

Care about
today,
save
tomorrow

Sustainability Report

2021

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**His Majesty
King Hamad bin Isa
Al Khalifa**

The King of
the Kingdom of Bahrain



**His Royal Highness
Prince Salman bin Hamad
Al Khalifa**

Crown Prince and Prime Minister of
the Kingdom of Bahrain

About this Report

— Welcome to Batelco's 2021 Sustainability Report. This is Batelco's first standalone sustainability report, highlighting our Environmental, Social and Governance (ESG) activities, performance and progress including our future commitments and objectives to integrate ESG best practices across the company.

Reporting Period

This report covers the calendar year from 1 January 2021 to 31 December 2021 and focuses on activities in that period. Information from previous years is provided, where necessary.

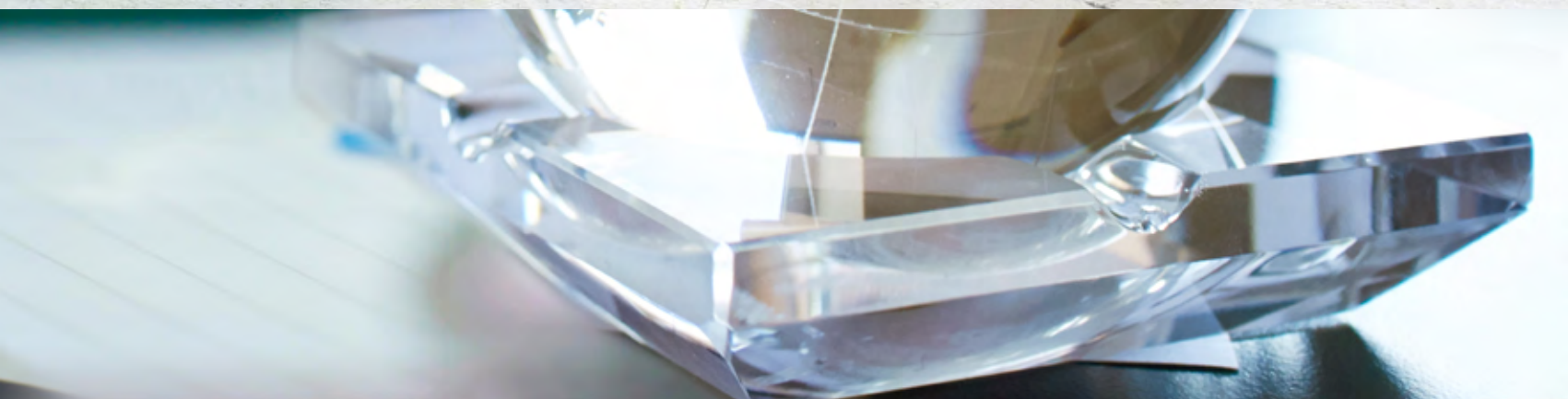
Reporting Guidelines

This report has been developed in alignment with the Bahrain Bourse ESG Reporting Guidance, with reference to GRI standards and our commitments towards the United Nations Sustainable Development Goals (SDGs) and the Bahrain Vision 2030.

Report Boundary

This report covers Batelco's operations across the Kingdom of Bahrain.

Batelco welcomes any feedback or inquiries related to this report by email: reem.aabed@btc.com.bh



Message from the CEO

A portrait of Mikkel Vinter, the Chief Executive Officer of Batelco. He is a middle-aged man with glasses, wearing a dark blue suit jacket over a light blue shirt. He is seated at a wooden table, with his hands clasped in front of him. The background is a soft, out-of-focus teal color.

**We are proud to
continue supporting
numerous initiatives that
benefit our communities,
our customers, and our
team members.**

Mikkel Vinter
Chief Executive Officer

I am pleased to present to you Batelco's inaugural comprehensive Environmental, Social and Governance (ESG) Report. The report highlights our views on creating a sustainable future and our commitment to adhering to high standards of corporate governance, integrity, and transparency. By providing insight into how we work and the improvements we intend to achieve, this report demonstrates our commitment to engaging stakeholders in our sustainability journey.

To maximise our contribution to national and global sustainable development objectives, Batelco's sustainability framework is based on the United Nations' Sustainable Development Goals (SDGs), Bahrain National Vision 2030 and Global Reporting Initiative (GRI). It is our responsibility to address more than the profitability of our company, and we are committed to identifying and responding to the opinions and concerns of all stakeholders. We are proud to continue supporting numerous initiatives that benefit our communities, our customers, and our team members.

In 2021 our sustainability measures revolved around two focus areas which are the production of clean energy and the introduction of educational

opportunities. Batelco took a major step towards sustainability with the establishment of Batelco Solar Park. The Batelco Solar Park is an important project that supports the company's goal of becoming an eco-friendly corporation by producing clean energy to power its operations. The Park produces a total of 1,600 MWh of clean energy, which aids in reducing approximately 900 tonnes of carbon emissions annually.

Another key pillar of Batelco's sustainability objectives is education and in line with our focus we have introduced a Higher Education Scholarship in partnership with the American University of Bahrain (AUBH). The scholarship has been created to support education in the Kingdom of Bahrain by providing opportunities for students to access international education that prepares them for the future.

The year was filled with accomplishments that improved our ability to achieve our vision of empowering people, enabling businesses, and enhancing society through innovative digital services and connectivity. We are dedicated to operating responsibly and positively impacting the communities in which we operate, while maintaining a sustainable success. Even during this difficult period, we continued to provide access to new technology, and supported increased connectivity.

My sincerest gratitude goes out to all our stakeholders, including our team members, customers, and shareholders, for their support and trust in Batelco during this journey to create a sustainable future for all. In our outlook for the year ahead, we hope for a prosperous year for our company, society, and the planet.

Mikkel Vinter
Chief Executive Officer

About Us

Bahrain Telecommunications Company BSC, also known as Batelco, is the leading telecommunications provider in Bahrain. The company has its headquarters in Bahrain and is listed on the Bahrain Bourse.

Batelco's Vision

Be a leading provider of innovative digital services and connectivity to empower people, enable businesses and enrich society.

Batelco's Mission

To serve and inspire our customers by building, operating and investing in digital services, forefront technology and connectivity.



Batelco's Values iCARE

Our values define how we work together as a team, how we serve our customers and guides our behaviour as well as decision making.



Awards and Recognition

- Batelco was recognised by leading entities during 2021 for its achievements as a leading communications provider in the region.

Batelco Wins 'Cloud Go-to-Market Initiative of the Year' Award at Tahawultech.com Future Enterprise Awards 2021

Batelco was recognised for its cloud based technologies at the Tahawultech.com Future Enterprise Awards 2021, winning the Cloud Go-to-Market Initiative of the Year award, in acknowledgement of the ground breaking solutions developed by the Company.

Batelco Wins Two MEA Technology Achievement Awards

Batelco was the winner of two MEA Technology Achievement Awards in the MEA Business – Technology Achievement Awards, announced during GITEX 2021.

Batelco was named as the winner of achievement awards for Exceptional Products and Services and Outstanding Leadership and Growth.



Best Mobile Network in Bahrain by Ookla

In early 2021, Batelco was announced by Speedtest by Ookla as Bahrain's Top-Rated Mobile Network for Q3-Q4 2020 based on feedback from mobile users in Bahrain.

Rivaling Top 10 Fastest Countries in Global Mobile Speed Ranking

Batelco's mean download speed for December 2021 rivalled the national average speeds of the Top 10 Fastest Countries in Global Mobile Speed Rankings.

Fastest & Best Coverage in Bahrain

During 2021, a number of external bodies named Batelco for The Fastest Download & Upload throughput with the largest 5G Network Coverage in Bahrain, including the TRA (Telecommunications Regulatory Authority).

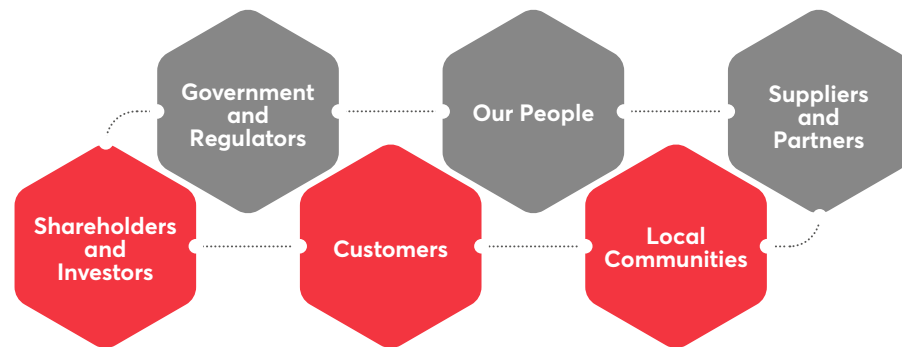
Sustainability at Batelco

- Sustainability is embedded within our business model and integrated across operations. Our approach revolves around improving economic value, championing social development, and protecting the environment.



