Data Security	More Important
2	Customer Satisfaction	More Important
3	Responsible Marketing Communications	More Important
4	Economic Performance	More Important
5	Digital Innovation	More Important
6	Corporate Governance	More Important
7	Business Continuity & Enterprise Risk Management	More Important
8	Climate Change and Energy Management	More Important
9	Digital Access and Inclusion	More Important
10	Emiratisation	More Important
11	Health and Safety	More Important
12	Talent Attraction, Retention, and Development	More Important
13	Diversity and Equal Opportunity	Important
14	Water, Waste and Biodiversity	Important
15	Social Impact and CSR	Important
16	Sustainable Procurement Practices	Important

Sustainability Framework

To conceptualise sustainability, we rely on our sustainability framework for defining and managing our environmental, social, and economic impacts. Our framework has five key pillars: Accountable Business Practices, Marketplace and Customers, Connecting Communities, Environmental Management, and Our People. We believe that an effective framework,

supported by progressive improvement programmes, will help us achieve our strategic business objectives.

This report provides our disclosure and progress against each of these areas. We have grouped our material topics into the five pillars of Etisalat's sustainability framework:



Alignment to Standards

As one of the largest telecom companies in the region, we recognise our role in the industry to deliver meaningful contributions to national and international standards and sustainability priorities, including the GRI, SASB, UAE Vision 2021 and the UN SDGs. We have aligned our sustainability plans and efforts to support these ambitious goals. We do this to ensure sustainable development of a robust economy and a motivated society.

OUR CONTRIBUTION TO THE SDGs

3 GOOD HEALTH AND WELL-BEING 	ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES	10 REDUCED INEQUALITIES 	REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES
4 QUALITY EDUCATION 	ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL	11 SUSTAINABLE CITIES AND COMMUNITIES 	MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE
5 GENDER EQUALITY 	ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS
7 AFFORDABLE AND CLEAN ENERGY 	ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL	13 CLIMATE ACTION 	TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS
8 DECENT WORK AND ECONOMIC GROWTH 	PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION	17 PARTNERSHIPS FOR THE GOALS 	STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT



OUR CONTRIBUTION TO THE UAE VISION 2021



Sustainable
Environment and
Infrastructure



Competitive
Knowledge
Economy



03

MARKETPLACE
AND CUSTOMERS

OUR AMBITION

Etisalat is committed to accelerating digital innovation in the marketplace towards a more sustainable economy. Through sustainable digital innovation, we aim to meet stakeholders' evolving needs and enable them to achieve their goals.

MATERIAL ISSUES COVERED

- Digital Innovation
- Customer Satisfaction
- Customer Privacy & Data Security
- Responsible Marketing Communications

2020 PERFORMANCE HIGHLIGHTS

- Introduced the AI-powered virtual agent, which achieved a 71% success rate in handling end to end transactions.
- Achieved a total of 300,000 users registered on the Etisalat Consumer Mobile App, 321,000 users registered on the Etisalat Business Mobile App and 25,783 active users on B2B Portal in Dec 2020.
- The Smiles App exceeded two million unique users.
- Zero actual cyber-attacks and data breaches since 2018

SUSTAINABLE DEVELOPMENT GOALS



UAE VISION 2021 PILLARS



Digital Innovation

Digital transformation is at the core of our strategy and encompasses a broad spectrum of initiatives, including new cloud-based products and services, the enhancement and development of our digital channels and the transformation and automation of internal as well as customer-facing processes through the adoption of Robotic Process Automation (RPA) or AI-driven platforms. Digital channels such as mobile apps, websites or customer portals will continue to play a major role in both distribution channels and the maintenance of our brand relevance.

DIGITAL OPEN
INNOVATION CENTRE

In 2020, the Etisalat Digital Open Innovation Centre continued to serve as our key sales enabler and saw many achievements over the year. It was one of the first locations in which customers could experience 5G through holographic communications, and the Etisalat Video Cloud Platform was displayed for the first time. During the Etisalat Innovation Month in February, we invited several universities and organisations to explore innovation in today's business environment. In March 2020, we shifted the experience to a virtual digital online platform, due to COVID-19 pandemic.

The Etisalat Digital Open Innovation Centre received

180 visits in 2020, of which 77% were virtual tours, and 27% were returning customers. Since opening in 2018, we have received a total of 812 customers of which 63% of visitors were C-level executives during 2020. Overall, the centre has received positive feedback of 4.9 out of 5, demonstrating the interest on the platforms and initiatives/technologies showcased.

DIGITISATION

DIGITAL CUSTOMER CARE

Our plan is to digitise traditional human-supported customer care channels with AI-Driven Virtual Assistant Bots, Self Help Etisalat Mobile App and "Be-Proactive" channels.

AI- DRIVEN VIRTUAL ASSISTANT BOTS

In 2020, we introduced the AI-powered virtual agents, whereby 100% of the Small and Medium Enterprises (SME) segment customer's calls, as well as consumer segment calls, engineering, and Central Information Technology (CIT) related calls, were handled by a virtual

agent. In 2020, the virtual agent achieved a 71% success rate in handling end to end transactions, and as such the number of calls transferred to a live agent reduced by over 18%. The Etisalat AI-powered virtual agent is capable of handling 1.5 million transactions on monthly basis.

ROBOTIC CENTRE OF EXCELLENCE

Innovation is embedded in our operations and is an integral element in providing a digital experience to the consumer. Etisalat's Robotic Centre of Excellence is aimed at delivering a wide variety of automated solutions to boost efficiency and improve productivity leading to greater customer satisfaction.

The centre currently has 141 robots, compared to 122 in 2019, which have saved over 171,000 manhours. The introduction of robotic process automation is part of Etisalat's endeavour to drive the digital future and empower society in line with the UAE Vision 2021.

As we move further into the digital age, there is a growing need to turn towards emerging technologies to streamline operations and inject greater efficiency into our business processes. The opening of Etisalat's Robotic Centre of Excellence addresses the evolving needs of our customers, with robotic process automation services improving overall efficiency, speed, and accuracy of our back-office teams, with the aim of further enhancing customer satisfaction.

Robotic process automation releases back-office agents from repetitive, mundane tasks to concentrate on high value activities that cannot be robotised. Software robots are supporting back-office agents to complete repetitive tasks 70% faster.

DIGITAL SOLUTIONS

The COVID-19 circumstances have heightened the demand for digital solutions across various areas of businesses and processes. In 2020 we launched a series of tools and services to cater to the market demand and provide means to ease activities and processes through digitisation efforts.

ETISALAT BUSINESS MOBILE APP, CONSUMER MOBILE APP, BUSINESS TO BUSINESS (B2B) PORTAL AND CONSUMER WEBSITE

We continued to digitally transform the end-to-end customer experience in the Etisalat Business Mobile App. This includes digitisation of processes, product integration, and new features within the app. The App has an integrated Central Feedback Management system, with a rating above 4.6 on Google Play and Apple Store.

Through our self-serve options our customers can control their usage and consumption of data and minutes as well as set limits and data caps. We also made digital payments the preferred channel for our customers due to the introduction of friendlier billing and payment options.

In our drive to inform our customers on the self-care options available to them, we encourage the use of alternative channels such as the B2B Portal, Etisalat Business Mobile App, and the Etisalat Consumer Mobile App. Upon assisting customers with their needs, our Call Centre Agents educate the customers on the self-care features available to them online and encourage them to use these services.

By 2020, we achieved a total of 300,000 users registered on the Etisalat Consumer Mobile App, 321,000 users registered on the Etisalat Business Mobile App and 55,000 new users on the B2B Portal. Each year, we continue to enhance the functionalities of the Consumer

digital channels. Our emphasis has been on driving online sales, which has showed a remarkable increase of more than 100% compared to the previous year. In 2020, we launched the "Online is Better" awareness campaign, which highlighted the benefits of Etisalat's digital channels that enable customers to avail a wide range of services including promotional discounts and deals. For information regarding our customer care digitisation efforts, refer to [Digitisation](#)

DIGITALISATION AMIDST COVID-19

In 2020, the acquisition of digital and cybersecurity assets increased, in response to customers' needs during the lockdown. This improved Etisalat's digital capabilities, which will eventually lead to new digital offerings. We are also investing in AI tools and data analytics to improve business operations and increase organisational agility.

The demand for digital solutions, data centres and cloud computing increased for both corporate and government entities. We are leveraging our existing capabilities and broadband connectivity to provide more comprehensive solutions to these segments.

As part of our digitisation efforts, we have set the following targets to achieve by 2021:

- 55% of orders raised via our digital channels.
- 90% of digital payments allocation.
- 35% reduction in calls landing to agents by implementing digital self-serve options.



CLOUDTALK MEETING PLATFORM

Due to the high demand for teleconferencing and videoconferencing tools, we launched the CloudTalk Meeting platform which provides completely secure virtual meetings and online collaboration sessions. During these unprecedented times, the platform aims to help companies maintain business continuity by collaborating from any device, location, and network in the country. It also enables business operations to remain uninterrupted with CloudTalk's unlimited video conferencing feature and online collaboration sessions.



BUSINESS EDGE

In 2020, we also launched Business Edge, which is an innovative and adaptable platform offering a variety of essential products and services such as smart connectivity tools, communication and collaboration mechanisms, office productivity tools, security and analytics, business devices for employees, and digital marketing solutions, which are all designed to strengthen the various aspects of any business.



TELEMEDICINE PLATFORM

We introduced a cloud-based Telemedicine Platform which provides solutions by integrating essential functions within a patient-doctor journey, such as secure video, audio, and chat over internet protocol to support the entire workflow from patient registration, appointment booking, payment collection and remote medical consultation. American Hospital, one of the leading hospitals in the region was the first to utilise the platform hosting more than 2,000 teleconsultations with more than 100 doctors activated to date.



MALAFFI SOFTWARE-DEFINED NETWORKING IN A WIDE AREA NETWORK (SDWAN)

Malaffi is the region's first health information exchange platform that safely and securely connect all public and private healthcare providers across the Emirate of Abu Dhabi. Malaffi enables healthcare facilities and professionals to access and share patients' medical information to significantly improve patient care. Etisalat has taken up the ambitious task of connecting 2,000 clinics in Abu Dhabi on a single SD-WAN fabric.



ETISALAT CLOUD EXPRESS

We pioneered the Etisalat Cloud Express which is a secure private connection between the customer's corporate network and their public clouds, in partnership with Amazon Web Services and Microsoft Azure. The service enables secure transfer of critical data and select a preferred public cloud service provider with a variety of connectivity options from Etisalat to build a high-speed hybrid network for businesses.



UAE TRADE CONNECT (UTC)

We introduced UTC, a trade finance platform to address the risk of double financing and fraud across the UAE. The joint venture currently includes eight local banks, including Abu Dhabi Islamic Bank (ADIB), Commercial Bank International (CBI), Commercial Bank of Dubai (CBD), Emirates National Bank of Dubai (NBD), First Abu Dhabi Bank (FAB), Mashreq, National Bank of Fujairah (NBF) and National Bank of Ras Al Khaimah (RAKBANK) to develop a new blockchain based trade finance solution.



AMAZON WEB SERVICES (AWS) DIRECT CONNECT PARTNERSHIP

Etisalat has partnered with AWS to offer secure and private connectivity to customers for accessing Direct Connect in the UAE region. Businesses in the UAE can now transfer critical data directly to the cloud using AWS Direct Connect from their data centre or colocation environment and bypass the public internet. As AWS is the key enabler of hyper-scale computing, Etisalat's customers will experience an optimum level of throughput performance and high availability when using AWS Cloud. Etisalat will deliver high-speed, dedicated connectivity ensuring low-latency, consistent network experience, and robust security for customers.



SMILES APP

The Etisalat Smiles App is a powerful loyalty programme offering reward points, discounts and deals across a wide range of brands and outlets from categories like Dining, Shopping, Travel, Wellness, Entertainment as well as Telecom services. Our ambition is to make the Smiles App the most widely used lifestyle application in the UAE. To achieve this, we launched a block-chain powered rewards exchange feature enabling customers to keep track of their loyalty points and exchange points between one another. As of the end of 2020, the Smiles App exceeded two million unique users and has continued to expand its reach with over 1,000 partners across 4,000 different outlets in the UAE.

Customer Satisfaction

We work tirelessly to meet and exceed our customers' expectations. We are always striving to improve and simplify our processes to serve customers better, provide multiple channels for convenient access to services, and attend to customer needs in a timely manner.

Our Customer Experience (CX) Committee is dedicated to enhancing customer experience. Etisalat Chief Executive Officers (CXOs) serve on the committee which annually reviews customer related projects, known as Go to Market (GTM). We set targets against key performance indicators (KPIs) related to customer segments, customer touch points and processes and systems and technologies to continually improve our performance and the satisfaction of our customers.

In the year 2020, the CX committee and GTM has focused on the digital transformation initiatives to introduce a wide range of products and services on Etisalat's digital channels that can be provisioned on an end-to-end basis. This allows us to monitor trends related to customer experience and satisfaction and develop strategic plans to ensure that we meet and exceed our set targets.

CUSTOMER SATISFACTION (%)

Customer Satisfaction (%)	2018	2019	2020
TRIM Score	91	101	102
Retail Satisfaction	4.09	4.07	4.24
Number of First Call Resolutions	83.2%	82.5%	83.7%

To ensure our offerings address our customers' needs, the Etisalat Product Marketing team consistently analyse global telecom trends, customer usage behaviour and sales performance analytics to design and

SMART STORES

Our Smart Store initiative has digitally and ergonomically transformed existing stores and those opening in new locations across the UAE. Since its launch, it has focused on offering customers a more personalised experience whilst improving the quality services. In 2020, our aim was to provide a brand-new retail experience with a strong focus on self-service to ease the convenience for our customers. In 2020, we enhanced the digital capability of our smart stores to allow for automated Subscriber Identity Module (SIM) replacements, and the generation of new prepaid lines, digitally.

Our next generation digital concept stores incorporate multiple digital touchpoints, empowering customers to explore and subscribe to Etisalat products and services. These stores allow our customers to undertake end to end transactions digitally, while enjoying a unique shopping experience via our latest digital touch points. Turning the store from its traditional common setup of fixed counters into a totally new experience built on mobility is a real breakthrough in telecom retail industry and breaking the traditional boundaries. In 2020, we opened 10 new digital stores across the UAE.

update new and existing features. Sales representatives undergo regular training to ensure that best practices are followed and implemented.

At the Etisalat customer-facing channels such as sales agents are trained to explore customer needs and requirements before recommending the best-fit product or service. The Etisalat Customer Journey guidelines aid sales agents by utilising the Sales Excellence 5-point framework, which aims to provide an effective and efficient customer experience. This requires sales agents to be completely transparent when they discuss key terms and conditions with customers.

We deploy a "Customer Feedback Management System" which measures customer satisfaction across customer care, sales, digital and self-serve channels, and technical performance. Feedback can be collected via SMS,

Etisalat Business Mobile App, email and/or our company website. All customers are invited to participate in the survey and share their feedback.

Each year, we continue to enhance the functionalities of our digital channels. Our emphasis has been on driving online sales, which has showed a remarkable increase of more than 100% compared to the previous year. In 2020, we launched the "Online is Better" awareness campaign, which highlighted the benefits of Etisalat's digital channels that enable customers to avail a wide range of services including promotional discounts and deals. For information regarding our customer care digitisation efforts, refer to [Digitisation](#).

Our customer satisfaction is measured by TRIM Scores and the Retail Satisfaction Score. TRIM is a satisfaction tool that measures organisational performance and customer preference in terms of index points. Our TRIM Scores have shown consistent improvement year on year, with the 2020 scores being higher than 2019 by 1%. The retail satisfaction score refers to the customer satisfaction across the Etisalat retail stores. It is also captured on a 5-point scale (extremely dissatisfied to extremely satisfied). This year our retail satisfaction score was 4.24 on a 5-point scale. Furthermore, the call centre productivity achieved 83.7% in the number of first call resolutions compared to its target of 81.3%.

MYSTERY SHOPPING PROGRAMME

The Etisalat Mystery Shopping Programme is continual improvement plan to enhance Etisalat customers experience through the evaluation of the entire customer journey process including the evaluation of the quality of products and services, facilities, and operation across all types of customer touch points (direct channels, indirect channels, and customer care).

The Programme measures compliance of retail store staff against the Etisalat Customer Journey guidelines. Mystery visits to Etisalat stores are carried out by undercover staff to assess performance based on the staff members compliance with the Etisalat Customer Journey guidelines. This Programme allows us to better understand our customers' needs and meet their expectations. In 2020, we also monitored the implementation of the COVID-19 precautionary measures in place across our retail stores to ensure the safety of our people and our customers. We have also created a dedicated Retail Quality Field and Retail Quality Management team which are responsible for monitoring and ensuring adherence and compliance with the guidelines, standards, and policies of Etisalat across our retail stores.

In 2020, the mystery shopping average score was 92%, whereas in 2019 the average score was 91%. The Mystery Shopping Programme has a pre-determined set of goals and objectives concerning enhancement of customer experience. The aim of the Programme is to achieve continual improvement to enhance Etisalat customers experience throughout the evaluation of all customer journey stages.



ADDRESSING CUSTOMER ISSUES

To ensure our customers receive the support they need, we ensure that customer complaints can be received through various accessible channels, including retail, inbound voice calls, and inbound non-voice calls, which include chat, email, and social media platforms. All complaints are registered in the Customer Interaction Management System (CIM), and the relevant data is collected and verified.

NUMBER OF CUSTOMER COMPLAINTS



NUMBER OF CUSTOMER COMPLAINTS RESOLVED



Complaints are classified into three categories – Technical, Billing and Customer Service. Technical complaints are further classified into fixed and non-fixed. Non fixed technical complaints are transferred to the expert desk for faster resolution. Fixed technical complaints are shared with engineering team for corrective action. For each category of complaint there are standard operating procedures to be followed as per the nature of the issue. In all cases, the resolution is communicated back to the customer, and once satisfied, the complaint is closed in the CIM.

The number of customer complaints continue to fall year on year. In 2020, the number of customer complaints decreased by 7% from the previous year, with over 94% of customer complaints resolved.

COVID-19 CUSTOMER ENGAGEMENT RESPONSE

Considering the COVID-19 circumstances and to ensure the satisfaction of our customers, we implemented a series of initiatives to assist our customers in adapting to the new circumstances.

Etisalat's website and Mobile App were upgraded to accommodate customers' requirements through the digital platform, with various sales features available. Customers were provided access to numerous services through the digital channels, offering a customised sales approach. Purchases, smart pay options and exclusive promotions were made available through these channels.

The customer experience was also improved through several online tools such as an interactive voice response (IVR) messaging service, which encourages usage of the mobile app. Tech support and self-service options over IVR are helping to sustain very high call centre traffic volumes. Customer care enabled smart services to empower customers via AI virtual assistance and automated self-support. For more information regarding these features, please refer to [Digitisation](#).

We offered our customers free upgrade options for higher connectivity packages, free access to superior entertainment options, complimentary access to educational websites and remote learning applications for students, waving of internet calling plan fees, and a wide array of attractive new Smiles App offers aimed at encouraging people to stay indoors. Through these initiatives we provided over AED 2.5 billion worth of value to market and communities.

Overall, Etisalat demonstrated resilience and ensured uninterrupted delivery of high-quality services during an unprecedented global pandemic. We found meaningful ways to contribute to the societies. The pandemic forced Etisalat to adapt to the new market environment quickly and to tap into new business opportunities with customers, vendors, government authorities and co-workers. One of the opportunities that emerged during this time was the need for digital internal processes and reporting. This digital adoption was accelerated during the year and is expected to improve efficiency and cost savings over the long term. Customer behaviours and preferences also changed significantly because of the lockdown. Digital channels became the primary means of engaging with customers during the pandemic. The shift to more online sales will improve the customer experience and ultimately result in fewer shops and points of sale (POSS).



Customer Privacy & Data Security

Etisalat management understands the importance of information security and has made it a strategic objective to protect our customers' personal information and maintain their privacy. Our [Privacy Policy](#) has been formulated to assist customers in understanding how their personal information is treated in Etisalat.

To measure and ensure compliance, we have several privacy and security KPIs set across the various domains and departments, including the maintaining of 100% availability ('uptime') of security controls, maintaining zero open Critical and High-Severity vulnerabilities, and maintaining zero security attacks and breaches that could impact Etisalat business (such as revenue loss, reputation impact and service availability).

