



sustainability
report 2024



from vision

to value

creating legacy
impact

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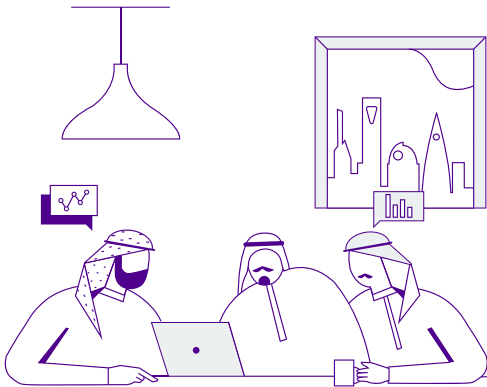
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01. Introduction

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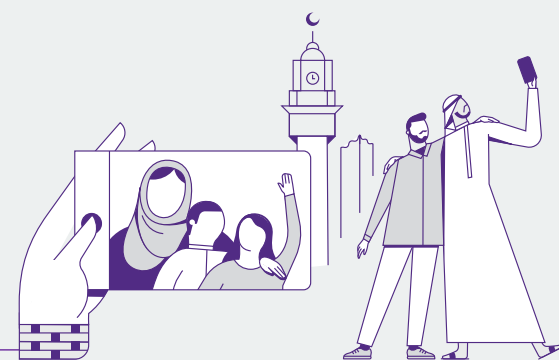


We are delighted to present stc's 2024 Sustainability Report, marking our sixth year of showcasing our achievements in environmental, social and governance (ESG) and sustainability, which are now very much a part of our operations and our culture. stc is a market leader in the region, offering a comprehensive range of mobile, internet and fixed-line services. Known for its commitment to innovation, stc leads the 5G rollout and emphasizes customer satisfaction. As a publicly traded company, stc significantly contributes to the economy and actively engaging in social investment initiatives.

This report reflects our commitment to the theme of "From Vision to Value: Creating Legacy Impact"; it is a testament to our ongoing efforts in environmental performance, the development of human capital through digital innovation and a sturdy commitment to strong governance and ethical excellence.

The report is designed for our valued stakeholders, providing a comprehensive overview of our sustainability strategy, our dedication to responsible practices and the impact our initiatives have on our stakeholders, including local communities, customers, suppliers and employees.

We greatly value your feedback and perspectives on our sustainability mission, whether related to 2024 or stc's future aspirations. Please do not hesitate to reach out to us with your thoughts at sustainability@stc.com.sa.



Cautionary message

This report contains statements that may be deemed as "forward-looking statements" that express the way in which stc intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as "plans," "aims," "assumes," "continues," "believes," or any variations of such words that certain actions, events or results "may," "could," "should," "might," "will" or "would" be taken or be achieved.

stc has taken every measure to ensure the report's accuracy and integrity. However, forward-looking statements inherently involve risks and uncertainties related to future expectations, which may result in actual outcomes differing significantly from those projected or implied. These statements are subject to factors beyond stc's control and, as such, do not guarantee the anticipated events will occur as described.



About this report

Guiding frameworks

The 2024 Sustainability Report follows global reporting standards and guidelines, notably the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the GSMA ESG for mobile sector, which are all referenced at the end of this document in the chapter The details that matter (appendices). This report also takes guidance from the IFRS S1 and S2 standards, with the aim to become compliant with these standards in the near future.

stc is a signatory to the United Nations Global Compact (UNGC) and is committed to upholding the 10 principles outlined in the UNGC. Details as to how we abide by these principles are to be found in Appendix A. In terms of our emissions, we also report against the CDP requirements.

Our Sustainability Report serves as the Communication on Progress (CoP) in implementing the UNGC Principles. Our Sustainability Strategy reaffirms our commitments to the Ten Principles of the UN Global Compact.

We align ourselves with the priorities of Saudi Arabia’s Vision 2030 (Vision 2030), as well as with all the regulatory requirements. In addition to our compliance in Saudi Arabia, we uphold rigorous sustainability practices across our operations in Bahrain, Kuwait and beyond, enabling us to meet both national and global sustainability requirements.

Alongside our annual Sustainability Report, we provide an ESG Supplement, published on our website with previous reports and data on key performance indicators.

For those interested in previous reports and data, they are readily available [online](#).

Reporting period

This report covers the calendar year from 1 January to 31 December 2024, concentrating solely on activities that occurred within this timeframe. Relevant information from prior years is included as needed for context.

Report scope and boundaries

This report encompasses the operations of stc Group across the Kingdom of Saudi Arabia (KSA), Bahrain, Kuwait and other subsidiaries in KSA. For more on the entities included in report, refer to Our operating model. For the purposes of this report, we do not consider data from clients (assuming they are not one of our subsidiaries). We provide only selected information on contractors and suppliers, as per the GRI standards. Unless otherwise specified, currency is expressed in Saudi Riyals (ﷻ).

See our investors webpage for our Annual Report and for more information on legal, governance and financial matters.

Acquisitions that were made during the reporting year, 2024, are reportable only after the first full year of operation. Sites/facilities/infrastructure that is not fully operational is excluded from the report.

The content selection for this report is guided by material topics identified through our materiality assessment. Each of our three Sustainability Framework pillars – Environmental Performance and Climate, Development of Human Capital through Digital Innovation, and Strong Governance and Ethical Excellence – features a dedicated chapter. Within these chapters, we explore various material topics that highlight the topics most significant to our stakeholders and business activities.

Top management oversight and internal controls

The stc Sustainability Committee, an Executive level committee chaired by the GCEO, reviewed and approved this Sustainability Report. The committee

is responsible for monitoring our progress on issues of ESG, sustainability and for ensuring stc adheres to global standards in this regard, with final approval given by the Chairman of the committee, i.e. the GCEO. For more on how sustainability is governed, and on governance generally, please see Strong governance and ethical behavior.

Unless otherwise specified, all figures in this report reflect the latest available data, validated internally by sustainability champions and sector VPs. The report is internally audited, with any findings addressed through set action plans under the oversight of the Sustainability Management Committee, chaired by the GCEO. Representing the Committee, the GCEO provides regular briefings to the Board Executive Committee, quarterly or as needed, to ensure alignment with stc’s corporate strategy and vision.

Feedback

Inquiries, feedback or suggestions are welcome at: sustainability@stc.com.sa
x.com/stc
facebook.com/stc/
linkedin.com/company/stc

From the Chairman’s desk

Shaping our future

“ We support sustainability through our vision of a digital and telco leader enabling society and the economy to thrive in KSA and beyond, underpinned by our values of dynamism, devotion and drive. ”



stc is proud to present the 2024 Sustainability Report for the sixth year, as we continue to demonstrate lasting value and impact for the communities and countries where we operate. As an innovative digital company, and the MENA region’s largest telecommunication’s company, stc plays a key role enabling digital transformation, enhancing regional economies, investing in infrastructure and supporting jobs and business opportunities. We are a trusted partner to our stakeholders, creating value for our customers, employees, local communities, and shareholders and connecting people with our technologies.

We support sustainability through our vision of a digital and telco leader enabling society and the economy to thrive in KSA and beyond, underpinned by our values of dynamism, devotion and drive. Our sustainability governance is informed by the UN sustainable development goals (UNSDGs), the UN Global Compact (UNGC), and by national objectives in the countries where we operate, noting the

importance of environmental and social protections as guardrails for economic growth and business prosperity. Our commitment to sustainability best-practice marks us as stewards of the environment and of the climate for future generations, and as contributors to jobs and opportunities in the region.

We recognize the critical need to close the digital gap, and we are playing our part in the solution by investing in digital literacy. Our leadership in initiatives such as the GCC ESG Telecom Alliance exemplifies our collaborative approach to advancing climate action and ensuring technology drives inclusion. We are also partnering with local communities, the private sector and government to share our technology and grow opportunity. Through collective action we contribute to turn the Kingdom into a tech and innovation hub that spurs growth in the region. I am pleased to report that the Board is ideally placed to provide balanced, wise counsel to an executive team we hold in the highest esteem, as we do our investors and stakeholders whose interests we represent.

I am proud of what we have accomplished together. As we move forward, we remain steadfast in our mission to harness our capabilities for the benefit of society. Together, we are not only shaping our legacy but also creating meaningful and sustainable impacts for generations to come.

Mohammed bin Khalid Abdullah Al Faisal
Chairman of the Board of Directors

75,893

million record revenues

Connected

3.6

million+ households with fiber

A message from the GCEO

Driving progress

“
At stc, we are proud to be at the forefront of transformation. Our leadership in providing robust, reliable and accessible digital infrastructure not only fuels economic growth but contributes to broader national and global sustainability ambitions.”



At stc, our leadership in the region is defined not just by financial success, but by our commitment to seamlessly integrating sustainability into our business practices. This year represents a landmark achievement for stc, as we continue to deliver robust financial performance while embedding sustainability into every facet of our operations and decision-making. We firmly believe that environmental stewardship, social advancement, and strong governance are more than just responsibilities — they are catalysts for resilience, innovation, and sustained growth.

Our initiatives align with both national and global priorities. Saudi Arabia’s transformative journey places digital technology at the forefront of economic diversification and sustainable development. At stc, we are honored to lead this transformation, contributing through our provision of reliable, robust, and accessible digital infrastructure. This infrastructure fuels economic growth while advancing sustainability goals both regionally and globally. With 54.7% 5G

population coverage in Saudi Arabia and full coverage in Bahrain and Kuwait, we ensure universal access to high-quality, affordable services.

Our contributions extend far beyond infrastructure. We are actively driving the development of cutting-edge technologies such as IoT, data analytics, and AI-powered solutions, paving the way for the growth of sustainable smart cities. These efforts play a pivotal role in fostering an innovation-driven economy in the countries where we operate. Additionally, our strong position establishes us as a trusted partner for international digital investments, as we work with global leaders to deliver solutions that enhance efficiency, sustainability, and customer experience across the region.

Investing in our people is equally vital to our mission. By nurturing a culture of lifelong learning, inclusivity, and empowerment, we ensure that stc’s workforce remains agile, innovative, and prepared to meet the challenges of tomorrow.

Environmental responsibility is a cornerstone of our strategy. We have set ambitious goals, including achieving net-zero emissions by 2050. To achieve this, we are improving energy efficiency across our data centers and networks and adopting sustainable practices throughout our operations.

As Saudi Arabia continues its remarkable transformation, stc remains unwavering in its commitment to driving innovation and elevating quality of life for all. Together, we aim to create a legacy of responsibility, innovation, and excellence in sustainability.

Olayan Mohammed Alwetaid
Group Chief Executive Officer

92%

customer experience
index in KSA

96%

spend on local procurement
at Group level

A message from the GCSO

Insight in action

“ Our climate strategy centers on improving operational performance and addressing climate challenges. We are firmly committed to achieving net zero emissions by 2050, and our progress reflects this ambition. ”



At stc, we are driven by a dedication to creating meaningful social, environmental, and governance impact through innovative and strategic initiatives. Our approach focuses on fostering digital inclusion, championing environmental sustainability, developing human capital, and promoting ethical governance — all while supporting Saudi Arabia’s transformative vision and advancing global sustainability goals.

Our Sustainability Strategy is anchored in three core pillars: Environmental Performance & Climate, Human Capital Development through Digital Innovation, and Strong Governance & Ethical Excellence. These pillars encapsulate our commitment to delivering long-term value, supporting Saudi Arabia’s transformation, and contributing to worldwide sustainability efforts.

In addressing climate challenges, we focus on improving operational performance and championing sustainability. Our unwavering commitment to achieving net-zero emissions by 2050 is evident in our progress. In 2024, we reduced our scope 1 GHG emissions by 3.6% across the Group, through targeted efforts to enhance energy efficiency across

operations. Supporting the principle of circularity, our electronic waste recycling program benefits hundreds of NGOs while minimizing environmental impact.

On the social front, we believe sustainable progress stems from human capital development through digital innovation. Our digital services empower local businesses, boost entrepreneurship, and generate employment opportunities. Through InspireU, our flagship startup accelerator, we’ve supported over 130 digital startups valued collectively at over ₪ 1 billion, fostering a thriving innovation ecosystem in the region. Our commitment extends to enhancing digital inclusion and improving quality of life. Initiatives like the Smart Truck have delivered over 3,000 internet safety awareness sessions, while our E-health program uses smart cameras to facilitate early diabetes detection for underserved communities. Additionally, we provide reduced-rate fiber packages for vulnerable groups and free technical services to support non-profit organizations.

In governance, we uphold the highest standards of integrity, compliance, and transparency. Our

ESG strategy is reinforced by a strong governance framework that ensures ethical conduct across all organizational levels. The Corporate Compliance sector rigorously enforces ethical standards, while our Internal Audit function conducts thorough reviews of all business units, addressing risks, fraud prevention, and unethical behavior. We also align with global best practices in risk management, with our Code of Ethics overseen by the Executive Management Sustainability Committee, chaired by the GCEO.

We recognize that partnerships and innovation are vital for achieving our goals. By investing in technology, collaborations, and community initiatives, we ensure that our sustainability efforts not only create lasting value for the Kingdom but also contribute significantly to the broader region.

Abdullah Abdulrahman Alkanhl
Group Chief Strategy Officer

Pledged
Net Zero
by 2050

13,846
electronic devices recycled
and refurbished

900+

employee volunteers

3.6

million households
connected through
fiber

61

nationalities across
workforce

02.

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UNSDGs



UNGC



Saudi Vision
2030



stc at a glance

Saudi Telecommunications Company (stc) was founded in 1998 and is publicly traded on the Saudi Stock Exchange. With its headquarters in Riyadh, the Group encompasses stc’s operations as well as its subsidiaries in Bahrain and Kuwait, serving as a key player in the MENA ICT sector.

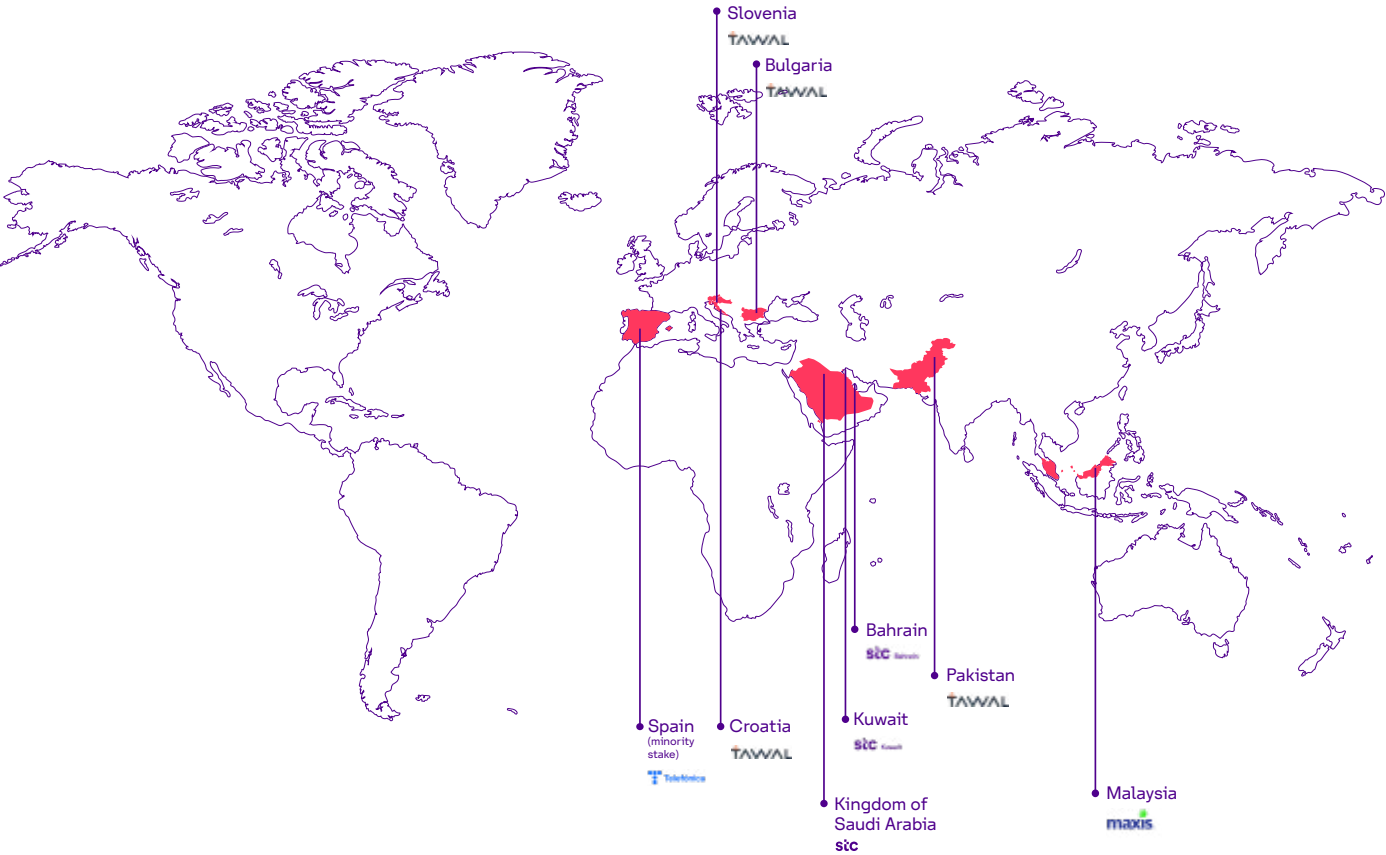
Recognized as a catalyst for digital transformation across the region, stc Group delivers a wide range of innovative solutions that facilitate the ongoing digitization of services. Its offerings include state-of-the-art digital infrastructure, cloud services, cybersecurity solutions and advanced Internet of Things (IoT) applications. Additionally, stc engages

in artificial intelligence (AI), digital payments, digital media and entertainment. The Group has expanded its reach with over **18 subsidiaries** throughout Saudi Arabia, the MENA region and Europe, solidifying its position as a leader in the ICT industry.