Our Stakeholders

We value our stakeholders' perspectives because they inform our strategies and help us understand the fast-changing dynamics of the telecommunication industry. Our stakeholders are:



We use various communication channels to ensure that we receive feedback from all stakeholders. Some examples of the communication channels we use are:

- Annual meetings
- Awareness campaigns, including social media campaigns
- A complaints handling team
- Extensive surveys
- Batelco's Annual Report
- Chat bot, MobileApp, eService, bulk SMS
- Intranet and newsletters

Our Materiality Assessment

In order to identify and prioritise what matters to our business and stakeholders, we conducted a materiality assessment in 2020 and updated it in 2021, to capture their views. In that process, we identified 16 material topics of significance to Batelco and our stakeholders.

Most Important

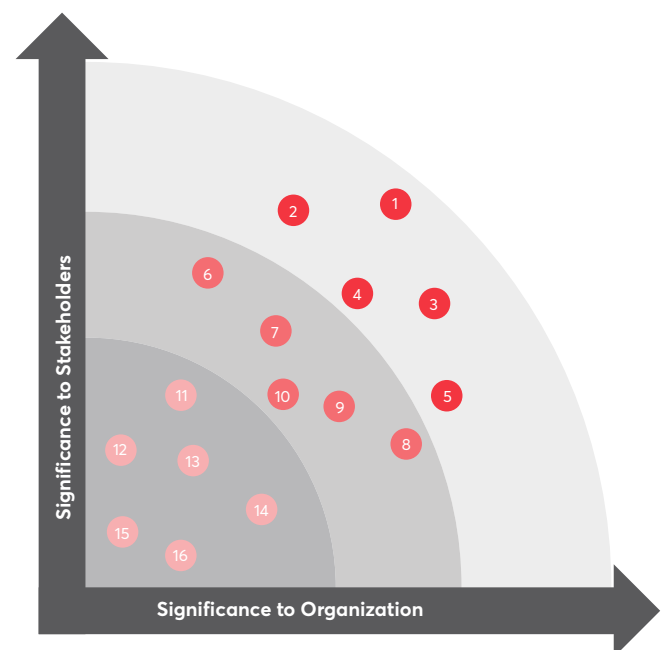
- 1 Privacy and personal data protection
- 2 Network quality, reliability and availability
- 3 Corporate governance and business ethics
- 4 Customer relationships
- 5 Innovation and transformation

Very Important

- 6 Corporate social responsibility
- 7 Economic performance
- 8 Diversity and equal opportunity
- 9 Health and safety
- 10 Energy consumption and fighting climate change

Important

- 11 Anti-competition and anti-corruption
- 12 Training and development of human capital
- 13 Sustainable supply chain
- 14 Fostering an inclusive digital society
- 15 Responsible use of products and services
- 16 Waste and water management



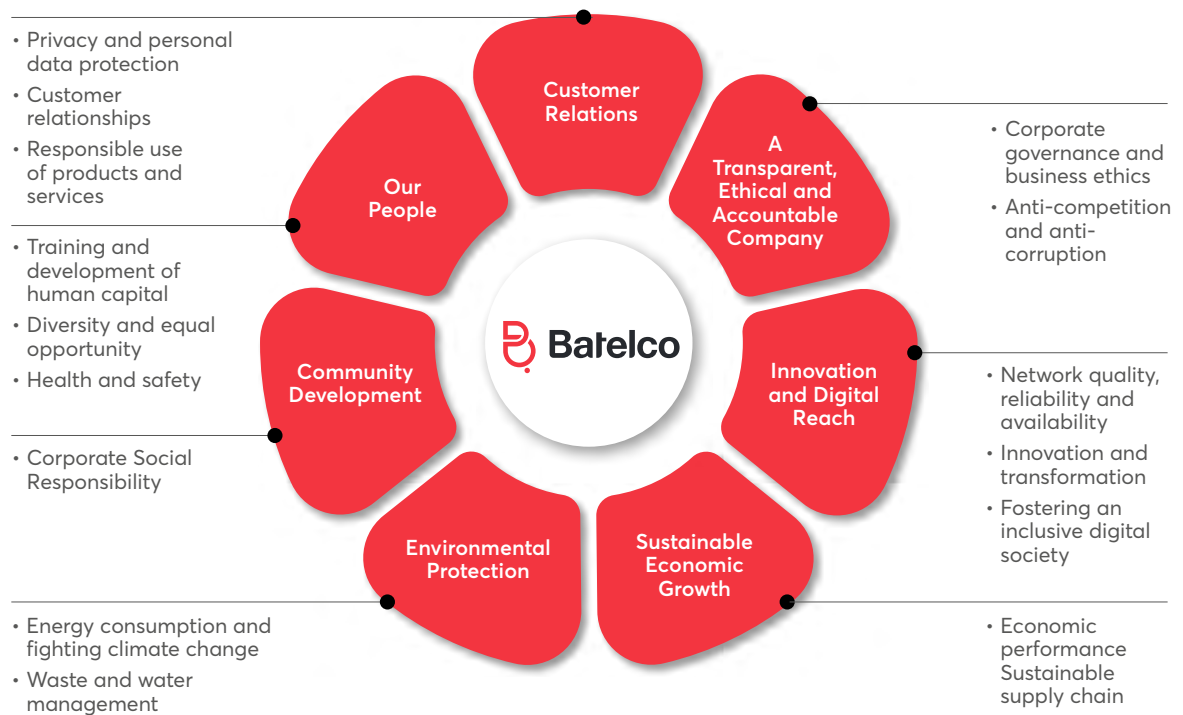
Sustainability at Batelco

(Continued)



Our Sustainability Framework

Batelco's sustainability framework outlines seven focus areas that are critical in creating shared value for the company and our stakeholders. It incorporates the interests of our key stakeholders as well as national and international strategic programmes, including the Bahrain Vision 2030 and UN SDGs





Our Contribution to the SDGs

The SDGs (Sustainable Development Goals) were adopted by all UN member states in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The 17 SDGs are interlinked, and it is recognised that action in one area will affect outcomes in others. It's also understood that development must balance social, economic, and environmental sustainability. The SDGs are the blueprint to achieve a better and more sustainable future.

We acknowledge that we need to play our part in transitioning towards a more sustainable future and recognise the interconnection between the 17 SDGs, meaning that one action can result in multiple outcomes. As a result, we are committed to supporting the goals and aim to ensure our business practices are in line with them. We also seek to ensure that we operate in a manner that positively contributes to those goals. Our sustainability framework pillars are linked to our contributions to the UN SDGs.

Framework Pillar	SDG Contribution
A Transparent, Ethical and Accountable Company	 
Sustainable Economic Growth	  
Responsible Customer Relations	
Innovation and Digital Reach	
Our People	   
Environmental Protection	  
Community Development	  

A Transparent, Ethical and Accountable Company

As one of Bahrain's premier publicly traded companies, Batelco is committed to transparency, openness, and accountability. We implement a robust governance structure with the highest standards of corporate governance aligned with our core values. We aim to protect the rights of our shareholders and stakeholders. We are guided by a sound risk-management framework and work diligently to eliminate bribery and corruption, while promoting competitiveness and advocating to advance human rights.

Material Topics Covered:

- Corporate Governance and Business Ethics
- Anti-competition and Anti-corruption



Sustainable Development Goals



Corporate Governance and Business Ethics

Board of Directors

The Batelco Board of Directors implements rigorous controls over financial auditing and reporting, internal controls, risk management and compliance with Bahraini law. We have effective procedures for the appointment, training, and evaluation of the Board of Directors. New members are provided with induction training directly upon joining and the board is responsible for reviewing executive remuneration, governed by the remuneration committee.

The Board of Batelco comprises 10 members, one of whom is female. It places immense importance on sustainable decision making for the future of the company, its employees and wider society.

The Board annually reviews company performance against Ministry of Industry, Commerce and Tourism (MOICT) governance requirements and the high-level controls of corporate governance issued by the Central Bank of Bahrain (CBB). Board performance is also assessed in terms of economic and social responsibility demonstrated to our stakeholders and monitored to ensure it operates within our governance framework.