INFORMATION SECURITY STEERING COMMITTEE

Our long running executive-level "Information Security Steering Committee" oversees information security of Etisalat and ensures the continuous enhancement of cyber security controls to protect customers' data and protect the wider business. The committee is responsible for suggesting new security controls, creating, and updating security policies and arranging for security training and awareness for our staff. Essentially, the committee is responsible for managing six main functions, which include IT security, network security, physical security, personnel security, security, and security policy development and implementation.

The Etisalat Chief Information Officer (CIO) leads the Information Security Steering Committee and provides guidance and support to the committee's members. The role of the Etisalat CIO includes the approval of IT security budgets to enhance the security infrastructure and guide the security team in implementing new

projects and initiatives. The CIO also approves new security training and awareness programs for IT staff and established IT governance programmes to promote information security in alignment with the Etisalat corporate governance objectives. The CIO is ultimately responsible to ensure that all corporate and business projects and new systems are including and incorporating the required security controls as per the best security practices.

In 2020, Etisalat management have updated the terms of reference for the security steering committee and added new groups: the Etisalat Cyber Security Advisory Board, where its members are the CXOs of the concerned technical and business departments and the Security Steering Committee Working Group, which include subject matter experts as members from the concerned departments. The Cyber Security Advisory Board sets aligns and monitors security initiatives, security performance indices and approves security strategy and policies. The Security Steering Committee Working Group discusses the progress of security initiatives and challenges to safeguard customer's data on a quarterly basis.

Finally, employees who fail to comply with privacy policies and requirements disciplinary action. The data protection policy is clearly stated in our [Code of Conduct](#) and our disciplinary measures regarding employee personal conduct and disciplinary actions are clearly stated in the Human Resources (HR) manual. The significant aspects of these documents are publicly available on the corporate website. There are no cases to report on Data Privacy issues.

We ensure clear and transparent communication with all customers. Each customer reviews the terms and conditions outlined within their respective contracts prior to proceeding with any requests, changes, account creations, or any other account modifications. Our employees are trained to explain all the terms and conditions to ensure full visibility of agreements with customers prior to signing any agreements. All agreements are filed in the Etisalat system and a customer copy is shared electronically with the customer. Staff – customer interactions are recorded

and monitored to ensure that all employees abide by the Etisalat rules, regulations, and standard operating processes.

This year, Etisalat announced the acquisition of Help AG, one of the leading cyber security companies in the MENA region. This move will enhance and diversify Etisalat's security digital portfolio and will accelerate the growth of its existing cyber security activities.

SECURITY POLICIES

Etisalat's corporate security policies address cybersecurity aspects related to our business environment which are reviewed on a regular basis. The Etisalat IT Security Management Framework covers five key focus areas including data security, access security, host security, network perimeter and security monitoring.

The Information Security Steering Committee has

developed a series of security policies covering all security domains to support our operations and ensure the protection of information assets in terms of confidentiality, integrity, and availability. The Steering Committee has developed 36 security policies covering all the security domains to enable Etisalat business and ensure the protection of the information assets in terms of confidentiality, integrity, and availability. In terms of data protection and customer privacy, Etisalat has the following 13 policies in place:



As part of Data Sovereignty Etisalat's Smart Security Solutions Division mandates that all customer data shall be stored within the UAE country borders. We have signed partnerships with Oracle and Microsoft to establish their Public Cloud Data Centres in UAE to service Etisalat and its customers.

In addition, Etisalat has implemented several controls to ensure customer data protection and privacy maintenance such as advanced threat protection, email anti-phishing, i.e., Domain-Based Message Authentication, Reporting, and Conformance (DMARC), privilege access management and mobile device management.

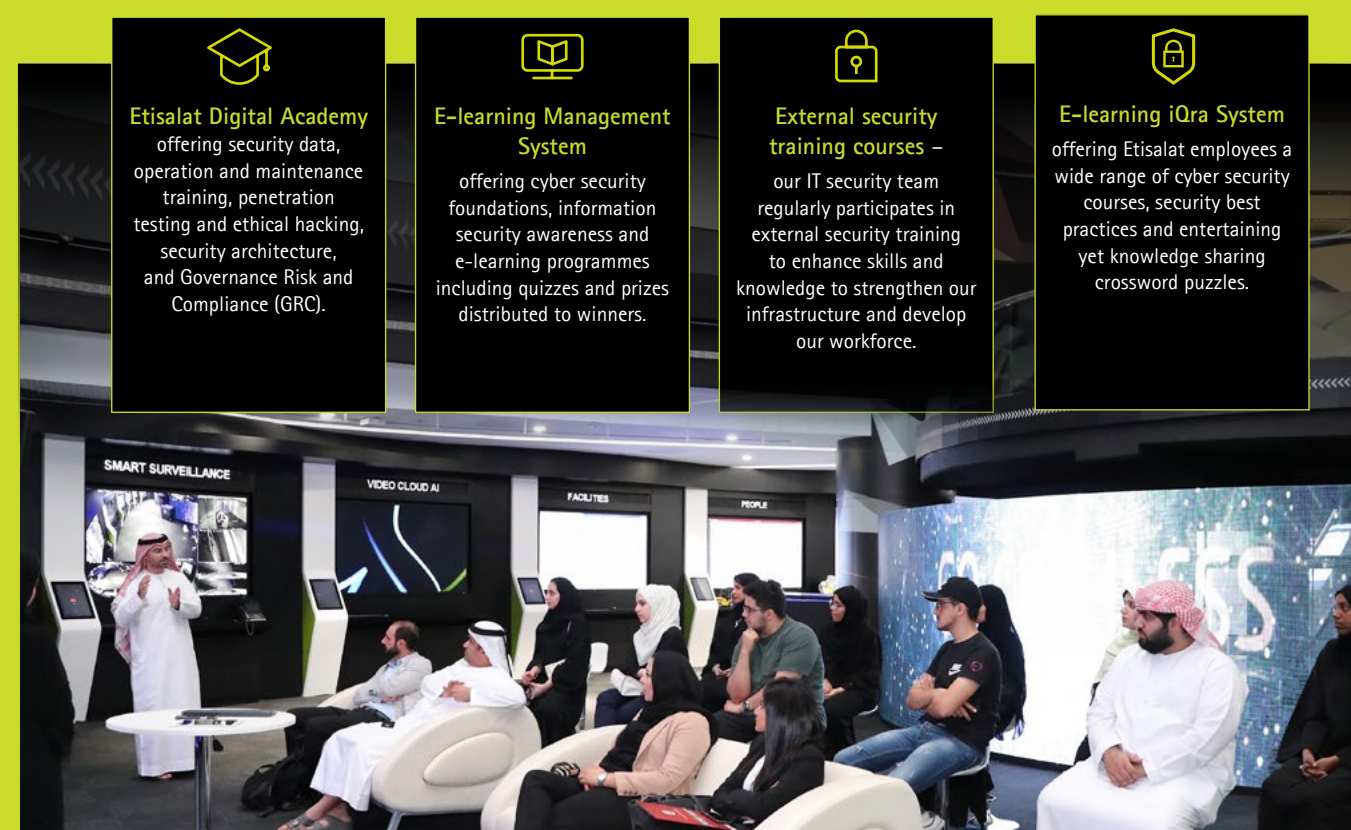
SECURITY TRAINING AND AWARENESS

We provide employees with specialised training regarding privacy, including data protection, cyber security, information security, hacking, and cloud computing. Employees are made aware of information security guidelines and compliance. We take disciplinary action against employees who violate customer and data privacy.

In 2020, we conducted various awareness security campaigns our staff across the UAE, which included the annual security roadshow which involves external security experts, regular awareness raising communication for Etisalat employees regarding data

protection and security measures and the early warning awareness messaging for global and international cyber security incidents. We also conducted site visits to workplaces to assess the staff security awareness and compliance and implemented a new system for simulating the email phishing attacks to measure the level of user security awareness and response across Etisalat.

We undertake various training courses and certification programs for all employees across both technical and non-technical areas, including:



LOOKING AHEAD

The Etisalat cybersecurity team has set a series of ambitious KPIs to be implemented across the organisation in 2021, including:

- ▶ Maintaining 100% availability (uptime) of all security controls.
- ▶ Maintaining zero open critical and high-severity vulnerabilities.
- ▶ Maintaining zero security attacks and breaches that could impact Etisalat business (revenue loss, reputation impact, service availability).
- ▶ Maintaining minimum time to respond and close the critical security incidents.
- ▶ Maintaining a minimum of 90% security patch coverage.

ASSESSMENT AND COMPLIANCE

Etisalat's [Privacy Policy](#) and Etisalat's [Code of Conduct](#), include a dedicated section on customer privacy.

To ensure the continuous effectiveness of Etisalat's privacy and security management system, we undertake quarterly internal audits and penetration testing covering application security, security operation processes, penetration testing, effectiveness of internal and external security controls and user access reviews. We also engage a third-party firm to conduct external audits on an annual basis.

Across Etisalat, we ensure full compliance with the UAE cyber security standard developed by the Signals Intelligence Agency (SIA). The standard is comprised of 188 controls covering all management and technical security controls. We regularly perform external and internal assessments of Etisalat's cybersecurity protocols. We also comply with the Telecommunication and Digital Government Regulatory Authority (TDRA) requirements, National Cyber Risk Management Framework (NCRMF) and the National Electronic Security Authority (NESA) regulations and guidelines.

In 2020, the UAE Government initiated annual security audits for the telecommunication sector organisations, which is managed by SIA. The aim of the audit is to

DISASTER RECOVERY AND BUSINESS CONTINUITY REHEARSALS

We arrange annual campaigns for disaster recovery and business continuity rehearsals, focusing on our critical services and systems. The rehearsals include cyber security scenarios that simulate massive virus outbreaks, unavailability of data centres, infrastructure, and critical services.

The outcomes of the rehearsals and simulations are shared with stakeholders with an action plan and recommendations for improvement.



measure and assess the cyber security maturity of the organisations. The audit included external penetration testing, internal penetration testing and vulnerability assessment, compromise assessment, governance, risk and compliance assessment, physical and personnel security audits.

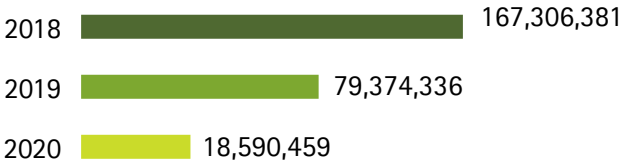
We also receive regular incident information including potential threat attached around the world from the Dubai Electronic Security Centre (DESC) which allows us to take proactive measures to strengthen our security protocols and infrastructure systems.

To strengthen our defences and share resources and best practices, we partner with other organisations to address a range of complex challenges associated with security and risk management. Internally, multiple teams within Etisalat are responsible for monitoring, controlling, and preventing breaches or any attempts of breaches related to the customer privacy and confidentiality. We have a dedicated security operation centre monitoring user activity and any external potential threats.

We have participated in the Global Telco Security alliance along with other major telecom providers including Telefonica, Singtel, Softbank and AT&T. The alliance is one of the world's biggest cybersecurity providers and it is aimed at transferring knowledge and sharing best practices in cyber security.

In 2020, the number of attempted cyber-attacks decreased by 77% compared to the previous year, while actual number of cyber-attacks and data breaches remained at zero over the past three years. This attests to Etisalat's processes and to the stringent measures in place to protect customer information and combat cyber-attacks.

NUMBER OF ATTEMPTED CYBER -ATTACKS



ZERO

actual cyber-attacks since 2018



ZERO

data breaches since 2018



Responsible Marketing Communications



COVID-19 IMPACTS ON ETISALAT CYBERSECURITY

Etisalat was no exception to the challenges faced due to COVID-19. Several trials and tribulations were faced, that required immediate action for business continuity. As remote working came into play, all employees required corporate workstations that would be suitable for Etisalat business applications. Contact centre teams in UAE, India and Egypt required voice services while working remotely. We also had the imminent threat of cyber-attacks and email phishing – we detected several hacking attempts for stealing personal data of Etisalat customers.

To overcome the COVID-19 challenges, Etisalat created several task forces and working groups to resolve the issues. CIT has had a major role in enabling Etisalat continues operations without any interruption. We were able to successfully provide secure and scalable remote access service were provided to up to 25,000 users concurrently. A Zero-Trust infrastructure was set up, using the concept of Secure Virtual Office (SVO) for running business applications remotely and securely. Additionally, we rolled out Microsoft Teams for all Etisalat employees to support remote audio and video conferencing services and, Cisco Jabber that enabled the employees to receive direct phone calls form clients. The well-established IT Security infrastructure and incident response procedures have successfully protected the organisation and achieved a record of zero cyber-attacks.



PRODUCT SERVICE & QUALITY

To achieve high standards of service and quality we continuously push for enhancements in our network. To cater to our growing customer base, we invested in new base stations, advanced technologies, and amped network capacity.

We have implemented a Performance Improvement & Quality Assurance management system, with 20 business units receiving ISO 9001:2015 certification for Quality Management Systems. We are also certified for the Telecom Quality Management System (TL 9000) which is a unique extension to the ISO 9001:2015 certification and covers additional supply chain quality requirements of the global industry. We have implemented a Business Continuity Management System across all Etisalat departments, which is validated every year internally & externally, with 6 units receiving ISO 22301 certification for Security and resilience.

Etisalat is SAP-recertified for infrastructure and cloud services. In addition, the Etisalat IT business unit is certified against ISO 27001:2013 for Information Security Management System. We also comply with the Payment Card Industry Data Security Standard (PCI DSS) across the Etisalat data centres. We are ISO 20000-1:2011 certified for IT Service Management Systems. The Etisalat Data Centres are ranked Tier III for Gold Operational Sustainability Certification.

We have a state-of-the-art Service Operation Centre (SOC), along with Unified Network Operation Centre (UNOC) that monitors telecom services provided to customer, along with the underlying infrastructure. The SOC provides immediate solutions in case of service interruption or degradation.

Furthermore, the Etisalat Tawi-Al-Saman (TAS) Earth Station has achieved Tier 4 Full World teleport Association (WTA) certification, which recognises TAS Earth Station's compliance against the highest level of WTA standard requirements. This remarkable achievement has put Etisalat in a pioneering position to be the first Earth Station to achieve Tier 4 full WTA certification in the Middle East and North Africa (MENA) region.

The Etisalat data centres undergo regular audits against the International Auditing and Assurance Standards

Board (IAASB) ISAE 3402 Type II audits. The audit assesses Etisalat's control objectives and activities including information technology and related processes to ensure the effectiveness of the implementation of all control systems.

The Etisalat Product Development Division has been driving the transformation of a full and agile product and service development approach for business services with all concerned stakeholders and cross functional teams within the organisation. For each product or service full experience and customer journeys and commercial use cases, covering different scenarios and life cycles, are developed, and implemented. The division ensures end to end extensive testing of the quality of all newly launched product/service.

We have also enhanced our internal technological infrastructure systems and their capabilities to enable and facilitate remote working as well as to adapt to the increase in traffic across our networks because of the COVID-19 impacts. We continuously monitor our network's performance to ensure minimum impact of outages. We have also prioritised and accelerated Etisalat digital transformation projects to enable a wide range of service provisioning through Etisalat digital channels such as mobile and home internet services.

ETISALAT INNOVATIONS

Etisalat advocates driving the digital future to empower societies by building the network of tomorrow, today.



5G First operator in MENA to launch 5G network



Speed

Recognised by Ookla as the world's fastest mobile network



Fibre Optics

Recognised by Ookla as the world's fastest mobile network

We offer responsible products and services from globally recognised top brands and in line with international best practices. Our top product brands have embedded responsible and sustainable manufacturing and production processes across their supply chain.

THE NATIONAL EARLY WARNING SYSTEM

The National Early Warning System project was initiated by the National Emergency Crisis and Disasters Management Authority (NCEMA) in 2017. Etisalat, as a strategic partner to NCEMA, alerts the public, within a selected geographical area, before or during a crisis (via cell broadcast). This effective and fast public warning system is intended to focus on the wellbeing and safety of the UAE population.

SALES CENTRE OF EXCELLENCE

Our Sales Centre of Excellence is a state-of-the-art recruitment and training centre, where the required resources are available on demand to recruit and train frontline agents for all sales channels. The centralised operation contains a variety of training setups and retail counter and device simulations to build knowledge, skills, and confidence in the trainees to effectively interact and perform with our customers. This includes highly effective and robust induction programs for staff before they are deployed in the sales channels. The training induction programme is continuously reviewed and adjusted to incorporate practical scenarios based on new consumer behaviours exhibited by capitalising on the versatile training centre environment.

The delivery of the training programs is conducted entirely in house by the training team within Sales. The design of the training modules is created either in house within sales, by sales along with HR Learning & Development, or through external vendors.

RESPONSIBLE MARKETING

Customer centricity is embedded into the design of our products and services. All customer segments are considered when new products and services are developed. We analyse trends, behaviours and sales performance when creating new products and services or when updating existing ones.

Our three years' corporate strategy retains the digitally fuelled inspiration for 'Together Towards a Sustainable Future'. Customer centricity remained our main priority, during the sharpening up of the customer journey frameworks and the website revamp, which resulted in significant enhancements in customer satisfaction.

In 2020, we unveiled a series of marketing and engagement mechanisms to serve our consumers and ensure their satisfaction:

- New Freedom plans offering postpaid customers **unlimited local and international calls** for the first time in the UAE as well as top-notch **lifestyle benefits** including access to the Smiles' Unlimited Buy 1 Get 1' vouchers and premium video content through Switch TV.
- Wasel Gifts offering both new & existing customers **instant prizes every time they recharge** and revamped our digital - centric 'Deals for You', providing a wide range of personalised deals to customers every single day.
- 'Deals for you' - a **first of its kind** feature empowering prepaid & postpaid customers to configure **their own deal in real-time**, enabled by Etisalat's analytics and big data capabilities including the implementation of machine learning and Artificial Intelligence techniques.



04

ACCOUNTABLE BUSINESS PRACTICES

OUR AMBITION

We aim to be a sustainability leader in the market through integrating sustainability into our internal systems and processes. Strong governance, accountability and transparency practices are essential for engaging our wider stakeholders including our supply chain, towards achieving mutual sustainability goals.

MATERIAL ISSUES COVERED

- Economic Performance
- Corporate Governance
- Business Continuity & Enterprise Risk Management
- Sustainable Procurement Practices

2020 PERFORMANCE HIGHLIGHTS

- The Groups net revenue amounted to AED 51.7 billion.
- The consolidated net profit increased by 3.8% to AED 9.0 billion.
- Etisalat scored 99.4% in 2020 audit.
- Achieved ISO 22301:2019 certification for Business Continuity.
- 86% of AED 9.9 billion procurement spending was spent on locally based suppliers.

SUSTAINABLE DEVELOPMENT GOALS



UAE VISION 2021 PILLARS



Economic Performance

At Etisalat, we adopt a sustainable business model to achieve financial and performance gains. As a publicly listed company listed on the Abu Dhabi Securities Exchange (ADX), we aim to positively contribute to the economic vitality of the UAE, while ensuring the overall attainment of the UAE Vision 2021.

Our asset management system is ISO 55001:2014 certified, allowing us to manage the lifecycle of assets more effectively, control over daily activities and achieve higher returns on assets while reducing costs.

In 2020, Etisalat demonstrated strong financial performance and maintained a high credit rating. The Group's consolidated net revenue amounted to at AED 51.7 billion, while the Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) remained stable at AED 26.4 billion in 2020. The consolidated net profit increased by 3.8% to AED 9.0 billion. This reflects a healthy balance sheet and solid performance for Etisalat.

REVENUE (AED; BILLION)



NET PROFIT (AED; BILLION)



EBITDA (AED; BILLION)



OPERATING COSTS (AED; BILLION)



TOTAL OPERATING INCOME (AED; BILLION)



DIVIDENDS PAID TO SHAREHOLDERS* (AED; BILLION)



*Inclusive of one-time special dividend

Corporate Governance



Etisalat is committed to creating an optimal governance environment for its business and activities by committing itself to the best local and international governance rules throughout its operations. The telecommunications sector is fast-paced and ever-evolving, which is why Etisalat uses effective governance criteria that allow our operations to run smoothly with an integrated system of policies and mechanisms.