Direct economic value (Thousand ٬)	2022	2023*	2024*	2023-2024 Trend
Total revenue	67,431,546	71,777,161	75,893,413	6%
Gross profit	37,393,255	34,740,066	37,300,410	7%
Net operating profits	15,088,441	13,161,291	14,425,638	10%
Zakat and taxes	1,083,175	1,326,610	1,191,564	-10%
Net profit for the year	12,170,537	13,295,381	24,688,652	86%
Dividends declared	7,984,024	7,975,133	13,711,661	72%
EBITDA	25,078,667	22,445,389	23,925,601	7%

* Both 2023 and 2024 figures have been restated to reflect the deconsolidation of Tawal following the sale of a 51% stake to PIF.

Our business in 2024



Our operating model

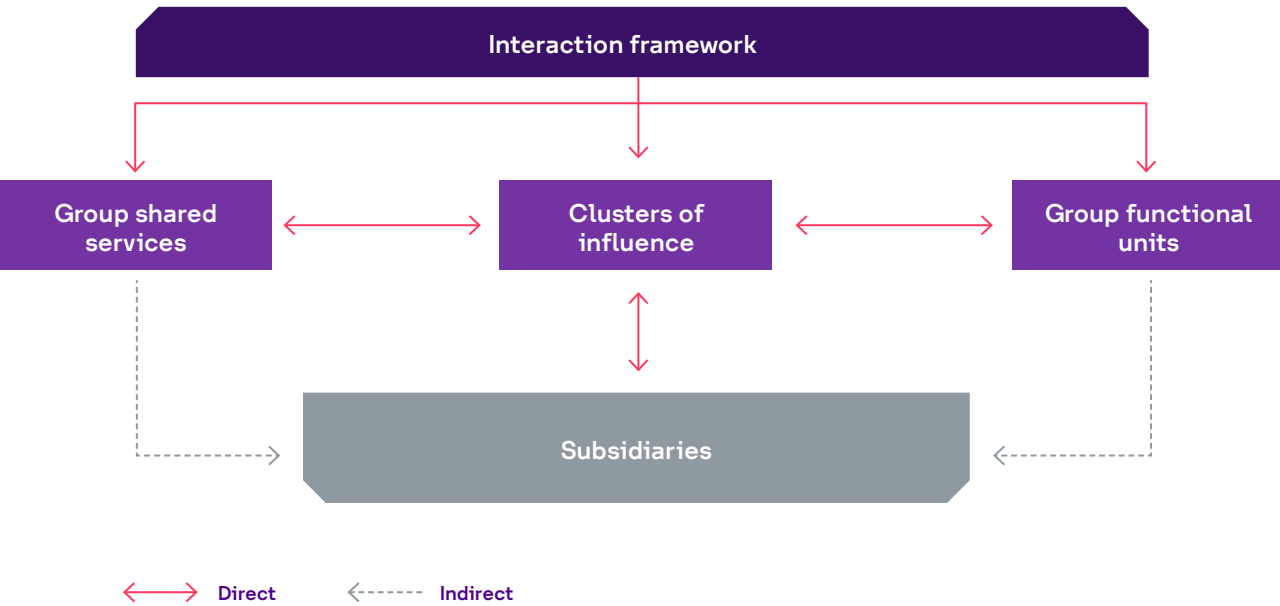
stc’s operating model is designed to facilitate strategic objectives and improve service delivery across various markets. Our model focuses on creating synergies across the Group and optimizing resource sharing for our subsidiaries and regions.

We consolidate business units to optimize resources and streamline operations across telecommunications, digital services and subsidiaries. This model emphasizes innovation and digital transformation, positioning stc as a leader in 5G, cloud computing and IoT solutions.

The organization is designed to respond promptly and effectively with tailored offerings that meet the

varied needs of customers, including businesses and governmental organizations. To better serve our customers and stakeholders, we form partnerships with various entities, such as technology firms and other service providers, to create a digital ecosystem that optimizes overall service delivery.

Our operations span Saudi Arabia and subsidiaries in Bahrain, Kuwait and beyond, allowing us to implement strategies that address local market dynamics at the same time leveraging synergies across regions. Through this operating model, we drive growth, improve operational efficiency and maintain our competitive edge in the rapidly evolving telecommunications landscape.



stc at a glance continued

The following stc Group subsidiaries are included in this report.

These subsidiaries are included as they operate under the Group's direct oversight and strategic guidance. Their inclusion reflects our commitment to transparency and accountability in managing the entities within our operational control. Additionally, all data covering stc KSA Headquarters includes stc KSA, along with its HQ-based subsidiaries - channels, sirar, center3, specialized and Intigral - ensuring a comprehensive representation of our environmental impact across these key entities.

stc

Saudi Telecom Company

stc KSA is a leading telecommunications provider in Saudi Arabia, recognized for its commitment to digital transformation and innovation. It offers a comprehensive range of services, including mobile, internet and cloud solutions, to respond to customer needs in the digital age.

stc Bahrain

stc Bahrain Company

stc Bahrain, which was launched in 2009 as a subsidiary of stc, is a prominent telecommunications operator in Bahrain, offering advanced mobile, internet and digital services tailored to meet customer needs. The Group focuses on innovation and customer satisfaction and contributing to the country's digital transformation.

stc Kuwait

Kuwait Telecommunication Company

stc Kuwait was launched in 2008 as a subsidiary of stc to offer telecommunications services in the Kuwaiti market. stc Kuwait offers innovative mobile, internet and digital solutions, contributing to the country's overall digital landscape and customer experience.

channels by stc

Saudi Telecoms Channels Company

channels by stc is stc Group's sales and distribution arm, and one of the leading sales and distribution companies in the Middle Eastern telecommunications sector. It operates across the Gulf Cooperation Council (GCC) countries, including Saudi Arabia, Kuwait, Bahrain and Oman providing a wide range of

telecommunications products and services. Through its extensive network, channels by stc enhances the accessibility and delivery of innovative solutions to customers throughout the region.

specialized by stc

Public Telecommunications Company

specialized by stc delivers advanced digital services tailored for both public and private sectors. As a trusted partner for businesses and government entities, specialized by stc provides innovative digital solutions that address regional needs. This division plays a crucial role in driving digital transformation and increasing operational efficiencies across various industries.

intigral

Gulf Digital Media Model Company Ltd. (GDMM)

Intigral is the digital media and entertainment division of stc Group and is recognized as a leading digital entertainment company in the MENA region. The subsidiary manages various media offerings, including stc tv, as well as stc play, a dedicated gaming and eSports platform.

solutions by stc

Arabian Internet and Communications Services Company

solutions by stc is Saudi Arabia's leading enabler of digital transformation and the number one ICT service provider in the Kingdom. As a national champion solutions provides holistic, end-to-end technological solutions that enables the government and private sector achieve their digital aspirations. The products and services offered through multiple business lines are leveraged to provide solutions to the customers' existing and emerging needs.

TAWAL

Telecommunications Towers Co.

TAWAL is a leading ICT infrastructure company, headquartered in KSA, with a portfolio of over 22,000 telecom towers providing innovative, sustainable and efficient tower solutions to improve connectivity across 5 countries (KSA, Bulgaria, Croatia, Slovenia and Pakistan). TAWAL plays a key role in driving digital transformation while minimizing environmental impact.

center3

Digital Centers for Data and Telecommunications Company

center3 is responsible for managing stc Group's infrastructure assets, including data centers and submarine cables. This subsidiary plays a vital role in supporting the Kingdom's Vision 2030 by enhancing its position as a digital hub that connects Asia, Africa and Europe. By investing in state-of-the-art infrastructure, center3 is key to facilitating connectivity across these 3 continents.

sirar by stc

Advanced Technology and Cybersecurity Company

sirar by stc is a leading cybersecurity provider, offering advanced security solutions to protect businesses from cyber threats. With expertise in infrastructure security, digital trust, and threat management, sirar helps organizations secure their digital environments across different domains. Committed to innovation and excellence, sirar empowers enterprises with cutting-edge cybersecurity to ensure a safer digital future.

AQALAT

Aqalat Limited Company

Aqalat leverages digitalization to create profitable opportunities and maximize value for shareholders in the real estate sector. Committed to sustainability, Aqalat develops eco-friendly, energy-efficient spaces that improve community living and minimize environmental impact. The Group focuses on innovative practices, such as using renewable energy and recycled materials, whether for rentals, homes or commercial spaces.

Alibaba Cloud SCCC Operating Saudi Region

General Cloud Computing Company for Information Technology

SCCC is a joint venture between stc, eWTP, Alibaba Cloud, SCAI and SITE to bring the most comprehensive suite of cloud computing solutions to the Kingdom.

iot²

Internet of Things Information Technology Company

Established in 2022 as a joint venture between stc and Saudi Arabia's Public Investment Fund (PIF), iot squared is committed to becoming the leading IoT solutions provider in the MENA region. This stc subsidiary focuses on delivering customized solutions that offer real-time insight and innovative business models, driving digital transformation across various industries.

stc at a glance continued

How we create value at stc

At stc, we design, operate and maintain telecommunications networks and communication services, alongside a range of innovative digital products tailored to meet our customers' diverse needs.



Inputs

To achieve our objectives, we utilize a wide array of tangible and intangible assets. Our tangible assets include essential infrastructure such as cables, buildings and data centers, and our intangible assets comprise advanced IT platforms, including software solutions and extensive industry expertise. This combination empowers us to deliver high-quality products and services and advancing our brand value across all markets we serve.



Outputs

Our commitment to responsible management aligns our internal behaviors, processes and objectives with our core values. This focus translates into superior communication services and digital solutions - both proprietary and professional. We provide essential telecommunication services through our robust networks, along with **specialized** by stc offerings in cybersecurity, IoT consulting, artificial intelligence and big data analytics, meeting the evolving digital needs of both residential and business clients.



Outcomes

The benefits of our outputs extend beyond our customers to the wider community. By fostering a culture of diversity and inclusion at stc, we empower our employees and enrich our understanding of customer needs, driving sustainable long-term growth. Our dedication to sustainability encompasses our suppliers, promoting innovation and high standards in our product delivery. Our Supplier Code of Conduct reinforces our commitment to ethical practices and accountability, at the same time the ESG self-assessments help identify potential risks and opportunities. We actively support the growth of small to medium-sized enterprises (SME) and improving local content in our supply chain.

By utilizing our assets efficiently, maintaining responsible procurement practices and leveraging our diverse, well-trained workforce, we strive to meet or exceed customer expectations and create a positive legacy for society and the environment.

stc at a glance continued



To create value in the short, medium and long term, we depend on:

Skills and expertise

Our talented workforce of 19,863 employees brings a diverse range of skills and expertise, driving innovation and excellence in our operations.



Brand trust

stc's strong brand reputation instills trust in our products and services, allowing us to diversify into adjacent fields and build on our success for long-term growth.



Relationships and partnerships

We prioritize constructive relationships with our stakeholders, including customers, suppliers, investors, peers and regulatory authorities, fostering collaboration and trust.



Natural resources

While we acknowledge our reliance on natural resources such as fuel, we are also aware of the challenges associated with operating in water-scarce areas, leading us to pursue sustainable practices.



Financial capital

Strong financial performance enables us to reinvest in our operations, facilitating innovation and growth and increasing our service offerings.



We create value in the short, medium and long term for:

Our customers

We strive to be a digital enabler, providing connectivity that bridges digital divides and serves millions of customers across various regions.



Our people

We are committed to fostering an equal and inclusive work environment that attracts, develops and retains top talent, ensuring a diverse workforce that drives our success.



Our planet

As a participant in the ICT industry, we recognize our role in contributing to global greenhouse gas emissions. We are dedicated to achieving our goal of net zero emissions by 2050.



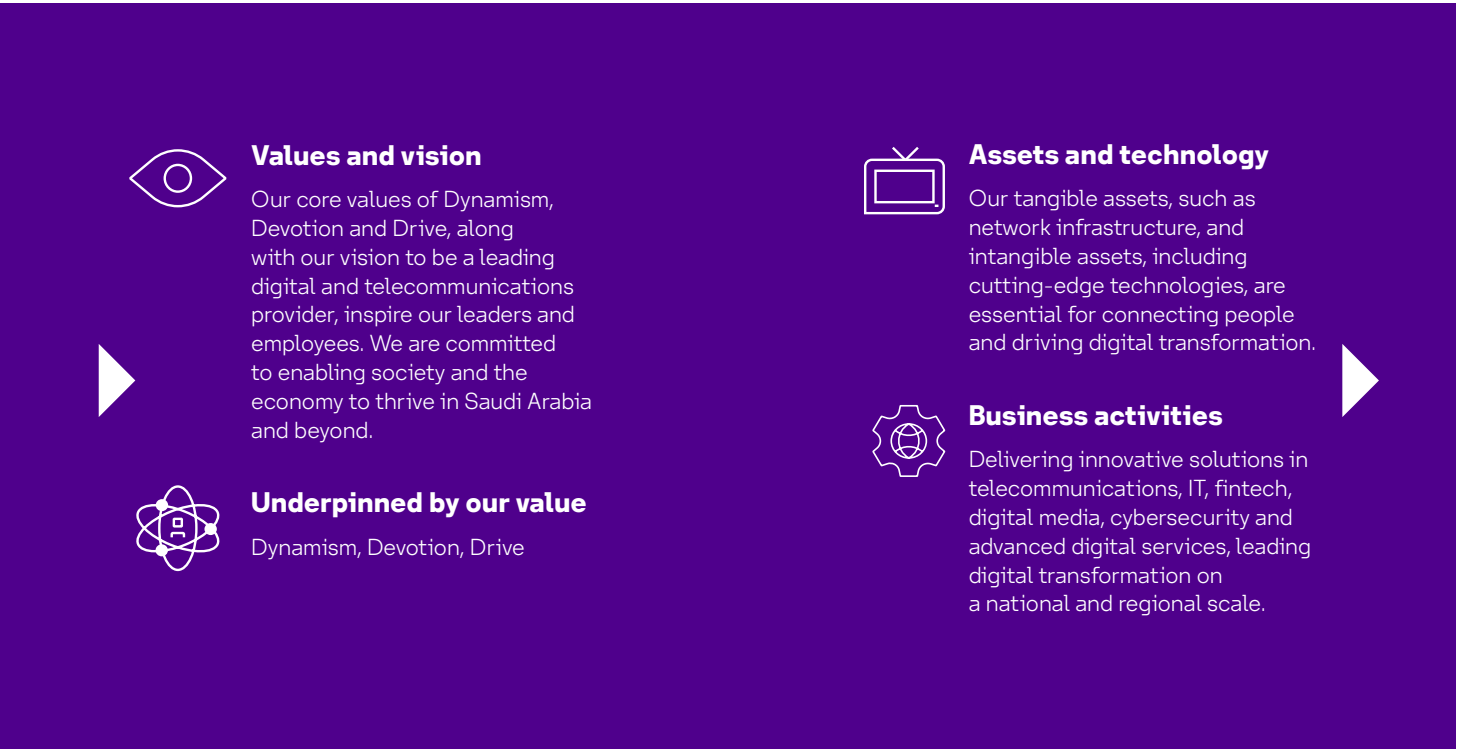
Local communities

Our community investment strategy emphasizes developing the communities around us through unique services, digital innovation, transformative technologies and meaningful investments that extend beyond conventional corporate donations.



Our shareholders

In our pursuit of becoming the region's digital enabler, we remain focused on growing shareholder value through strategic investments and innovative offerings.



Our blueprint for success

Building on the original strategy, our reimagined and updated vision of stc inspired this second iteration. The dare 2.0 strategy is built on key priorities that drive stc’s transformation, supported by strategic enablers such as maximizing operational and capital management efficiency, building a resilient and agile organization, and deploying state-of-the-art technologies.



Driving ESG excellence through strategic direction

stc’s dare 2.0 strategy positions the Group as a central enabler of Saudi Arabia’s Vision 2030 and a major driver of digital transformation in Bahrain and Kuwait.

In Saudi Arabia, stc has solidified its leadership in connectivity, achieving 54.7% 5G coverage of the population; for stc Bahrain and stc Kuwait it is 100% coverage.

stc continues to expand its digital infrastructure to connect 3.6 million households with fiber, with Saudi Arabia now enjoying elevated status among the world’s top countries for fast networks and digitization.

By maintaining modernized infrastructure, stc has fostered further innovation and improved customer experiences, earning numerous accolades in the process. Notably, stc was awarded Best Middle Eastern Connectivity Provider at the Global Connectivity Awards 2024, underlining our foremost reputation in the industry.

As part of our commitment to sustainability, stc joined the KSA Sustainability Champions program led by the Ministry of Economy and Planning. We have also pledged to achieve net zero emissions by 2050.

stc has facilitated the growth of local and international startups by focusing on strategic domains and empowering entrepreneurship. Through inspireU – the first corporate accelerator in the Kingdom – stc accelerated over 130 digital startups, achieving a total funding raised by those startups of more than \$1 billion.

Through venture capital initiatives such as the Corporate Investment Fund and Tali Ventures, stc invests in early-stage startups in key technology sectors, including fintech, cybersecurity and artificial intelligence.

stc’s efforts to drive digital transformation across various sectors enable other businesses to modernize and compete on a global scale. By digitizing business processes and offering advanced digital services, stc assists companies in developing efficiency, accessing new markets and improving their offerings.

Additionally, stc is a significant contributor to the Kingdom’s local content strategy through its dedicated internal program – rawafed. In 2024, stc KSA spent \$28.6 billion on local suppliers. As a leading employer in the region, stc boasts a workforce of 19,863 full-time employees. In 2024, the Group increased its female workforce by approximately 14% reaching 2,787 female employees, with a notable 6.25% increase in managerial roles held by women.

At stc, we take pride in our strong company morale and the shared sense of purpose that comes from being part of one of Saudi Arabia’s most important companies, and indeed one of the most significant in the MENA region. Our organizational culture is robust and coherent, as evidenced by our performance in key cultural metrics.

Through comprehensive training programs, stc continues to equip its workforce for future opportunities, contributing to the Kingdom’s economic diversification. In 2024, the stc Academy provided 476,675 learning hours and enrolled more than 33,216 individuals in talent development programs, including part-time and full-time employees, contractors, business partners, vendors and external members of society.

\$28.6 Billion
Spent on local suppliers



476,675
Learning hours through stc Academy



stc at a glance continued

stc’s vision and strategic roadmap for 2025 and beyond

Building on its strong foundation, stc remains committed to continuous improvement and adaptability. Recognizing the evolving landscape, the Group has refined its strategic approach to confirm the seamless execution of its vision, values and long-term direction.