An annual evaluation assesses the performance of Board committees and individual members, the results of which are announced in the Annual General Assembly meeting after review and approval by the Board of Directors. Members also ensure they are aware and aligned with the company's plans towards economic, environmental, social responsibility and sustainability matters.

In accordance with the MOICT corporate governance code published in 2018 and the Bahrain Commercial Companies Act, it is prohibited for a CEO to become the chairperson of the Board.

Batelco ensures that all the shareholders including, minority shareholders, exercise their voting rights at annual general meetings. To encourage participation, they are all given direct access to meeting documents on the company's website at least two weeks in advance. Shareholders can join and vote on general meeting agenda items virtually if necessary.

Board of Directors	2019	2020	2021
Total number of board members	10	10	10
Total number of independent members	10	7	8
Total number of non-independent members	0	3	2
Total number of non-executive members	10	10	10
Total board seats occupied by men	9	9	9
Total board seats occupied by women	1	1	1

Batelco Committees

Batelco comprises three executive-level committees:

Executive Committee	* The Executive Committee assists the Board in overseeing and reviewing Batelco's annual business plan and strategy, performance goals, financial performance, capital and operational expenditure and investment portfolio review. The Executive Committee is also responsible for monitoring risk management within the Company.
Remuneration, Nomination, Donation and Corporate Governance Committee	* The Remuneration, Nomination, Donation and Corporate Governance Committee assists the Board in formulating policies and frameworks for the nomination and remuneration of the directors and executive management of the company. It monitors corporate governance and ensures that the company is compliant with applicable laws and regulations. The Committee is also responsible for reviewing Batelco's social and charitable donations in line with the Company's CSR Initiatives.
Audit Committee	* The Audit Committee assists the board in fulfilling its responsibilities in overseeing the quality and integrity of financial reporting, internal controls, the internal audit function, external auditors and best practices related to international financial reporting standards

**A Transparent, Ethical
and Accountable
Company**
(Continued)

Each committee consists of four board members and the Remuneration, Nomination, Donation and Corporate Governance Committee includes a 25% female presence. The committees are responsible for governing projects and initiatives related to economic, environmental, and social aspects.

The activities and responsibilities of these committees are further detailed in the Batelco Annual Report 2021.

Board Committees	2019	2020	2021
Total number of Committee chairs	3	3	3
Total Committee chairs occupied by men	3	3	3
Total Committee chairs occupied by women	0	0	0

Human Rights

We believe that upholding human rights is central to good corporate citizenship and a healthy and trusting company culture. At an international level, Batelco abides by Bahrain's commitment to the American statute against human trafficking – Trafficking Victims Protection Act (TVPA). On a national level, Batelco observes the Bahrain National Child Labour Law (2012) and Human Trafficking Law (1999), which address children's rights, child labour, modern slavery, and human trafficking.

Anti-Competition and Anti-Corruption

Batelco has a zero-tolerance policy on bribery and corruption and actively promotes fair competition. The company adheres to all rules and regulations related to anti-competitive practices, which it also applies when launching products and promotions.

To identify and counter such malpractices, Batelco is guided by a Code of Conduct, Fraud Risk Management Policy and Whistleblowing Policy.



Whistleblowing

Our Whistleblowing Policy ensures that incidents of non-compliance can be easily reported. All Batelco employees are made aware of the policy and how incidents can be reported via hotlines and direct employee communication channels, including hotline phone numbers, by email and WhatsApp message groups. In addition, employees are provided with training courses on anti-competition and anti-corruption measures as well as fraud prevention and business ethics. The initiative was enhanced this year by promoting the whistleblowing communications channels to all staff via email and on social media accounts. An icon was also added on every employee's desktop for easy access to the reporting channels.

Internal Audit and Risk Management

The Internal Audit Division is responsible for auditing processes and procedures, bringing a systematic and disciplined approach to evaluating and governance processes. Audits results are reported to the Audit Committee quarterly or more frequently if required.

The Risk Management Department

* The Risk Management Department assesses risks to financial, governance, regulatory and compliance activities, including those related to corruption. It also monitors potential threats to the company's good reputation and its community, its network reliability, customer experience levels, service and service quality, human resource activities and health and safety.

The Fraud Investigation Department

* The Fraud Investigation Department conducts fraud- and corruption-related investigations and considers the actions taken to mitigate risks that have been identified during inquiries. Confirmed fraud cases are logged with the Batelco Fraud Register and are discussed within the Fraud Investigation Committee.

In 2021, Batelco initiated a Data Analytics and Continuous Control Monitoring (CCM) implementation project. This was designed to enhance the quality of the audits by migrating the internal audit approach from a sample testing methodology to the total testing. It also ensures the continuous monitoring of controls, the safe handling of complex data and improvement of manpower efficiency.

Non-compliance	2019	2020	2021
Total incidents of non-compliance with laws and regulations	2	4	6
Total number of non-monetary sanctions	0	3	0
Total amount of legal and regulatory fines and settlements	260,000	2,000	27,500
Percentage of legal and regulatory fines and settlements that resulted from whistleblowing actions	0	0	0
Confirmed incidents of bribery and corruption	0	1	0
Confirmed incidents of anti-competition	0	0	0
Employees dismissed and/or disciplined for corruption	0	2	0
Employees dismissed and/or disciplined for anti-competitive practices	0	0	0
Operations assessed for risks related to corruption	0	0	2
Operations assessed for risks related to anti-competitive practices	0	0	0

Sustainable Economic Growth

— We aim to continue our financial growth and attract investment by diversifying our sources of income while maintaining low costs and high operating efficiency. Our supply chain is sustainable, and our procurement processes are performed in a responsible manner with a focus on strengthening the local economy.

Material Topics Covered:

- Economic Performance
- Sustainable Supply Chain



Sustainable Development Goals



Economic Performance

Batelco's financial performance reflects our commitment to executing corporate strategic objectives. We were able to apply effective cost management approaches and continued to adapt and face the challenges presented in 2021.

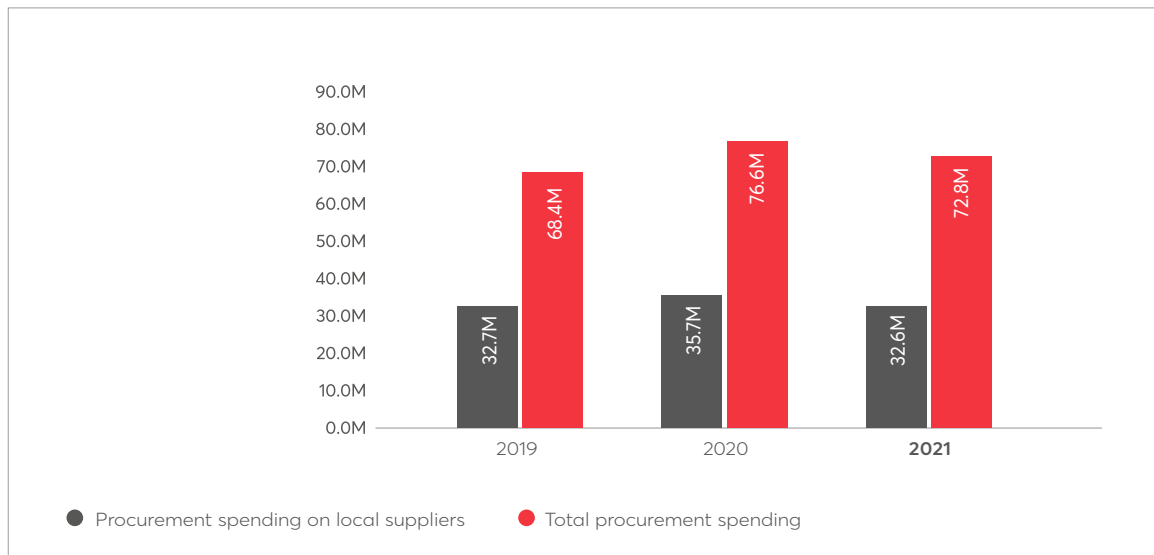
We achieved ISO 22301 certification for Business Continuity Management Systems, which certifies our ability to protect income streams following an incident or disaster, while also reducing the risk of further loss. For details on our financial performance, please refer to our Financial Statements in our Annual Report.

Sustainable Supply Chain

As part of our commitment to helping fulfil the Bahrain Vision 2030 programme, Batelco strives to help strengthen the economy and promote societal prosperity. To this end, we are committed to ensuring that our supply chain is sustainable and that our procurement processes are performed responsibly.