Etisalat operates through several transparency platforms among which include the media and press announcements, the [ADX disclosure website](#), and the Etisalat [website](#) which articulates the company's information and disclosures as well as the Etisalat Governance Report. [Etisalat's Governance Report](#) serves as the most important platform for transparency and interaction with the public. Governance is embodied in an array of rules and measures under which the company is run and controlled. It regulates the relations between the Board of Directors, executive management, shareholders, and other stakeholders. Moreover, governance handles corporate social responsibility with due attention. This report brings governance to the attention of the public and enables shareholders to get acquainted with the company.

BOARD OF DIRECTORS

Eleven members make up the [Board of Directors](#). All board members, including the Chairman, are non-executive and independent. The Board members and their first of a kind shareholding is annually disclosed in the Etisalat Corporate Governance Report.

At Etisalat, we know how important it is to have a diverse Board of Directors. Currently, female representation at the board level stands at 9.1%. We are open to both genders' nomination to Board directorship; however, there were no new female nominees during Etisalat's Board election for its current term."

This year, the Board of Directors held eight meetings. he Etisalat Board of Directors undertakes an annual evaluation including consideration of Etisalat Group's performance which reviews ESG elements.

We have a comprehensive set of policies that serve as the governance framework for Etisalat's Board of Directors, including Board Membership Policy, External Auditor Policy, [Insider Security Trading Policy](#), Policy of Holding Shareholders General Assembly, [Dividend Policy](#), Board Members Conflict of Interest Policy, Board Confidential Information Disclosure Policy and Policy of Transactions with Related Parties.

BOARD COMMITTEES

Three committees assist the Board of Directors to effectively run the company and allow for a streamlined management structure and approach. Each committee is governed by its own charter that defines functions, constitutional mechanisms, conditions governing meetings, meeting quorum and decision making.

Board remunerations are linked to targets of revenue compensation and set a ceiling for such remunerations so as not to exceed 0.5% of last financial year's net profit after deducting the amortisations and reserves. The remuneration of Board members is a lump sum amount calculated in accordance with Board Remuneration Policy and submitted to the General Assembly for approval via Board recommendation.

Further, Etisalat makes various disclosures among which are. the executives' pay and the related party transactions. For this purpose, we have two platforms of disclosure which include the Corporate Governance Report and Etisalat Annual Report. The Etisalat 2020 Corporate Governance Report provided the details of the first and second lines of executives' pay and stated that no related party transaction were conducted in 2020 in accordance with provisions that govern such transactions in Securities and Commodities Authority Chairman Resolution No. 3 (Chairman) of 2020 on the approval of Public Joint Stock Companies Governance Guide ("Governance Guide"). On the other hand, Etisalat disclosed in its Annual Report, the disclosure of the related party transactions based on the criteria that govern such transactions in IFRS.



AUDIT COMMITTEE

The Audit Committee consists of five non-executive and independent members; four of them are Board Members in addition to one external member who holds qualifications in finance and vast experience in this area. All the Audit Committee members are well-versed in financial and accounting matters.

The Audit Committee was constituted to help the Board of Directors in various field and to undertake its duties in accordance with its Charter, which serves as an authorisation for undertaking its functions in compliance with the laws and regulations taking force in the country. The Audit Committee held eleven meetings in 2020. The Audit Committee is also positioned to monitor the Etisalat's financial statements, review the financial control systems, risk management and external and internal control, and audit department.

The Audit Committee undertakes an annual self-assessment of its (and its individual members') performance, role, delegations, and performance for the purposes of determining if key risks and strategic issues, which it handles need to be reviewed or re-allocated by the Board. The Board also undertakes an annual review of the composition of the Audit Committee to ensure its continued compliance with industry and regulatory best practices.



NOMINATIONS AND REMUNERATIONS COMMITTEE

The Committee consists of four non-executive and independent members from the Board of Directors and convenes periodically and whenever necessary. The Nominations and Remunerations Committee held ten meetings in 2020. The Committee reviews the mechanisms of performing its duties and ensures its work efficiency. It also oversees its work system.

The Committee assumes setting the policies which define Etisalat requirements of talents at the levels of Executive Management and staff as well as setting the policies pertaining to the remunerations, incentives, and salaries of the members of Executive Management, and staff of the Company, as well as recommending the Board remunerations policy to the Board. The Committee considers preserving the competitive and fair nature of the compensations, which is to be in line with Etisalat strategy of attracting and retaining the talented staff to achieve the best results.



INVESTMENT AND FINANCE COMMITTEE

The Investment and Finance Committee consists of five independent and non-executive members. The Committee held eleven meetings in 2020. Committee was formed to assist the board in investment-related business at the local and international levels along with other financial matters.

ETHICS AND COMPLIANCE

Corporate Compliance provides reasonable assurance with applicable laws and regulations including the Code of Conduct, Anti-Bribery & Anti-Corruption, Conflict of Interest, Gifts, Entertainment & Hospitality, Due Diligence & Engagement. The Corporate Compliance team also drafts, and updates policies, develops monitoring and control mechanisms, and training programs, to ensure Etisalat's employees and third parties comply with ethical conduct.

We are fully committed to doing business in accordance with the highest standards of ethics and integrity, with professional business principles and in compliance with legal and regulatory rules and standards. To protect Etisalat's reputation, foster business and stay competitive in markets in which we operate, we to national and international laws and standards.

We provide all the necessary guidance to the Etisalat departments and employees on inquiries related to compliance topics. We regularly review, assess, and implement audits on control and risk management systems to ensure our policies are accurately implemented across the organisation.

CODE OF CONDUCT

Our publicly available [Code of Conduct](#) covers topics such as bribery and corruption, gifts, entertainment and hospitality, conflict of interest, and money laundering and is communicated to all employees. The Code of Conduct extends to everyone (including but not limited to employees, directors, contractors, suppliers) working for and with Etisalat, independent of role, rank/responsibility requiring them to comply with the Code in their day-to-day operations and take actions that will preserve the trust that our customers and society place with us. All employees are required to attest to having read and acknowledge the Code of Conduct each year. We also conduct an online Code of Conduct awareness campaign each year to educate all our employees on the Code of Conduct. We expect our suppliers and third parties to uphold the same standards and to act ethically as set out in the Code of Conduct.

We undertake risk assessments to ensure compliance with all rules and regulations that form part of applicable UAE and international laws within the scope of the Corporate Compliance programme.

During 2020, Deloitte Audit and consulting completed an audit on behalf of Etisalat Internal Audit of the Anti-Bribery and Anti-Corruption (ABAC) program, across our operations. The audit covered the comprehensiveness & completeness of policies & procedures, risk assessment, compliance maturity assessments, training & awareness programs, and reporting & investigation. Recommendations for improvement were provided and plans of action were put in place being monitored by Group Compliance.

We have an ongoing and professional working relationship with the TDRA and all other relevant industry stakeholders. In addition, we participate in industry consultations and ensure that all departments are aware of any changes to the existing regulatory landscape. Moreover, we take part in industry group meetings with the regulatory authority relating to future market changes and developments.

Mandatory training sessions are regularly provided to all employees working in departments covering the legal and regulatory landscape, thus, helping us achieve greater awareness on the compliance governance policies and controls. To ensure awareness of compliance governance policies throughout the organisation we select Compliance Partners for each department at Etisalat and engage with them regularly throughout the year and through an annual Corporate Compliance Partner gathering. These Compliance Partners are in turn responsible for guiding their peers on compliance governance. We organised another edition of our annual Corporate Compliance away day, at which three highly respected compliance and investigations professionals addressed our entire Senior Management and several mid-level managers on topical ethics and compliance issues.

TRANSPARENCY, ANTI-CORRUPTION AND ANTI-BRIBERY

Etisalat has zero tolerance for corruption or bribery and is committed to maintaining an effective compliance programme to address bribery and corruption risks.

Our commitment to combat corruption and bribery is reflected not only in the Code of Conduct, but also in the [Anti-Bribery and Anti-Corruption Policy](#), Gifts, Entertainment and Hospitality Policy, Conflicts of Interest Policy, and Due Diligence and Engagement Policy. All employees must attest to having read the Anti-Bribery and Anti-Corruption Policy, Gifts, Entertainment and Hospitality Policy, Conflicts of Interest Policy, and Due Diligence and Engagement Policy. To ensure all employees are aware of, and understand the Anti-Bribery and Anti-Corruption Policy, we launched an Anti-Bribery and Anti-Corruption awareness campaign and developed an Anti-Bribery and Anti-Corruption e-learning module which all employees are required to complete. All new staff joining Etisalat are also required to sign the "acknowledgement and disclosure statement of conflict of interest and business ethics". This statement includes a clause for employees not to commit or partake in any form of bribery and corruption.

We also require our business partners to meet standards of all applicable laws and regulations as well as ethical principles. We strive to work only with ethical partners with good reputations.

We undertake risk assessments to ensure compliance with all rules and regulations that form part of applicable UAE and international laws within the scope of the Corporate Compliance program.

In 2020, we conducted an Anti-Bribery and Anti-Corruption risk assessment to identify the areas of Etisalat's business that are most vulnerable to bribery risks. Our Corporate Compliance function works with high-risk business units to improve their controls and train employees in these business units to heighten their awareness of bribery and corruption issues. We carry out the risk assessment on a regular basis to ensure we are aware of new and emerging bribery and corruption risks in our business and supply chain.

We have also launched a Gifts, Entertainment and Hospitality Register, and require all employees to log requests to give or receive gifts, or to provide entertainment or hospitality to guests.

ANTI-COMPETITIVE PRACTICES

We promote fair competition and are committed to combat anti-competitive practices and behaviour in line with applicable legislations and regulations. In 2020, no claims were raised against Etisalat UAE for anti-competitive behaviour, anti-trust, or monopoly practices.

In addition to the training and awareness sessions provided to staff as part of our compliance governance framework, we also conduct mandatory tailored awareness sessions and knowledge-based learning covering competition topics in line with fair competition policies, practices, and procedures which cover the full spectrum of the legal and regulatory landscape.

Etisalat has a Corporate Compliance Steering Committee, which consists of 10 CxOs. The Committee focuses on all major ethics and compliance issues and meets on a quarterly basis.

Etisalat has in place a mandatory anti-bribery and anti-corruption training program focusing on ethical business conduct. As of March 2021, 85% of all FTEs and PTEs have completed the training. In addition, a mandatory refresher Code of Conduct Training Module will be launched in May 2021.

COMBATTING FRAUDULENT ACTIVITIES

To prevent revenue leakages, Etisalat's Revenue Assurance Function has a dedicated Fraud Management team, responsible for monitoring and addressing subscription fraud and revenue leakage.

As part of the Anti-Fraud Programme, we conduct employee training and awareness campaigns that cover the risks of fraudulent activities and equip employees with the knowledge and skills to detect fraudulent transactions.

WHISTLEBLOWING POLICY

Our whistleblowing process monitors and reports any potential non-compliance incidents. It is a formal anonymous whistle blowing system with legal protection which include Board approved policies that guarantee complete anonymity to the whistle blower as protection. The policy is also in compliance to UAE laws and regulations including Federal Law no. 14 of 2020, which protects witnesses including those who are giving information about violations and crimes. The process promotes openness in the workplace and encourages employees to report instances of unethical behaviour, actual or suspected fraud, and violation of Etisalat's policies, processes. The received information is classified to check for source, and frequency. In turn, this enables an appropriate and timely recommendation or remediation strategy. The process is outlined within the Etisalat Whistleblowing Policy which was reviewed in 2020 to ensure compliance with organisational changes and current best practices.

Employees are encouraged to report on issues such as financial or non-financial maladministration or malpractice or fraud that has been or is likely to be committed, unethical

behaviour, misuse of authority, leakage of confidential Information, non-compliance with laws and regulations, favouring a specific supplier/contractor, discrimination against any member of staff or customers on grounds of sex, race, or nationality.

In 2020, a total of 52 reports were received by the Internal Control & Audit department through the whistleblowing channels, compared to 59 received in 2019 and 57 received in 2018. A total of 2 concerns were received by the legal department through an internal monitoring or reporting system, compared to 13 raised in 2019 and 24 concerns raised in 2018.

Report misconduct or a concern

If you suspect a violation, speak up!

How to report a concern:

- Email to: whistleblower@etisalat.ae or groupwb@etisalat.ae
- Phone: +971 4 800 2002



TELECOMMUNICATIONS REGULATORY VIOLATIONS AND PENALTIES

Etisalat abides by the UAE TDRA regulations. Each year, the TDRA audits Etisalat's operations and performance. In our latest audit, Etisalat scored excellently.

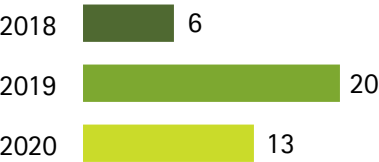
Each year, the TDRA holds the Sada Al Barq exercise for the National Emergency Telecommunication Plan. This exercise comes under the framework of the initiative "Telecom business continuity in emergency, crisis and disaster", which serves TDRA's strategic goal in the UAE and helps implement a regulatory framework that stimulates competition and develops the quality of services provided. Sada Al Barq has gauged the sector's readiness to handle unexpected, unusual, and concurrent events, to show efficiency of procedures and viability of operations with emergencies and crises and demonstrate the ability to deal with unusual and concurrent

circumstances. In this year's Sada Al Barq exercise, Etisalat achieved excellent compliance.

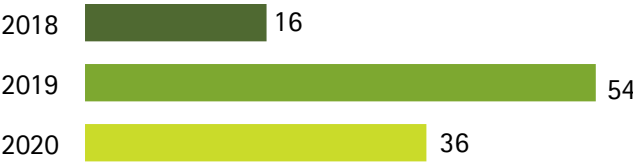
In 2020, there were 36 incidents of non-compliance with telecommunications laws and regulations, which is a 33% decrease from the previous year. The fines and settlements relating to these violations amounted to AED 13 million – a 32% reduction compared to the previous year. Of the 36 incidents, 25 were related to non-compliance of mobile SIM registrations and the remaining 11 were related to the operations of retail channels, consumer protection regulations, mobile number portability, numbering, and other regulations to do with mobile device theft prevention, spoofing and mobile spam. Etisalat has allocated these resources to address the violations to the satisfaction of the TRA. This includes implementing adequate controls to eliminate recurrence of any such violations.

Our regulatory and commercial functions operate on a continuous basis with cross-departmental teams dedicated to achieving on-going regulatory compliance requirements to the UAE Regulatory Framework. In 2020, the number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system dropped by 85% – with only two cases received, which were handled in accordance with Etisalat policies and management processes.

TOTAL AMOUNT OF LEGAL AND REGULATORY FINES AND SETTLEMENTS (AED; MILLION)



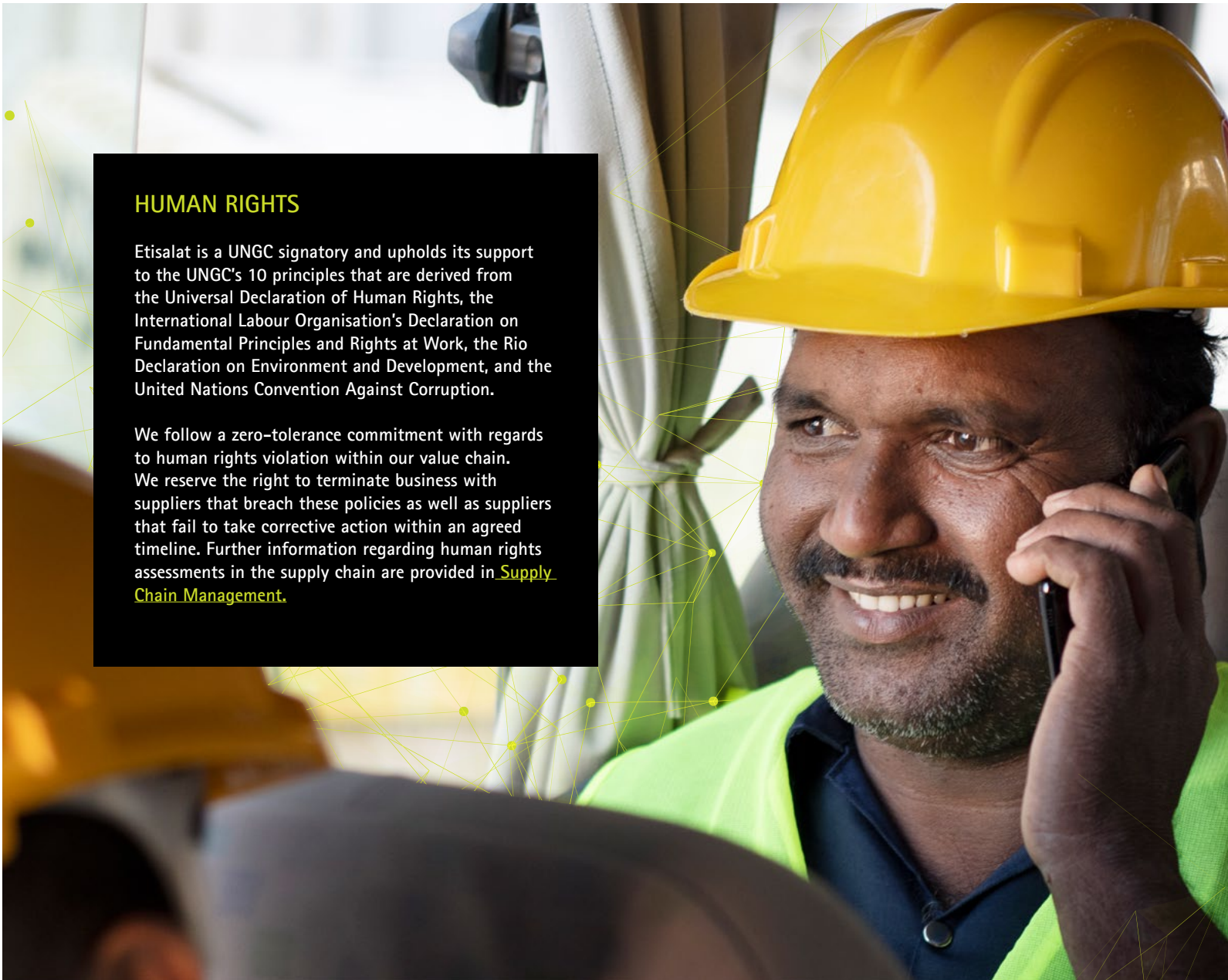
TOTAL INCIDENTS OF NON-COMPLIANCE WITH LAWS AND REGULATIONS



HUMAN RIGHTS

Etisalat is a UNGC signatory and upholds its support to the UNGC's 10 principles that are derived from the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

We follow a zero-tolerance commitment with regards to human rights violation within our value chain. We reserve the right to terminate business with suppliers that breach these policies as well as suppliers that fail to take corrective action within an agreed timeline. Further information regarding human rights assessments in the supply chain are provided in [Supply Chain Management](#).



BUSINESS CONTINUITY & ENTERPRISE RISK MANAGEMENT

At Etisalat, we recognise that the management of risk is fundamental to the way we do business. We regularly identify, assess, monitor, and review the key risks that could materially affect our business, financial performance, and reputation in line with the well-defined and established Enterprise Risk Management (ERM) framework.



Through our ERM policy and Framework, we effectively manage and mitigate risk throughout the Group. The Board of Directors provide direction to the senior management by setting Etisalat Group's risk appetite. The Board delegates the ownership and responsibility for operating risk management and control to the Etisalat Group CEO and senior management.

The ERM function engages with teams across the Group to maintain risk management practices in line with the Board approved Group-wide internal control Charter, Policies, and frameworks. The Internal Control function provides management and the Audit Committee with reasonable assurance that the significant risks affecting the organisation are identified, assessed and where appropriate, mitigated. It allows the management and committee to increase efficiency and effectiveness of operations, assist in decision making and create greater risk awareness.

Annual internal audit plans are aligned with the top risks to ensure adequate assurance is provided in the fiscal year. The annual plan is reviewed and updated regularly through a formal process to address any changes to the organisation's risk profile.

COVID-19 BUSINESS CONTINUITY RESPONSE

As COVID-19 continues to have unprecedented impacts on the global economy, we are compelled to rely on sustainable strategies for operations. Etisalat stands in support of the UAE government and the international community during these uncertain times.