Vision

Digital and telco leader, enabling the society and economy to thrive, in KSA and beyond.

Core values

- **Dynamism** – How we become a company that is continuously looking to improve and adopt new and better ways of doing things, with a fresh and ingenious view.
- **Devotion** – The desire to become a customer-centric company for our clients and our employees.
- **Drive** – We are “restless”, looking for the best possible solutions for our clients and our employees.

Strategic priorities

stc’s strategy is designed to maximize shareholder value by achieving the right balance between growth, efficiency and diversification. The Group’s approach is guided by 5 key principles:

1. **Strengthen market leadership in core telco**, doubling down on return-generating infrastructure and customer focus.
2. **Accelerate diversification from core telco** by reinforcing winning growth areas and expanding geographically.
3. **Continue the sustainable growth path**, striking a balance between top-line growth and EBITDA margin.
4. **Ensure execution excellence** by fostering a more efficient and productive organization.
5. **Provide improved returns** to shareholders.

Future growth and expansion

stc’s forward-looking strategy is centered on reinforcing its leadership in telecommunications, expanding its digital services and entering adjacent markets. A key focus is unlocking the full potential of its infrastructure assets, including data centers and subsea cables, to drive long-term value creation.

To achieve these goals, stc is committed to building a resilient and agile organization and maximizing operational and capital efficiency. By integrating cutting-edge technologies and aligning with national development initiatives, the Group aims to solidify its position as a preferred partner for large-scale digital transformation projects.



stc at a glance continued

Industry leadership

stc actively engages with the broader ICT community, playing a constructive role in driving progress and fostering collaboration. We aim to positively influence our peers and stakeholders, meanwhile remaining open to the valuable insight they provide, which helps us to elevate our standards and contribute to a stronger ICT ecosystem. Our involvement includes membership in key industry associations and advocacy groups, including the following.

Global Leaders Forum (GLF)



GCC Board Directors Institute (GCC BDI)



United Nations Global Compact (UNGC)



Business Ethics Leadership Alliance™ (BELA)



International Telecommunication Union (ITU)



World Economic Forum Cyber Security and Digital Trust Platform



World Economic Forum – Partnering Against Corruption Initiative (PACI)



Pearl Initiative



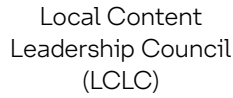
Member of Jubail Industrial City Leadership Council headed by The Royal Commission in Jubail



Global System for Mobile Communication (GSMA), Climate Action Taskforce and Sustainability Network Group



Local Content Leadership Council (LCLC)



Global Forum of Incident Response and Security Teams (first.org)



Certifications

stc KSA

- Quality Management**
 - ISO 9001
 - ISO 10002
 - ISO 9004
 - ISO 40180
 - ISO 8000-61
- Risk, Business Continuity and Security Management**
 - ISO 22301
 - ISO 31000
 - ISO 27001
 - ISO 27032
 - ISO 38500
 - ISO 56002:2019
- Health, Safety, and Environmental Management**
 - ISO 14001
 - ISO 45001
 - ISO 41001
- Compliance and Governance**
 - ISO 37301
- Education and Training**
 - ISO 29990
 - ISO 29993
 - ISO 40180
 - ISO 10667
 - ETEC: (Education and Training Evaluation Commission) full accreditation
 - TVTC: (Technical and Vocational Training Corporation)
- Sustainable Procurement**
 - ISO 20400:2017
- Cybersecurity and Privacy**
 - ISO 27017
 - ISO 27018: 2019

stc Bahrain

- Quality Management**
 - ISO 9001
 - ISO 10002
- Risk, Business Continuity and Security Management**
 - ISO 27001
- stc Kuwait**
- Quality Management**
 - ISO 9001
- Risk, Business Continuity and Security Management**
 - ISO 22301
 - ISO 31000
 - ISO 27001
- Health, Safety, and Environmental Management**
 - ISO 14001
- Cybersecurity and Privacy**
 - ISO/IEC 20000-1:2018

sirar

- Quality Management**
 - ISO 9001
- Risk, Business Continuity and Security Management**
 - ISO 22301
 - ISO 31000
 - ISO 27001
- Compliance and Governance**
 - ISO 37301
- Sustainable Procurement**
 - Local Content Certification: sirar has obtained the Local Content certification with a score of 40.27%

- Data Center\Certifications**
 - ISO 20000 for information technology
 - CREST Incident Response Accreditation
 - Aramco CCC+ Certificate

solutions

- Quality Management**
 - ISO 9001
 - Certification of the COPC CX Standard for OSPs
- Risk, Business Continuity and Security Management**
 - ISO 22301
 - ISO 31000
 - ISO 2700
 - ISO 22320
- Health, Safety, and Environmental**
 - ISO 14001
 - ISO 45001 Certificate in Protected Health Information (PHI) and e-PHI

- Compliance and Governance**
 - ISO 37301
 - ISO 20400:2017 Sustainable procurement CIPS Corporate Ethical Procurement and supply
 - PCI DSS certification audit 2023
 - ISO — 41001 Facility Management Certificate
- Sustainable Procurement**
 - ISO 20400:2017 CIPS Corporate Ethical Procurement and supply. Infoblox certification and an Authorized Service Partner

TAWAL

- Quality Management**
 - ISO 9001
 - TL9000 The Telecom Quality Management System
- Risk, Business Continuity and Security Management**
 - ISO 22301
 - ISO 27001
 - ISO 31000
- Health, Safety, and Environmental Management**
 - ISO 14001
 - ISO 45001
- Sustainable Procurement**
 - Local content certificate from Local Content and Government Procurement Authority

center3

- Quality Management**
 - ISO 9001
 - Quality Management
- Data Center\Certifications**
 - Certified Tier IV Design (TCCD)
 - Certified Tier IV Facility (TCCF)
 - Uptime TCOS: Tier Certification Operational Sustainability — Uptime Tier III Design (TCCD)
 - Uptime Tier II Design (TCCD)
 - Uptime Tier II Facility (TCCF)
 - Uptime Management and Operations (M&O)
 - CEEDA Silver GSMA Accreditation
 - ISO 14644-1 Class 8

iot squared

- Quality Management**
 - ISO 9001
 - Tasneef Certificate

- Risk, Business Continuity and Security Management**
 - ISO 27001
- Health, Safety, and Environmental Management**
 - ISO 14001
 - ISO 45001
 - ISO 50001
- Sustainable procurement**
 - Local content certificate from Local Content Government Procurement Authority
- Cybersecurity and Privacy**
 - Cybersecurity compliance certificate

SCCC

- Quality Management**
 - Tasneef Certificate
- Risk, Business Continuity and Security Management**
 - ISO 27001
 - ISO 27017
- Compliance and Governance**
 - PCI DSS Certificate
- Data Center\Certifications**
 - CLASS C License from the Communications, Space and Technology Commission (CST)
- Cybersecurity and Privacy**
 - ISO 27018
 - Cloud Security Alliance (CSA) Security, Trust, Assurance and Risk (STAR) Level Two
 - PDPL (Saudi Arabia Personal Data Protection Law)
 - NCA ECC (National Cybersecurity Authority Essential Cybersecurity Controls)
 - NCA CCC (National Cybersecurity Authority Cloud Cybersecurity Controls)

specialized by stc

- Quality Management**
 - ISO 9001
- Risk, Business Continuity and Security Management**
 - ISO 22301
 - ISO 27001
- channels by stc**
- Information Security Management System**
 - ISO/IEC 27001:2022
- Sustainable Procurement**
 - Local content certificate from Local Content Government Procurement Authority

stc regularly reviews and improves its business practices to uphold compliance with regulations, industry standards and best practices. In 2024, we aligned our operations with the following standards to maintain business and sustainability excellence. Over 90% of owned operations are certified to widely accepted standards such as ISO 9001 for quality management, ISO 14001 for environmental management, ISO 45001 for occupational health and safety, and ISO 27001 for information security. Certifications vary by entity, guaranteeing compliance with industry best practices and regulatory requirements.

Awards and recognition

stc is proud and gratified to be recognized by international bodies for its contributions to the industry. In January 2025, the 2024 Brand Finance Report recognized stc Group as the 9th-most valuable telecom brand globally. And for the 5th consecutive year, stc retained its position as the most valuable telecom brand in the Middle East, ranking 3rd among the most valuable brands in the region and 2nd in Saudi Arabia, underscoring its commitment to innovation, customer service and investment in local communities. We honor the hard-working and innovative employees and leaders who delivered these accolades in 2024 for the organization.

Sustainability-related awards and recognition

- Won the **Corporate Social Responsibility Award** that took place on the sidelines of the International Forum for Social Responsibility in Riyadh
- Won Excellence Certificate for the **SmartTruck project** at the World Summit on the Information Society (WSIS+20), organized by the International Telecommunication Union (ITU)
- Won the **Social Responsibility branch award** of the Princess Seetah bint Abdulaziz Award in the 11th round for the Technical Enablement project
- MEA Business Technology Award for **Exceptional Telecom Products/Services**: Achievements in Sustainable Water Resource Management Solution

Human resources and capacity-building awards and recognition

- Excellence in **Diversity, Equity and Inclusion** Award – HRM Summit 2024
- Excellence in **Best Use of Technology** Award – HRM Summit 2024
- Excellence in **Talent Acquisition** Award – HRM Summit 2024
- Best External **Recruitment Process** Award – HRM Summit 2024
- Best Rewards **Strategy** Award – Informa KSA
- Best **Flexible Work Initiative** Award – Informa Middle East
- Three global awards for excellence in **Leadership Development**, Data Analytics and Best Employer – Brandon Hall Group

Leadership and excellence awards and recognition

- **Best Middle Eastern Connectivity Provider**: Honoring stc C&W's leadership in enhancing connectivity across the region – Global Connectivity Awards
- **Best Sales Team**: Recognizing the exceptional efforts of the Sales Team in driving impactful sales strategies and market influence – Global Connectivity Awards
- First place award for excellence in **local content preference** for the owned companies sector, presented by the Local Content and Government Procurement Authority
- Technical Excellence Award for **Local Content Sectors**, presented by the Ministry of Communications and Information Technology
- Excellence in **Talent Acquisition** Award, presented by the Human Resources Management Summit



Technology and innovation-related awards and recognition

- Saudi Arabia's **Speed-test Awards™** Winner for mobile network speed during Q1 and Q2 2024
- **IDATE Award**: Won the All-Optical Technology Innovation and Digital Enablement Award (IDATE award) at the Mobile World Congress (MWC) 2024
- **GSMA T-ISAC Contributors Award**: Recognized with the GSMA T-ISAC Contributors Award, highlighting stc Group's global leadership in digital transformation
- **ACE Award**: Won the ACE Award for excellence in the stc-NEOM cybersecurity hackathon, showcasing expertise, dedication and commitment to cybersecurity
- **Open API Certification**: Achieved TM Forum certification for additional Open APIs, elevating stc to a higher Golden Badge level and promoting collaboration and rapid technology adoption

- **Future Net MENA Award**: Recognized for outstanding innovation in AI in the Customer Experience category, delivering exceptional data analysis solutions
- **Cloud Award**: Awarded Cloud Initiative of the Year at the Asian Telecom Awards 2024, recognizing stc's pioneering efforts in reshaping the digital landscape in telecommunications
- STJ Partners ranked stc **1st** among 9 global cloud service providers (CSP)
- **5G Core summit 2024 in Dubai**: Best Service Innovation Award
- **Net5.5G Pioneer Award by World Broadband Association in Istanbul**: For AI-based application signature detection and development within Core Networks
- **Data Impact Award**: Received the Data Impact Award for Leadership and Transformation at the Cloudera Evolve 2024 event in Dubai
- **Saudi Authority for Intellectual Property (SAIP) certificate**: Awarded the SAIP certificate for stc process dashboards
- **Saudi Authority for Intellectual Property (SAIP) certificate**: Awarded the SAIP certificate for stc new telecom infrastructure innovation solution stands for electronics
- **Middle East National Business Awards**: Won three awards in the Tech, Telecom and Entertainment categories at the Middle East National Business Awards, which were presented by Charlton Media Group
- **TM Forum Awards**: Won the Best Moonshot Catalyst (Sustainability Challenge – Sustainability telco through green network evolution) and 4 Outstanding Catalyst Awards: 3 for AI innovations and 1 for Data-to-NPS
- **SAMENA Telecom Council LEAD Award 2024**: Recognized with outstanding autonomous Network L4 practice award in IP roaming domain

- SAMENA Best **5G** Network Experience Award
- **MEA Business Technology Award for New Technology**: Achievements in AI/ML-based real-time optical cable inspection modes
- **Network X Award 2024**: Awarded for trailblazing adoption of Agile Architecture and 'Outstanding Core Network Solution
- **Middle East Technology Excellence Award 2024**: KSA Technology Excellence Award 2024 in the Cloud Computing-Telecom category
- **Game Mode** Award for the 7th Time as Platinum Operator for Games – CST
- Best **B2B CX** Award (IoT squared) – SCXA
- Best **Voice of Customer** (VoC) Strategy and Transformation (stc tv) – CX and Loyalty Awards KSA 2024
- Customers at the Heart of Everything (Intigral) – Gulf **Customer Experience** Awards
- Most Diversified **Sales and Distribution Services and Solutions** – International Finance Magazine
- Best **Logistic Services** Provider For Mobile Devices – Global Business Outlook Magazine
- The Most **Digitally Transformed Sales Services Company** – Global Business Outlook Magazine
- Leading **Sales And Distribution Company** – International Business Magazine
- Best Cutting-Edge **Digital Service** Provider – International Business Magazine

ESG highlights

19,863

total workforce

17%

employees aged 18-30

4.3%

employee turnover

476,675

training hours provided by stc Academy

900+

employee volunteers

Zero

employee and contractor fatalities

Through Ertiqā,

13,846

electronic devices recycled and refurbished

Achieved

96%

local procurement spend across stc Group

86.1%

employee engagement rate

61

nationalities across workforce

3.6%

reduction in (Scope 1) emissions

9.8%

reduction in energy intensity

14.6%

reduction in scope 3 emissions

≋ 3.8 million

Revenue per employee

Zero

incidents of non-compliance with environmental laws and/or regulations

More than

≋ 1 billion

investment in digital innovation through inspireU since 2015

9,000+

elderly beneficiaries of digital literacy awareness through the SmartTruck initiative

Zero

monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations or violations of anti-trust laws

Recycling program

Our end-of-life asset recycling program collected 4,236 tons of waste, with 48% reused, 40% recycled, and the rest responsibly disposed of.

Collected and recycled

52,818

devices through Trade-In program

stc Bahrain planted

27,172

trees across the Kingdom of Bahrain

Connected

3.6 million+

households with fiber

100%

of business units analyzed for risk related to corruption

100%

of employees and contractors signed the code of conduct declaration

44.32%

local content score

30.95%

women hiring rate

117

SME suppliers engaged in procurement activities

≋ 14 million

total community investment

18%

Board seats occupied by women

Deployed

6%

more 5G sites across KSA reaching and increasing the network users to more than 16 million

≋ 28.6 billion

Spent on local suppliers



217

environmental or sustainability-related awareness sessions or campaigns conducted

100%

of employees and contractors signed the code of conduct declaration

Zero

incidents of non-compliance with environmental laws and/ or regulations

03.

Our sustainability blueprint

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UNSDGs



UNGC



Saudi Vision 2030



Creating legacy impact

Our theme for this Report – Vision to Value: Creating Legacy Impact – underlines that, for stc, sustainability is about delivering value to stakeholders in the short and long term, through environmental performance, human capital development and strong governance.

To achieve these objectives, we are continuously integrating sustainability as part of our corporate culture and implementing extensive awareness programs that engage employees across the organization, be it through mandatory ethics training, stc Academy courses, or one-off campaigns.

Climate change is pressing environmental concern, especially for warmer regions. To address the challenge, we are finding innovative ways to reduce emissions and are partnering with private and public bodies, united in confronting the challenge. Beyond our climate commitments, we are promoting environmental sustainability through reducing e-waste, adopting circularity and decreasing our water consumption; in alignment with the Saudi Green Initiative.

Digital innovations are improving the lives of millions; we are excited by the opportunity to close the digital divide and serve the underserved. We are contributing to this aim by growing our 5G coverage and tailoring packages for vulnerable groups, among many other inclusive initiatives.

However, the digital revolution also poses risks, including hacking, data privacy violations and threats to children. We are leveraging the latest advancements in AI and IoT, ensuring the digital landscape is both safe and enriching.

Governance of our sustainability initiatives is led by the C-suite Sustainability Management Committee, chaired by the GCEO. We thank the GCEO and the Board for their leadership in guiding our sustainability strategy. Our Executive Management team is dedicated to delivering on our sustainability metrics, which commit us to sustainable profitability and growth.

I take pride in the enthusiasm our staff displays in participating in sustainability programs and initiatives, supported by management’s dedication to this cause. Our collective efforts position stc as a regional role model in sustainability.

“ I take pride in the enthusiasm our staff displays in participating in sustainability programs and initiatives, supported by management’s dedication to this cause. ”

Maha Alnuhait
Sustainability General Manager



Sustainability in every connection

Sustainability governance

Our governance model incorporates sustainability across the organization, providing comprehensive tools and risk management for ESG and climate considerations.

The stc Executive Management Sustainability Committee, chaired by the GCEO, reviews and approves annual sustainability reports, monitors progress and discusses key ESG topics.