We are doing that via valuable strategic relationships struck with our suppliers, who we select after careful screening for a variety of checks, including their health and safety record. Batelco procurement teams will revamp procedures and policies in 2022 following the implementation of a new Enterprise Resource Planning (ERP) system, which integrates screening and auditing for environmental and social factors.

Procurement Practices	2019	2020	2021
Total number of local suppliers engaged	163	134	139
Percentage of procurement spending on local suppliers (%)	48%	47%	45%



Responsible Customer Relations

Our customers are central to everything we do. We value their loyalty and strive for their satisfaction. We work to meet our customers' needs for seamless communications, while promoting the responsible use of technology. We have implemented several controls to ensure the safeguarding of customers' personal data.

Material Topics Covered:

- Privacy and Personal Data Protection
- Customer Relationships
- Responsible Use of Products and Services



Sustainable Development Goals



Privacy and Personal Data Protection

Protecting data privacy is fundamental to maintaining the trust of our customers and Batelco has adopted industry best practices to ensure our continued success in this regard.

We've strengthened data security through information protection tools, encryption of data while in transit and at rest, and other robust processes. Batelco has a comprehensive Information Security policy and guidelines that are aligned with well-known standards such as ISO 27001 for Information Security Management, ISO 27011 for Information Technology, and the Sherwood Applied Business Security Architecture (SABSA). This enables the company to proactively manage threats, vulnerabilities, and internal and external influences in order to limit their negative impact and to capitalise on opportunities.

We've appointed an external party to communicate to our employees the Bahraini Personal Data Protection Law, the impact it will have on our organisation and the actions required to comply with it. Additionally, Batelco performs annual cybersecurity stress tests to evaluate the effectiveness of our security controls. These are repeated later to ensure that any identified gaps are sufficiently addressed.

We have a standard emergency response plan to address security incidents. It's tailored to the severity of incidents and the expected time to mitigate them are clearly defined and have been further aligned with company business continuity plans. Regular internal and external audits are conducted on data privacy to ensure Batelco remains fully compliant with ISO standards.

In 2021, the number of attempted cyberattacks spiked due to the upgrade of our internal monitoring systems which has a higher sensitivity in attack detection. This resulted in detecting two cyber-attacks that targeted our systems. However, our IT and cyber security functions mitigated the attack immediately and were able to safely protect all data. In 2021, Batelco's Cyber security coverage of its ICT and Telecom environment exceeded 98%. Batelco also scored 89/100 in FireEye's extensive security testing placing it in the upper band of cyber security maturity.

Data Security	2019	2020	2021
Number of attempted cyberattacks (#)	4,757	7,381	47,345
Number of actual cyber attacks	0	0	2
Number of data breaches (#)	0	0	0

Due to the reliability of Batelco's Data Centre facilities, companies that host their data and equipment with Batelco are assured of uninterrupted, secure, and scalable services that enable customers to focus on their core business while leaving the IT operational aspects to us. Additionally, customers using our Data Centre services are provided with continuous support from Batelco's 24-hour Network Operations Centre and business-continuity management facilities. The foundation of Batelco's Data Centre is based on making the digital business of our customers successful, by offering reliable, secure, and energy-efficient solutions, combined with best-in-class customer support.

Customer Relationships

Batelco is dedicated to serving and inspiring its customers by building, operating, and investing in digital services, forefront technology and connectivity that empowers people, enables businesses, and enriches society. This supports our aim to be the leading provider of innovative and in-demand services, helping Batelco retain its position as the leading telecommunications company in the Kingdom of Bahrain.

Customers Overview	2019	2020	2021
Market share in Bahrain – mobile	35%	35%	36%
Market share in Bahrain – fixed	85%	86%	85%

We have a competent dedicated complaints team that handles technical issues and disputes. Customers can raise complaints through different channels including retail, e-services, email, and chat services. They are assessed and analysed by the team to identify and resolve the root causes of problems, compensate genuine customer cases, enhance the overall customer experience, and restore quality of service. We assess and manage faults through our customer experience management tool, which helps with first-time resolutions and supports the technical team to identify, resolve and manage faults in a timely manner.

Responsible Customer Relations

(Continued)

As we strive to resolve issues quickly, we have introduced real-time customer surveys through all of our channels to measure overall customer experience. Our customer satisfaction team contacts anyone who gives low ratings so that we can better understand their concern and immediately resolve their issues. Customer feedback and recommendations are analysed to improve the quality of our products and services.

Batelco also conducts periodic reviews on our products and services through customer surveys to further enhance our portfolio. Our First Call Resolution percentage figure exceeded our target of 90%.

Customer Experience/ Satisfaction	2019	2020	2021
Number of customer complaints (#)	83,462	87,803	85,632
Number of customer complaints resolved (#)	80,776	89,510	83,290
Number of First Call Resolution (FCR) (%)	95.1%	95.5%	95.2%
Customer satisfaction (%)	91%	90%	92%

As a socially responsible company, Batelco remained committed to playing its part as a proud member of Team Bahrain in the fight against the spread of COVID-19. As part of that, Batelco offered its customers a Fibre Speed upgrade, with speeds of up to five times their current speed to support remote work and learning. The campaign announced during 2020, was extended until August 2021, when people in Bahrain started going back to the office, schools and universities.



In January 2021, Batelco signed a partnership with Wanclouds to deliver Bahrain's first-ever multi-cloud migration solution. Wanclouds offers products and services to automate and solve cloud migration and networking challenges. The solution is particularly well suited to meeting the needs of medium and large enterprise customers. The service is fully managed and takes the burden of migration away from customers. Wanclouds' automation suite, along with its other services, helps us meet our customer needs by achieving a simplified and automated way to move infrastructure, servers, storage, and databases. The process is cost effective to implement and offers flexible options to allow for either specific workloads to be migrated or entire organisational infrastructures.

Responsible Use of Products and Services

Batelco promotes the responsible use of technology, providing our employees with product- and service-awareness sessions, training programmes and refresher courses. Product and service updates are continuously communicated to all employees, including retail staff, through internal communication channels. These measures are in place to ensure that customers are kept informed not only of Batelco's range of products and services, but also of the responsible use of these products and services.

To ensure that our products and services meet customer and regulatory requirements:

- Our principles are guided by ISO 9001 for Quality Management
- Our advertisements adhere to the Telecommunications Regulatory Authority (TRA) consumer protection law, which mandates that all communications are fair, accurate and ethical
- Our Child Protection-Wi-Fi product enables customers to configure specific parental control rules



Innovation and Digital Reach

— We enable digital lives by providing fast, secure, reliable connectivity. We believe that innovation and technology can be used as a means to create new opportunities that meet the changing needs of society. And we remain committed to forefront technology, building reliable networks and delivering high-quality services for our customers.

Material Topics Covered:

- Network Quality, Reliability and Availability
 - Innovation and Transformation
 - Fostering an Inclusive Digital Society
-



Sustainable Development Goals



Network Quality, Reliability and Availability

Batelco's network is recognised by multiple third-party benchmark companies as leading Bahrain's telecommunications sector in terms of speed and coverage for fixed and mobile broadband services. As part of our dedication to serving Bahrain and the community, we have achieved 99.999% up time infrastructure availability by using the latest hardware and software from leading Tier 1 technology providers.

We have also adopted the latest cloud technologies, making services and applications available 24/7 and accessible from anywhere and on any device.

Network disruptions are monitored by our state-of-the-art manned Network Management Centre. Meanwhile, the Network Operations Centre (NOC) and Service Operations Centre (SOC) ensure end-to-end incident management and coordination of departments to deal with emergencies. All are aligned with telecom industry best practices.

Our "self-healing networks" use automation and artificial intelligence to detect and fix outages, failures, and breaches to ensure network performance and maintain customer satisfaction.

We also ensure that all wireless communication services use radio equipment that operates within limits set by the International Commission on Non-Ionising Radiation Protection. This is also detailed in Batelco's frequency licence, which states our obligations regarding Electromagnetic Field (EMF) exposure.

Network Quality and Reliability	2019	2020	2021
Network Coverage in Bahrain*			
Percentage of customers with 3G network (%)	99.9%	99.9%	99.9%
Percentage of customers with 4G network (%)	99.9%	99.9%	99.9%
Percentage of customers with 5G network (%)	22.2%	95.0%	99.9%
Network Quality			
Average mobile broadband download speed**	Up to 800Mbps	Up to 2Gbps	Up to 3 Gbps
Mobile Adoption			
Number of mobile subscribers (#)	678,759	627,448	683,766
Percentage of mobile subscribers (%)	34%	32%	34%
Number of mobile internet subscribers (#)	278,443	600,126	645,818
Percentage of mobile internet subscribers (%)	35%	30%	30%

*As a percentage of Batelco's coverage area

**Based on the highest speed MBB technology deployed in the network, actual speeds depend on radio conditions and device capability.