At the start of the pandemic, Etisalat immediately reviewed its health and safety control measures to ensure that business and services could continue to operate, and customers remained served. Across Etisalat, we have achieved ISO 22301:2019 certification for Business Continuity, which allows the organisation to maintain operations during disruptions.

The necessary precautions and preventive measures were taken at Etisalat's premises, and a remote working arrangement was implemented for staff. Etisalat's shops were closed temporarily, and sales were moved online to digital channels. As restrictions started to ease, company-operated stores were gradually re-opened. A new touchless retail approach was instituted to ensure the safety of employees and customers.

Etisalat implemented the required precautionary measures in place in accordance with top management directives and in line with UAE Government guidelines. We also collaborated with NCEMA and the TDRA to review and enhance business continuity regulatory requirements. We also enhanced our technological infrastructure to facilitate remote working.

The ERM framework is aligned to international best practices. We follow the 'three lines of defence' model to define the roles and responsibilities for risk ownership and management. We also have a Risk Appetite statement that classifies and rates top risks facing our business. These risks, along with any new and emerging risks, are reviewed on a quarterly basis at the ERM Committee (ERMC) meetings. The ERMC, meets on a regular basis to review important risk-related information. Summary risk reports are given to the Audit Committee for consideration.

The following is a breakdown of some of the significant threats across Etisalat's various operations and how these threats are being managed:

Type	Risk	Description	Management
 Strategic Challenges	Geo-political Threats	Ongoing geo-political uncertainty pose continuous challenges.	We manage this by leveraging local expertise and knowledge to combat these challenges. Moreover, the security of local employees is proactively managed.
	Macro-economic Conditions	Changes in regional and global economic conditions within several markets continues to present challenges.	Fluctuating economic factors are considered during the annual financial budgeting and planning processes. Ongoing analysis and review of market conditions are regularly assessed within key markets.
	Over-the-Top (OTT) Operators	The presence of OTT operators is a common threat across the telecommunications industry that affects mobile voice revenues in several Etisalat's more mature mobile markets. The increase in the use of VoIP applications is cannibalising traditional telecom operators' revenues.	Various commercial strategies in response to such OTT threats are considered and implemented by respective commercial teams across Etisalat.
 Operational threats	COVID-19 Pandemic Risk	The emergence of the COVID-19 pandemic and the risks of its prolonged effects on Etisalat's business operations	COVID-19 mitigation strategies are centrally coordinated and cover staff and customer safety, business continuity, social responsibility, and financial sustainability.
	Cybersecurity	The threat of external cyber-attacks across the Etisalat network and IT infrastructure is ever-present.	Network and IT security teams proactively monitor activity across our networks to identify and mitigate possible cybersecurity threats and data privacy breaches.
	Competition and Pricing Pressures	The markets in which Etisalat operates are characterised by high levels of competition (existing and new), pricing pressure, technology substitution, market and product convergence, and customer churn.	Etisalat closely analyses and monitors the trends within these markets and invests in its networks, products, and service offerings to compete effectively. The growth and development of digital products and services is a further means of managing diverse competitive threats.
 Compliance challenges	Service Continuity	The sustained continuity of Etisalat's network across all its operating companies is vital to its continued success. Etisalat faces the threats of disruption, malfunction, and loss or damage to network infrastructure due to natural disasters or other uncontrollable events.	Etisalat has established a Business Continuity Management team to develop and test business continuity plans and crisis management arrangements. Insurance policies are also in place to make provision for infrastructure property damage.
	Regulatory Challenges and Uncertainties	As the Etisalat Group operates in various diverse and developing markets, it faces ongoing regulatory and legal challenges. Governments and regulatory agencies can alter existing policies or implement new policies, which can significantly influence Etisalat's operations and financial performance.	These challenges are managed by the respective Etisalat Group of Operating Companies (OpCos) regulatory departments, with support from the Group's regulatory team.
	Litigation	Just as any other organisation, Etisalat is subject to the risk of litigation by competitors, customers, regulators, and other parties. This can affect the financial performance and reputation of the Group's OpCos.	Legal counsel within each OpCo oversees and actively manages such litigation cases. Where required, Etisalat Group's legal team also provides support to the OpCos.
 Financial threats	Foreign Exchange Exposures	Etisalat is exposed to the uncertainty of foreign exchange rate volatility in some of the countries in which it operates. Specifically, this volatility may affect consolidated results and the overall value of Etisalat's investment in overseas operations.	Group Finance has established policies, procedures, and tools to monitor, manage and report such exposures.
	Other Financial Exposures	The Group's financial assets and liabilities are exposed to additional financial threats, including interest rates, liquidity, and credit risks.	Financial risk management is discussed in greater detail in the Financial Instruments section of the 2019 Annual Report.

Sustainable Procurement Practices

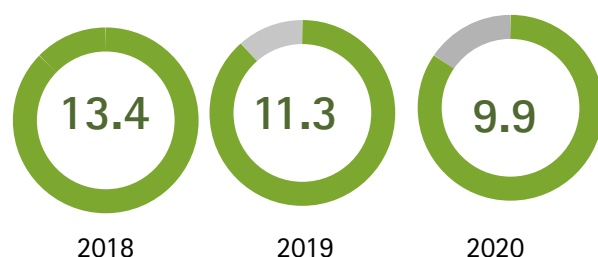
At Etisalat, we are committed to maintaining a sustainable business model. Our supply chain is an essential aspect of our business model and business continuity. Therefore, we aim to maintain a strong and valuable relationship with our suppliers and vendors.

LOCAL PROCUREMENT

As part of our supplier selection process, preference is given to local suppliers. We aim to source locally whenever possible, in line with our commitment to positively contribute to the UAE Vision 2021. In 2020, total procurement spending amounted to AED 9.9 billion, of which 86% was spent on locally based suppliers.



TOTAL PROCUREMENT SPENDING (AED; BILLION)



TOTAL SPENT ON LOCAL SUPPLIERS (AED; BILLION)



Supply Chain Management

At Etisalat, all current and future suppliers must comply with our Standard Instructions of Condition for Etisalat Tenders (SICETs). We have three types of SICETs pertaining to different types of procurements and services:



Our SICET's include clauses relating to environmental and social aspects. In addition, we expect all suppliers and vendors to comply with applicable UAE laws and regulations.

All our suppliers and vendors must comply with our [Code of Conduct](#). This ensures that not only Etisalat, but also its suppliers and vendors are fully committed to doing business in accordance with the highest standards of ethics and

integrity, and legal and regulatory standards.

Etisalat assesses strategic suppliers based on different criteria in an annual supplier performance evaluation. Such criteria include size of business, quality of project and service performance, timeline on project, and compliance to Etisalat terms and conditions. Our suppliers must comply to the Anti-corruption practices as stated in our SICETs. Any breach in the practices would result in instant termination of the supplier contract with Etisalat. The suppliers are expected to conform in all aspects to the laws, regulations, byelaws of all local and duly constituted authority.

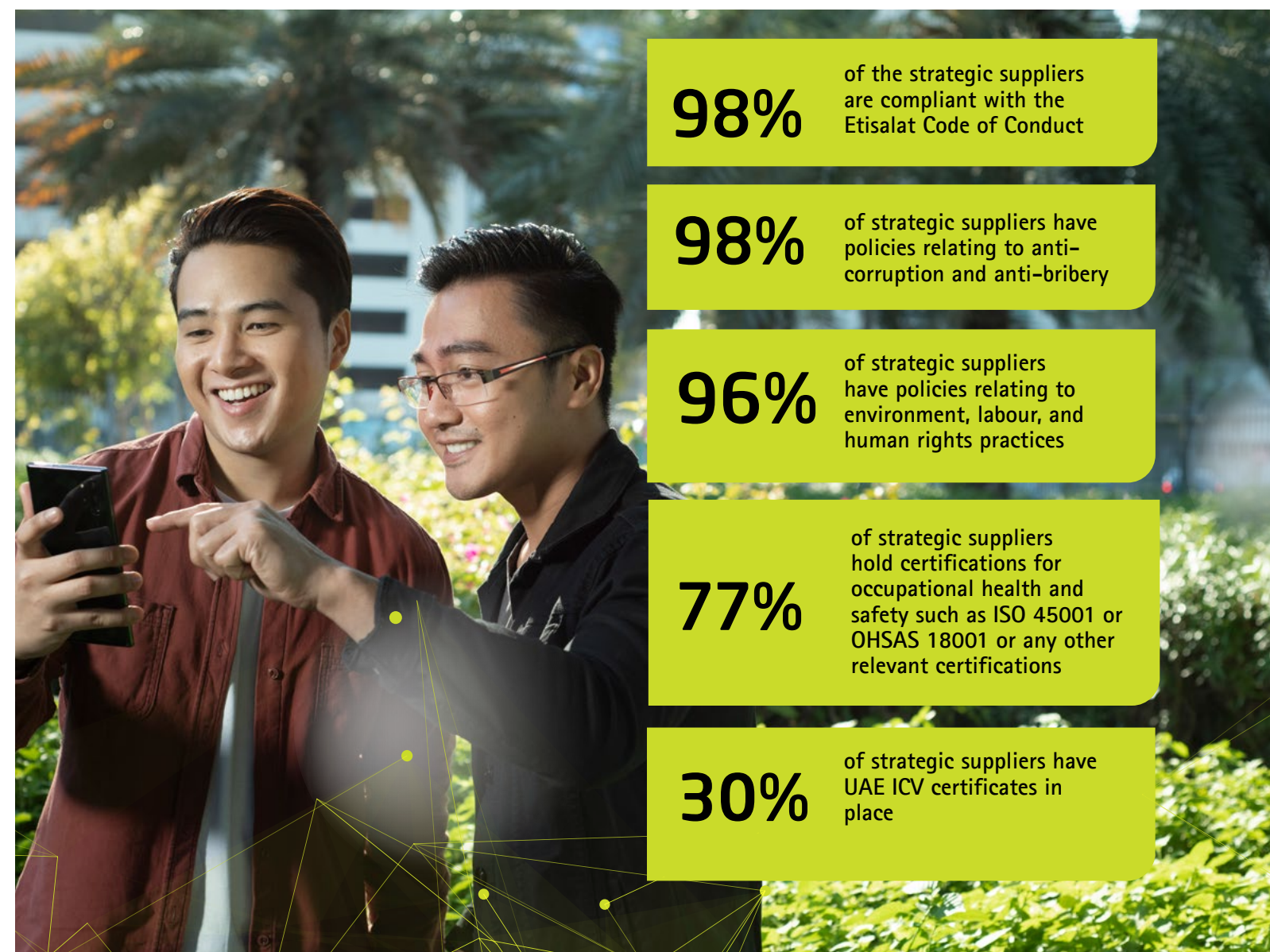
We engage with suppliers on an annual basis to reiterate the importance of economic, environmental, and social sustainability. In 2020, we held meetings with our top 50 strategic suppliers to discuss areas for improvement. Our Evaluation and Negotiation Committee evaluates all vendors participating in our Request for Proposals (RFPs) to ensure compliance with our SICETs, prior to project award.

SUPPLIER AUDITS AND ASSESSMENTS

In 2020, we rolled out a Supplier Compliance and In-Country Value (ICV) survey, which assess supplier's performance against ESG-related KPIs, including ICV certification. As part of the first stage of the supplier survey rollout, we focused on our top strategic suppliers.

We plan to continue the rollout of these surveys to cover all the Etisalat suppliers to manage our supply chain and move towards a more sustainable procurement process.

As part of our environmental efforts towards resource conservation, we have automated several our processes as part of digitalisation and digital transformation journey. For more information on our digitisation efforts, refer to [Digitisation](#).



05

OUR PEOPLE

OUR AMBITION

Our people are the foundation of our success, providing the knowledge, skills and dedication we need to achieve our long-term business objectives. Our ambition is to be the best place to work, an organization that is focused on the employee experience and attracts and retains top talent from all over the world who live and share our values. By implementing global best practices, we are dedicated to developing our people to drive productivity, quality, and innovation and ultimately achieve our strategic goals.

MATERIAL ISSUES COVERED

- Talent Attraction, Retention & Development
- Diversity & Equal Opportunity
- Emiratisation

2020 PERFORMANCE HIGHLIGHTS

- Employee wellbeing programme launched during COVID-19 pandemic.
- Youth employment made up 36% of new hires, with recruits between the ages of 18 and 30.
- Employee satisfaction score increased to 75% in 2020.
- Female employees represent over 22% of the total workforce.
- UAE Nationals made up nearly 50% of the workforce.

SUSTAINABLE DEVELOPMENT GOALS



UAE VISION 2021 PILLARS



Talent Attraction, Retention and Development

EMPLOYEES - AT THE HEART OF EVERYTHING WE DO

Our people are at the very heart of our success as a business, driving our growth and enabling us to achieve our strategic objectives. To help our people – and therefore our business – perform at their best every day, we have a strong focus on personal and professional development, providing our employees with a range of learning and development opportunities that meet their specific needs. We actively encourage an inclusive and positive working environment, including promoting the hiring and advancement of top talent in key roles across the business.



Providing effective and efficient employee services for all staff



Maintaining internal equity of job grades and ensure the external competitiveness of salaries and benefits



Creating a healthy working environment by establishing a sense of belonging, teamwork and respectful treatment



Training and developing employees to cope with international standards



Attracting, recruiting and retaining qualified staff, with emphasis on UAE Nationals

In 2020, the key focus was proactively reshaping the people strategy to maintain business continuity and resilience in the face of the challenges presented by the COVID-19 pandemic.

Employee concerns were captured in an open and transparent manner, and in response to these insights and the restrictions incurred by the COVID-19 pandemic, Etisalat expanded flexible work arrangements to allow employees to work remotely and safely. An employee wellbeing programme was launched to support a safe working environment as well as maintain individual

and team performance and organisational efficiency. To protect employees who were required to be on site, comprehensive COVID-19 safety measures were implemented.

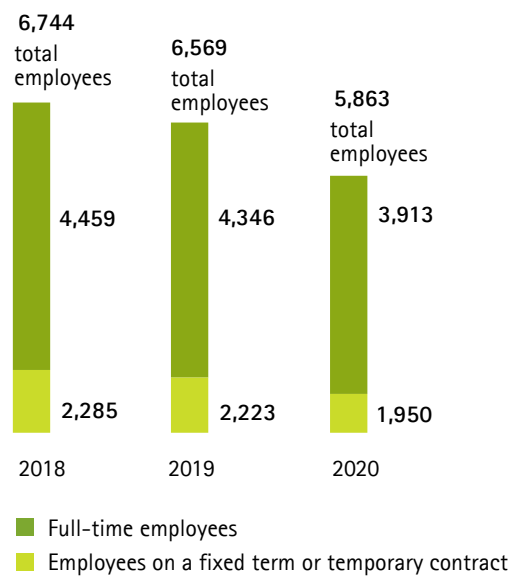
Alongside the wellbeing programme which focussed on overall health and safety during this time, efforts were made to keep employees engaged and motivated, including launching a revised communication plan that aimed to maintain collaboration and connectivity within our organisation.

OUR PEOPLE - AN OVERVIEW

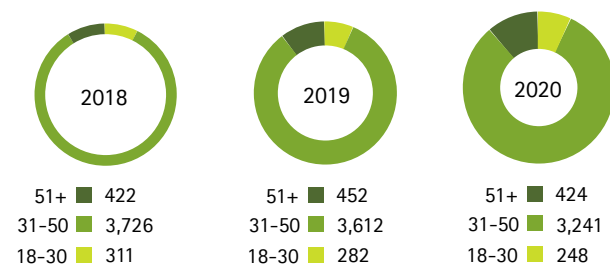
We have a proud workforce of 5,863 people, of which 67% are on indefinite contracts and 33% are on fixed term contracts. Of the total workforce on indefinite contracts, 22% are female and 78% are male.

WORKFORCE OVERVIEW

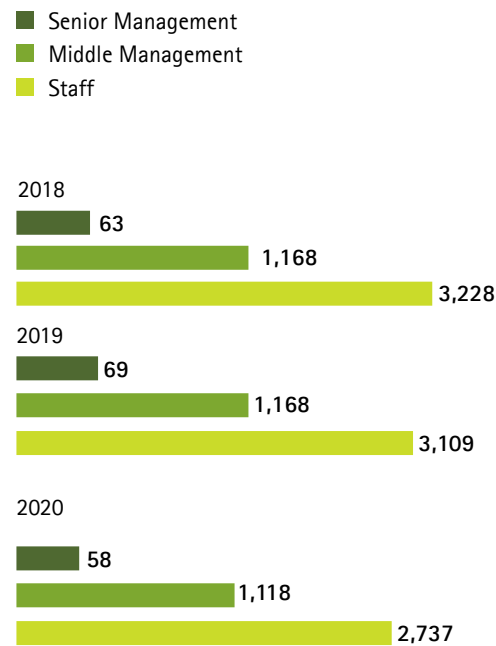
WORKFORCE SIZE



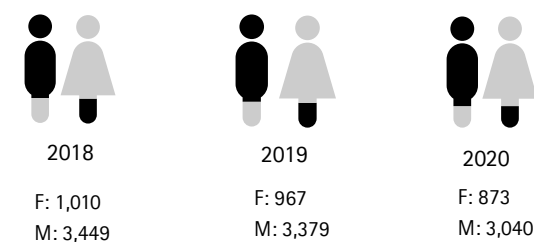
WORKFORCE AGE PROFILE



BY EMPLOYMENT LEVEL



WORKFORCE BY GENDER PROFILE

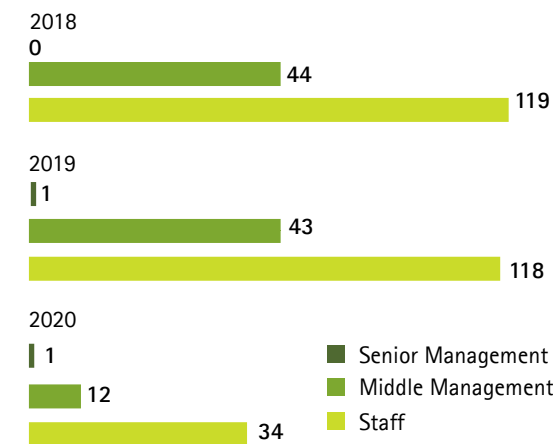


ATTRACTION AND RETENTION STRATEGY

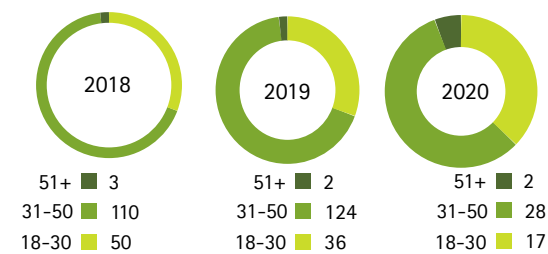
Our talent management strategy focuses on hiring the right people, retaining key talents, and developing our people through effective succession plans. Our hiring process includes robust assessment and selection methods which also promote a diverse and inclusive high-performing culture throughout the organisation. In 2020, a full review of our employment policies was undertaken, and manuals were updated to reflect global best practices.

HIRING AND TURNOVER

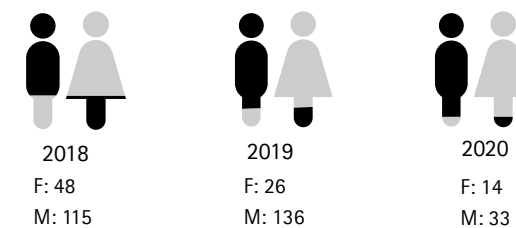
NEW EMPLOYEE HIRES BY EMPLOYMENT LEVEL



NEW EMPLOYEE HIRES BY AGE



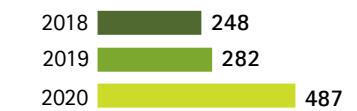
NEW EMPLOYEE HIRES BY GENDER



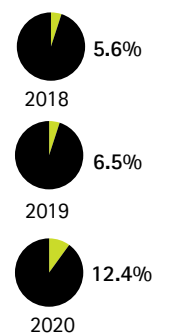
The impact of the COVID-19 pandemic and containment measures led to a contraction across our workforce in 2020, with a higher-than-normal rate of employee turnover (both voluntary and involuntary). Although there were numerous global challenges faced by the economy, we managed to mitigate the impact, and were pleased to welcome 47 new employees to our family.