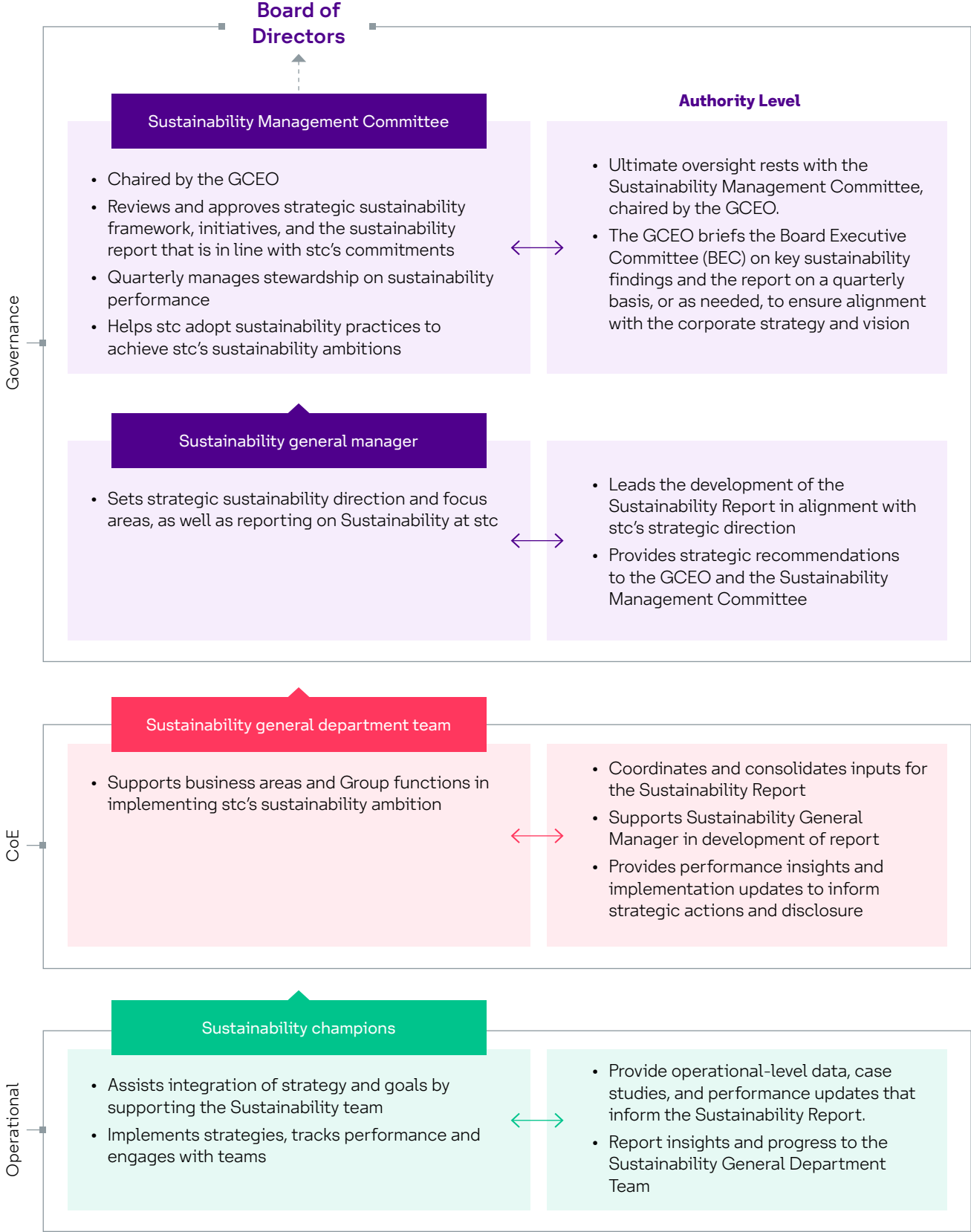
The dare 2.0 strategy integrates sustainability into business operations and long-term planning. The Board of Directors, through the Sustainability Committee, supervises sustainability performance across critical metrics. Sustainability metrics constitute 5% of the Short-Term Incentive Plan, with additional percentages for diversity, equity and inclusion. The Chief Human Resources Officer (CHRO) has oversight on diversity performance, confirming alignment with corporate objectives and workforce inclusivity. Additionally, the Strategic Programs portion (30%) includes sustainability considerations, reinforcing the Group's commitment to responsible growth. The Sustainability Committee makes certain of coherent and aligned sustainability efforts throughout stc Group, focusing on eliminating duplication and optimizing resources.

Our governance practices encompass ethical audits, supplier due diligence and adherence to ISO 20400 for responsible procurement, in line with Saudi Vision 2030 and international sustainability frameworks.

The Sustainability Committee, chaired by the GCEO, comprises eight C-suite members, including the newly added Group Chief of Staff role in 2024. The Sustainability GM serves as a non-voting member, and the Sustainability Planning and Disclosure Director acts as Rapporteur. The Committee ensures strategic oversight of sustainability commitments, ESG performance, and key initiatives, reporting directly to the Board.

stc's commitment to sustainability is integral to its business practices and operational approach. The governance model supports the development and integration of effective sustainability strategies, embedding ESG considerations into all areas of the organization.

Our sustainability governance model



Sustainability in every connection continued

Sustainability Champions: Driving impact across our operations

At stc, we recognize employee engagement is fundamental to embedding sustainability within our operations and achieving our strategic objectives. Building on the success of previous years, we continued with our Sustainability Champions working

group, which includes official Champions (employees dedicated to forwarding sustainability in their area of work) from each cluster and functional unit, who are supported by their own teams. Over and above their normal duties, and led by their respective Champion, these teams promote continuous improvement in sustainability in their areas of work.

Sustainability Champions focus areas



Enhancing sustainability governance through international frameworks

stc intends to align its governance framework with the International Financial Reporting Standards (IFRS) S1 and S2, focusing on sustainability-related financial disclosures and considering global best practices. The stc Group is exploring better ways to integrate sustainability and climate-related responsibilities into its governance structure.

To address potential gaps in sustainability expertise among Board members and senior management, stc regularly assesses their competencies and provides training on sustainability frameworks, regulations and risk oversight. Additionally, stc is working on establishing a process to identify skill gaps and implement targeted training to establish an informed leadership team capable of managing sustainability challenges.

Sustainability-related risks and opportunities are communicated through a structured reporting schedule. The Sustainability Committee and Board receive regular updates using standardized templates that include KPIs, risks and actionable recommendations. These reports align with the governance calendar and are periodically updated to incorporate feedback and address evolving priorities.

Although still a work in progress, stc is integrating sustainability and climate-related considerations into its broader strategy, major transactions and risk management processes, emphasizing the Group's commitment to embedding sustainability in its decision-making framework.

Target setting and progress monitoring

At stc Group, the Group Corporate Performance Management function plays a pivotal role in shaping and executing corporate performance strategies. Sustainability is embedded within unit and sector scorecards under Corporate Priorities to make sure key ESG focus areas are systematically tracked and managed. These areas include GRC KPIs, sustainability, people index covering attrition, diversity and inclusion, employee experience and quality. To reinforce accountability, any underperformance in these areas is assigned a negative weighting that directly impacts performance evaluations.

In 2023, stc introduced ESG and sustainability metrics into its Short-Term Incentive Plan, linking them to 5% of the Group Board of Directors' performance score. Progress is reviewed on a quarterly basis through a rigorous evidence-based approach to ensure informed decision-making that drives meaningful action and long-term value creation.



Our sustainability strategy

stc has established itself as a catalyst for sustainable transformation across the Gulf region, revolutionizing industries and setting higher standards for environmental responsibility, positive social impacts and ethical governance. Our efforts are focused on promoting a future where businesses drive positive change and foster prosperity and safeguarding the planet and improving the social well-being.

stc’s commitment to sustainability is grounded in the pillars of environmental, social and governance (ESG) excellence. At the heart of our operations, we are guided by our corporate vision and the wider national visions of each country in which we operate, adhering to internationally recognized standards and the collective insight of the global community. Our ultimate objective is to serve as a role model for sustainability and corporate governance in the MENA

region and beyond, and we are making significant strides toward achieving this goal.

In 2024, we advanced our sustainability strategy and roadmap, building on the insight gained from thorough assessments and external benchmarking conducted in 2023. It should be noted that our three sustainability focus areas are core to success of our business and the benefit of our stakeholders:

Environment

Improving our environmental performance and addressing climate challenges.

Social

Fostering the development of human capital through digital innovation.

Governance

Upholding strong governance practices and ethical excellence.

stc’s sustainability strategy embodies our ambition to further minimize our environmental impacts and maximize our positive, sustainable contributions in all areas in which stc operates.

Our strategic framework

Our framework reflects a strong alignment with the interests of our key stakeholders, national and regional strategic visions, and the United Nations Sustainable Development Goals (UNSDG). With a focus on our ESG pillars, it is designed to guide decision-making processes and advance the overall operational performance.



Our sustainability strategy continued

Our three sustainability pillars

Environmental
Performance and Climate

01

By adopting sustainable technologies and conserving natural resources, we contribute to the environmental sustainability of KSA and the MENA region. We are transitioning toward decarbonization and aim for net zero emissions by 2050. Our initiatives include planting one million trees under the Saudi Green Initiative, providing environmental education and training, implementing a solar pilot project, reducing water intensity and developing robust takeback

and recycling programs with our vendors and suppliers. These efforts are central to our ongoing commitment to improving our environmental performance.

Our sustainability strategy is structured to address environmental risks, including those arising from climate change. We emphasize transparency and strong governance, aligning our approach with globally recognized frameworks.

We continue to monitor and report on our decarbonization efforts, including progress toward net zero targets. This reinforces our commitment to long-term value creation and provides stakeholders with visibility into our evolving sustainability journey.

For more information, please refer to Environmental Performance and Climate in this report.

Development of Human Capital
through Digital Innovation

02

stc fosters human capital development by empowering individuals and communities through inclusivity and diversity initiatives. We advance technological innovations to bridge societal divides and create a sense of belonging among our employees and customers. Our flagship programs, including SmartTruck, Technical Enablement, E-health Smart Cameras, Volunteering Program and Educational Grant Support, reflect our vision of an inclusive society with digital access and opportunities for all. Our sustainability strategy prioritizes

employee development, health and safety, and gender equality.

We are committed to transparent reporting on our human capital initiatives, reflecting our recognition of the importance of social performance in delivering long-term value. Our approach considers key social risks and opportunities, and we strive to align our disclosures with internationally recognized standards to ensure that relevant and meaningful information is communicated to our stakeholders.

Our investment in employees and communities demonstrates our dedication to social investment, meeting stakeholder expectations for ethical governance. Our focus on employee development, health and safety, and gender equality reinforces our commitment to responsible governance within our sustainability framework.

For more information, please refer to Empowering Communities, Enabling Progress in this report.

Strong Governance and
Ethical Excellence

03

Ethical governance encompasses integrity, transparency and accountability, values that stc is dedicated to upholding. Our goal is to set the industry standard for ethical conduct in the ICT sector, emphasizing responsible business practices and the protection of human rights.

stc adheres to stringent Board performance standards and conducts thorough audits on ethical practices, ensuring compliance with governance principles outlined in IFRS. This commitment is reflected in our disclosures to organizations such as MSCI, CDP, S&P Global's Corporate Sustainability

Assessment, and Sustainalytics. We conduct impact assessments, follow responsible procurement practices in line with ISO 20400, and implement child safety policies and cyber protection measures.

For more information, please refer to Governance with Integrity in this report.



Materiality and stakeholders

According to the Global Reporting Initiative (GRI) and other leading standards, material matters refer to topics that hold significant importance for an organization’s ability to generate value over the short, medium and long term. These topics influence stakeholders’ perceptions of the organization, including those of customers, employees, investors, regulators and the broader community. stc recognizes these material matters are integral to our strategy, performance and long-term sustainability, making them pivotal considerations in leadership decision-making.

Defining material topics

Our approach

stc’s comprehensive materiality process for 2024 focused on understanding the organizational context and identifying key ESG topics. By engaging internal and external stakeholders and assessing industry trends, the process identified significant sustainability issues that align with both global standards and stc’s strategic objectives.

Understanding the organizational context

Given that business conditions and factors affecting the stc Group have not changed markedly in the past year or so, the 2024 materiality process was effectively a refresh of the 2023 materiality assessment. Our key stakeholders – those who affect and/or are affected by decisions – were identified as being the same as 2023.

Identifying current and potential impacts

In the second phase, stc’s impact on the economy, environment and society was assessed. Information was gathered from peer assessments, surveys, industry trends and benchmarks aligned with the UNSDGs and Saudi Vision 2030. Evaluations from ESG rating agencies and adherence to national and international standards, including GSMA, WEF, SASB and GRI, were incorporated.

This analysis resulted in an updated materiality matrix for 2024, identifying 25 ESG topics for stakeholder and management evaluation.

Assessing the significance of impacts

The third phase aimed to create a hierarchy of material topics based on their significance. Surveys and questionnaires were used to engage a diverse group of internal and external stakeholders, including executives, employees, investors, clients and vendors, to gather insight and objectively weigh the importance of these topics.

Prioritizing the most significant impacts

In the final stage, stakeholders were asked to prioritize the 25 ESG topics based on their relevance and impact on stc’s operations, narrowing the list to 13 material topics. The remaining 12 topics – some of which were consolidated under other topics – will be managed and monitored but are not considered material for sustainability reporting. The final list of material topics was approved by stc’s GCSO.

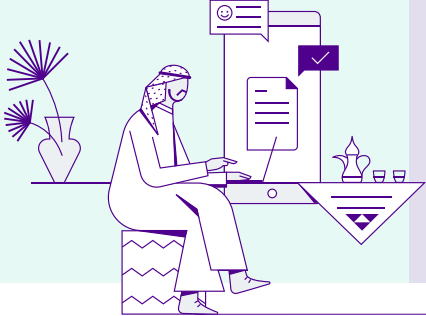
We developed this Sustainability Report by identifying key topics based on GRI standards and global best practices. We engaged with stakeholders, including employees, customers, suppliers and community partners, to gather insight on sustainability concerns. We analyzed industry trends, regulations and societal expectations to prioritize significant topics for our business and stakeholders. This thorough assessment ensures our reporting is transparent and aligned with our strategic priorities and sustainability commitments.



Materiality assessment outcomes

The material topics were assessed and finalized through a comprehensive stakeholder engagement process and alignment with stc’s strategic priorities, industry benchmarks and global sustainability standards.

For more clarity on the breakdown of how the material topics have been assessed, please review the Appendix E Materiality Matrix Assessment. Below is the breakdown of the material topics.

 Environmental performance and climate	 Development of human capital through digital innovation	 Strong governance and ethical excellence
• Energy and climate change • Resource management 	• Accessibility and digital inclusion • Digital innovation and experience • Health, safety and wellness • Diversity, equality and inclusivity • Customer relations and satisfaction • Talent management • Community contribution and development	• Business ethics and governance • Data privacy, security and protection • Supply chain management • Human rights

Our sustainability strategy continued

Stakeholder engagement

Engaging with stakeholders remains at the heart of stc’s approach to identifying and prioritizing material topics. In 2024, we strengthened our stakeholder engagement practices to ensure that our sustainability strategy is aligned with their evolving expectations and the dynamic needs of our industry.

By fostering open dialogue, providing transparent and timely updates, and actively encouraging feedback, we continue to refine our focus on the areas that matter most to our stakeholders and our business. Below, we provide a breakdown of the key stakeholders who contributed and the topics they identified as critical to stc’s success.

Stakeholder Group	 Employees	 Customers	 Suppliers	 Community*	 Government entities	 Shareholders
Stakeholder expectations	• Career advancement • Recognition • Preference for local communities • Rewards • Attractive benefits • Health, well-being and safety • Empowerment and equal opportunity • Open communication with management	• Friendly, personalized customer service • Clear, open communication • Competitive rates and fees • Convenient access points • Innovative products and services • Data and information security	• Timely payments • Open communication channels • Fair and transparent bidding procedures • Access information about stc • New opportunities for interaction and engagement	• Corporate citizenship and contributing to the welfare of communities where we operate • Socio-economic upliftment for the region • Expectation to play a positive role in the telecommunications industry	• Ensure the industry follows ethical practices that improve lives and reduces risk to children and the vulnerable	• Strong balance sheet and healthy cash flow • History of success and delivering growth in key metrics • Solid market positioning • Dynamic risk analysis and management • Strong brand • Good corporate governance
How stc engages	• Succession planning • Performance management and assessment • Newsletters • Training sessions and workshops • stc Academy • Website • Intranet (stc Hub) • Experience Index (EEI) • Speak Up	• Social media channels, including LinkedIn, X and Facebook • Customer feedback form: Your opinion matters • Complaints handling unit, customer service offices, mystc app • stc live chat through: mystc.com.sa • Website	• Vendor relationship management system (VRMS) • Vendor management team • Annual meetings and sessions • rawafed program • Partners Day • LinkedIn	• Social media awareness campaigns • Donations and sponsorships, including “Donating via SMS” • Community outreach programs • Empowering entrepreneurs and digital innovation through inspireU • Employee volunteering	• Partnerships and cooperation, including participation on their platforms • Annual reporting	• stc Annual Report • Roadshows • Open transparent channels of communication with shareholders • Quarterly presentations • Governance, risk and compliance • Committee meetings • Website • Investor relations application
Frequency of engagement	High interaction	High interaction	High and regular interaction	High interaction	High interaction	High interaction
How stc creates value for this stakeholder group	stc provides a fair and inclusive work environment that attracts, develops and retains the best and most appropriate talent.	stc aspires to be a digital enabler, providing connectivity to break digital divides, serving millions of customers.	stc improves its business practices and operations on an ongoing basis, managing risk and increasing productivity and efficiency within the supply chain. We are dedicated to greater supplier engagement, ongoing supplier recognition and better sustainable procurement practices.	stc’s approach to community investment is rooted in developing the communities where we operate, through unique services, digital innovation, transformative technologies and meaningful investments that go beyond regular corporate donations.	stc supports government entities by ensuring regulatory compliance and collaborating on innovative e-government services, advancing digital transformation initiatives and advancing infrastructure to enable digitization.	stc continues to grow shareholder value as well as keeping shareholders well informed on the Group’s business by participating in various events, including general assemblies, individual meetings, update calls, conferences and official earnings calls.