In 2021, Batelco was recognised with the following achievements:

Best network in Bahrain by Ookla

Fastest & best coverage in Bahrain by the TRA

Rivaling Top 10 Fastest Countries in Global Mobile Speed Ranking

Won the Outstanding Leadership and Growth Achievement Award in the MEA Business – Technology Achievement Awards

Innovation and Digital Reach

(Continued)

In 2021, Batelco announced the expansion of its mobile network to cover major housing developments being built by the Ministry of Housing and the private sector across Bahrain. The expanded services are designed to meet the needs of residents for fast and reliable mobile connectivity solutions, including 5G and mobile broadband services. Our goal is to provide fast and reliable mobile connectivity and home broadband services to all our customers, wherever they live. As new urban areas are developed, we continue to expand our coverage and introduce new packages and solutions that cater to customers' needs, such as Fixed Wireless Access, to ensure digital inclusivity for all citizens and residents. In line with the government policy, we collaborate with the authorities to ensure that services are delivered to new areas and meet the specific demands of each location. As the first telecom provider to deliver nationwide 5G coverage, we remain focused on delivering the best network in Bahrain and will continue to work around the clock to enhance services that support the efforts of developers and meet customer requirements.

In May 2021, Batelco announced that it had completely redesigned its fibre packages to offer higher speeds and boosted usage. This all happened under the campaign slogan of "Batelco is making Bahrain the most connected island in the world". The new packages marked a new era of fibre internet experience at home.

As part of ongoing network transformations, Batelco phased out its 2G network, which was in service for over 27 years. The phase out completed during 2021 paves the way for higher technologies that offer higher speed and better quality.

The phase out of the 2G network will lead to a reduction in electricity consumption contributing to the environment by reducing CO2 emissions by an estimated 827 metric tons annually, which according to environmental studies is equivalent to the affect that approximately 30,000 trees would have on the environment. This supports Batelco's sustainability efforts especially in the area of energy consumption

Innovation and Transformation

We believe that the combination of innovation and technology can create new opportunities that meet the changing needs of society. We are committed to being a key digital enabler in the region by providing services and products in four key clusters: consumer, business, financial services, and e-government. This has guided our mission over the years to be counted among the world's pioneering and leading operators.

A key pillar in Batelco's enterprise product innovation strategy has been customer enablement. This approach addresses customer challenges and needs by focusing on specific solutions that deliver end-customer success.

This saw fruition in 2021 with the introduction of products such as Business in a Box, Smart Building, Unified Communications Collaboration tools, Restaurant Management, and an eCommerce online webstore. The solutions address both specific and general customer needs, ranging from collaboration tools in large corporations to digitising small enterprises and enabling them online.

Innovation Capability	2019	2020	2021
Investment in digitalisation and innovation (BHD)	1,345,929	447,581	1,198,575

In line with providing digital access for all and to address Wi-Fi coverage shortages in homes, Batelco launched the Batelco Red Box, which delivers high-speed and strong coverage for Fibre Home Internet customers. The Batelco Red Box is designed to expand the reach and boost the performance of customers' home internet connections, improving user experiences in a way that makes everyone happy.

Batelco's cloud-based technologies won the 'Go-to-Market Initiative of the Year' gong at the Future Enterprise Awards 2021. This honour was an acknowledgement of the ground-breaking solutions developed by the company and was received from TahawulTech.com – a leading platform in the Middle East for IT content, covering stories across enterprise technology, cybersecurity, and the region's IT channel industry. TahawulTech.com also brings business leaders and technology decision makers together to share their transformational stories.

Fostering an Inclusive Digital Society

Batelco is an eager advocate of accessibility and transformation for all, a key plank of the Bahrain Economic Vision 2030. To that end, we are committed to providing service coverage to 100% of the population, in accordance with the TRA and national telecommunication plans obligations.

Our rates also reflect our accessibility commitments; we offer discounted packages for both fixed broadband and mobile to customers with special needs.

We also continue to support the enterprise sector, enabling entrepreneurs, SMEs, and large corporations to share in the benefits of the fastest and largest 5G network in Bahrain. Our revamped 5G mobile business broadband packages deliver speeds that are six times faster than 4G and with higher data capacity to meet business demands for mobility, reliability, and security at the workplace.

In 2021, Batelco celebrated winning two MEA Technology Achievement Awards, announced at GITEX 2021 – the achievement award for Exceptional Products and Services and for Outstanding Leadership and Growth.

In 2021, Batelco launched Beyon Money, a Super App, providing Visa prepaid cards, stored value wallet, open banking connectivity, categorization of expenses and financial Insights and fully digital Remittances. It is the first fully digital Financial Super App to deliver direct open banking access to consumers in Bahrain, connecting all the banks across the Kingdom in one App. Users will have the ability to view all transactions with their banks and with their cards, as well as transact and transfer funds between accounts and into their digital wallet with ease.

Our People

Batelco offers a unique and exceptional employee experience. We believe in continuously growing our human capital by developing our people and equipping them with the latest cutting-edge training resources and tools to enable them to be the next digital-age leader. We aim to attract and retain talented individuals, while increasing the national workforce. We provide our employees with a safe and inclusive working environment and combat all forms of discrimination.

Material Topics Covered:

- Training and Development of Human Capital
- Diversity and Equal Opportunity
- Health and Safety