EMPLOYEE TURNOVER

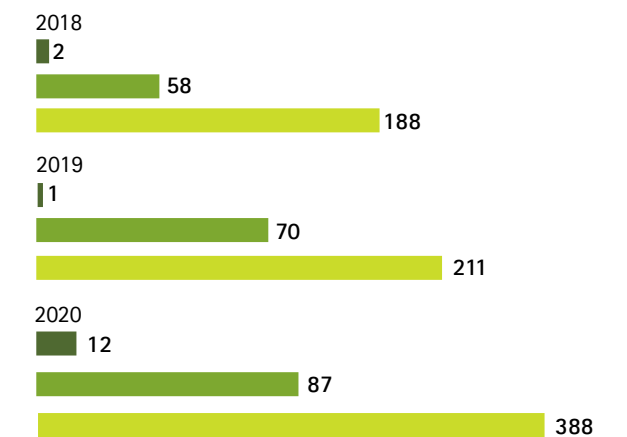
TOTAL NUMBER OF EMPLOYEES WHO LEFT THE ORGANISATION



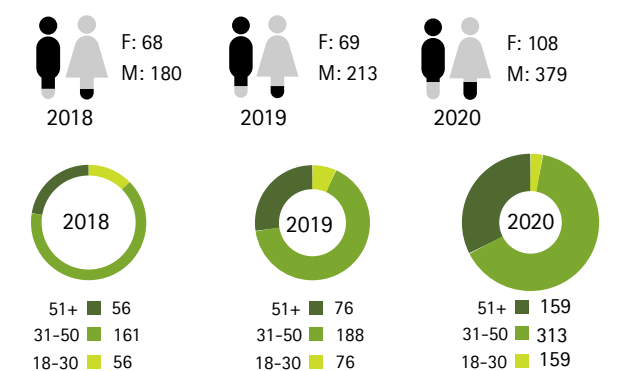
TURNOVER RATE



TURNOVER BY EMPLOYMENT LEVEL



TURN OVER BY GENDER



PEOPLE CAPABILITY BUILDING

Ensuring our people have the resources and skills to perform at their best is one of our key focusses. We provide our employees a comprehensive training and development programme to enhance their competencies and knowledge, building a technologically savvy workforce in line with our vision 'Together Towards a Sustainable Future'. Reflecting Etisalat's multicultural and multigenerational workforce, in 2020 we changed our organisational learning to a social, peer learning approach to better suit our workforce dynamics.

TRAINING AND DEVELOPMENT

At Etisalat, we have clear career pathways, and we encourage our employees to pursue certifications from top academic institutions to support their progression.

Each year, we conduct a Training Need Analysis exercise to determine our peoples' development needs. In 2020, we successfully completed 96% of the Training Need Analysis requests with a training effectiveness of 3.79 out of 4.00.

In partnership with Edcast, we created an AI-powered learning platform – known as iQra. iQra brings curated, personalised learning content to all our employees, and can be accessed on any device, anytime and anywhere. It is available to all Etisalat employees and has over 5,000 active users. It supports microlearning, gamification and encourages learners to become leaders with access to peer-to-peer learning.

In addition to our learning and development programmes through iQra, we provided our employees with virtual learning tools and experiences through the LinkedIn Learning platform and other online training courses. We also have the Online Learning Portal- Skillsoft, Pluralsight, and

Training and Development	2018	2019	2020
Total hours of training delivered	132,256	140,260	209,659
Average hours of training per employee	31.2	32.3	50.7
Average hours of training per female employee	27.8	34.3	60.7
Average hours of training per male employee	32.2	31.7	47.9
Target staff	4,236	4,346	4,132

Training sessions			
Total workforce participating in training	12,947	15,682	92,110
Number of females participating in training	2,973	3,989	25,417
Number of males participating in training	9,974	11,693	66,693
Training hours on sustainability	13,464	9,770	16,692
Training hours per employee on sustainability aspects	3.0	2.2	4.0



Linux Academy available for employees to learn and develop their knowledge and skills, at their own pace.

In 2020 we also improved our Digital Academy offerings by incorporating skill sets and competencies required for the future with the aid of Digital Assessments. The Digital Academy offerings address topics including, but not limited to, design thinking, agile working, network visualisation, cloud, and Internet of Things (IoT), web design/ user experience design/ user interface data science and analytics, AI, robotic process automation, technical expertise related to 5G, cyber and network security and data privacy.

We also provide a series of learning and development programmes with a special focus on UAE nationals. For more information on these programmes, refer to [Emiratization](#).

Finally, we introduced a new ERP system designed to improve turnaround time, expediate processes, improve data analytics and improve functional support. By standardising our internal processes and streamlining vendor contracts we are able to ensure a better employee experience whilst optimising costs and improving quality. To support the new system Etisalat has specialised training academies including the Digital Academy, Sales Academy, Customer Care Academy and Finance Academy.

This year, over 92,000 training sessions were undertaken, an average of over 15 sessions per employee, and a total of 4,132 employee sessions were delivered. This is a total of 209,659 training hours, amounting to an average of 50.7 training hours per employee of which an average 4.0 hours per employee was related to sustainability trainings.

YOUTH ENGAGEMENT

In line with the UAE Vision 2021, Etisalat aims to encourage youth employment, empowering young people through our Work-Ways model which offers more flexible working conditions including flexitime, flexible location and the option to work in shift roles, part-time roles, seasonal work during the summer months as well as work placements. In 2020, 36% of our new hires were between the ages of 18 and 30.

GRADUATE TRAINING AND DEVELOPMENT PROGRAMME

Etisalat recognises that the future is digital, and that new graduates are the embodiment of this future. Our graduate training and development programme focusses on fostering and empowering Emirati graduates, maximising their potential as digital natives to bring fresh ideas and technology-led innovative thinking to our business.

The 15-month comprehensive programme includes induction, orientation, mentorship, training, rotation and on the job learning, ensuring they have every

opportunity to fulfil their potential in their career with us. The programme includes five in-class modules, individual development plans, individual and group coaching sessions, learning projects and assessments, and e-learning and experiential learning events.

YOUTH DEVELOPMENT PROGRAMME

The Etisalat Youth Development Programme (YDP) is the next phase of our Graduate Training programme for our best and brightest future leaders. The YDP is intended to embed and nurture leadership skills for confirmed graduate trainees to increase their leadership capacity for today and tomorrow. By focusing on hands on practice, applying what they have learned directly into their workplace, rather than heavy content and theory, we believe we can accelerate the development of these young rising stars. . The YDP journey is a combination of tested, principle-based solutions, selected to reflect Etisalat's values and our updated Leadership Competency Framework, and includes in-class modules, experiential learning events, functional certifications, job shadowing (in a minimum of 10 critical meetings), one-on-one counselling, and assessments.



ETISALAT YOUTH COUNCIL

The Etisalat Youth Council was established to help youth employees reach their full potential with a special focus on investing their capacities and capabilities in technology and digital development, ensuring they keep up to date with global telecom and digital expansions. The core strategic pillars of Etisalat Youth Council are:

DEVELOPMENT

Encourage youth self-development through various learning channels.

PROJECTS

Engage youth in selective projects related to their functional domain or cross – functional.

INNOVATION

Encourage youth to come up with innovative ideas whether business achievements or any relevant ideas under their domain.

INNOVATIVE PROJECTS EXHIBITION (ABU DHABI & DUBAI)

- 15+ Innovative projects presented
- 10+ Inspiring speeches
- 200+ participants

TECHNOLOGY YOUTH DAYS

- 150+ participants
- 20+ Ideas raised
- Participation of CTO and section heads with the Youth

VISITS

Internal

- Liquid Studio
- Innovation floor in AlKifaf

External

- Dubai Youth Hub
- Federal Authority of Youth

HAPPINESS INTERNATIONAL DAY: H.H. MOHAMMED BIN RASHID'S BOOK DISTRIBUTION

EXTERNAL PARTICIPATION

- Youth Circle hosted by TRA
- Youth Circle hosted by "Human Fraternity"
- Global Conference"

Through the establishment of the Council, Etisalat aspires to achieve high levels of engagement, enthusiasm, and commitment from its youth employees.



AI GRADUATE PROGRAMME 2020

As Etisalat, AI is at the very core of our business and our vision for the future, aligned with UAE AI Strategy 2031. Our digital transformation has two key aspects – by reimagining customer experiences driven by personalisation, we aim to establish an “AI as a Service” model and by optimising our operations through a focus on agility and the ability to predict and prevent issues in advance, we hope to streamline costs and increase productivity.

We embarked on this journey of transformation by starting an AI Graduate Programme in 2020 where fresh graduate Emiratis are hired and assigned to a 9-month AI developmental journey. These ‘AI Graduates’, go through various stages, including foundational and specialisation, leading them to choose various future tracks (e.g., Data Scientist, data Engineer, AI Engineer, and Advanced Python etc). We have partnered with Microsoft, Accenture, and Emirates ICT Innovation Centre (EBTIC) to build the right foundations for the AI Next Generation, providing coaching and training on a range of AI, data, and industry-centric topics.

As a part of the world's first ministry on AI in the UAE and their flagship programme, BRAIN (Building a Responsible AI Nation), we intend to work closely on the national agenda.

QADAT AL MOSTAQBAL (FUTURE LEADERS) PROGRAMME

To enable the next generation of corporate leaders within Etisalat, we initiated the Qadat Al Mostaqbal (Future Leaders) Programme, with a special focus on

UAE nationals. The programme is a 2-year learning journey designed in line with Etisalat's corporate values and contextualised to cater to the specific leadership development aspirations of the nominated candidates, representing multiple leadership audiences across the organisation. The programme is aligned with our vision ‘Together Towards a Sustainable Future’ as well as the Etisalat values. Participants are selected based on various factors such as high-impact and fast track employees, top performers, managers, and supervisory roles and the individual's level of motivation and desire to grow. The programme includes six in-class modules, individual development plans, and coaching, Etisalat-specific case studies, action learning projects, assessments, engagement of alumni, impact measurement tools, e-learning, and business simulations.

ETISALAT ASSESSMENT CENTRES

Etisalat has focused strategically to align learning needs, based on a competence model and assessment methodology, for the different companywide requirements. Currently, we provide not only Leadership Assessment & Development Centre for the purpose of recruitment, and career development, but also Progression & development training to assess candidates across various job levels.

The ‘First Time Managers Assessment Model’ is our career progression model designed to aide staff to check their eligibility for managerial positions based their skill set, ability & knowledge. Candidates are gauged on their skills through online assessments and various training modules.

ENGAGEMENT & SATISFACTION

At Etisalat, we believe that to lead in the era of digital disruption we must foster engaged, energised, and digitally enabled employees who feel valued and are willing to go over and beyond their core duties because they believe in and are united by our vision.

We constantly challenge ourselves to look for new, innovative ways to keep our people motivated and engaged, recognising that it is key to overall business performance and achieving our corporate objectives.

Throughout the years we have created an exceptional employee experience, based on promoting and driving a performance-driven culture where open feedback

is encouraged and employees are given regular opportunities to voice their concerns, and have those concerns translate into concrete actions. To monitor employee engagement, we have partnered with external third parties to conduct engagement surveys and analysis; this gives us in-depth information on where and how we can improve our engagement strategy and understand what is working well.

We are proud that in 2020 our efforts have paid off, with the overall employee satisfaction score increased to 75%. The Employee Engagement Index also increased from 85% in 2019 to 86% in 2020. The Performance Excellence Index stood at 89% in 2019 also improving from the previous year.

The most recent employee engagement survey results have shown that:



95%

of staff are proud to work at Etisalat



89%

of employees feel that Etisalat is a great place to work



88%

of staff are extremely satisfied with Etisalat as a place to work



88%

of employees believe that customer problems are dealt with quickly



94%

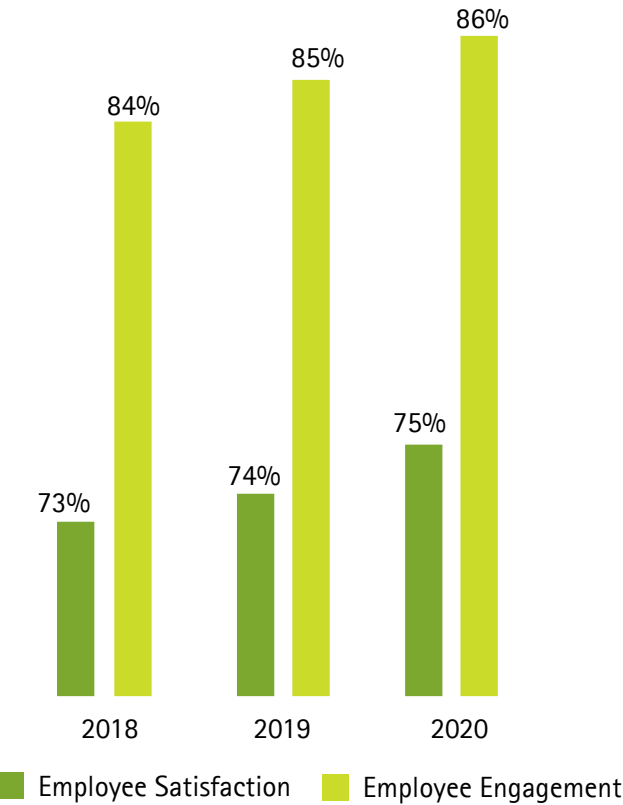
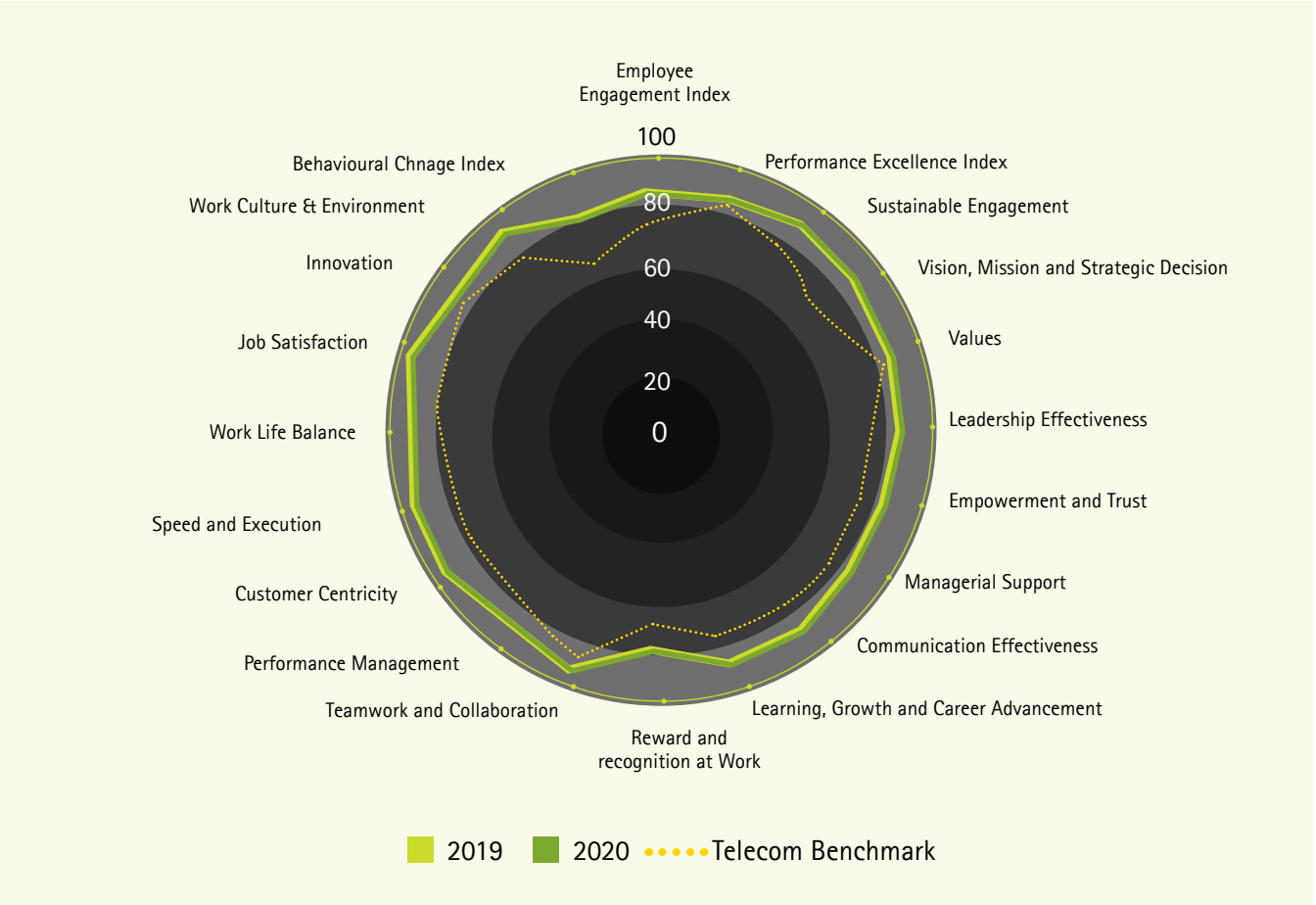
of employees are confident in the commitment of senior leaders to provide high-quality products and services



88%

of employees believe that customer problems are dealt with quickly





DRIVING ENGAGEMENT

At Etisalat we drive employee engagement through a range of innovative initiatives including engagement committees, a network of 'Engagement Champions', and reward and recognition programmes. We also launched the Continuous Feedback System where feedback from managers is captured and by including an Employee Engagement Index and a Performance Excellence Index into key execution dashboards, we have been able to align employee engagement with business objectives.

ENGAGEMENT CHAMPIONS

Our network of Engagement Champions is responsible for ensuring new innovative engagement initiatives are brought up for implementation across the company.

FEEDBACK MECHANISM, REWARDS AND RECOGNITION PROGRAMMES

We invite employees to share their feedback through social media, focus groups, opinion polls and our very own Employee Ideation and Suggestion Scheme (Al Mawrid). The feedback is used to enhance, develop, and expand our operations and processes. For example, annual programmes such as Wellness Week, Spirit of Happiness Week, and Travel Week are made possible by the feedback received, in addition to mechanisms that provide employees with both incentive and non-incentive-based rewards. 2,039 ideas were received

through Al Mawrid in 2020, of which six ideas were awarded. For further details, see [Employee Wellness](#).

Our rewards and recognition programmes focus on employee engagement and happiness that are aligned with our business objectives. These programmes create healthy competition among employees and assist in achieving business targets.

In 2020, 352 employees were awarded long service awards, 1,767 employees received monthly excellence awards and 207 customer experience awards were distributed.

ETISALAT SPOT AWARD To recognise and reward for your exceptional contribution, commitment and going the extra mile in your day to day work. Eligibility: Director level and below	CUSTOMER EXPERIENCE AWARD Awarding those who go the extra mile in engaging with our customers. Eligibility: Frontline Staff (excluding managers and above)	CUSTOMER EXPERIENCE REWARDS (ANNUAL) Top Retail Outlet, Top CCC teams and Top CSE Group in Technology shall be awarded with Customer Experience Awards based on the Customer Service Excellence measures. Eligibility: All Staff	MONTHLY EXCELLENCE AWARD To recognise and reward for excellence in your day-to-day function. Eligibility: Managers and below
LONG SERVICE AWARD Reward all Etisalat staff who served the company for more than 10 years. Eligibility: Full-time employees	GCEO AWARD To reward those who have contributed exemplary customer experience, innovation and excellence within or outside their functional role. Eligibility: All staff excluding GCEO's direct reportees	OUTSTANDING PROJECT CONTRIBUTION AWARD Reward project team members for their strategic impact and innovative or path-breaking execution of a specific project. Eligibility: All Staff excluding GCEOs Direct Reportees.	AL MAWRID SUGGESTION SCHEME Rewarding innovative ideas which help to improve processes, products, employee engagement or customer experience. Eligibility: All staff
BEST CO-WORKER AWARD Honouring the best colleagues who work in the same section/department, or in other departments. Eligibility: All staff	GREAT LEADER AWARD Recognise employees for their leadership skills. Eligibility: Full-time employees	MILITARY NATIONAL SERVICE All the UAE National Staff who have served and completed the National Military Services. Eligibility: UAE Nationals	ETISALAT HEROES To recognise employees who win more than one award in a year. Eligibility: Rewarded Staff only

COMPENSATION AND BENEFITS

We believe that a skilled, motivated, and engaged workforce is essential to achieving our growth ambitions and few know that fair and competitive compensation and benefits are essential factors in achieving this.