*Including private sector, international organizations

Our sustainability strategy continued

Our alignment with national and global priorities

Pillar	Material	SDGs	UNGC	Saudi Vision 2030	Initiatives	Impact outcomes
Environmental performance and climate	Energy and climate change	 	Principles 7 and 9	Ensure environmental sustainability 	- Renewable energy across facilities - Involvement in GCC Innovation Hub	Reduced Scope 3 GHG emissions by 14.6%; TAWAL tower sites in KSA and abroad operated primarily on renewable energy contributed an additional 4,630MWh of renewable energy.
	Waste water, e-waste and water management	 	Principle 8	Ensure environmental sustainability 	- E-waste recycling initiative - Water treatment facilities	13,846 electronic devices recycled and refurbished; 33.08% reduction in water usage
Development of human capital through digital innovation	Accessibility and digital inclusion	 	Principle 6	Enable social contribution of businesses 	Expansion of 5G coverage	Deployed 6% more 5G sites across KSA reaching and increasing the network users to more than 16 million
	Health, safety and wellness	 	Principles 3 and 4	Promote a healthy lifestyle 	- Health and safety training - Blood donation drive - Virtual medical care	33,216 participants of the trainings; 34,000+ participation in health trainings; 114 individuals donating blood
	Diversity, equality and inclusivity	 	Principle 6	Ensuring equal access to job opportunities 	- Inclusion programs for people with disabilities - DEI training and women empowerment	66 employees with disabilities in diverse hires; 6.25% women in leadership roles
	Digital innovation and experience	 	Principles 9 and 10	Unlock potential of non-oil sectors 	- Emergency response products such as Tari' - Sustainable products and services through stc Cloud, iot squared, solutions and specialized by stc	92% customer experience index in KSA
	Customer relations and satisfaction	 	Principle 1	Grow contribution of the private sector to the economy 	- Customer satisfaction survey - Customer complaints resolution	84.8% customer satisfaction score across stc KSA
	Talent management	 	Principle 6	Develop human capital in line with labor market needs 	- Emerging women leaders - Emerging talent programs, including SDP and HiPo	196 participants in programs; 476,675 training hours
	Community contribution and development	 	Principle 1	Enable social contribution of businesses 	- Flagship programs including Technical Enablement program - SmartTruck for elderly digital literacy - Employee volunteering and more	Offered 3,500+ technical services to 1,300+ NPOs; 9,000+ elderly individuals digitally empowered
Strong governance and ethical excellence	Business ethics and governance	 	Principle 10	Enable social contribution of businesses 	Mandatory employee and contractor business conduct training	99.6% of employees attended the anti-corruption training sessions
	Human rights	 	Principle 1	Enable social contribution of businesses 	- Online child safety guidebook - Training on human rights policies and procedures	100% of employees trained on human rights
	Data privacy, security and protection	 	Principles 1 and 2	Enable social contribution of businesses 	Training for employees and contractors in data privacy and security	900+ hours of employees trained; 99% of stc KSA employees completed the mandatory data privacy and protection training
	Supply chain management	 	Principle 2 and 8	Enable social contribution of businesses 	- rawafed (to maximize local content) - Local procurement spending - SME support	96% spend on local procurement at Group level 492 SMEs supported through procurement efforts

Our sustainability strategy continued

Engaging with external stakeholders on sustainability

We collaborate with peer companies in the ICT and telecom sectors to promote sustainability in the Gulf and MENA regions, focusing on climate action and knowledge sharing.

Success stories and case studies on engaging with stakeholders

Sustainability Champions Program

stc Group is a key participant in the KSA Sustainability Champions Program, launched by the Ministry of Economy and Planning in April 2024. The initiative brings together 19 leading companies to advance corporate sustainability, foster collaboration and drive environmental progress in alignment with Saudi Vision 2030.

As part of the program, stc Group works closely with 3 organizations, providing structured support through capability-building sessions, dedicated advisory and progress monitoring. Focus areas include ESG ratings, sustainability reporting, environmental responsibility and governance. By sharing expertise and best practices, stc Group strengthens local capabilities and reinforces public-private partnerships for long-term sustainable development.

Saudi Sports for All Federation

stc Group and the Saudi Sports for All Federation (SFA) signed an MoU at the 8th Future Investment Initiative in Riyadh. This commits us to sharing sustainability expertise and developing reporting frameworks aligned with SFA's goals, highlighting stc Group's dedication to knowledge transformation and sustainable practices in sports.

Case study

GCC Sustainability Telco Alliance Initiatives



Background

The GCC ESG Telecommunications Alliance unites 7 regional telecom companies to promote sustainability. This partnership focuses on increasing awareness of sustainability topics relevant to the telecommunications sector and advancing sustainability in the region, with an emphasis on climate action.

Approach

Partners have signed a 2-year MoU, which includes establishing the GCC Innovations Hub, a collaborative platform for developing innovative solutions to address regional sustainability challenges.

Our role in the GCC Telco Alliance

In 2024, stc Group played a pivotal role in advancing the alliance's sustainability agenda by:

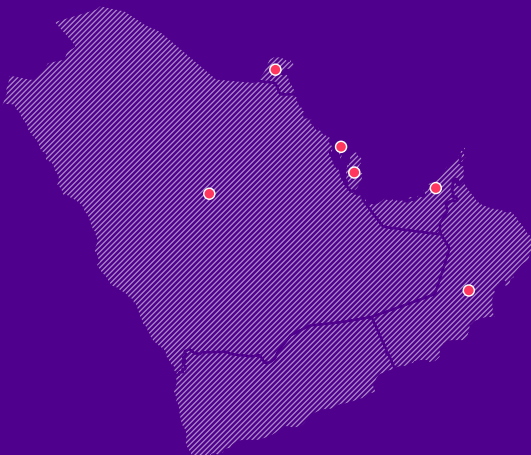
- **Hosting biweekly collaboration meetings** to align regional telecom operators on sustainability priorities.
- **Coordinating 3 innovative catalyst submissions** to the TM Forum DTW25, driving sustainable industry advancements.
- **Contributing to the GSMA Intelligence report** *Green Shoots: A New Model for Renewables from the GCC*, supporting the adoption of renewable energy solutions.
- **Publishing the GCC Sustainability Alliance Executive Summary**, offering strategic insight into sustainable telecom practices.

Outcomes

The GCC Sustainability Telco Alliance has made significant progress in driving sustainability across the telecommunications sector. The publication of the GCC Sustainability Alliance Executive Summary has provided a strategic roadmap for sustainability initiatives in the industry. Additionally, the alliance contributed to GSMA's whitepaper on the GCC Innovations Hub, helping to shape regional sustainability frameworks. Through collaborative efforts, 3 catalyst projects were submitted to TM Forum DTW25, reinforcing the commitment of GCC telecom operators to developing innovative and sustainable solutions. These achievements mark a strong foundation for continued progress in sustainable technology within the region.

Next steps

Building on current achievements, we will continue to strengthen the GCC Telco Alliance's leadership in sustainable technology. Our focus will include exploring innovative initiatives, enhancing collaborations among GCC operators, and expanding the alliance's impact on regional and global sustainability efforts. We plan to pursue forward-thinking projects that address emerging challenges, enhance knowledge sharing and further establish the alliance as a driving force for sustainable transformation in the telecom sector.



Please check our second executive report here:

<https://heyzine.com/flip-book/bc9b5be059.html>

Sustainability Cultural Transformation program

Our goal is for Group-wide sustainability awareness, whereby sustainability thinking is embedded across the organization and within all subsidiaries and regions. We also build awareness about sustainability and ESG among suppliers and customers so as to affect a “cultural transformation” on the subject.

Our strategy for doing so involves 3 key focus area

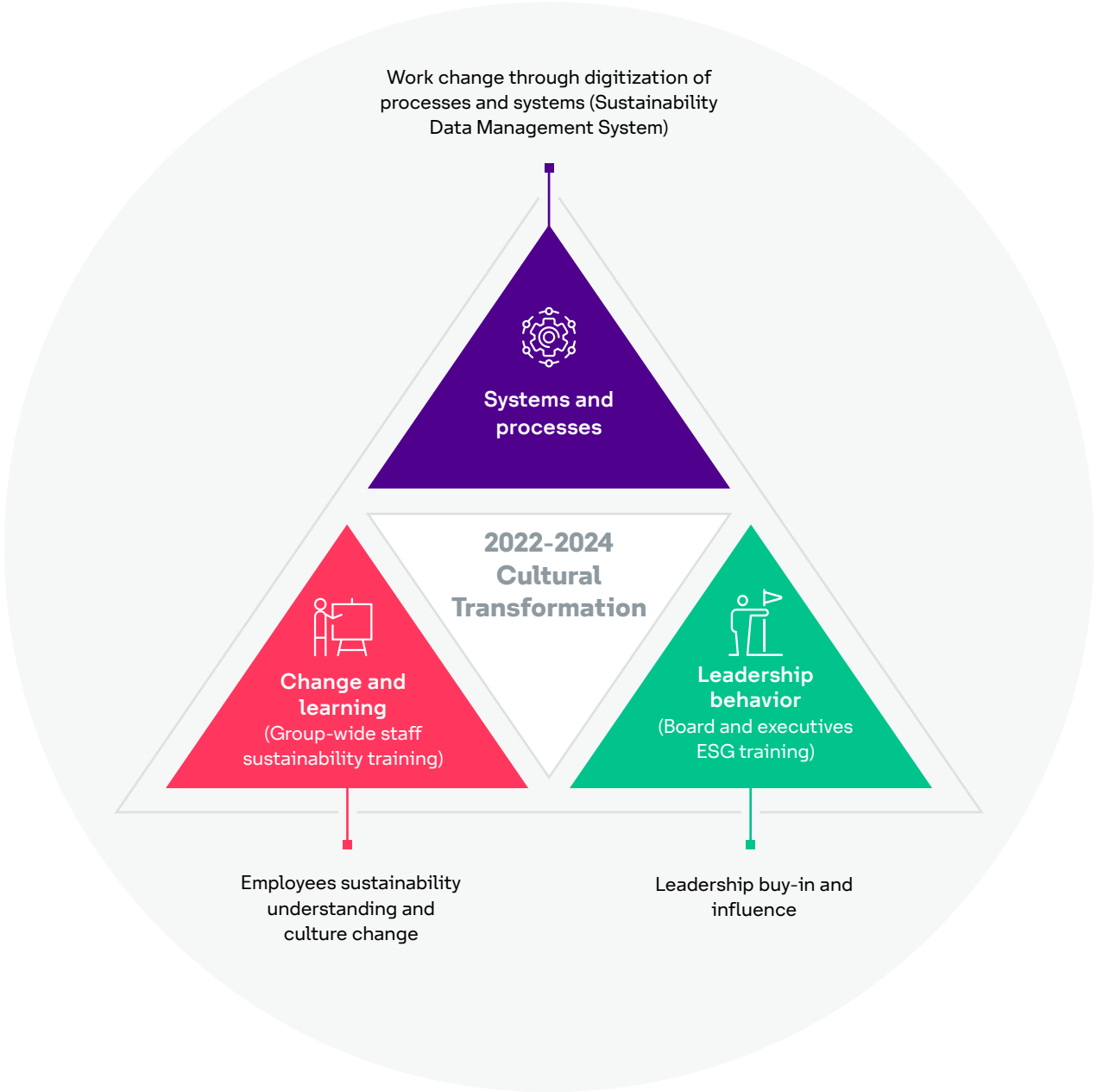
- 1

Leadership buy-in and influence with regard to sustainability.
- 2

Group-wide employee training on sustainability.
- 3

Digitization of processes and systems that support a sustainability data management system.

Recognizing the importance of building a culture that supports sustainability, ESG awareness sessions have been conducted for the Board, executive management, and all employees. We continue to explore opportunities to further enhance ESG-related awareness for all functions and units across the group. To support the advancement of sustainability practices across the group, subject-matter experts are made available to select subsidiaries as needed. This collaborative approach helps build local capabilities and align efforts with broader group priorities.



Sustainability Awareness

Number of hours of environmental or sustainability-related awareness sessions conducted

stc Group
900

In 2024, stc Group made significant strides in raising awareness and embedding sustainability into our corporate culture. Through engagement across all clusters of the organization, we reinforced our commitment to sustainability, aligning our efforts with Saudi Vision 2030 and the Saudi Green Initiative. A key aspect of this transformation is our collaboration with the UNGC Academy, which provides employees with specialized training in sustainability, ethical business practices and global governance. This partnership strengthens employees’ understanding of the UNGC’s 10 principles on labor standards and environmental responsibility, equipping them with the knowledge and skills to advance our ESG initiatives. In 2024 alone, 207 employees completed UNGC Academy training, totaling 900 hours of sustainability-focused learning. Through these efforts, stc continues to position itself as a national leader in sustainable business practices.



Managing ESG risks

In 2024, we moved closer to further integration of an ESG lens into stc’s risk management processes to mitigate potential losses from ESG-related issues. We also promoted opportunities for positive environmental and social impact within our core business operations. We are focused on advancing our ESG risk framework, which will encompass key considerations, including the following.



Establishing effective risk governance structures with defined responsibilities across all lines of defense.



Enhancing ESG risk culture across the stc Group, emphasizing increased awareness at all organizational levels.



Identifying essential ESG metrics and key performance indicators (KPI) for effective monitoring and reporting.



Developing and implementing robust ESG risk assessment tools.

These efforts strengthen our commitment to sustainability and responsible business practices. For further information on this, please refer to the chapter Risk Management and Business Continuity on page 190.

Forward thinking: IFRS alignment

At stc, we understand the importance of sustainability-related financial disclosures in risk management, to provide stakeholders with insight into an organization’s ability to identify, assess, prioritize and monitor sustainability-related risks and opportunities. These disclosures enable our stakeholders to assess the organization’s overall risk profile and management practices. Currently, we are improving our systems to be in accordance to IFRS S1 and S2 requirements.

This includes actively aligning with these global disclosure requirements by embedding sustainability-related considerations into our risk management processes. We are leveraging data-driven insight and scenario analysis to identify and mitigate potential risks meanwhile capitalizing on opportunities. We

prioritize ESG factors alongside operational risks, to ensure a balanced approach.

stc is continuously refining its policies and methodologies to stay ahead of evolving standards and stakeholder expectations. By integrating sustainability into our core risk management framework, we aim to increase transparency, improve resilience and foster trust with stakeholders. Through these efforts, stc demonstrates its commitment to sustainability, innovation and long-term value creation, positioning the Group as a leader in sustainable business practices.



Commitment to responsible business

Sustainability policies and position statements

We implement various policies across our operations and stakeholder relationships to augment our ESG performance; and in 2024, we expanded and renewed certain policies, including our Human Rights policy. We periodically review our policies and update these when necessary, with the approval of the GCEO to guarantee we operate in an open, transparent and responsible manner. Below is a non-exhaustive list of stc policies that are publicly available online.

Respective policies (illustrative – non-comprehensive)



Environment

- Environmental position statement



Social

- Community Involvement position statement
- Human Rights policy
- Management Commitment to Occupational Health and Safety
- Customer Rights and Responsibility policy
- Responsible Supply Chain position statement
- Responsible Marketing position statement
- Training and Career Development position statement



Governance

- Access to Communication position statement
- Anti-corruption position statement
- Anti-fraud corruption policy
- Code of Ethics and Business Conduct
- Conflict of Interest policy
- Nomination and Remuneration policy
- Data Privacy and Security position statement
- Privacy statement
- Quality policy
- Whistleblowing policy
- Data Breach/Incident Response plan
- Sustainability policy
- Risk Management policy
- Business Continuity policy
- Risk Appetite guidelines



Sustainability standards and frameworks

In line with stc’s commitment to advancing ESG, we adhere to and take guidance from several nationally and internationally recognized reporting standards and frameworks.



GRI Sustainability Reporting Standards

stc’s non-financial reporting aligns with the GRI Standards, which provide a robust, globally recognized framework for voluntary sustainability reporting. Our reports focus on issues deemed material through a comprehensive assessment process.



IFRS S1 and S2

To be aligned with international good practice, stc started the incorporating elements of the IFRS S1 and S2 standards. We are one of the frontrunners in our sector, adopting these comprehensive standards, which will help our stakeholders to understand our robust sustainability impact, risks and opportunities management.



United Nations Global Compact (UNGC)

As a signatory to the UNGC since December 2021, stc is committed to implementing universal sustainability principles and addressing many of the 17 UNSDGs. We communicate our progress annually in the UNGC Communication on Progress report. Moreover, stc’s Sustainability General Manager holds a position on the board of the Global Compact Network in Saudi Arabia.



Global System for Mobile Communications (GSMA)

The GSMA’s sustainability assessment framework offers best-practice examples within the telecommunications sector, assisting companies in addressing global challenges. In 2022, stc joined the GSMA’s ESG Metrics pilot project working group to collaborate on developing a common key performance indicator (KPI) framework for the mobile industry.



Saudi Exchange ESG Guide

The Saudi Exchange ESG Guide fosters the development of ESG reporting within Saudi Arabia and the broader MENA region. stc’s reporting framework is in alignment with the Exchange’s ESG guidelines.

Our sustainability strategy continued

stc sustainability performance evaluated by rating agencies

stc Group significantly improved its ESG ratings: MSCI upgraded us from BB to BBB, recognizing our cybersecurity training and data protection measures. Our S&P CSA ESG score also rose from 44 to 53, reflecting progress in sustainable practices and governance. These achievements underscore our commitment to transparency, cybersecurity and employee well-being, solidifying our role as a regional digital leader in terms of sustainability and ESG.

Our ESG ratings

MSCI (AAA to CCC)

BBB

(↑ BB in 2023)

S&P CSA (100 to 1)

53/100

(↑ 44 in 2023)

Sustainalytics (1 to 100)

20.4

(↓ 21.1 in 2023)

ISS ESG (A+ to D-)

C+ Prime

(↑ C- Not Prime in 2023)

CDP

stc was one of the first organizations in KSA to submit to the CDP since 2019



370

sites powered by renewable energy across TAWAL's operations

14.6%

reduction on scope 3 GHG emissions

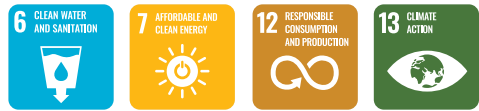
88%

of end-of-life assets waste reused or recycled

04.

Environmental performance and climate

Powering a greener future	66
Sustainable waste solutions in action	86
Optimizing water consumption	92



Principles 7, 8, 9



Thriving Economy



Ambitious Nation



stc Group is fully aligned with Saudi Vision 2030 and the Saudi Green Initiative, reflecting its commitment to building a more sustainable and resilient future for the Kingdom. With a target of achieving net zero emissions by 2050, stc is driving environmental innovation by adopting renewable energy, optimizing operations and implementing energy-efficient technologies.