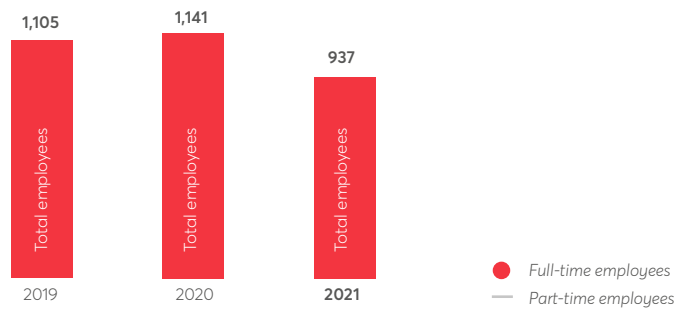


Sustainable Development Goals

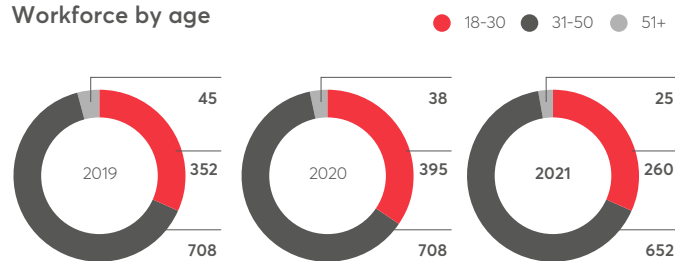


Workforce Overview

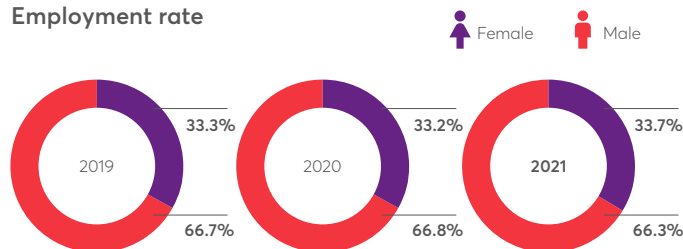
Workforce



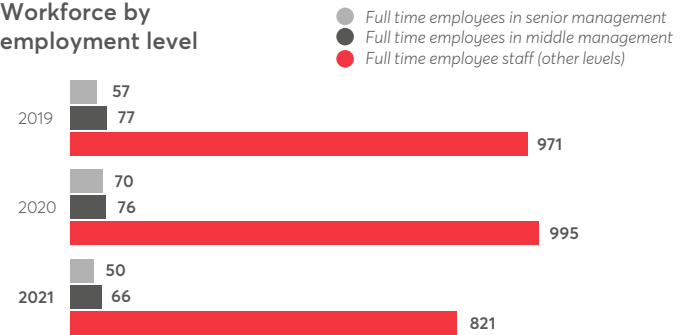
Workforce by age



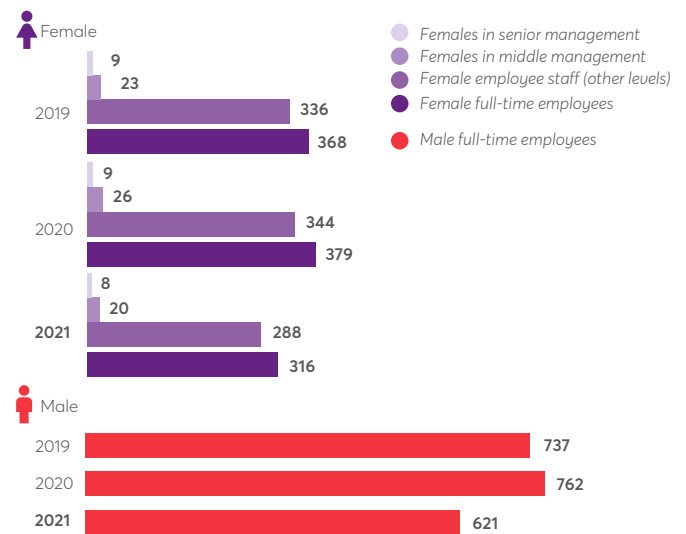
Employment rate



Workforce by employment level

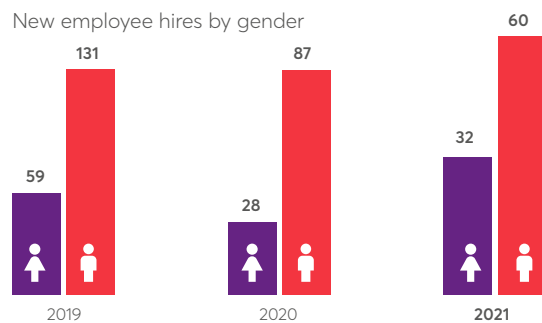


Workforce by gender profile

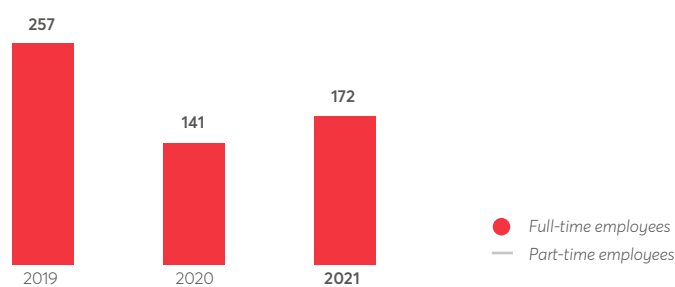


New Hires and Turnover

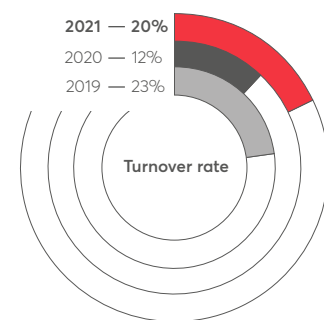
New employee hires by gender



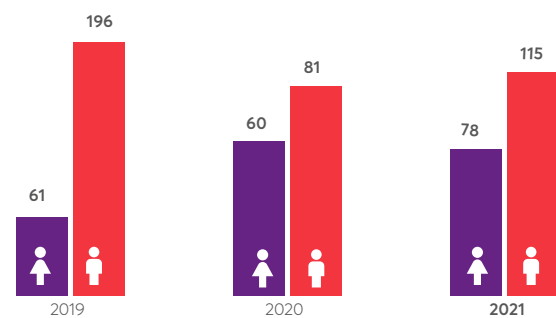
Total number of employees who left the company



Employee turnover



Total number of employees who left the company by gender



Our People

(Continued)

Employee Engagement and Satisfaction

Engagement surveys completed by our employees give us deep visibility into how employees feel about Batelco, helping us better understand where to focus our energies.

Employee Engagement	2019	2020	2021
Employee engagement score (%)	68%	80%	71%*

*Great Place to Work® is the global authority on high-trust, high-performance workplace cultures. The Institute relies on specific criteria to evaluate the work environment based on its vast experiences in the field, and thousands of studies of the best workplaces around the world. Every company is evaluated by a Trust Index; a questionnaire based on five principles to establish an employee's definition of an ideal working environment. Successful working environments are characterized by an employee-centric approach that fosters high levels of pride and trust amongst team members and strong relationships, in addition to service excellence. Such organizations work to put their employees first and are committed to providing a work culture that focusses on employees' wellbeing.

Bahrainisation

Bahraini employees are offered a dedicated leadership development programme to improve their skills and prepare future leaders within the organisation. Each year, our employees receive annual performance and career development reviews.

Bahrainisation at Batelco	2019	2020	2021
Nationals among total full-time workforce (#)	968	980	796
Nationalisation rate among total workforce (%)	88%	86%	85%
Nationalisation rate of senior management (%)	63%	62%	50%



In August 2021, Batelco held a virtual awards ceremony to celebrate employees who have successfully completed our management and leadership training programmes. Two of those schemes, which we named GROW and Empower, are among initiatives created to develop the company's Bahraini talent.

The Institute of Leadership & Management (ILM) Level 3 programme, or GROW, was completed by 55 employees; 11 management members achieved the ILM Level 4 or Empower programme. The teams were presented with certificates from ILM and a gift from Batelco to honour their achievements.

Batelco has continuously emphasised the importance of honing the skills and talents of its workforce. We strive to instil leadership and management qualities within members of our teams and enable them to set the standard in creating a high-performance organisational culture. An important element of the development programme is to encourage innovation that can support the delivery of best-in-class products and services, ultimately leading to an enhanced experience for Batelco customers.

Training and Development of Human Capital

Our approach to training and development is guided by our human resource policy. Upon joining the company, new employees receive induction training provided internally. E-learning courses are also offered via our internal employee portal.

By investing in training, we ensure smooth succession planning and the availability of a pool of well-trained and knowledgeable staff that can assume critical roles.

Other programmes and initiatives over the years have focused on transparency and trust between team members as well as instilling a sense of pride in our people – derived from our national identity – which inspires our own values and are embedded in our corporate culture.

Training	2019	2020	2021
Total number of training for employees (#)	47,402	56,427	34,639
Average hours of training per female employee (#)	48	51	35.9
Average hours of training per male employee (#)	37	49	37.4
Average hours of training per employee (#)	41	50	37
Performance reviews			
Percentage of employees who received a performance and career development review (%)	100%	100%	100%

As part of our commitment to supporting and developing Bahraini talent, Batelco partnered with the London Business School to provide a tailored, unique executive talent programme that saw a number of Batelco's aspiring young talents developed for senior roles within the organisation.

The programme's core objective was designed to support Batelco's succession planning by building competencies from within the organisation, through nurturing a strong young team that can fulfil leadership roles in the future and create success stories both for the company and Bahrain's telecommunications sector.

Developing the skills of Bahraini nationals has been a core pillar of Batelco's strategy and this programme reiterates the company's role in creating opportunities in the telecommunications sector to meet the evolving needs of an agile economy and the dynamic nature of the ICT industry.

Our People (Continued)

Diversity and Equal Opportunity

Batelco promotes an inclusive work environment where equal opportunity is realised, and open communication is encouraged.

We have a zero-tolerance approach to harassment, bullying, offensive conduct and victimisation of any kind. We strictly prohibit discrimination or harassment based on race, colour, religion, age, gender, nationality, gender identity and expression, national origin, disability, marital status, and citizenship status.

Our whistleblowing policy encourages the reporting of misconduct, and all complaints are treated on a confidential basis and are promptly investigated. We also conduct Human Resource policy awareness sessions that cover non-discrimination, diversity, and inclusion. There were no incidents of discrimination or harassment in the workplace during 2021. Our commitment to equal gender opportunities is seen in our focus on hiring and increasing the number of women at all employment levels and our encouragement of female participation in the workforce.