We align key benefits and allowances to the market to ensure market parity and drive operational efficiency. Our benefits include, but are not limited to, health insurance, parental leaves, paid time off, and different paid incentives programs. In 2020, salaries paid totalled over AED 1.9 billion, while benefits stood at AED 312 million. In 2020, the ratio of the average male to female salary was 1:0.78.

Customer Satisfaction (%)	2018	2019	2020
Total salaries paid (AED)	1,974,326,000	2,000,295,000	1,920,711,000
• Salaries paid (AED) Male	1,608,736,697	1,637,381,860	1,570,646,459
• Salaries paid (AED) Female	365,589,303	362,913,140	350,064,541
Total benefits paid (AED)	438,115,000	430,326,000	312,174,000
• Benefits paid (AED) Male	356,988,500	352,252,036	255,277,857
• Benefits paid (AED) Female	81,126,500	78,073,964	56,896,143

Diversity & Equal Opportunity

Etisalat is an equal opportunity employer and has established policies and processes in place to ensure employee inclusivity and to ensure candidates are selected for open positions on a merit basis. We always encourage diversity and invite candidate from different backgrounds regardless of age, gender, religion, or disability.

FEMALE EMPOWERMENT

At Etisalat we empower women and promote gender equality, actively encouraging women's participation across all business levels. Our equality policies ensure women rights are protected and exercised, and that our working culture supports female employees.

In 2020, our workforce was composed of 873 females, representing over 22% of the total workforce. Furthermore, 5% of the senior management is led by female employees, including a new female CHRO who joined in 2020 as an executive leader becoming our first ever female appointed C suite executive.

Female Employment	2018	2019	2020
Number of female employees	1,010	967	873
Female employment rate (%)	23%	22%	22%

FEMALE EMPLOYMENT RATE

SENIOR MANAGEMENT

2018	5%
2019	4%
2020	5%

MIDDLE MANAGEMENT

2018	13%
2019	13%
2020	13%

STAFF

2018	26%
2019	26%
2020	26%

Maternity Leave	2018	2019	2020
Number of female employees that took maternity leave	69	56	52
Number of female employees who returned to work after maternity leave ended (return to work)	69	56	41
Number of female employees returned from maternity leave who were still employed twelve months after return to work (retention)	64	56	40

This year, 52 female employees took parental leave, of which 41 returned to work; the remaining 11 female employees remain on parental leave. The return-to-work rate stood at 79% in 2020 and the retention rate was 77%.

CELEBRATING WOMEN

At Etisalat we are proud of our diverse workforce and the specialised support we give our female employees. Our employee campaigns such as our employee happiness and engagement programmes include special initiatives dedicated to nurturing female culture and special attention is given to female oriented activities as part of employee wellness initiatives. In 2020, our Employee Wellness and Wellbeing Programme included breast cancer awareness and free check-ups for female employees, skin care assessments, special lectures on parenting (for both men and women), classes on healthy lifestyle and special walking challenges for female employees.

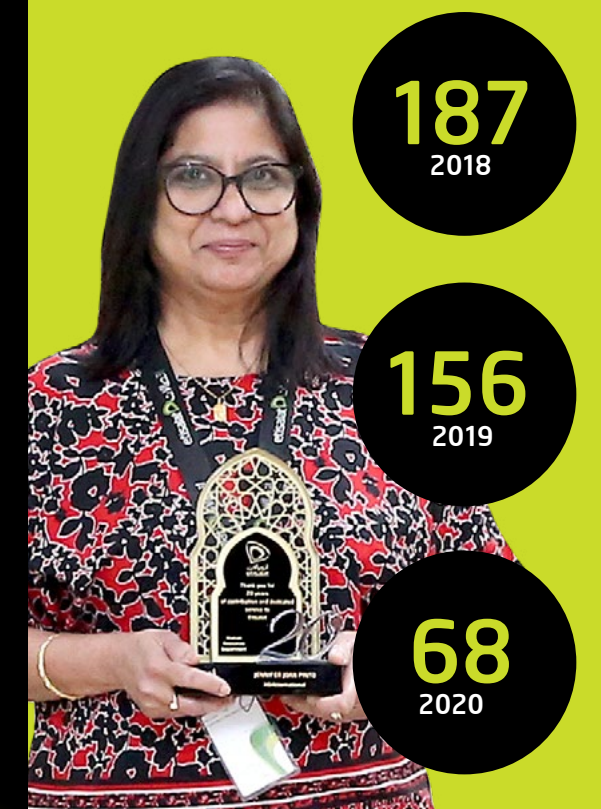
We also undertook the annual Al Tejoory competition for female employees, with 1,033 female participants and five winners selected.

As part of our Great Leaders Programme, we select the most engaging and charismatic leaders across Etisalat each year. Over the last three years, two female winners were recognised as part of this programme.

Finally, we are grateful towards female employees by distributing Long Service Awards on their anniversary joining dates. This year, 68 of our female employees were recognised with Long Service Awards.



NUMBER OF LONG SERVICE AWARDS DISTRIBUTED TO FEMALE EMPLOYEES



INTERNAL GRIEVANCE MECHANISM

We aspire to provide all our employees with the opportunity to work in a supporting environment, that encourages and facilitates exceptional performance and achievement of business goals. Therefore, we developed grievance management guidelines to eliminate the possibility of any detrimental effects arising from unresolved grievances. The guidelines aim to ensure that all communication channels are open, and all employees have an adequate opportunity to express their grievances in a fair and transparent manner.

Grievance Mechanism ³	2018	2019
Number of performance grievances filed	58	64
Number of performance grievances where the rating was revised	9	12
Number of performance grievances resolved where the rating remained as it is	49	52
Number of employee grievances filed	3	3
Number of employee grievance addressed/ resolved	3	3
Incidents of discrimination	0	0

³These figures will be updated in the subsequent sustainability report, as the normal grievance process has yet to be completed for 2020.



Emiratisation

Etisalat plays an important role in nurturing and developing UAE National talents.

In 2020, UAE Nationals made up nearly 50% of the workforce, with the Emiratisation rate among senior management over 71% and over 48% among middle management. UAE National technical employees make up over 56% of the total technical workforce and 76% of the total sales workforce; likewise, our female workforce is 74% UAE Nationals.

Etisalat's focus on UAE Nationals' development and engagement strategies contributed to an exponential increase in organisational performance, and a significant cultural shift within the company with new corporate values. We are committed to developing UAE National employees by encouraging them to continue their studies, providing them with extensive training, as well as tailored coaching and mentoring programmes. We also indirectly contribute to scholarship programmes as part of the ICT Fund under the TDRA.

Another distinctive and unique approach taken by Etisalat is the establishment of three call centres in Ras Al Khaimah, Fujairah, and Al Ain to offer new job

opportunities for UAE Nationals close to their home Emirate. We hired UAE Nationals for part-time work and seasonal sales projects, civil projects, and the Al Ain project.

With each passing year, Etisalat has grown increasingly successful in attracting local talent and thus developing the national workforce at all levels, paving the way for our local graduates and young people to become future leaders. In 2020 we strengthened our network with top-rated schools, colleges and universities across the UAE and participated in career fairs, recruitment campaigns and offered internship opportunities, work placements and summer placements and trainings dedicated to UAE Nationals. We also employed a unique digital approach, using social media platforms to attract local talent.

Finally, we are dedicated to participating in Absher – a Ministry of Presidential Affairs Programme, Accelerator Programme- under the Ministry of Human Resources and Emiratisation, Wajehni – an initiative of the Ministry of Human Resources, Tamkeen, Overseas Hiring – Washington DC Initiative, Secondment Programmes in Etisalat's International operations and more.

Emiratisation	2018	2019	2020
Emiratisation (%)	48%	48%	50%
UAE Nationals in top management (%)	75%	74%	71%
UAE Nationals employed in middle management (%)	47%	48%	48%
UAE Nationals technical staff in IT and Technology (%)	53%	54%	56%
UAE Nationals in sales workforce (%)	72%	74%	76%
UAE National females as percentage of total female workforce (%)	73%	73%	74%

People operations digital transformation

In 2020, we implemented first of its kind – integrated blockchain technology for people operations. The use of blockchain technology ensures that all employees have digital access to generate blockchain verifiable letters, while the concerned authorities can verify the data automatically, assuring a full end-to-end digital trail of genuine documentation without any manual intervention.

We also launched the Etisalat HRConnect Mobile App which is equipped with a comprehensive set of resources available digitally for all our employees to readily access. We have adopted a series of other digital mechanisms to automate human resources-related processes to ensure an optimal and simplified employee experience.

06

ENVIRONMENTAL
MANAGEMENT

OUR AMBITION

Our commitment to innovate and develop new existing and products that are more environmentally friendly, is further supported by our drive to improve our processes and operations for better environmental efficiencies through energy and emissions, water, and waste management.

MATERIAL ISSUES COVERED

- Climate Change & Energy Management
- Water, Waste and Biodiversity

2020 PERFORMANCE HIGHLIGHTS

- Saved 9,404,362 kilowatt-hours (kWh) of electricity, while displacing 5,548 tonnes of Carbon Dioxide (CO₂) and saving 1,191 trees or 12,330 barrels of oil.
- 40% of waste generated was recycled.
- Reduced total water consumption by 11%.

SUSTAINABLE DEVELOPMENT GOALS



UAE VISION 2021 PILLARS



Etisalat is committed to managing its environmental impact and protecting natural resources. To that end, Etisalat devised an Environmental Management Policy that tackles environmental issues and focuses on energy and waste management. Moreover, Etisalat is ISO 14001:2015 certified for environmental management. Etisalat has ten High Rise Buildings (HRBs) across the UAE, and six of the biggest are ISO 14001:2015 certified.

Every year, we conduct regular environmental assessments across our branches and masts. We have an Environmental Management System (EMS) programme in place as well as a campaign that encourages internal collaboration between all teams to create initiatives that promote environmental protection. Across our operations, the Etisalat engineers continuously seek to adopt more ozone friendly efficient refrigerants to reduce GHG emissions, in line with the UAE's commitment to the Paris Climate Change Agreement.



Climate Change and Energy Management

At Etisalat, we acknowledge that urgent action is needed to address climate change and we are keen on playing our role in lessening our environmental impact. We recognise that we operate in an energy intensive sector, therefore, we concentrate our efforts to reduce energy consumption and implement initiatives that positively impact the environment.

ETISALAT FIBRE OPTIC INFRASTRUCTURE

UAE is the leading country in the world in terms of FTTH penetration rate. Etisalat strategically invested in a fibre optic infrastructure as opposed to the traditional copper cable systems. This is in fact due to the numerous advantages both technical and environmental.

Fibre optic cables cannot only cover greater distances than the latter, but also have reduced cabling mass. Lower energy consumption, reduced waste and sustainable architectures are all characteristics that make fibre infrastructure an environmentally advantageous choice.

Over the past 10 years, Etisalat has replaced all traditional copper cables to fibre optic cables. To date, Etisalat has deployed over 10,974,865 kilometres (km) of fibre optic cables, saving over 3,044 Gigawatt-hour (GWh) of energy per year. This has also resulted in the savings of over 1.8 million tons of CO₂eq in greenhouse gas emissions annually.

3,044+ GWh
of energy saved per year

1.8 million tons
of CO₂eq saved annually

ETISALAT ENERGY SAVING PROGRAMMES

In 2020, Etisalat Digital expanded its current install base of connected buildings and continued to leverage the expertise developed over the years in predictive analytics, remote monitoring and continuous commissioning of the systems connected within those buildings, specifically for the Heating, Ventilation and Air Conditioning (HVAC) systems and heat exchange machinery.

Cumulatively 9,404,362 kilowatt-hours (kWh) of electricity were saved while displacing 5,548 tonnes of CO₂ and saving 1,191 trees or 12,330 barrels of oil.

Other energy conservation measures were implemented in the IoT based approach for energy automation included weather compensation, temperature set point reset based on load, fail over logic, variable frequency control of pump speed, run time equalisation and time scheduling of HVAC equipment based on buildings' occupancy.

Etisalat Digital has had the privilege of contributing to the UAE Government's vision in developing a green print towards solving the most pressing sustainability challenges of tomorrow. At the same time, we stay focused on serving our customers to achieve their energy efficiency targets and operational cost optimisations.

Etisalat also undertook a series of energy conservation mechanisms including installation of high-efficiency cooling systems at various Etisalat exchanges and data centres, high efficiency Light Emitting Diode (LED) lights and AI features at mobile access sites. To date, three of the Etisalat data centres are Leadership in Energy and Environmental Design (LEED) certified, two of which have also received the Estidama Pearl 1 certification. We have also adopted condensate water harvesting and solar water heaters across one of our data centres.

RENEWABLE ENERGY TECHNOLOGIES

Etisalat is utilising renewable energy technologies since many years on its mobile sites and plans to continue this practice. Up till end of 2020, 110 base stations are powered by renewable energy, while the sites running on diesel generators has also reduced from 372 to 368. Furthermore, other options such as use of solar air-conditioners were also explored, to further reduce energy consumption and carbon footprint.

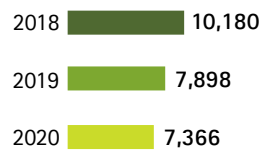
GHG EMISSIONS

We have made considerable progress in reducing our greenhouse gas (GHG) emissions. This year, our total GHG emissions remained relatively stable, despite the expansion in infrastructure and increased electricity usage requirements.

TOTAL EMISSIONS (MTCO2 EQ.)



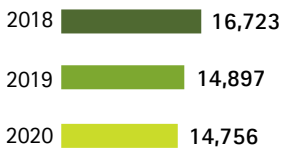
SCOPE 1 EMISSIONS - VEHICLE FUEL (MTCO2 EQ.)



SCOPE 2 EMISSIONS - ELECTRICITY (MTCO2 EQ.)



SCOPE 3 EMISSIONS - (MTCO2 EQ.)



Note:
2018 and 2019 figures are restated.⁴
2020 figures have been updated based on the most recent calculations using the GHG Protocol methodology.
Scope 2 emissions cover electricity consumption across our offices, data centres, exchanges, and base station with Etisalat accounts with the following authorities DEWA, FEWA, SEWA, ADDC and AADC.
Scope 3 emissions are related to fuel consumption in operations.



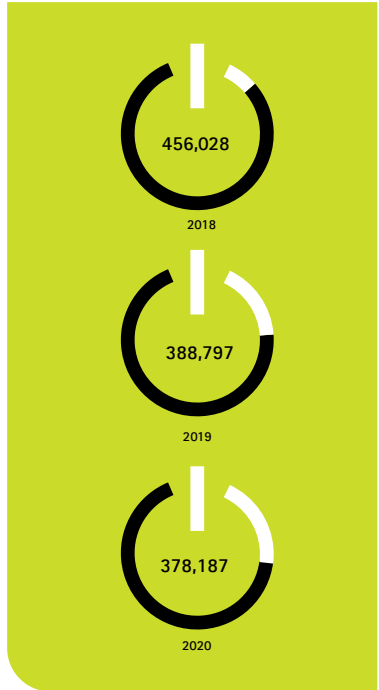
ENERGY CONSUMPTION

This year, we maintained a relatively stable total energy consumption across the organisation.

Energy Consumption	2018*	2019*	2020
Total direct energy consumption (GJ)	456,028	388,797	378,186
Total indirect energy consumption (GJ)	273,692	230,591	264,658
Total energy consumption (direct and indirect; GJ)	456,302	389,027	378,451
Total energy consumption intensity (GJ per full time employee)	102.3	89.5	96.7
Number of First Call Resolutions	83.2%	82.5%	83.7%

*2018 and 2019 figures are restated

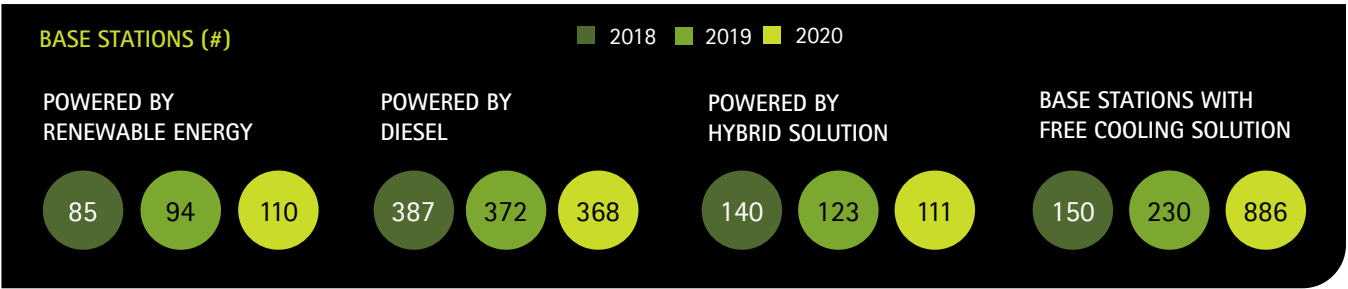
Technology	2018	2019	2020
Number of data centres owned by Etisalat	10	10	11
Number of exchanges owned by Etisalat	192	192	196
Number of base stations	10,350	10,644	11,122



The number of data centres and exchanges owned by Etisalat increased to 11 and 196, compared to 10 and 192 in the previous year, respectively. The number of base stations also increased by 4% from 10,644 base stations last year to 11,122 base stations in 2020.

We run an energy optimisation programme called ZIBRA within administrative buildings, which automatically controls light schedules and Air Conditioning (AC) schedules. We are also insulating our high-rise buildings to reduce heat in the summer. At our data centres we have introduced containment solution to improve efficiency in cooling. Some of our data centres are also equipped with solar water heaters, Variable Frequency Drive (VFD)-driven cooling architecture, condensate water, and load optimised performance operation scheme on dynamic rotary uninterruptable power solutions.

We prioritise the use of clean energy sources such as commercial power, solar energy, and hybrid power systems. Hence, we are always pushing to lower the number of diesel generators running in the network, which is reflected in the increasing number of base stations powered by cleaner energy sources.



*GRI 102-48
*GRI 102-48

Water, Waste and Biodiversity



WASTE MANAGEMENT & RECYCLING

Etisalat strives to minimise its impact on the environment by ensuring sustainable consumption is the use of material products, energy, and immaterial services. We seek to boost our waste recycling by reusing equipment and the recycling of various types of waste including network waste, IT equipment as well as other office waste. Our Environmental Management System Policy has a specific section that deals with waste generation and recycling.

As part of our efforts to move towards a paperless environment, we have achieved many digitisation and automation initiatives including the switch of paper billing to digital copies as part of the Etisalat "Go Digital" drive. We also participated in the Earth hour movement in 2020. The Montreal Protocol on Substances that Deplete the Ozone Layer, any

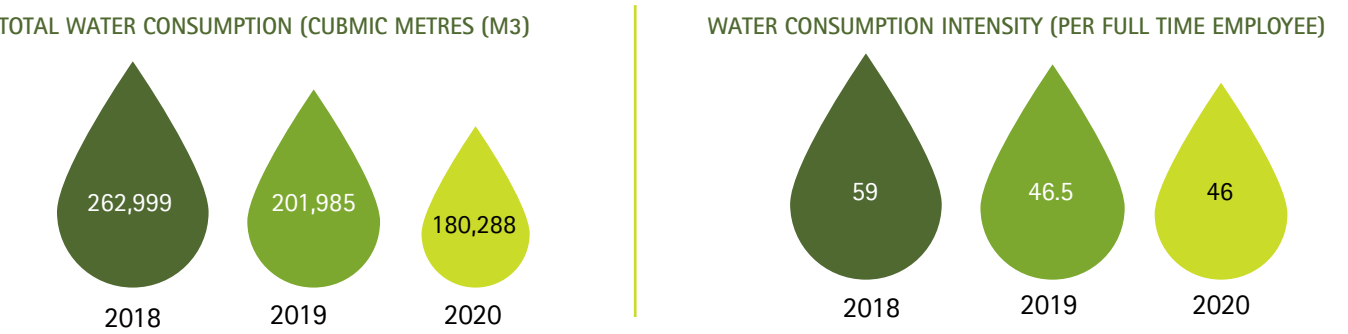
remaining Halon system within Etisalat are recovered and assigned for disposal as per the protocol. Expired fire extinguishers are also proper recycled by approved agents.