Powering a greener future

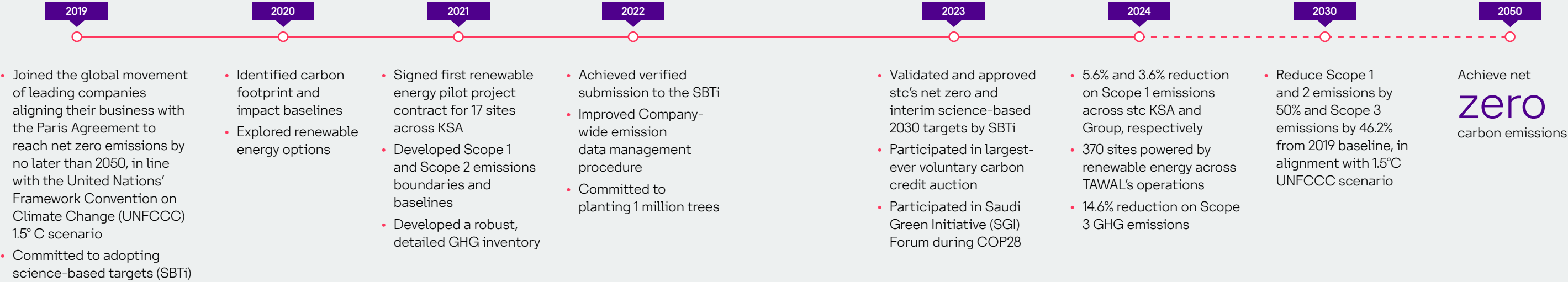
Climate and emissions

Global concerns about a warming climate have put the spotlight on private companies to play their part in reducing emissions. At stc, we are dedicated to addressing the challenges posed by extreme weather events linked to high levels of GHG emissions. We have established ambitious goals, including a comprehensive target for the entire organization to reach net zero emissions by 2050, a commitment that was validated by the Science-Based Targets initiative (SBTi) in 2023, with backing from UNGC and GSMA climate policies.

To track our carbon reduction efforts, we adhere to the guidelines established by the Task Force for Climate-related Financial Disclosures (TCFD), which have been integrated into the ISSB Standards and SBTi. Our climate action roadmap outlines our guide to meet near-term targets, including a 50% reduction in absolute Scope 1 and 2 emissions and a 46.2% reduction in Scope 3 emissions by 2030 versus our 2019 baseline.



Our path to net-zero achievements and targets



Powering a greener future continued

Climate strategy

Our climate strategy sets a strong vision with clear, measurable objectives, ensuring all Group departments and subsidiaries integrate sustainability into their business practices. Leveraging our strong reputation, proprietary technologies and market leadership, we are committed to driving sustainable transformation across the ICT sector. Our approach goes beyond operational efficiencies as we aim to influence, support and collaborate with customers, communities and partners across our value chain to maximize our collective climate impact.

In terms of our strategy around climate risk, we consider the 2 main types of climate risk as per IFRS S2 and TCFD, focusing on transition and physical risks. Transition risks arise from the shift to a lower-carbon economy, including regulatory changes, market shifts and evolving consumer preferences that can affect financial performance. Physical risks include acute risks from extreme weather events and chronic risks from long-term climate changes, both of which can disrupt operations and supply chains.

To validate GHG targets through the SBTi framework, stc has launched a robust climate strategy aimed at tracking performance, seizing competitive advantages and improving climate action in the GCC and MENA regions. Our carbon footprint is calculated in accordance with the international GHG Protocol Corporate Accounting and Reporting Standard.

To compensate for unavoidable emissions, we have invested in verified carbon credits from the Regional Voluntary Carbon Market Company (RVCMC). This initiative not only addresses our hard-to-abate emissions, but also contributes to sustainability efforts, including community capacity building, biodiversity development and improvements in land use.

Our strategy involves integrating climate considerations into our operational framework and effectively mitigating the physical and transition risks.

Our priority pillars for climate action are backed by science-based targets. Our approach emphasizes strong leadership and governance to guarantee we meet our goals.



Pillars	Objectives	Programs	2024 initiatives	Key metrics/indicators
Optimizing stc's performance	Promote continuity and quality of information, maintain carbon reduction commitments and provide metrics and targets for improvement and analysis	• GHG emissions governance • Manage Scope 1 emissions • Manage Scope 2 emissions	• Improved energy efficiency of data centers • Improved energy efficiency at tower sites • Recycling program for network devices • Takeback program	• 5.6% and 3.6% reduction in scope 1 emissions across stc KSA and stc Group respectively • 1,646 tons of devices recycled
Developing eco-friendly products and solutions	Reduce climate impact from materials, products and services used by stc and across the Group's value chain	• Carbon enablement • Sustainable customers • Engaged supply chain	• Sustainable products and services through stc Cloud, iot squared, solutions, and specialized by stc emergency response products such as Tari'. • The smart waste management solution, developed and managed by iot squared, is an advanced system designed to oversee the entire waste value chain, from production to final disposal	• Revenue from sustainable products • 14.6% reduction in Scope 3 emissions • Supplier engagement score • Smart waste management boosted recycling rates by 25%
Managing climate-related risks and financial impacts	Manage climate-related risks so as to future-proof stc Group's operations and uphold alignment with stakeholder expectations	• Climate risk evaluation • Climate resilient assets and services	• Re-evaluation of the risk assessments guided by IFRS S2 recommendations • Integrating and reviewing sustainability policies across subsidiaries to confirm alignment with business operations	• Climate risk analysis conducted • Progress made towards aligning with IFRS S2 recommendations
Demonstrating climate leadership	Empower employees and suppliers to influence climate action at local and global levels	• Internal and external empowerment • Implement circular economy considerations across supply chain	• Recycling program • ESG training program • Internal capacity building • GCC Telco Alliance • GCC Innovation Hub	• Amount of materials recycled • Number of collaborations in GCC Alliance

Powering a greener future continued

Climate governance

At stc, we recognize effective climate governance is essential to driving meaningful action and long-term resilience. Our governance framework takes into consideration climate-related risks and opportunities in the decision-making at all levels, reinforcing accountability and strategic oversight.

Climate action is led by the Sustainability General Manager and endorsed by the Group Chief Strategy Officer (GCSO), climate considerations are increasingly being integrated into relevant operations and business units. The Sustainability Management Committee, chaired by the Group CEO (GCEO), is responsible for reviewing and approving climate action plans, aligning them with stc's broader corporate strategy.

Through this structured governance approach, stc is committed to mitigating climate risks, improving operational sustainability and making certain that its leadership in advancing climate action within the ICT sector.

In 2024, stc took the initial steps to establish a Climate Action Working Group, bringing together representatives from the Strategy Sector (Sustainability), center3, Shared Services and Technology. This cross-functional group is designed to develop coordination and integration of climate initiatives across key business units, helping stc achieve its climate targets. While the establishment of the working group will be completed in 2025, the formation marks a significant milestone in strengthening our climate governance framework.

To translate our climate commitments into tangible progress, we have established a robust set of policies and position statements that guide our efforts, making sure we stay on track to meet our climate targets. These policies include the following:

- Environmental position statement
- Sustainability policy
- Responsible Supply Chain positioning statement
- Supplier Code of Conduct

Climate risk framework

In 2024, we continued to improve our climate risk assessment in alignment with IFRS S2 recommendations, strengthening a more robust integration of climate-related risks into our business strategy. Our analysis continues to cover short, medium and long-term physical and transition risks, leveraging the latest climate data and industry developments to bolster the resilience of our framework.

Our approach to analyzing climate-related risks and opportunities builds on stc Group's risk management practices, incorporating a structured evaluation of potential risks, financial materiality and impact prioritization. We assess the various ways in which climate change could physically and financially impact our operations, using internal data, industry insight and scenario modeling to determine both the likelihood and severity of each risk.

Our assessment builds on the following 3 scenarios to encapsulate our climate risk assessment. These scenarios align with public domain scenarios from the IPCC, IEA and NGFS. These scenario analyses provide strategic foresight, enabling us to adapt and strengthen our resilience against evolving climate challenges.

- Scenario 1 – Business as usual:** This scenario assumes GHG emissions will continue to rise at their current rate, driven by inadequate actions and insufficient mitigation efforts. As a result, the world would become significantly warmer and more vulnerable to climate-related physical risks and impacts.
- Scenario 2 – Delayed transition (2.0°C scenario):** In this scenario, global annual emissions remain unchanged until 2030, after which robust policies are needed to limit warming to below 2°C.
- Scenario 3 – Net zero carbon transition (1.5°C scenario):** This is the most ambitious scenario, aiming to limit global warming to 1.5°C through rigorous climate policies and innovation, achieving net zero emissions by 2050.

Powering a greener future continued

Climate risks

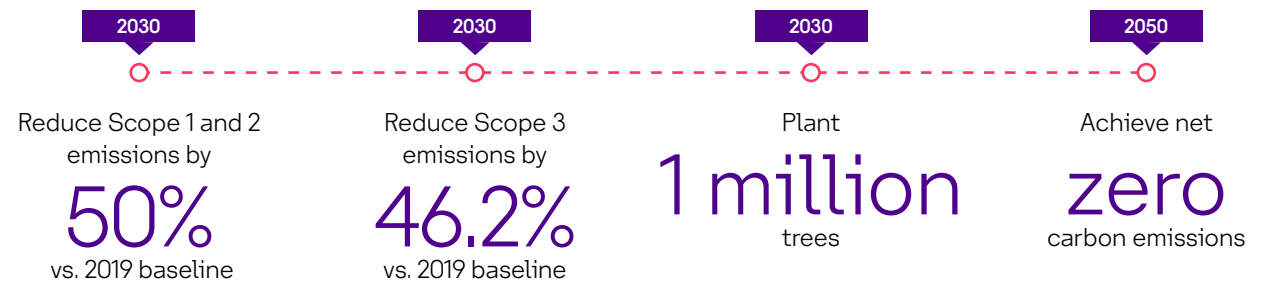
Category	Nature	Risk	Description	Assets	Financial impact	Time horizon
Physical	Acute	Extreme weather	Severe storms, hurricanes, or flooding impacts the infrastructure and disrupts services	 Marine cables		 <2 years (Short term)
Physical	Acute	Changes in temperature and precipitation patterns	Changes in temperature and precipitation patterns impact telecommunication towers	 Towers		 5-10 years (Medium/Long term)
Physical	Chronic	Water scarcity and quality	Inefficient cooling systems and data centers leading to increased energy consumption and reduced cooling efficiency	 Data centers		 >10 years (Long term)
Physical	Chronic	Rising sea levels and storm surges	Damage from rising sea levels on coastal areas infrastructure leading to service disruptions and costly repairs.	 Towers		 <2 years (Short term)
Transitional	Policy and regulation	Policy and regulatory changes related to climate change	Increase of electricity price owing to requirements for emission reductions, renewable energy adoption and energy efficiency standards.	 Buildings		 2-5 years (Medium term)
Transitional	Policy and regulation	Liability risks associated with the transition to a low-carbon economy	Requirements for minimum energy performance of buildings to ensure transition to net zero	 Buildings		 >10 years (Long term)
Transitional	Technology	Technological innovation and disruption	Market moves away from reliance on fossil fuels for logistics and emergence of less carbon-intensive practices	 Logistics/ supply chain		 <2 years (Short term)
Transitional	Market	Shifts in consumer preferences and behavior towards sustainable products and services	Consumers adopt more sustainable behavior and switch to lower carbon products and services	 Channels		 >10 years (Long term)
Transitional	Policy and regulation	GHG emission cost	Introduction of carbon pricing in Saudi on direct emissions to incentivize emission reductions	 Finance		 2-5 years (Medium term)
Transitional	Policy and regulation	GHG emission cost	Introduction of carbon tax in suppliers' country resulting on a higher cost of operations for supplier companies	 Logistics/ supply chain		 2-5 years (Medium term)
Transitional	Market	Supply chain disruption and increasing material costs	Extreme weather events disrupt supply chain and procurement of materials	 Logistics/ supply chain		 2-5 years (Medium term)
Transitional	Technology	Renewable energy adoption	Late adoption of renewable energy leads to higher energy cost for business activities	 Buildings		 >10 years (Long term)

Powering a greener future continued

Metrics and targets

stc has pledged to achieve net zero emissions by 2050, covering Scope 1, 2 and 3 emissions as part of its comprehensive climate strategy. Our near-term emission reduction targets have been validated by the Science-based Targets initiative (SBTi), reinforcing our commitment to science-aligned climate action.

Our climate-related targets



Our performance

stc is making steady progress toward achieving its targets, with measurable achievements in emission reduction and reforestation. In 2024, we recorded an **overall 3.6% decrease in our GHG emissions scope 1**. This decrease was based on a 5.6% decrease in Scope 1 emissions for stc KSA, and a 3.6% reduction for stc Group, reflecting our ongoing efforts to improve energy efficiency and reduce direct emissions. Additionally, Scope 3 emissions saw a significant 14.6% decrease, demonstrating the impact of our sustainability initiatives across the value chain.

As stc continues to scale its services and infrastructure, electricity consumption has risen accordingly. Although this rise was anticipated, we remain focused on improving energy efficiency, integrating renewable energy solutions and optimizing operations to mitigate Scope 2 emissions in the long term.

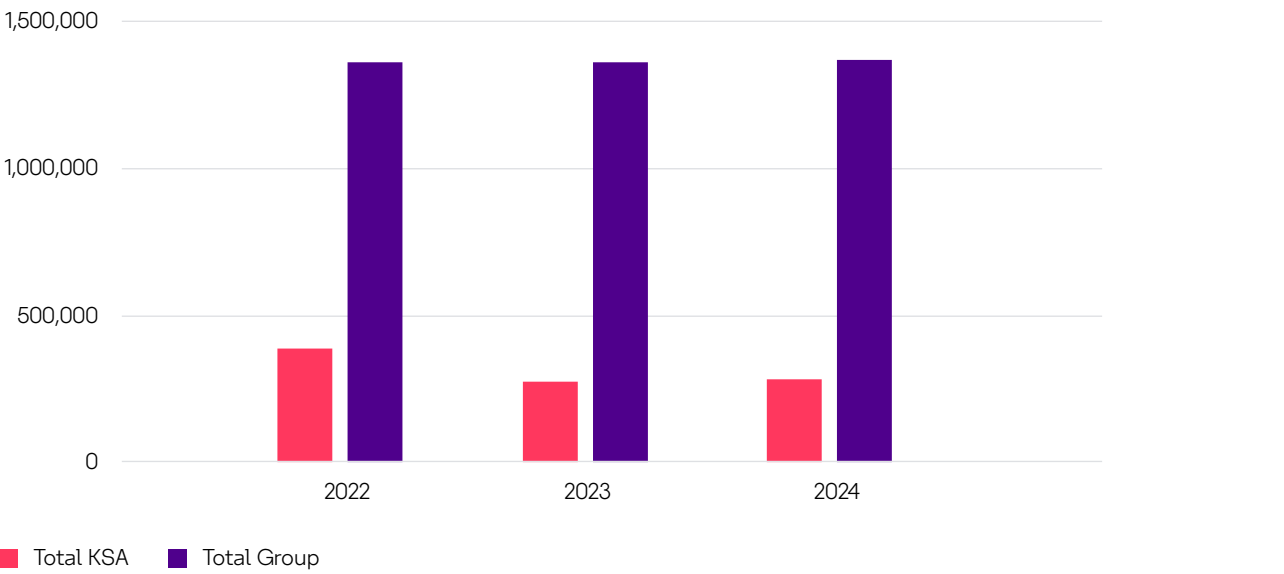
Our ongoing efforts reflect our commitment to sustainability and the updates below highlight our progress to date.

Scope 2 emissions have decreased by 2% across KSA with an overall increase across stc Group driven by business expansion and operational growth.

GHG emissions (tCO2e)				
Entity	Year	Direct GHG emissions (Scope 1)	Indirect GHG emissions (Scope 2)	Total GHG emissions (Scope 1 and 2)
KSA*	2022	10,616	378,889	389,505
	2023	10,013	267,232	277,245
	2024	9,456	262,128	271,584
	%change	↓ 5.6%	↓ 1.9%	↓ 2.0%
stc Group	2022	187,217	1,174,589	1,361,806
	2023	174,870	1,192,877	1,367,747
	2024	168,560	1,288,041	1,456,601
	%change	↓ 3.6%	↑ 7.9%	↑ 6.5%

* KSA refers to stc KSA and its headquarters-based subsidiaries.

Scope 1 and 2 emissions (tCO2e)



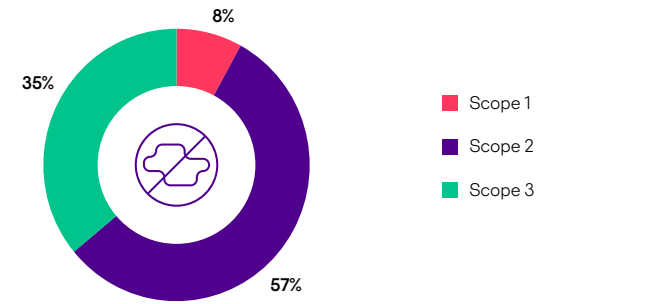
Scope 3 Total (tCO2e)				
		stc Group		
	Category	2023	2024	% Change
1, 2	Purchased goods and services* Capital goods	445,614	324,822	↓ 27.1%
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2**)	284,006	310,644	↑ 9.4%
4	Upstream transportation and distribution	83,026	36,583	↓ 55.9%
6	Business travel	4,111	3,494	↓ 15.0%
7	Employee commuting	27,264	22,254	↓ 18.4%
9	Downstream transportation and distribution	9,209	9,654	↑ 4.8%
11	Use of sold products	58,378	71,016	↑ 21.6%
Total		911,608	778,466	↓ 14.6%

*Excludes procurement activities conducted through stc Bahrain and Kuwait procurement departments

** Restatement: In line with our commitment to continuous improvement, we have restated 2023 category 3 values. Enhanced access to historical records has allowed us to integrate full data covering all assets in 2023 which led to increase in emissions.