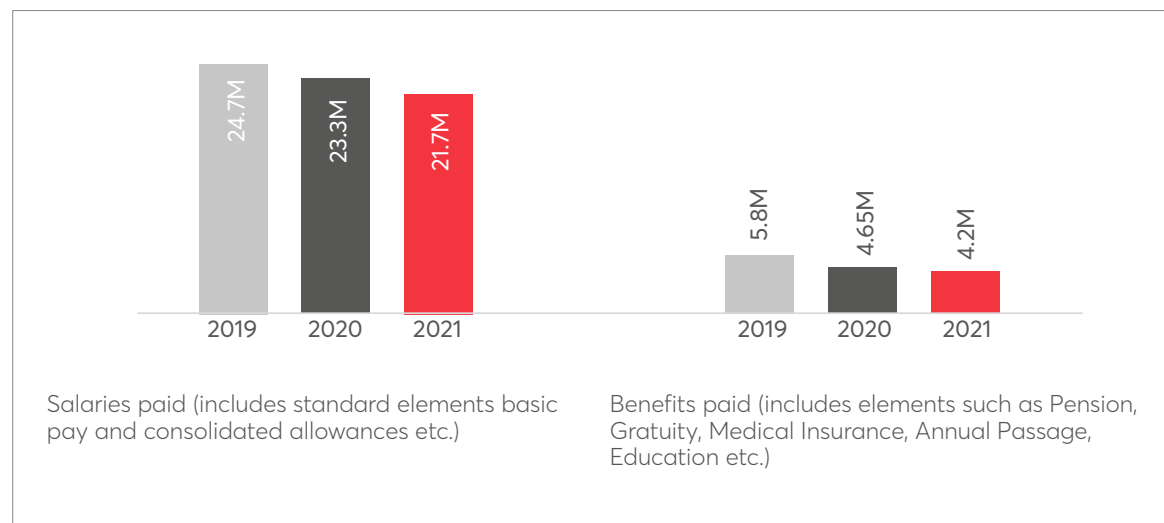
Batelco continued with its efforts in 2021 to transform the Company's corporate culture, invest in high-level team development programmes and launch initiatives to engage with the team members to create a positive and wonderful working environment.

The youth development programme "SIMBA"

is a unique programme designed to provide Batelco with a continuous pipeline of high calibre young Bahraini team members to prepare future leaders within the organization. The SIMBA team made great progress in 2021, successfully completing a customized Executive Education programme in collaboration with London Business School.

Grievances	2019	2020	2021
Number of performance grievances filed in the reporting period (#)	48	28	8
Number of these performance grievances addressed or resolved (#)	46	28	1

Wages and Benefits	2019	2020	2021
Basic remuneration of women to men (%)	37.2%	39.5%	38.6%



*Figures presented are in BHD Million

Parental Leave and Absenteeism	2019	2020	2021
Parental Leave			
Number of female employees that took parental leave	10	6	12
Number of female employees who returned to work after parental leave ended (return to work)	10	6	12
Number of female employees returned from parental leave who were still employed twelve months after return to work (retention)	9	6	11
Return to work rate	100%	100%	100%
Retention rate	90%	100%	92%
Absentee rate			
Employee absentee rate	6.94	3.96	4.65

Health and Safety

Providing our people with a healthy work environment is key to maintaining a resilient culture. We deliver on that promise through a Health, Safety and Environment (HSE) policy that is circulated and communicated to all management, operatives, suppliers, and contractors.

The HSE system aims to eliminate or minimise the impact and risks associated with Batelco' activities and covers all employees, including those engaged by sub-contractors and other interested parties. And we work closely with external consultants to assess our preparedness in all safety aspects.

That is backed up by an approach that stresses the proactive audit of field operations and service delivery functions at facilities owned by Batelco and other licenced operators, including the provision of first aid training to Safety Marshals.

Reducing the risk of exposure to COVID-19 was our top priority in 2021. Offices were sanitised on a weekly basis and enhanced cleaning and disinfection protocols were put in place. We also conducted regular COVID-19 tests at the Batelco headquarters for the majority of staff.

In addition to constantly publishing COVID-19 prevention awareness messages via our internal channels, we held several health awareness campaigns that covered topics such as breast cancer, mental health, and general health in collaboration with reputed hospitals and doctors. In cooperation with the Ministry of Health, a dedicated COVID-19 awareness session was arranged during the peak of the pandemic.

We are fortunate to have experienced no fatalities and lost no work time due to injuries among employees and contractors. Also, during the pandemic, there was no spread of the virus from one person to another. In Q4, Safety Marshals appointed from all units will be inducted and trained to deal with any emergency. We will also be conducting fire drills for the administration building and Batelco staff as well as the tech building for BNET.

In order to continue supporting the Kingdom's COVID-19 vaccination campaign, Batelco offered tickets to attend the Gulf Air Formula 1 Bahrain Grand Prix to all employees with a COVID-19 vaccination certificate.

Health and Safety	2019	2020	2021
Employee fatalities (#)	0	0	0
Contractor fatalities (#)	0	0	0
Employee lost-time injuries (#)	1	0	0
Contractor lost-time injuries (#)	0	0	0
Employee total recordable injuries (#)	3	0	2
Contractor total recordable injuries (#)	3	2	1
Health and Safety Training			
Total hours of HSE training provided to employees (#)	105	285	270

Environmental Protection

— We are committed to managing our environmental footprint. We strive to help combat climate change by reducing energy consumption at our data centres and across our operations; by reducing water consumption and waste generation; and, by recycling when possible. We also seek opportunities to deploy renewable energy, such as solar and wind sources. The Batelco Board of Directors and executive management team oversee sustainability management across the organisation.

Material Topics Covered:

- Energy Consumption and Fighting Climate Change
- Waste and Water Management



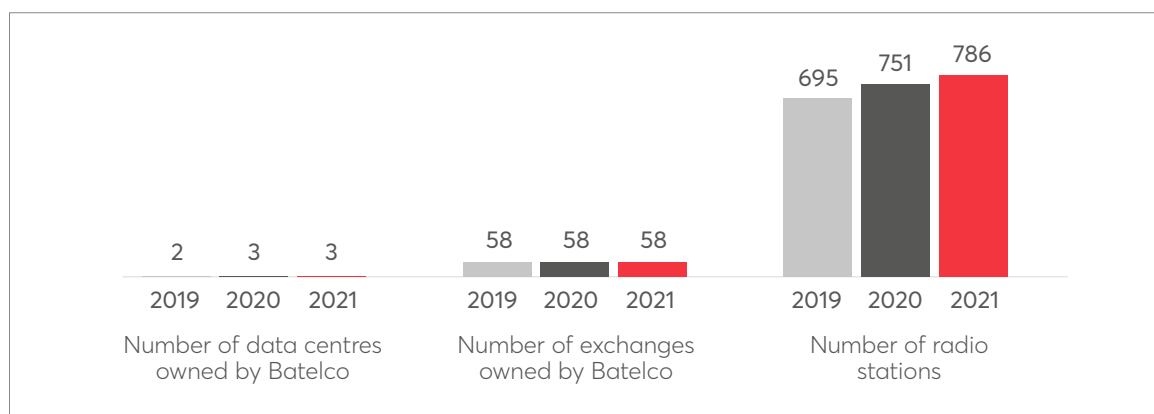
Sustainable Development Goals

Energy Consumption and Fighting Climate Change

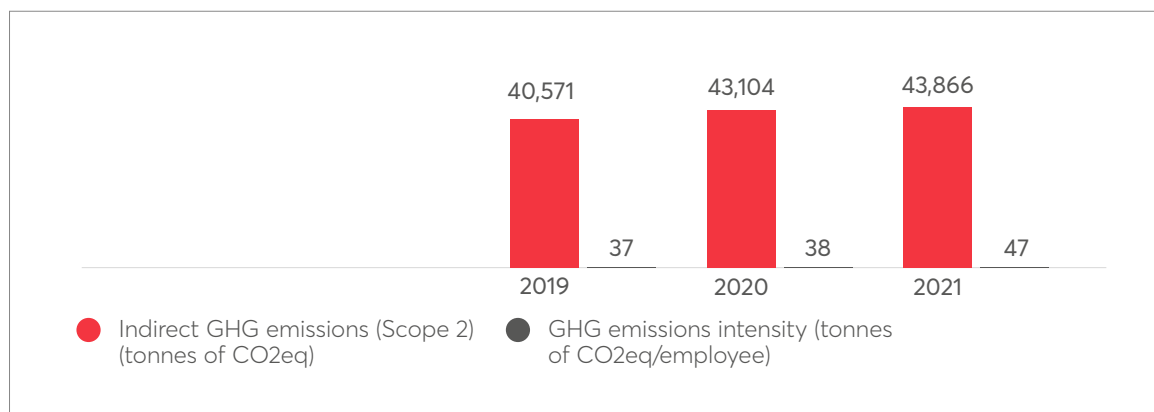
Batelco has prioritised the reduction of our annual energy consumption and the introduction of clean energy sources, especially within our data centres. The target is to have cut energy use by 20% in 2022 and replace existing energy sources with renewables within the next five years.