In 2020 we continued 100% e-billing to our customers, hence our paper consumption was significantly reduced, by 99% as we shifted towards digitalisation our operations and processes. In 2020, we achieved a remarkable 60% recycling rate. Furthermore, we deployed sustainable waste solutions by deploying sensors in the waste bins across our retail spaces which provide real-time monitoring of waste accumulation and allow for the efficient management and optimisation of the waste collection process. In 2020, we generated a total of 547,356 kilograms (kg) of waste of which 40% was recycled.

Materials and Waste	2018	2019	2020
Total paper consumption (kg)	11,929,123	7,929,123	160,185
Total Paper Recycled (kg)	653,029	71,272	60,286
% paper recycled	5.5%	0.9%	37.6%

WATER MANAGEMENT

As most of our operations are run in water scarce countries, we strive to make efforts to reduce our water consumption This encourages us to do our part and Increase our efforts to use water more efficiently. We installed aerators for all water taps as well as capturing wastewater in more than one location and are reusing it for gardening in that same facility. In 2020, we reduced our total water consumption by 11%.



BIODIVERSITY & ENVIRONMENTAL CONSERVATION

Through our operations we are determined to prevent a negative impact on biodiversity and ecological ecosystems. We value environmental conservation and strive support and assist where necessary.

DUBAI MULTI COMMODITIES CENTRE AUTHORITY (DMCC) SMART DISTRICT

Etisalat Digital is deploying a Smart District managed solution to DMCC for the whole of Jumeirah Lake Towers (JLT) district in Dubai. The solution includes deployment of devices and automation for monitoring and managing the district assets, including smart buildings, smart street lighting, smart waste management, smart parking, and smart environmental monitoring.

Waste bins are monitored for heat (in the case of fire) and collection is tracked to ensure efficient waste management. Street lighting is monitored and controlled with automated time-based operations to enhance energy efficiency. Parking occupancy and utilisation is tracked in real-time to enhance parking management. Environmental conditions are tracked including weather parameters.

Etisalat is a proud promoter of the UAE Vision 2021 and UN SDGs. Our aim is to facilitate the adoption and successful achievement of these goals for ourselves and our customers by the deployment of various digital solution and services.

ABU DHABI NATIONAL OIL COMPANY (ADNOC) SMART STATIONS

Etisalat Digital has deployed a combination of solution centrally managed from our cloud platform. The deployment covers more than 100 ADNOC Fuel Stations. The solution includes deployment of devices and automation for environmental monitoring, fire and gas extinguishing, video surveillance, access control, parking management and intercom.

Through our efforts, we are transforming the ADNOC petrol stations into smart, data driven service stations.

07

CONNECTING COMMUNITIES

OUR AMBITION

We are committed to empowering and connecting communities by providing them advanced technological solutions and driving innovation and entrepreneurship among the youth, while maximising our social impact in communities.

MATERIAL ISSUES COVERED

- Digital Access & Inclusion
- Social Impact and CSR
- Health & Safety

2020 PERFORMANCE HIGHLIGHTS

- Over 600 FLTE sites are currently deployed over UAE.
- Included an accessibility feature to allow people of determination to access and navigate our webpage.
- Invested nearly AED 21.7 million in community development initiatives.
- Zero fatalities and employee recordable injuries in 2020.

SUSTAINABLE DEVELOPMENT GOALS



UAE VISION 2021 PILLARS



Digital Access and Inclusion

At Etisalat, we continue to bring advanced technology social integration and equal opportunities, to the communities we serve. Not only do our activities extend to technological development, education, social and cultural engagement, and employee wellness, - but we also place significant focus on encouraging innovation and creative thinking. The 2020 initiatives were designed to shed light on enabling technology and digital capabilities across our operations.

In line with the UAE's vision to make communication accessible to all, Etisalat launched the Talking Bill free service to support the elderly and people of determination, specifically those with visual disabilities. The talking Bill service dictates the phone bill to the user, with the option of repeating the information. Furthermore, the Etisalat business and service centres have designated parking and ramps for people of determination where they receive a priority queue (Masarrah) through the Queue Management System across all Etisalat stores.

On an international level, Etisalat continues to liaise with the GSMA and the UNGC to enable technology and digital capabilities at a mass level to further enable digital access and inclusion, delivering a collective impact on society.

CHILD ONLINE SAFETY CAMPAIGN: THE ETISALAT BULLY BOT

Millions of children experience cyberbullying every day. Etisalat wanted to make the best use of technology by launching a cyberbully chatbot that would make life easier for parents and children. Therefore, Etisalat launched an AI chatbot known as "Bully Bot", as a major step towards a secure future against cyberbullying, one of the most alarming concerns for parents.

Each year, millions of children experience some form of cyberbullying. Experience it for yourself with Etisalat's Bully Bot, parents can monitor their children's activities. The Bot will allow parents and children to understand the scenarios most children face online through a simulated cyberbullying session and how to deal with their issues and challenges.

The innovation has positioned Etisalat as pioneers for tomorrow's engagement.

DIGITAL INCLUSION & CONNECTIVITY FOR ALL

In 2020, we embarked on a national broadband programme, aimed at ensuring broadband wireless connectivity across the country, including remote areas. COVID-19 expedited the broadband outreach as remote work became a norm. Remote communities were provided high speed broadband services. Where feasible, customers were upgraded to fixed 5G service. By the end of 2020, 160 5G sites have been strategically collocated with Fixed Long-Term Evolution (LTE) wireless broadband communication technology to allow the migration of subscribers to fixed 5G. Over 600 LTE sites are currently deployed over UAE.

PEOPLE OF DETERMINATION & ELDERLY SUPPORT

Our sales representatives across Etisalat business centres and retail store have the training and knowledge to communicate with people of determination through sign language. Videos depicted on the screens in our stores are translated in sign language to ensure that we cater to the community. Priority lanes for elderly are also provided.

Our facilities are equipped with the consideration of people of determination and include designated washrooms, accessible parking, evac-chairs, available wheelchairs, priority lanes for elderly and additional support from our staff where required and appropriate.

This year we celebrated Elderly Appreciation Day and offered a variety of discounts to the elderly population. For more information related to our Corporate Social Responsibility (CSR) activities refer to Social Impact and CSR.

On our corporate website, we have included accessibility features to allow people of determination to access and navigate our webpage with seamlessly. Further, we offer products and services including our eLife plans, Mobile data Add Ons and Internet Calling Plans at a 50% discount for people of determination.

Social Impact and CSR

Community development remained a major priority in 2020. Etisalat is committed to nurturing and maintaining the health and wellness of communities in which we operate. This commitment is reflected in the many community programmes we developed in 2020 to promote healthier, happier living, alongside our community investments. This commitment is reflected in the many community programmes we conducted during the year.

Despite the COVID-19 challenges, Etisalat participated in 48 programmes dedicated to the local community's needs with participation from 767 employee volunteers. Our community investments programmes fall under the categories of social and community development; culture and environment; innovation, education, and health; and sports and youth.



Community Investment	2018	2019	2020
Total number of local community development programs based on local community needs	52	67	48
Total number of volunteers (employees)	1,000	1,000	767

2020 CSR ACTIVITIES

JANUARY 2020

- ▶ On Braille Language Day, Etisalat distributed 30 Braille books to Al Jalilah Hospital and Al Qassimi Hospital.

FEBRUARY 2020

- ▶ In collaboration with Al Ihsan Charity, Etisalat placed Medical Drop boxes at 10 main company buildings, providing free medical aide to those in need. Our Volunteers supported the campaign by managing the donations from Etisalat staff.
- ▶ Internet Safer Day – In support of the Aqda campaign, we held a conference internet security for children.
- ▶ UAE Innovation Month: Following the success of UAE Innovation Week 2015 and 2016, Etisalat participated in the festival by inviting students from Zayed University & American University of RAK to visit Etisalat's open innovation centre display of technological innovations.
- ▶ Etisalat Marathon –Etisalat Club arranged a marathon for the Etisalat staff and volunteers at Dubai Parks.
- ▶ Hope Makers Event: Etisalat supported the event as a Telecom partner by providing internet for live coverage of the event. We also share updated of the event on our social media platform during the event. We have supported the event, resulting in an increase in ticket sales.
- ▶ The Second Abu Dhabi Family Gathering: Under the patronage of Sheikha Fatima Bint Mubarak, Etisalat supported the event by providing gifts to the attendees.

MARCH 2020

- ▶ **Emirates Red Crescent Ataya Exhibition:** Etisalat collaborated with Ataya Exhibition as a telecom partner by providing SMS and social media support.
- ▶ **The Reading Month:** Etisalat supported the initiative by changing the network name for three days to "UAE Reads" to promote a reading culture.
- ▶ **1 million students with free access to distance learning websites:** Etisalat has enabled at least one million students in the UAE with free access to distance learning websites and platforms using its advanced network.
- ▶ **Free browsing of 800+ websites for 10M mobile subscribers:** More than 10 million Etisalat mobile subscribers enjoyed free browsing of over 800 websites related to education, health and safety.
- ▶ **Free mobile data available to 12K+ students without internet connectivity:** Free mobile data was made available, in coordination with the Ministry of Education and Telecommunications and Digital Government Regulatory Authority (TDRA) to over 12,000 students without internet connectivity at home to enable distance learning.
- ▶ **Free distance learning applications:** Etisalat provided access to nine apps and platforms for distance learning, allowing visual and audio communications on its fixed and mobile network in collaboration with the TDRA.
- ▶ **Extra network resources & connectivity in the health sector:** Etisalat allocated extra network resources and services to the health sector and provided connectivity to quarantined and other critical areas in the health sector.
- ▶ **Stay-At-Home awareness campaign:** Etisalat conducted a Stay-At-Home awareness campaign across multiple channels (SMS, network ID, ringtones and social media).
- ▶ **Remote customer care:** With the current situation, Etisalat is encouraging consumers and businesses to utilise mobile and online services including 'My Etisalat UAE' app, Etisalat business mobile apps and business portals. With the 'My Etisalat UAE' app, customers have 24/7 access to make payments in a safe and secure manner.
- ▶ **Enabling remote – work:** Keeping in line with the government directives to encourage citizens to stay indoors during COVID-19, Etisalat offered connectivity tools and services people required to continue to stay connected and continue business.
- ▶ **Stay Home Initiative:** During the outbreak of COVID- 19 lockdown period, Etisalat changed the network name to 'Stay home', encouraging the public to remain safe indoors.
- ▶ **Free access to Dubai Police website and app:** Etisalat customers in the UAE received free access to Dubai Police's website and mobile application without consuming internet data. The initiative reflects Dubai Police's efforts in maintaining the security and safety during the current circumstances, allowing the public to utilise Dubai Police's online services.
- ▶ Etisalat provided free films for families through Elife channel providing entertainment during COVID -19 lockdown including free access to Madrasa Platform for elife subscriber
- ▶ Etisalat empowered cloud services for meetings for business use.
- ▶ Etisalat expanded its CloudTalk Meeting service by enabling 50 concurrent participants to join an online meeting.

APRIL 2020

- ▶ **Dubai Cares Distance learning initiative:** Dubai Cares joined forces with the UAE Ministry of Education to launch "Education Uninterrupted", a campaign that supports the education of students from low-income families, who do not have internet connectivity to join in on the lessons and continue their learning outside the classroom during the COVID-19 pandemic. Etisalat supported the campaign as the telecom partner by providing social media and SMS awareness support regarding the campaign.
- ▶ **Noor Dubai:** Over 25 million individuals from all over Africa and Asia have benefited from the free treatment and preventive programs conducted by Noor Dubai Foundation which includes provision of surgeries, eyeglasses, and medication. Etisalat supported the global initiative by providing free SMS donation for a year.



MAY 2020

- ▶ **Ramadan Campaign:** We collaborated with Emirates Red Crescent to support them during their Ramadan Campaign, by sharing their campaign with our customers via SMS.
- ▶ **10 Million Meals:** Shaikh Mohammed Bin Rashid launched the 10 million meals initiative to support communities affected by COVID -19. Etisalat participated by sending out a fundraising message via SMS to its customers. We also Etisalat also changed the network name to '10MNMEALS'.

JULY 2020

- ▶ **Emirates Red Crescent – Adha Campaign:** Etisalat CSR supported Emirates Red Crescent with their Adahi Campaign with 4 million SMS.
- ▶ **Arabs to Mars:** Etisalat supported this historic event by changing its network name to 'ARABS2MARS'.
- ▶ **Make a wish foundation's smiles application:** Etisalat supported the Make a wish foundation, by allowing customers donate their smile points, which were cashed out as a donation every quarter to the foundation.

AUGUST 2020

- ▶ **Dubai Cares – Lebanon Response SMS Campaign:** In collaboration with Dubai Cares, we launched an efficient programme to donate to the Lebanon Explosion crisis via SMS through our network.

DECEMBER 2020

- ▶ **National Day Celebration:** Etisalat changed the network name to 'UAE49 ETISALAT' on the UAE National Day.
- ▶ **Zakhr Card:** In collaboration with the Community development authority in Dubai Etisalat provided a 20% discount in services to the elderly through the usage of Zakhr card.

OCTOBER 2020

- ▶ **Elderly Appreciation Day:** As per our CSR strategy of empowerment, we celebrated the contribution of the elderly person's contribution to the country.
- ▶ **International therapeutic food conference:** Etisalat held the sixth session of the aiming to provide care and awareness services for autistic children.
- ▶ Etisalat supported the event as a diamond sponsor with social media coverage of the event.
- ▶ **Alittihad Newspaper:** On completion of 50 years of Al Etihad Newspaper, Etisalat changed its network name to 'Alittihad'.
- ▶ **World Energy Day:** On World Energy Day, Etisalat changed the network name to 'Energy Day'.

COMMUNITY SUPPORT DURING COVID-19

Throughout 2020, Etisalat offered social and community support in the following ways: we conducted a 'stay at home' campaign across multiple channels (via SMS and using network IDs, ring tones and social media); we implemented a nationwide COVID-19 messaging service; we supported government campaigns by, for example, promoting awareness of the government's digital channels; and it accelerated the launch of a telemedicine (remote doctor) solution in conjunction with one of the UAE's major hospitals. Etisalat also allocated extra network resources and services to critical industries, for example, the healthcare and education sectors; we provided short codes and launched several promotional campaigns to increase COVID-19 charitable donations.



INNOVATION & ENTREPRENEURSHIP

We established several effective activities aimed at encouraging digital inclusion initiatives and innovation, while setting a roadmap for future entrepreneurs and innovators. We seek to equip the next generation with technological solutions and provide them with insights into the future of technology and education.

Etisalat's events and platforms aim to bring young people together, connecting them with relevant stakeholders, to transform new thoughts and ideas into reality. In return, these events and platforms provide us with insight into the next generation, and how, we can transform creative and innovative ideas into solutions that will bring value to our customers.

Our inspiration for 'Together Towards a Sustainable Future' is in alignment with the UAE's commitment to innovation. To proactively adhere to customers' 'needs of tomorrow' the Etisalat HR team dimensioned a new

department – Etisalat Digital. This department is a roaring change agent to enable the economic backbone entities (SMEs, Government, Corporates, Enterprises) with state-of-the-art technology solutions.



SCALEUP PROGRAMME: FUTURENOW

FutureNow is the innovation programme from Etisalat Digital that accelerates the adoption of the latest technologies through a collaborative platform of experts and capabilities to drive digital transformation. The programme has four main objectives: to co-create, accelerate, partner, and discover.



CO-CREATE

Co-Creation Lab – Human-centred design is used to create tangible, interactive prototypes addressing real client challenges.



ACCELERATE

#FutureNowCalls – Kick-start collaborations with scaleups who can utilise our capabilities to create innovative solutions for our clients.



PARTNER

IoT Partners Programme – Providing access to Etisalat IoT platform and supporting IoT companies to grow their business.



DISCOVER

Open Innovation Centre – Clients discover Etisalat Digital's latest technology breakthroughs as an inspiration to digitalise their business.

To accelerate the pace of open collaboration with agile companies around the world, the FutureNow Programme has launched 12 challenges in 2020 in the areas of AI, Cloud, Fintech, Robotics, AR, and digital payments. These open innovation challenges have been run by Etisalat Digital and in some cases with some of the most influential stakeholders including the Dubai Future Accelerators and the Fintech Hive, running the outreach, and receiving applications from more than 300 scaleups from the GCC as well as internationally, conducting interviews, shortlisting applicants, and managing the 12-week cohorts to support the progress between the companies selected and internal champions leading the challenges.

The IoT Partner Programme is another strategic pillar to create innovative solutions and support the ecosystem of market leading IoT experts to extend the portfolio of Etisalat IoT digital solutions. This programme aims to establish long-term partnerships with major IoT players in the region and the world and accelerate the digital transformation of industries through disruptive IoT solutions.

Following the launch of this programme in October 2019, the FutureNow team focuses on actively scouting and sourcing competitive technology companies across 5 IoT verticals; industrial IoT, Smart City, Safe City, Retail, and Mobility IoT. The result of these partnerships has accelerated business opportunities for major Etisalat clients.

Another layer of the IoT Partner Programme is to innovate with developers through hands-on IoT workshops conducted and run for the community at large. The IoT workshops are open invitations to all developers to build, test, and integrate their applications on Etisalat IoT platform.

In 2020, 5 virtual FutureNow workshops were conducted and run remotely for more than 200 developers, students, and entrepreneurs to explore the potential of IoT with Etisalat Platform.

As a result of the programme, we have been able to accelerate the adoption of innovative solutions as part of the portfolio of Etisalat Digital; for instance, developing a Multicloud single pane-of-glass or providing facial recognition capabilities on top of our proposition of video surveillance.

THINGWORX PLATFORM

ThingWorx is the industry leading, award-winning IoT Platform that includes technologies and tools enabling organisations to rapidly deploy and extend IoT Apps and Augmented Reality (AR) experiences. ThingWorx enables organisations to tap into the fastest-growing areas of IoT by creating Smart, Connected solutions – providing a common platform to quickly bring services to reality.

ThingWorx contains a broad set of features, including a variety of connectivity options, application development tools, analytics, and AR technology all built around a single, real-time view of a physical object in the digital world – the ThingModel. The platform eliminates complex connectivity, programming, and deployment tasks while providing powerful end-user solutions that deliver high levels of return on investment. Using the ThingWorx Platform, organisations can quickly take their business to a new level by building smart, connected services and operations.

ThingWorx provides complete IoT Platform and AR capabilities, allowing users to source, contextualise, synthesise, orchestrate, and engage with data from their connected assets, operations, and software. This broad set of capabilities enables customers to connect their devices and equipment, analyse them, implement applications and user interfaces, manage, and remotely control devices, and deliver new types of experiences through AR – all on a secure and scalable architecture.

SUPPORTING SMES

Etisalat recognises the importance of SMEs in the UAE and their role in driving innovation. As a result, our partnership with Microsoft rolls out several initiatives supporting innovation in the UAE. IoT field is one way we support the community of entrepreneurs and developers through events and workshops to facilitate hands-on access to the Etisalat IoT platform. We are also collaborating with various start-ups to promote innovation via the Etisalat Digital portfolio.

We have also launched several initiatives aimed at supporting SMEs, including Hello Business Hub and the Hello Business Pitch competition. Hello Business is an innovative digital park for start-ups and SMB's, a dedicated business hub offering tailored telecommunications as well as value added services while providing businesses the ease and flexibility of kick-starting their operations in the UAE.

5G DEVELOPMENTS

5G and disruptive technologies are at the forefront of the transition in bringing new opportunities to the industry and the country. 5G has offered a step change in network performance and expectations are high for new 5G enabled applications and services. The network will also benefit from the use of AR/VR with advanced learning tools. 5G enabled wearables – particularly health devices and remote medicine/surgeries – can significantly improve the quality of healthcare for patients.

These milestones reinforce the reputation of the UAE in innovation and infrastructure. In addition, Etisalat's 5G network will provide the most advanced digital and

telecom services to Expo 2020, its millions of visitors, and the UAE.