GHG emissions (tCO2e)		
		stc Group
	2023	2024
Scope 1	174,870	168,560
Scope 2	1,192,877	1,288,041
Scope 3	911,608	778,466
Total	2,279,355	2,235,067

stc Group 2024 emissions distribution



Powering a greener future continued

Case studies and notable projects

Advancing toward sustainable logistics (Phase 2)



Background

We are dedicated to making certain our logistics activities have a positive impact on the local community and the environment, thereby promoting sustainability. In Phase 2 of our transformative journey toward sustainable logistics, we have established a clear roadmap detailing our objectives and the initiatives we have taken to achieve them. Our strategy focuses on 3 primary goals: promoting responsible consumption and production through improved demand planning, optimizing operations to reduce Scope 1 and Scope 2 emissions as we drive greater efficiency, and contributing to a circular economy by maximizing material reuse and upholding responsible waste disposal practices.

Approach

To track our progress, we have implemented key performance indicators (KPI) across each initiative. In improving demand planning, we focus on reducing capital employed, maintaining forecast accuracy, and optimizing Circularity of customer premises equipment (CPE) inventory turnover. To lower Scope 1 emissions, we are actively reducing the number of diesel forklifts and minimizing shipments. Our efforts to decrease Scope 2 emissions include streamlining the use of electric forklifts, with efficiency gains further supported by the reduction of paper-based processes through digitization. Additionally, we are strengthening the visibility of disposed materials by maintaining sustainable material reuse practices and safeguarding the responsible disposal of non-recyclable waste.

Outcomes

Progress in increasing demand planning has led to a reduction in capital employed from 94 MSR to 90 MSR, and maintaining forecast accuracy at 92% and increasing CPEs inventory turnover from 9.0 to 9.1. Our focus on reducing Scope 1 emissions has resulted in a 10% decrease in diesel forklifts, from 30 to 27, and an 11% reduction in shipments, from 3,664 to 3,276. In addressing Scope 2 emissions, we successfully reduced the number of electric forklifts by 4%, from 23 to 22.

Efficiency improvements have been significant, with a reduction of paper-based processes by 83%, from 6 to 1, reflecting our commitment to digital transformation. Additionally, our increased visibility of disposed materials has resulted in a reuse and recycling rate of 88%, confirming 100% safe disposal of waste.

Next steps

Moving forward, we will continue to monitor and refine our logistics performance, exploring innovative approaches to increase sustainability across all operational areas. By leveraging data-driven insight and fostering continuous improvement, we aim to further optimize efficiency, reduce environmental impact and strengthen our commitment to responsible logistics practices.

83%
reduction of paper-based processes

Reforestation and climate change



Reforestation positively affects climate change and is crucial for preserving and restoring biodiversity. For this reason, stc Group has committed to planting one million trees by 2030, aiming to sequester over 25,000 tons of CO2e each year. This initiative will help grow forest cover, extending the natural habitat for local wildlife and contributing to environmental conservation.

In the first year of this initiative, stc KSA commissioned 85,000 trees, representing 8.5% of our overall target, through the efforts of our district teams. Additionally, an RFP was published and circulated in the market for the remaining trees to be planted in 2025 and beyond. This initiative will include smart tree planting technology, allowing us to automatically track carbon emission reduction and reinforcing our commitment to nature-based solutions.

We are also committed to reducing the environmental impact of our operations, especially with regard to protected areas and endangered species. Prior to initiating any projects, we perform site assessments and surveys to pinpoint ecological concerns and establish best management practices in accordance with local laws and regulations.

In addition, stc Bahrain launched the Trees for Life campaign in 2021 in collaboration with the Supreme Council for Environment and the Ministry of Municipalities Affairs and Urban Planning, reinforcing its commitment to environmental sustainability. This initiative aligns with Bahrain's Vision 2035, which aims to double the number of trees in the Kingdom from 1.8 to 3.6 million. In 2024, stc Bahrain expanded its efforts by planting 27,172 trees across the Kingdom, bringing the total number of trees planted since the campaign's inception to over 55,000.

stc Bahrain is actively focused on supporting national afforestation efforts, helping to combat desertification, reduce emissions, mitigate rising temperatures and improve air quality. To further solidify its aspiration, stc Bahrain distributed over 1,000 trees to its staff to encourage tree planting and environmental awareness.



27,172
trees planted by stc Bahrain

Powering a greener future continued

Energy efficiency

As stc continues to expand its operations and upgrade its digital infrastructure, managing energy consumption efficiently remains a key priority. With increasing demand for connectivity, data services and network expansion, energy use has naturally grown to support business growth. However, through targeted efficiency measures, operational optimizations and a shift toward cleaner energy sources, we are working to balance this growth with responsible energy management.

In 2024, total overall electricity consumption increased across stc KSA (including headquarters-based subsidiaries) and stc Group, mainly as a result of new building developments and network expansion, including the addition of 574 new base stations. However, with the implementation of energy efficiency initiatives, we were able to reduce our electricity consumption by 8.44% across our technical facilities (exchanges). At the same time, fuel consumption for petrol and diesel decreased, reflecting efforts to improve fleet efficiency and reduce reliance on fossil fuels. Additionally, although total energy use rose, energy intensity (GJ per petabyte of data) declined, demonstrating improvements in network efficiency and data processing capabilities.

Through continuous investments in energy optimization, technology upgrades and sustainable initiatives, stc remains committed to reducing its environmental impact, maintaining the reliability and performance of its services.

Enhancing energy efficiency of our network

Improving the energy efficiency of our network is an essential focus within stc’s sustainability strategy. As one of the world’s leading telecommunications companies, we understand the importance of responsibly managing our energy consumption. We meticulously track energy usage in kilowatt-hours (kWh) at each site, whereby daily monitoring allows us to identify optimization opportunities. By integrating advanced energy-saving features, we ensure our 5G and 4G networks function effectively, maintaining a reliable user experience.

Our energy-saving practices are implemented dynamically at the cell level, i.e. the smallest unit of network coverage where users connect to the mobile network, during off-peak hours, typically from midnight to early morning. This enables us to intelligently power down carriers (a carrier is a bandwidth allocation), shut down radio frequency channels and engage sleep modes, thus reducing unnecessary energy use. Additionally, the incorporation of eco-modes and intelligent sleep functionalities contribute to overall energy efficiency across our network. These measures are vital in supporting our goals to lower emissions and improve operational efficiency, ultimately contributing to a more sustainable digital infrastructure.

To support our commitment to energy efficiency, we have implemented several key initiatives across our operations. Our data centers operate under stringent sustainability standards, achieving exemplary power usage effectiveness (PUE) metrics through the integration of advanced cooling and monitoring systems. Additionally, we are upgrading our mobile networks with energy-saving software features that have led to measurable reductions in energy consumption. At our towers, we leverage renewable energy sources and innovative technologies to further optimize energy use. These initiatives collectively demonstrate our proactive approach to creating a more sustainable network infrastructure.

Energy optimization for data centers

Our data centers prioritize sustainability in policy, design and technology. Facilities built after 2018 must achieve an average annual PUE of no more than 1.6 at full IT load. Despite higher PUEs during low IT load and initial operations, we met the target in 2024 with PUEs between 1.4 and 1.6 during testing, aligning with the NEIDC benchmark.

Our approach includes smart system monitoring, optimized cooling, effective PUE management and TCOS certification to reduce environmental impact and maintain efficiency. Key measures include:

- **Mechanical equipment optimization:** Utilizing primary chilled water networks with variable frequency drives (VFD) to cut power use.
- **Energy efficiency mandates:** Enforcing strict energy criteria for ongoing monitoring and optimal equipment operation.
- **Efficient design:** Targeting a PUE of 1.5 through efficient electrical and mechanical solutions.
- **Power and cooling efficiency:** Improving cooling systems by segregating hot and cold aisles.
- **Local sourcing:** Using locally produced materials to lower transportation needs and carbon emissions.

New era infrastructure cloud-native data center program

We build new data centers across all countries where we operate, focusing on improving energy efficiency and sustainability throughout their lifecycle.

Our new data centers incorporate sustainability features at every stage, from design and procurement to construction. Key technologies implemented include:

- Improved PUE
- Energy conservation and increased server efficiency
- Optimized chiller plant performance and thermal management
- Effective airflow and humidity control
- Enhanced power supply systems and lighting, along with highly efficient cooling systems that minimize water usage

PUE of new data centers is not absolute but presented here as a function of occupancy. Newer data centers utilization rate is currently lower than the older ones, resulting in higher PUE for the new ones. As utilization increases, PUE is expected to improve and align with design targets.

Our new data centers have achieved **TIER-III uptime certification** – by which these are built and assured for 99.982% uptime, which is only 1.6 hours downtime per year. They have also achieved **TCOS (Technical Committee Operational Standards) Gold certification**, which means they meet rigorous operational standards beyond the basic requirements. This includes optimizing energy efficiency, cooling, uptime and resource management.

Construction is ongoing for a state-of-the-art data center in Bahrain that will operate fully on solar power.

Data centers	KSA			Bahrain			Kuwait		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of exchanges	223	223	225	2	2	2	24	24	13
Number of data centers owned by stc*	9	17	17	2	2	2	2	2	2
Power usage effectiveness (average PUE) of old data centers	2.24	2.27	1.95	2.10	1.80	1.79	1.63	1.90	1.41
Power usage effectiveness (average PUE) of new data centers**	1.91	2.12	2.10	-	-	-	-	-	-

*Data centers for stc Kuwait are rented, not owned.
** No new data centers for stc Bahrain and stc Kuwait.

Powering a greener future continued

Energy efficiency at tower sites

stc towers in Saudi Arabia are managed by our subsidiary TAWAL, the region’s largest telecom tower company. With a portfolio of 16.2K towers — representing over 40% of the Kingdom’s total — TAWAL plays a critical role in providing integrated ICT infrastructure across the country.

TAWAL promotes operational excellence and profitability by facilitating tower sharing, which decreases capital expenses for network rollouts and lowers operating costs for managing multiple sites. This approach is particularly beneficial in congested urban areas, improving infrastructure use, reducing network redundancies and minimizing visual pollution from dense equipment installations.

A key pillar of TAWAL’s strategy is energy efficiency, targeting reduced energy consumption across its active towers. Nearly 99% of TAWAL’s energy consumption occurs at tower sites, especially base stations. We optimize on-site energy use by utilizing air-cooling systems, implementing larger battery backups for hybrid energy solutions and using automatic lighting at headquarters.

TAWAL has ISO 14001:2015 certification for Environmental Management Systems and tower sites have various sustainable solutions: 5G sleep mode, power consumption optimization, scalable smart pole solutions for IoT adoption, an IoT-based early warning system for tower safety, and “drone as a service” for site inspections to improve design assessments and preventive maintenance through drone-enabled inspections and audits.

In 2024, **370 TAWAL tower sites in KSA** and abroad operated primarily on renewable energy marking **a significant increase from 164 towers in 2023**, contributing an additional **4,630 MWh of renewable energy**. In addition, 959 sites use a hybrid energy source, and over 19,000 towers are connected to the power grid. In Bahrain, we commenced our path toward more sustainable operation through the implementation of the first site operated fully though renewable energy.

Automation for TAWAL’s site activity overhaul plans

The automation for site activity overhaul plans project for TAWAL’s IT operations focuses on improving maintenance efficiency and extending the lifespan of generators. By implementing an automated maintenance scheduling system, TAWAL can guarantee timely upkeep, reducing downtime and the risk of generator failure. This approach improves operational efficiency and provides a clear maintenance schedule that facilitates generator replacements and service interventions.

The initiative emphasizes detailed record-keeping, supporting future scheduling and makes certain of continuous equipment maintenance. As a result, TAWAL aims to meet its operational objectives while also potentially reducing carbon emissions related to generator maintenance and operations. This project represents a strategy that prioritizes both efficiency and environmental consideration in TAWAL’s IT operations.

Base stations	KSA			Bahrain			Kuwait*			Other international locations		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of base stations	16,106	16,131	16,228	1,105	1,007	996	2,332	2,492	2,883	-	5,070	5,370
Number of base stations powered by renewable energy	69	115	82	0	0	1	0	0	0	-	49	288
Number of base stations powered by diesel	1,045	785	1,016	75	60	35	502	506	434	-	26	-
Number of base stations powered by other types of energy	1,051	1,211	959	1,030	947	960	0	0	0	-	-	-

* The number of base stations in Kuwait for 2022 and 2023 has been restated and differs from figures disclosed in last year’s report.

TAWAL sites powered by RE

370

Annual PV system production (MWh)

5,474 MWh

Annual CO₂ emission reduction

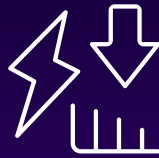
3,096 tons

Annual cost saving

﷼ 574,618

Case study

Reducing energy consumption in 5G and 4G mobile networks through software features



Background

The initiative to reduce energy consumption in 5G and 4G mobile networks was driven by several factors: rising operational costs associated with energy use, increasing demand for sustainable and energy-efficient solutions in mobile networks, and the need to contribute to corporate sustainability goals.

Challenges

The project faced challenges in balancing network performance and user experience with the goal of energy savings. Additionally, integrating new software features into existing infrastructure posed the risk of potential service disruption.

Approach

To address these challenges, the team identified and prioritized software features that could effectively reduce energy usage. A pilot phase was implemented, allowing selected features to be trialed in a designated area. Ultimately, around 10 energy-saving software features were deployed across the network. Continuous monitoring and measurement of the impact on energy consumption was conducted, with collaboration from network vendors and stakeholders to ensure seamless integration and operation.

Benefits

As a result of this initiative, a **5% reduction in energy consumption** across the network was achieved. This not only increased operational efficiency, but also led to lower energy costs and improved sustainability metrics for the organization.

Next steps

Moving forward, the organization plans to explore additional software features aimed at further reducing energy consumption. A comprehensive review of the project’s long-term sustainability impacts will also be conducted to assess future potential developments.

Comment

The implementation of these energy-efficient software features has assisted in reducing energy consumption and maintaining network performance. This project serves as a reference for future initiatives in our network and demonstrates that sustainability and performance can go hand in hand.

5%
reduction in energy consumption

Powering a greener future continued

Optimizing energy efficiency at our HQ

Our approach to energy efficiency is guided by a strong focus on smart technologies and sustainable operational practices. This is mainly built on the Smart Campus centralized building management system (BMS), which plays a key role in optimizing energy consumption across our facilities. This system enables us to monitor, control and efficiently manage energy use, making sure every building operates at its highest performance level.

Since 2017, and continuing through 2024, we have implemented a wide range of initiatives to reduce energy consumption across both administrative and technical facilities at our HQ, this includes:

- Optimizing HVAC systems by setting air conditioning temperatures between 23–24°C for chilled water systems.
- Turning off split and package AC units during non-working hours.
- Reducing central water heating system temperature to 50°C during winter months, to improve heating efficiency.
- Ensuring regular operation and maintenance routines such as cleaning air filters, washing cooling coils and insulating water-cooled ducts to guarantee systems run smoothly and efficiently.
- Enhancing lighting efficiency by installing motion sensors and timers to control lighting usage, replacing traditional bulbs with energy-efficient LED lighting, and maximizing the use of natural light where possible.
- Upgrading older facilities with double-glazed windows and automatic double doors, improving thermal insulation to increase building performance.
- Replacing outdated chillers and pumps with energy-efficient models, contributing to significant reductions in power consumption.

The continued expansion of the BMS across more buildings has improved our ability to effectively monitor and control energy usage, leading to more informed decisions and proactive energy-saving measures.

Our commitment to energy efficiency is supported by internal policies that promote energy conservation practices. This includes raising awareness among employees about energy-saving behaviors through targeted programs and safeguarding the proper operation of systems to minimize energy waste, especially during off-peak hours.

Looking ahead, we plan to complete the installation of the Smart Campus centralized BMS across all facilities. This will boost system efficiency, improve real-time monitoring and drive further reductions in energy consumption. Our goal is to continuously improve energy efficiency, reduce operational costs and contribute to stc’s broader sustainability and climate goals.

Improving energy efficiency for cloud

The Telco cloud operates in a highly dynamic environment where compute resources frequently transition between idle and active states. This fluctuation can lead to inefficient energy utilization, particularly when resources remain idle for extended periods. To address this challenge, the Cloud Operations team developed and enhanced new standard operating procedures (SOP) that include periodic checks to monitor idle or underutilized resources within the cloud environment.

By implementing this proactive approach, the Group is improving energy efficiency across the entire cloud ecosystem, achieving an impressive **energy saving of 30%**. This initiative not only optimizes the overall cloud environment, but also promotes a sustainable approach to energy usage in cloud operations.

Performance metrics

In 2024, total electricity consumption increased across both stc KSA (including headquarters-based subsidiaries) and stc Group. This rise was primarily driven by network expansion, the commissioning of new buildings and the addition of 574 new base stations, all of which required additional energy to support growing operational needs. Specifically, electricity consumption in stc KSA increased by 2%, meanwhile at the Group level, it increased by 12% between 2023 and 2024.

Despite the increase in total energy use, stc achieved reductions in fuel consumption, demonstrating progress in reducing reliance on fossil fuels. Petrol consumption at stc KSA decreased by **5.4%**; at the Group level, it declined by **4.7%**. Additionally, diesel consumption at stc KSA fell by **11.5%**, and at the Group level, it decreased by **7%**. These reductions reflect improvements in fleet efficiency and operational optimizations.

Furthermore, when measured against data traffic growth, energy intensity has improved. In the meantime, the total energy consumption (in gigajoules) increased across both stc KSA and stc Group, the energy consumption per petabyte of data decreased. At stc KSA, energy intensity improved from **74.77 GJ/PB in 2023 to 63.45 GJ/PB in 2024**, and at the Group level, it dropped from **373.79 GJ/PB to 337.78 GJ/PB**. This improvement highlights improved energy efficiency in data processing and network operations, reinforcing stc’s commitment to delivering more with less energy.

Electricity consumption by infrastructure (MWh)	KSA*			stc Group		
	2022	2023	2024	2022	2023	2024
Buildings**	156,320	150,741	188,335	175,056	175,754	195,787
Data centers***	158,495	-	-	173,018	177,195	286,386
Base stations****	-	-	-	1,339,164	1,384,024	1,534,049
Exchanges	358,163	314,819	288,261	359,978	316,629	288,261
Total	672,978	465,561	476,596	2,047,217	2,053,604	2,304,483

*KSA refers to stc KSA and its headquarters-based subsidiaries.
** stc KSA buildings consumption has increased as a result of expansion of build area through commissioning of new buildings in 2024.
*** As of 2023, data pertaining to our data centers in stc KSA are considered under the Group, following the establishment of centre3.
**** Base stations for stc KSA are not applicable as its has been fully transferred to TAWAL. The increase in energy consumption across base stations is due to the commissioning of 574 new sites, and intense deployment of 5G equipment.