We continuously look for opportunities to deploy renewable energy, including potential investments in solar farms, to power our facilities and infrastructure. Additionally, our employees are provided with energy management and climate-change awareness sessions and we conduct continuous audits of our energy management and monitoring system.

In 2021, we reduced overall energy cost at the Diplomat Building by 10% through monitoring air conditioning and lighting systems. We also launched a project to automate machinery and services at Batelco Commercial Centre to further optimize energy consumption and reduce cost. We also replaced road lights with solar-powered illumination at our Hamala Complex. Next year, we plan to launch several sustainability programmes that target energy consumption reduction across the organisation.



Energy Consumption	2019	2020	2021
Indirect energy consumption			
Total electricity consumption (163 accounts) (GWh)	53	55	57
Direct energy consumption (Mobile Site Approximation) (GJ)	28,382	35,158	35,923
Renewable energy consumption	0%	0%	0.47%
Energy consumption intensity (GJ/employee)	200	205	255



Environmental Protection

(Continued)

The Batelco Solar Park was inaugurated in 2021, the latest adoption of ESG initiatives to achieve our long-term strategy of becoming a greener company. The project reaffirms Batelco's commitment to supporting the efforts of the Government of Bahrain in achieving its vision of environmental sustainability as well as reaching its goals of decarbonisation, enhancing energy efficiency, and doubling renewable energy sources. The Park produces a total of 1,600 MWh of clean energy, which will aid in reducing approximately 900 tonnes of carbon emissions annually. Batelco Solar Park will also support Bahrain's vision for sustainable energy, which aims to produce 250MW of clean energy by 2025, accounting for 5% of total energy used in the Kingdom of Bahrain.

Waste and Water Management

We are committed to managing our environmental footprint and reducing water consumption, waste generation and recycling whenever possible. To this end, we have launched a sewerage treatment plant project that purifies water for irrigation purposes.

In 2022, We have started automating our Enterprise Resource Planning (ERP) system and modernising our financial and HR processes to reduce manual and paper-based processes.

Similarly, Batelco has been able to reduce waste by terminating agreements with newspaper and small plastic water bottle suppliers, through safe shredding of old documents and reusing disposed construction material to build gazebos.

Water, Effluents & Waste	2019	2020	2021
Total water consumption (m ³)	112,895	125,815	111,781
Water consumption intensity (m ³ /employee)	102.17	110.27	119.30
Total volume of wastewater reused or recycled (m ³)	3,723	17,952	21,900

For the following year we envision more concrete objectives to push ahead with our achievements in waste and water management. We have plans to establish a sustainability and recycling programmes to reduce waste. This will be undertaken through a series of recycling efforts including recycling green waste as part of a landscaping agreement, recycling cans, plastics, paper, and electronic waste as part of an updated waste agreement and increasing the recycling and re-use of material, where possible. We also aim to supply and install automated faucets in all restroom washbasins to reduce water consumption in our offices and facilities including waste control measures such as the provision of self-biodegradable toilet paper and auto-cut hand towels. Finally, across our public areas, we will be creating further green areas and landscaping.

Community Development

— We acknowledge that we play a huge role in the community; we are dedicated to serve it with our socially responsible initiatives that are designed to have a positive impact for all inhabitants of Bahrain. We continue to establish and strengthen partnerships with other entities in order to play a more beneficial role in the community.

Material Topics Covered :

-Corporate Social Responsibility



Sustainable Development Goals



Community Development (Continued)

Social Impact & Sustainability

At Batelco, we understand our role within and responsibility towards, our community. We recognise that our products and services have an impact on many aspects of people's lives; our services enable people to stay connected through multiple communication and social media platforms.

We believe in impactful and sustainable initiatives that address material issues, help the community, and have long-term positive benefits to the economy, society, and environment.

We have a clear CSR policy and strategy that is implemented through a defined framework and governance. Our programmes have evolved around four pillars: Education, Youth & Sport, Health and Community, all of which are aligned with the UN SDGs that focus on good health and well-being, quality education and sustainable cities and communities.

Our CSR and philanthropy policies focus on sustainable development programmes that serve the community over the long term. The Corporate Communications and Sustainability Unit has introduced digital solutions to promote these initiatives and manage our programme in order to achieve the maximum impact.

Community Investment	2019	2020	2021
Donations (BHD)	1,045,187	4,516,357	827,412
Community investment as a % of pre-tax profit	1.54%	6.56%	1.02%
Total value of community investments (BHD)	28,523	33,183	260,341
Total number of volunteers (employees)	57	106	75
Total number of employee volunteering hours	1,985	605	255

Community Engagement Initiatives

In May 2021, Batelco concluded the second season of its annual internal Ramadan programme called Yamatna Ghair. The virtual programme, which was broadcast live on the company's internal Instagram channel, featured a weekly quiz during the holy month and sought to share the joyous atmosphere of Ramadan with staff. The show aimed to promote Bahraini culture and heritage as well as its traditions within a fun interactive atmosphere. Our talented young employees organised and created the show.



A Box of Goodness is an unregistered charity organisation founded in 2016 on the principles of sharing goods and blessings to the less fortunate. In line with the holy month of Ramadan the charity collected non-perishable food items for local and expat families and individuals. The charity provided Batelco with a donation box, which was placed at our headquarters for all employees to provide donations.

To celebrate National Day, we announced a number of activities under the slogan From Bahrain to Bahrain, which seeks to promote the talents and businesses that truly reflect the Kingdom's national identity. For the occasion, Batelco released a song, which was performed by a famous local artist during a concert to raise money for the Royal Humanitarian Foundation. Batelco offered free tickets to its team members to attend the concert which took place at the BIC.

Additionally, Batelco held a celebration for its team members at the company's headquarters, including entertainment and a competition with the chance to win valuable prizes.

Sport Initiatives

In February 2021, Batelco celebrated the fifth edition of Bahrain Sports Day by holding a virtual challenge for its team members, encouraging them to achieve a million steps in six days. Participation was high with team members sharing their daily achievements via Batelco's internal Instagram account. Batelco marked Sports Day via a live virtual show, during which the total number of steps made was revealed to be 1.2 million.

A new season of Batelco's annual Fitness on Track scheme, which seeks to encourage more people to take up cycling was launched. Studies show riding instead of driving over short distances can improve health and air quality, measures that are supported by Batelco's dedication to improving sustainability and strengthening the community.



Community Development (Continued)

Educational Initiatives

To Boost young people's prospects Batelco joined the panel of judges in INJAZ's University of Bahrain Universities Tournament in March 2021. INJAZ is a youth empowerment organisation and the tournament encouraged students to find innovative solutions for real business challenges, through participation in educational activities and recreational games.

As part of initiatives to support academically promising young Bahraini students, Batelco introduced a higher education scholarship in partnership with the American University of Bahrain (AUBH), to sponsor a 4-year university education for one Bahraini student selected on merit from one of the Kingdom's government schools, each year.

Under the umbrella of Takadam, meaning to 'move forward', Batelco's youth development programme, a group of students were selected in 2021 to benefit from mentoring, professional certification, and on-job training support from Batelco and its partners, Injaz Bahrain, Brinc and Clever Play. Takadam is aimed at secondary school graduates and designed to support them while at university, enhancing their readiness for the workplace by the time they graduate.



Environmental Initiatives

Batelco proudly supports a number of programmes that protect the natural environment and benefit the community. Among them, we have sponsored the National Initiative for Agricultural Development's (NIAD) forestation of Arad Walkway at the Arad Bay Nature Reserve and Park. Our team joined NIAD Secretary-General Shaikha Maram bint Isa Al Khalifa at the walkway for the planting of the first tree to mark the start of the Forever Green Initiative. Through this initiative, 50,000 trees and shrubs will be planted in 27 different locations across the Kingdom.

In collaboration with Al Areen Wildlife Park & Reserve and the Supreme Council for the Environment, Batelco conducted an online virtual awareness session on the importance of native plants in Bahrain. The session covered topics such as invasive species; native and local species; threats facing Bahrain's flora and the environment; and what can be done at an individual level to better our environment.

Batelco hosted a number of internal awareness sessions on the importance of water safety at its Hamala headquarters. The sessions, were delivered by the Kingdom's Royal Life Saving Bahrain (RLSB), whose Safety Services Executives outlined the organisation's mission to educate the public and spread water safety awareness. The educational sessions also included a demonstration on improvised rescue techniques and provided an overview on workshops available through RLSB such as its Save a Little Life, Water Wise, Swim for Safety, Everyday Lifesaver and Emergency First Aid sessions.