Etisalat is determined to expand its 5G network coverage to over 60% of UAE main cities by end of 2021. In 2019, Etisalat set path to develop the skills of the UAE youth through employment related to 5G technology deployment. Etisalat is set to continue this path, as the 5G ecosystem matures. Building on the model of 4G, Etisalat aims to use the new opportunities across the world, championed by young people to shape 5G maturity.



Health & Safety

OCCUPATIONAL HEALTH & SAFETY

We are committed to the highest standards of health and safety in the workplace. Adhering to safe labour practices and laws to protect and ensure the wellbeing of our people. Our Health, Safety and Environmental (HSE) policy applies to all Etisalat UAE staff, contractors, suppliers, consultants, visitors and partners at Etisalat premises and its projects. All employees and third parties are expected to abide by the health and safety rules and report any violation of health and safety immediately, as expressed in our Code of Conduct.

We continue to implement and regularly update the Etisalat Occupational Health and Safety Management System which has been developed in accordance with the ISO 45001:2018 requirements. Selected business units and facilities are certified against the Occupational Health and Safety Assessment Series (OHSAS) 18001/45001/integrated management system. As part of improving HSE documentation standards, we work closely with the business excellence team to benchmark ourselves against global industry standards. We continued the implementation of the Empower HSE project to revitalise the HSE function within different departments, and to bring the safety culture of Etisalat to a new level.

All site activities are controlled by the Permission to Work (PTW) system; therefore, permits are required before work is varied out on sites. Working at heights, confined space entry, working with live equipment and under extreme weather work exposure are some of the major risks associated in telecom day to day activities. Our team of experts always perform the task /job safety analysis prior to the task, to present the most effective health and safety control measures to limit the hazard exposure.

In 2020, we implemented a work from home policy and guidelines to ensure the health and safety of our employees, considering the COVID-19 circumstances. We also carried out a mass COVID-19 testing programme

and vaccination campaign for staff at our selected facilities.

We are committed to improving our employees' awareness of heat stress prevention through frequent seminars, training sessions and campaigns addressing the definition, types, symptoms, and precautionary measures on heat stress, such as our Summer Safety campaign. In 2020, we achieved zero heat stress events for the second consecutive year.

No fatalities were recorded in 2020. We also reduced the frequency of employee occupation illnesses to zero. The total recordable injuries for employees stood at



zero while there were two contractor injuries recorded in 2020. These incidents occurred when a window cleaning equipment malfunctioned outside the 20th floor at the Al Kifaf building, trapping two cleaners inside. Etisalat's HSE and emergency management team closely interacted with the authorities to execute an immediate safe recovery plan for the affected staff. After the incident the process of preparing the equipment and operator for the activity was revised and site and machine specific unit trainings, and self-rescue trainings for the operators have repeatedly been delivered.

We ensure that all personnel involved in the installation, operation and maintenance of base stations and equipment are both qualified and authorised. At the corporate HSE level we specify the products-make, model and compliance standards required to carry out activities.

Our HSE team is responsible for carrying out inspections and audits for all critical facilities. As part of site visits and audits, we follow the Hazard Identification and Risk Assessment (HIRA) protocol. Any instances of non-conformance are communicated to the concerned

Health and Safety	2018	2019	2020
Employee occupational illnesses frequency rate (%)	0.2%	0.1%	0.0%
Employee lost time injuries (#)	-	0	0
Contractor lost time injuries (#)	-	2	2
Heat stress incidents (#)	3*	0	0
Total number of emergency response drills conducted (#)	13	12	12
Safety incident investigations initiated (#)	151	162	73
Safety incident investigations completed (%)	100%	100%	100%

In working to train our employees to improve performance of health and safety systems, we conducted several awareness sessions. In 2020, 2,296 total training hours were provided to employees regarding health and safety, equating to 4.5 hours of HSE training per employee.

stakeholders and reviewed until a resolution is made or the risk is brought down to the acceptable level. All personnel undertaking work onsite must receive the Permit to Work (PTW). These personnel undergo training and regular toolbox talks to ensure that all work is carried out to the utmost safety levels.

We have designed an HSE Governance Model for as part of our partnership with Expo 2020 and Dubai Airports. The model aims to not only meet but exceed the Quality, Health, Safety and Environment (QHSE) expectations of our partners. As part of our work with Expo 2020, we already began implementing the operational QHSE requirements set out by the HSE Governance Model we developed, which is 30% more stringent than the UAE requirements.

In 2020, 12 emergency response drills were conducted, and 73 safety investigations were conducted and completed. Health and safety risks are assessed as part of the physical and environmental controls that are included in our general control reviews in the annual audit plan.

WORK HOURS (EMPLOYEES)

2018	9,137,304
2019	8,896,272
2020	8,068,144

WORK HOURS (CONTRACTORS)

2018	5,185,427
2019	4,865,451
2020	4,446,000

HSE Training	2018	2019	2020
Total hours of HSE training provided to employees	1,279	1,609	2,296
Average hours of HSE training per employee	-	3.0	4.5
Employee absentee rate (%)	2.4%	2.5%	1.4%

EMPLOYEE WELLNESS AND WELLBEING

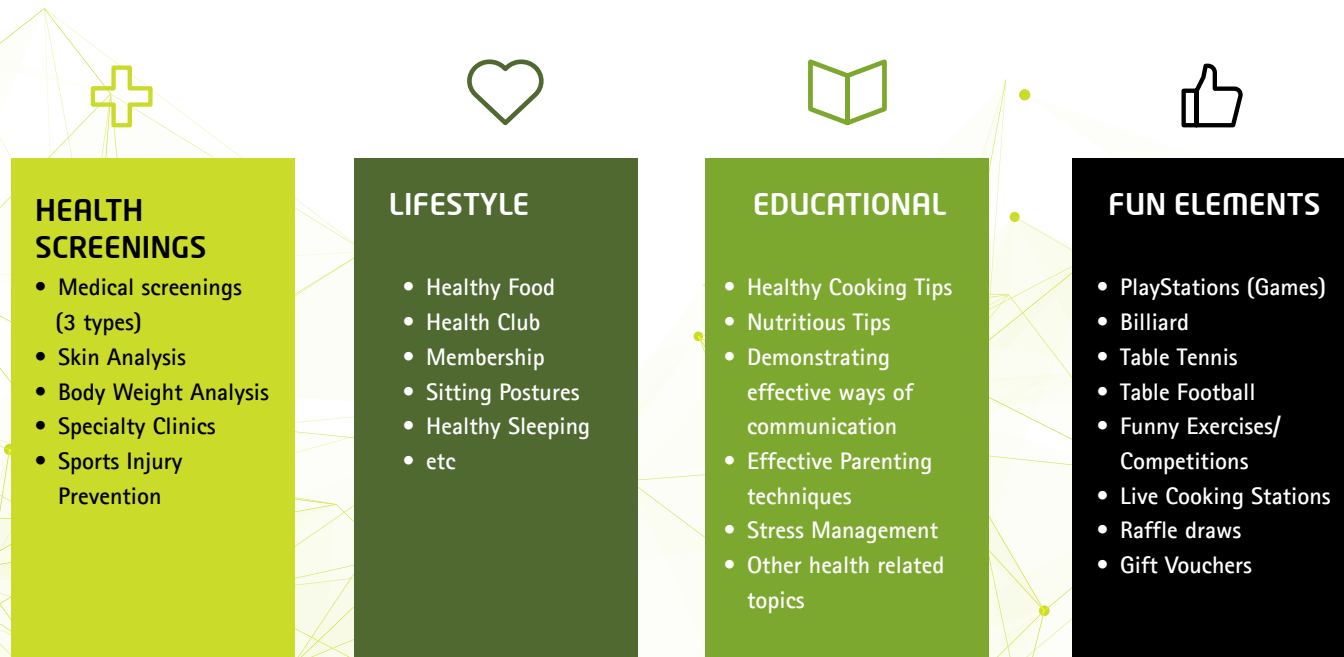
At Etisalat we recognise that the health of our employees extends beyond health and safety policies. We have identified areas to support our employees in their day-to-day activities in our holistic approach to health. We ensure all workstations procured and floor layouts are within Etisalat are ergonomically designed and fit for use. We also provide a tier-based health club membership programme to our employees. When the cafeterias were operational, there were HSE h respect to the Hygiene aspects. Staff awareness on stress management and wellness is always top priority Etisalat.

Regarding health and safety during the COVID-19 pandemic, several safety measures were put in place to prevent the spread. We provided online trainings to all employees, on our newly launched learning platform iQra. Staff was able to access safety guidelines through the digital learning channel. We also provided clear guidelines for employees returning to offices, such as social distancing, office hygiene and sanitation. Health and Safety staff conducted regular checks to ensure that masks and social distancing requirements were being adhered to. A mandatory 14-day self-quarantine period was implemented for all employees who had travelled and were returning to the UAE.

For high-risk employees and female employees with children, Etisalat provided a remote work option effective from August 2020.

Etisalat UAE also conducted a COVID-19 Employee Survey during the peak of the pandemic to understand employee concerns. The results assisted the company to fine tune the precautionary measures taken to safeguard staff. The survey results should a 90% and above satisfaction with the leadership decisions taken regarding both the company and its employees.

In 2020 we continued with our successful Employee Wellness and Wellbeing programme, introduced in 2010 conducted across the UAE. The programme encourages employees to find a balance between their working and personal lives. This year the programme focused on health awareness and work life balance seminars, such as free health screenings, healthy food awareness, etc. Every year new initiatives are added, and we ensure the programmes offer short, medium- and long-term benefits.



As a result, Etisalat won the Best Employee Wellness and Wellbeing Programme. This award showcases a high-quality employee wellness programme that not only works, but that also offers clear and measurable returns on investment. which recognises employers who place employee wellbeing centre stage within the organisation and have embedded a strong culture of health and wellness. We use metrics, staff feedback and case studies to strengthen the programme. To ensure a seamless implementation process, Etisalat added a group medical insurance policy covering all employees and their families residing in the UAE.

The programme is incorporated the human resources vision, mission and strategic focus through the following five step wellness and well-being model.



CUSTOMER HEALTH AND SAFETY

We continue to give high priority to the health and safety of our valued customer base, as well as the people and larger communities that we serve. As such, we take all confirmed and potential risks seriously. Customer complaints concerning Etisalat product and services are managed by the customer care. By policy Etisalat is committed to assure the health and safety of its stakeholders from its operations.

There is an ongoing health risk perception of the emission of Electromagnetic Energy (EME) from mobile devices and base stations masts. There is a lack of conclusive evidence on adverse health effects caused by mobile phone usage. Nonetheless, Etisalat is committed to transparent communication regarding these public concerns and continues to comply with the laws in every jurisdiction that we operate.

Our telecommunication networks are built to follow TDRA guidelines on Non-Ionising Radiation Limits for Telecommunication Networks, which are in line with ICNIRP (International Commission of Non-Ionising Radiation Protection) guidelines in terms of Specific Absorption Rate (SAR). The compliance and EME documents are communicated to all staff and vendors and followed throughout installations.

As a result of the COVID-19 circumstances, Etisalat reacted immediately to the situation by redesigning the customer safety journey to ensure the safety and wellbeing of both our staff and customers, while abiding by the UAE Government mandates and precautionary measures. Across our retail stores we have implemented touchless SMS tokens for customers. All staff employed across our retail offices are equipped with face masks and face shields. We have placed rope barriers to manage the traffic while maintaining a safe distance. We also introduced new floor rules for staff to enforce safety measures and guarantee a seamless experience.



WHO GUIDANCE ON ELECTROMAGNETIC FIELDS AND PUBLIC HEALTH

As stated on WHO website "to date, the only health effect from radiofrequency (RF) fields identified in scientific reviews has been related to an increase in body temperature ($> 1^{\circ}\text{C}$) from exposure at exceedingly high field intensity found only in certain industrial facilities, such as RF heaters. The levels of RF exposure from base stations and wireless networks are so low that the temperature increases are insignificant and do not affect human health.

As part of our campaigns to raise customer awareness on electromagnetic field exposure, Etisalat participates in various local and international events.



Appendices

APPENDIX A - REPORT SCOPE AND BOUNDARIES

Completeness and aspect boundaries	Etisalat has attempted to make this report as complete as possible. This report covers major activities from the Etisalat – UAE Departments, and include activities undertaken by its UAE branches.
Materiality	Etisalat believes this report covers the most material issues to Etisalat and its stakeholders. In alignment with the principles of the GRI standards, Etisalat’s materiality assessment consists of four steps: 1) identifying relevant topics; 2) prioritising topics according to impact on Etisalat and its stakeholders; 3) validating the prioritised topics through reviews and evaluations; 4) review its materiality matrix on an annual basis.
Stakeholder inclusiveness	Etisalat has identified and considered all key stakeholders and has outlined ways that the company engages with them to identify their needs and priorities.
Sustainability context	Etisalat has considered regional trends in sustainability that affect its activities.
Reporting cycle	This report covers the calendar year for 2020.
Balance	This report seeks to demonstrate transparency, presenting our performance in economic, social, and environmental topics in a balanced way.
Comparability	Comparisons are made throughout the report against 2018 and 2019.
Accuracy and reliability	To the best of Etisalat’s ability, all the information presented in this report is accurate and represents the best data available to the company and its stakeholders.
Clarity	This report targets a wide audience with varying degrees of understanding of telecommunications and technology. Therefore, Etisalat strived to ensure this report is easily understandable to all anticipated readers.
Assurance	The report has not been externally audited or assured.

APPENDIX B - GRI STANDARDS CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option, and the table below provides a reference for GRI content in the report. As signified by the icon above, the report has successfully completed the Materiality Disclosure Service provided by the GRI. The service was performed on the English version of the report.

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standard	Disclosure	Page number(s) and/or direct answers
GRI 101: Foundation 2016	Organizational profile	
	102-1 Name of the organization	Etisalat
	102-2 Activities, brands, products, and services	8-9
	102-3 Location of headquarters	Abu Dhabi, UAE
	102-4 Location of operations	8-9
	102-5 Ownership and legal form	60% Government, 40% Free Float
	102-6 Markets served	8-9
	102-7 Scale of the organization	8-9, 48
	102-8 Information on employees and other workers	48-49
	102-9 Supply chain	44-45
GRI 102: General Disclosures 2016	102-10 Significant changes to the organization and its supply chain	44-45
	102-11 Precautionary principle or approach	42-43
	102-12 External initiatives	75-78
	102-13 Membership of associations	11
	Strategy	
	102-14 Statement from senior decision-maker	6-7
	102-15 Key impacts, risks, and opportunities	6-7, 42-43
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	9
	102-17 Mechanisms for advice and concerns about ethics	38-40
	Governance	
	102-18 Governance structure	36-37
	102-19 Delegating authority	36-37
	102-20 Executive-level responsibility for economic, environmental, and social topics	36-37
	102-21 Consulting stakeholders on economic, environmental, and social topics	13, 36-37
	102-22 Composition of the highest governance body and its committees	36-37
	102-23 Chair of the highest governance body	36-37
	102-24 Nominating and selecting the highest governance body	36-37

6GRI 102-46

	102-25 Conflicts of interest	36-37
	102-26 Role of highest governance body in setting purpose, values, and strategy	36-37
	102-30 Effectiveness of risk management processes	42-43
	102-35 Remuneration policies	37
	102-36 Process for determining remuneration	37
	102-37 Stakeholders' involvement in remuneration	37
	102-38 Annual total compensation ratio	35, 58
	102-39 Percentage increase in annual total compensation ratio	35, 58
	Stakeholder engagement	
	102-40 List of stakeholder groups	13
	102-41 Collective bargaining agreements	Collective bargaining agreements are illegal in UAE
	102-42 Identifying and selecting stakeholders	13
	102-43 Approach to stakeholder engagement	13
	102-44 Key topics and concerns raised	13-14
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	35
	102-46 Defining report content and topic Boundaries	88
	102-47 List of material topics	14
	102-48 Restatements of information	68-69
	102-49 Changes in reporting	January 1, 2020 to December 31, 2020
	102-50 Reporting period	2020
	102-51 Date of most recent report	2019
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	4
	102-54 Claims of reporting in accordance with the GRI Standards	4
	102-55 GRI content index	89-97
	102-56 External assurance	Not assured
Material Topics		
GRI 200: Economic		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 35, 66-67
	103-2 The management approach and its components	14, 35
	103-3 Evaluation of the management approach	14, 35

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	35
	201-2 Financial implications and other risks and opportunities due to climate change	66-67
GRI 103: Management Approach 2016	Procurement practices	
	103-1 Explanation of the material topic and its boundary	14, 44-45
	103-2 The management approach and its components	44-45
	103-3 Evaluation of the management approach	44-45
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	44-45
GRI 103: Management Approach 2016	Anti-corruption	
	103-1 Explanation of the material topic and its boundary	14, 38-40
	103-2 The management approach and its components	38-40
	103-3 Evaluation of the management approach	38-40
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	38-40
	205-2 Communication and training about anti-corruption policies and procedures	38-40
	205-3 Confirmed incidents of corruption and actions taken	40
GRI 103: Management Approach 2016	Anti-competitive behavior	
	103-1 Explanation of the material topic and its boundary	14, 38-40
	103-2 The management approach and its components	38-40
	103-3 Evaluation of the management approach	38-40
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	38-40
GRI 300: Environmental		
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 70
	103-2 The management approach and its components	70
	103-3 Evaluation of the management approach	70
GRI 301: Materials 2016	301-1 Materials used by weight or volume	70
	301-2 Recycled input materials used	70
GRI 103: Management Approach 2016	Energy	
	103-1 Explanation of the material topic and its boundary	14, 66-67, 69
	103-2 The management approach and its components	66-67, 69
	103-3 Evaluation of the management approach	66-67, 69

GRI 302: Energy 2016	302-1 Energy consumption within the organization	69
	302-2 Energy consumption outside of the organization	69
	302-3 Energy intensity	69
	302-4 Reduction of energy consumption	66-67, 69
	302-5 Reductions in energy requirements of products and services	66-67, 69
	Water and effluents	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 71
	103-2 The management approach and its components	71
	103-3 Evaluation of the management approach	71
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	71
	303-2 Management of water discharge-related impacts	71
	303-5 Water consumption	71
	Biodiversity	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 71
	103-2 The management approach and its components	71
	103-3 Evaluation of the management approach	71
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	71
	304-2 Significant impacts of activities, products, and services on biodiversity	71
	Emissions	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 68
	103-2 The management approach and its components	68
	103-3 Evaluation of the management approach	68
GRI 305: Emissions 2016	305-1 Direct (scope 1) ghg emissions	68
	305-2 Energy indirect (scope 2) ghg emissions	68
	305-3 Other indirect (scope 3) ghg emissions	68
	305-4 Ghg emissions intensity	68
	305-5 Reduction of ghg emissions	68
	Waste 2020	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 70
	103-2 The management approach and its components	70
	103-3 Evaluation of the management approach	70

GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	70
	306-2 Management of significant waste-related impacts	70
	306-3 Waste generated	70
	306-4 Waste diverted from disposal	70
	306-5 Waste directed to disposal	70
	Environmental compliance	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 71
	103-2 The management approach and its components	71
	103-3 Evaluation of the management approach	71
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	71
	Supplier environmental assessment	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 45
	103-2 The management approach and its components	45
	103-3 Evaluation of the management approach	45
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	45
	308-2 Negative environmental impacts in the supply chain and actions taken	45
GRI 400: Social		
	Employment 2016	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 46-49, 58, 60
	103-2 The management approach and its components	46-49
	103-3 Evaluation of the management approach	46-49
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	49
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58
	401-3 Parental leave	60
	Occupational health and safety 2018	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 82-87
	103-2 The management approach and its components	82-87
	103-3 Evaluation of the management approach	82-87

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	82-87
	403-2 Hazard identification, risk assessment, and incident investigation	83
	403-3 Occupational health services	82-87
	403-4 Worker participation, consultation, and communication on occupational health and safety	82-87
	403-5 Worker training on occupational health and safety	83
	403-6 Promotion of worker health	84-85
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	82-87
	403-8 Workers covered by an occupational health and safety management system	82-87
	403-9 Work-related injuries	82-87
	403-10 Work-related ill health	82-87
	Training and education 2016	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 50-51
	103-2 The management approach and its components	50-51
	103-3 Evaluation of the management approach	50-51
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	50-51
	404-2 Programs for upgrading employee skills and transition assistance programs	50-51
	404-3 Percentage of employees receiving regular performance and career development reviews	50-51
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