Fuel consumption (liters)	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Petrol consumption	4,451,959	4,168,144	3,944,944	5,290,426	4,312,517	4,108,042
Diesel consumption	121,952	128,032	113,352	65,115,487	63,751,211	59,339,151

Energy consumption	KSA*			stc Group		
	2022	2023	2024	2022	2023	2024
Direct energy consumption (GJ)	174,804	147,441	139,009	2,695,610	2,493,936	2,282,703
Indirect energy consumption (GJ)	2,422,730	1,676,021	1,715,746	7,369,983	7,392,976	8,296,140
Total energy consumption (GJ)	2,597,534	1,823,462	1,854,755	10,065,593	9,861,160	10,578,843
Energy intensity (GJ/petabytes)	127.51	74.77	63.45	454.86	373.79	337.04

*KSA refers to stc KSA and its headquarters-based subsidiaries.

Powering a greener future continued

Case study

Cloud environmental sustainability

Background

Telco cloud is a dynamic environment where compute resources often transition between idle and active states, leading to inefficient energy use during idle periods. To tackle this, we are implementing innovative mechanisms to promote sustainability in cloud computing. By adopting intelligent resource management strategies, we optimize computing power allocation to match real-time demand. Advanced power management techniques place idle resources into low-power states. These measures reduce our carbon footprint and boost operational efficiency, reinforcing our commitment to sustainable telecommunications.

Approach

Our Cloud Operations team has streamlined our SOPs by incorporating periodic checks to monitor idle or underutilized resources within our cloud environment. This approach allows us to regularly assess resource utilization, identifying areas where computing power may be idle or underutilized.

By introducing this monitoring strategy, we can make informed decisions about resource allocation, supporting effective use of our cloud infrastructure's capacity. This improves energy efficiency by reducing waste, maximizing performance, lowering operational costs and reducing environmental impact. These advancements demonstrate our commitment to sustainable cloud operations and responsible resource management.

Outcomes

Our improved cloud monitoring and management resulted in a 30% energy savings, reducing costs and environmental impact. This optimization supports our network growth and sustainability goals.

Next steps

As a next step, we will streamline our processes to optimize the overall cloud environment, promoting even greater efficiency and sustainability in our operations.



Sustainable waste solutions in action

A circular economy promotes the efficient use of resources by emphasizing recycling, reusing and reducing waste. This thinking applies to all the resources that we draw on to generate value for customers and stakeholders. We are therefore committed to reducing our waste, from water through to paper and used devices, and to ongoing improvements in making our operations more circular.

Sustainable waste solutions

Effective waste management is essential to our sustainability strategy. Given the significant use of electronic equipment, it is crucial for us to implement suitable waste management practices. One of our most substantial initiatives is a comprehensive recycling program that operates across all stc buildings and sites, encouraging individuals to actively partake in waste-reduction efforts. Our ultimate goal extends beyond mere waste reduction; we aim to foster a more circular economy. We are already making progress with stc's takeback program for improved end-of-life product management and a recycling initiative focused on network-related electronic components. Additionally, we have established systems to optimize purchasing decisions for materials such as furniture and carpets. In 2024, we continued our shift to eSIM technology, issuing over 1.8 million eSIM cards, which has avoided the use of more than 7,000 kg of plastic as well as electronic chips by eliminating the need for physical SIM cards.

Managing e-waste and network waste is a critical responsibility for any telecom or ICT company. At stc, we uphold responsible disposal of network equipment and e-waste through a reliable partner, in compliance with the regulations established by the National Center for Environmental Compliance (NCEC). Our efficient tracking system enables us to assess the lifecycle of our assets, adopt responsible disposal practices and investigate recycling possibilities.

In 2024, our network operations through TAWAL generated 1,517 metric tons of waste from its core activities, with an impressive 67% being recycled.

Promoting a circular economy across our supply chain

At stc, we are committed to reducing waste and making our supply chain more sustainable. By shifting away from the traditional "take-make-dispose" model, we focus on reusing, recycling and responsibly managing resources. Through initiatives like biodegradable packaging, expanded recycling programs and e-waste management, we are working toward a more circular economy that minimizes environmental impact.

To standardize our warehouse inventory management, we have implemented the use of 100% biodegradable bags. By opting for this eco-friendly alternative, we reduce our environmental footprint and cut down on waste, marking a shift to a circular economy that values resource conservation over the traditional "take-make-dispose" approach.

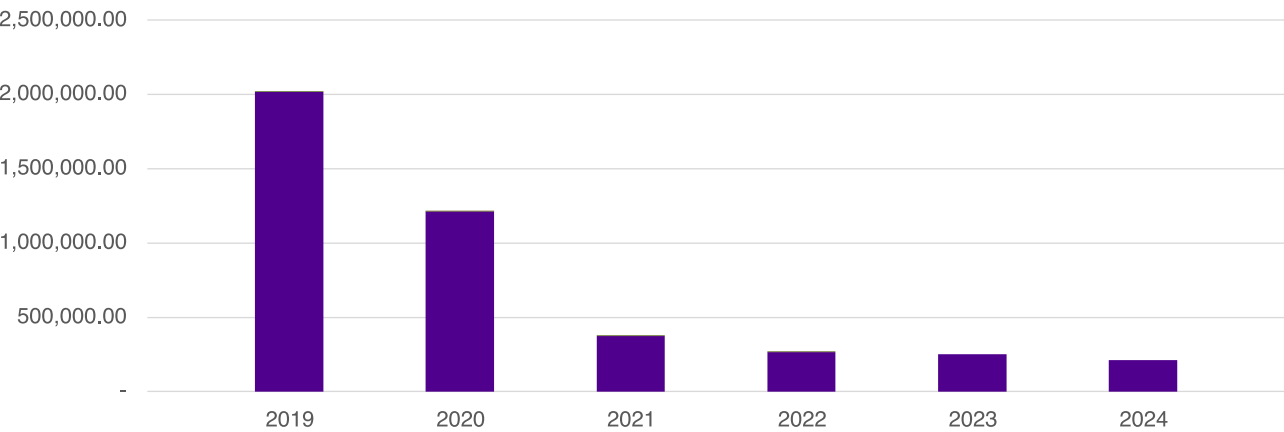
In 2024, our end-of-life asset recycling program throughout the value chain successfully collected 4,236 tons of waste, with almost 48% of this amount being reused and 40% recycled; the remaining portion was disposed of responsibly. Our e-waste recycling initiatives are verified by the National Centre for Waste Management, and we receive quarterly reports that document our progress. Within processes in stc KSA, we have achieved a reuse and recycling rate of 88%, and the remaining disposed materials are managed safely.

A crucial element of our circular economy initiative is our trade-in program, which invites customers to exchange their used devices for discounts on new purchases. This not only extends the lifespan of products, but also helps to reduce overall consumption. By the end of 2024, the program had collected, refurbished and recycled 52,818 devices. More than 97% of these devices were successfully refurbished and sold as renewed devices to customers, complete with a 6-month guarantee. This initiative not only offers affordable options for customers, but also aligns with our sustainability objectives by minimizing waste.

Paperless work environment

At stc, we are committed to reducing our environmental footprint through digital transformation and paperless operations. In 2023, we introduced a comprehensive paperless office policy, reinforcing our commitment to sustainability. The policy's implementation is closely monitored through a quarterly reporting system, tracking paper consumption metrics and supporting continuous progress. To emphasize the significance of this initiative, we have integrated it into our quality index, reinforcing its impact across our operations.

Paper Consumption- KSA*



*KSA refers to stc KSA and its headquarters-based subsidiaries.

TAWAL has taken a significant step toward a paperless future by deploying internal and external digital systems to reduce paper usage:

- **Internal system:** The Tawal Sufaraa application enables employees to complete all work-related transactions digitally, including employment letters, salary letters and other HR services.

Accelerating digital adoption in 2024

As part of our ongoing efforts to embrace digitization and automation, we have significantly expanded digital processes across **stc Group**. In 2024, we successfully increased the number of Group-wide processes and services on our internal intranet platform (stc Hub) to over 3,000. This strategic shift has optimized operations and led to reduction in costs, improving both efficiency and sustainability.

As part of its digital transformation and sustainability efforts, **stc KSA** (including headquarters-based subsidiaries) has significantly reduced its paper consumption through the printed papers initiative. Since the baseline year 2019, it has achieved an **89.5% reduction in annual paper consumption as at 2024**, reinforcing its commitment to operational efficiency. The continued downward trend in paper consumption highlights the **stc KSA's** (including headquarters-based subsidiaries) efforts to drive responsible resource management and minimize its waste footprint.

- **External system:** The Tawal ERP procurement module fully digitizes supplier-related transactions, including supplier registration, bidding processes and negotiations, eliminating the need for paper-based workflows.

Sustainable waste solutions in action continued

Meanwhile, **stc Kuwait** has achieved a major milestone by implementing a 100% paperless procurement process. The company is also aiming for a fully digital recruitment process and has introduced digital receipts and bills for customers. Their next goal is to digitize all internal communications and transition entirely away from traditional paper-based processes.

stc Bahrain has taken a different approach, focusing on paper recycling initiatives. Through a partnership with local recycling facilities, they make sure collected paper and cardboard materials are properly processed and repurposed, contributing to a circular economy.

Across stc Group, we remain dedicated to expanding digital solutions that reduce paper use, improve efficiency and drive sustainable business practices. Our paperless strategy is a key pillar of our broader commitment to environmental responsibility and innovation.

Trade-in program

At stc, we believe old devices should not go to waste. Our trade-in program makes it easy for customers to exchange or recycle their used smartphones and

electronics, reducing clutter and environmental impact and earning credit toward new devices. Instead of letting old phones sit in drawers or contribute to e-waste, we refurbish, clean and resell them at an affordable price, making technology more accessible and sustainable.

Big step forward in 2024

Building on the success of 2023, stc surpassed its 2024 target, demonstrating a growing commitment to circular economy:

- Total devices collected and recycled: 52,818 (up from 44,000 in 2023) – a 20% increase, achieving 106% of our target.
- Devices given a second life: 97% of recovered devices were successfully reused, maintaining our commitment to circularity.

By continuously developing the program and prioritizing customer experience, affordability and sustainability, stc remains committed to reducing e-waste, optimizing resource efficiency and driving a more circular economy in the ICT sector.

ESG KPIs	2023 Baseline	2024 Target	2024 Actual	% Target achievement
Number of recovered devices through trade-in program	44,000	50,000	52,818	106%
Percentage of recovered devices reused through the trade-in program	97%	97%	97%	100%

Performance metrics

As part of our commitment sustainable resource management, stc continues to increase its waste diversion, recycling and responsible disposal efforts across its operations.

In 2024, stc KSA's (including headquarters-based subsidiaries) general waste increased mainly as a consequence of expanded construction activities. However, the end-of-life assets waste declined significantly by 40.6% between 2023 and 2024. Additionally, the percentage of waste recycled improved from 16% to 40%, demonstrating improved waste management practices.

At the stc Group level, general waste generation decreased substantially by 60.3%, from 6,337 tons in 2023 to 2,516 tons in 2024, marking a significant reduction in overall waste output. Meanwhile, paper consumption continued to decline, with stc KSA reducing usage from 1.25 tons in 2023 to 1.05 tons in 2024.

These figures highlight progress in waste reduction and recycling efforts, with a focus on circular economy principles, despite the temporary increase in construction-related waste at stc KSA (including headquarters-based subsidiaries). Looking ahead, continued emphasis on waste diversion, recycling programs and operational efficiencies will boost sustainability performance.

General waste	KSA**			stc Group		
	2022	2023	2024	2022	2023	2024
Total general waste generated in HQ* (t)	750	700	1,000	6,550	6,337	2,516

* Increase in waste generated at stc KSA is due to increased construction activities.

**KSA refers to stc KSA and its headquarters-based subsidiaries.

End-of-life assets waste	KSA*		
	2022	2023	2024
Total waste generated (t)	-	7,131	4,236
% of waste reused	-	74%	48%
% of waste recycled	-	16%	40%
% of waste responsibly disposed	-	10%	12%

*KSA refers to stc KSA and its headquarters-based subsidiaries.

Paper consumption	KSA*		
	2022	2023	2024
Paper consumption (t)	1.37	1.25	1.05

*KSA refers to stc KSA and its headquarters-based subsidiaries.

TAWAL performance metrics

Network waste generated (Tons)	TAWAL (KSA only)		
	2022	2023	2024
Hazardous material (lead acid batteries, lithium (t), etc.)	500	413	496
Non-hazardous material (electrical materials, metals, etc.)	484	448	1,021
Total	984	861	1,517

Network waste recycled (%)	TAWAL (KSA only)		
	2022	2023	2024
Hazardous material (lead acid batteries, lithium (t), etc.)	60%	98%	67%
Non-hazardous material (electrical materials, metals, etc.)	96%	90%	72%
Total	78%	94%	67%

Sustainable waste solutions in action continued

Case studies and notable projects

Waste management solution - iot squared



iot squared provides an advanced waste management solution designed to revolutionize waste collection by leveraging IoT-enabled smart bins, AI-driven analytics and intelligent route optimization. Through real-time monitoring, predictive insight and automated scheduling, this solution increases operational efficiency and costs, minimizes environmental impact and ensures regulatory compliance.

With a strong focus on smart city development, iot squared empowers municipalities and enterprises to create cleaner, more efficient and sustainable waste management systems. By integrating advanced data analytics, fleet tracking and geofencing, the platform heightens resource optimization, prevents waste overflow and streamlines collection processes.

Expanding beyond waste: Smart cities and smart mobility

Beyond waste management, iot squared is actively driving smart city innovation and intelligent mobility solutions. By integrating real-time asset tracking, AI-powered analytics and iot connectivity, we optimize both public and private sector operations.

Our solutions tackle key urban challenges, including:

- Inefficient resource utilization
- Lack of historical data insight
- Public safety risks and environmental concerns

Through cutting-edge digital waste monitoring, waste-to-energy initiatives and sustainable infrastructure development, iot squared is playing a pivotal role in advancing Vision 2030's sustainability goals through reducing landfill dependency, promoting circular economies and fostering green job creation.

By embracing innovation, iot squared is not just managing waste; we are shaping the future of smart, sustainable cities.

Resource reclamation and optimization in IT



Background

With the rapid growth of digital technology, many organizations struggle with wasted resources in their IT infrastructure. Problems like poor hardware use, high energy consumption and managing electronic waste led to environmental and financial challenges. The resource reclamation and optimization initiative tackles these issues by using sustainable IT practices to reclaim unused resources, improve system performance and lower the carbon footprint of IT operations. This case study looks at how these strategies can provide both environmental and economic benefits.

Approach

As part of our Go-Rapid strategy, the Applications Operations Group (AO GD) launched the GO-GREEN strategic initiative to improve the environmental impact of our operations. This initiative focuses on raising awareness about green technology practices, reclaiming and reusing IT resources, reducing energy consumption and achieving global accreditation in environmental management systems. By aligning our resources with business needs, we can monitor and forecast capacity for efficient use, minimizing waste and increasing performance.

Outcomes

In 2024, the AO GD reclaimed resources valued at ₪ 36.66 million through hardware optimization, leading to significant cost savings and improving business operations. This effort not only supports important applications, but also delivers benefits such as better customer experiences, faster response times, increased efficiency and greater sustainability. This success highlights the team's commitment to using resources effectively and cost-efficiently.

Next steps

We plan to raise awareness and build partnerships with industry leaders to promote the importance of sustainability, establishing our Group as a leader in Green IT.

Comments

Applications Operations GM Badr A. Alshewair noted, "Our commitment to sustainability efforts will continue in alignment with our Go-Rapid strategy and GO-GREEN program."

Real-world impact

As at 2024, iot squared has achieved the following.

14 municipalities (out of 17) served in KSA

80,000+ connected waste bins

3,000+ managed waste trucks

900,000+ waste collection trips supervised

7M+ tCO2e saved

25% enhancement in recycling rates

Future plans

Looking ahead to 2030 and beyond, stc plans to increase sustainability initiatives at its main campus in Saudi Arabia by constructing state-of-the-art waste and water management facilities. A comprehensive waste management plant will be established to minimize environmental impacts and improve resource management, featuring an advanced collection network designed to handle up to 18,000 kg of waste through innovative equipment for collection, segregation, treatment and disposal. Simultaneously,

a water treatment plant will repurpose water for irrigation and essential sanitary activities, including toilet flushing. This facility will integrate a gray water collection network with manholes, lift stations, flow-through water tanks and a pumping station capable of treating 250 cubic meters of water daily. Both projects are integral to stc's commitment to sustainability and are scheduled for completion by the end of 2025.

Optimizing water consumption

Water savings are crucial for companies operating in the Middle East, where water scarcity is a challenge owing to arid climates and limited freshwater resources. For stc, implementing effective water conservation strategies aligns with both environmental responsibility and corporate sustainability objectives, contributing to the preservation of this vital resource, which is essential not only for the ecosystem, but also for the well-being of communities in the region.

Moreover, reducing water usage can lead to significant cost savings through decreased utility expenses and improved operational efficiency. As stc leverages innovative practices, such as water recycling and rainwater harvesting, it will strengthen its reputation as an environmentally conscious leader in the region.

stc acknowledges the risks of water shortages and other resource constraints, wholeheartedly supporting the aims of Saudi Vision 2030 in this regard. Saudi Vision 2030 prioritizes water

conservation and sustainable management as vital to the Kingdom’s development strategy. It promotes innovative water management practices, including desalination and wastewater treatment facilities, and raising public awareness about responsible water use.

Our water consumption mainly supports sanitation and air conditioning, with additional resources sourced through tankers for backup use.

Performance metrics

Water consumption (m³)	KSA**			stc Group		
	2022	2023	2024	2022	2023	2024
Total water consumption*	430,603	403,864	444,636	819,478	714,626	478,259

* The increase in water consumption at stc KSA in 2024 is primarily attributed to the expansion of the built-up area, along with a rise in the number of employees on-site due to the relocation of subsidiaries into the headquarters.
**KSA refers to stc KSA and its headquarters-based subsidiaries.

Case studies and notable projects

Water optimization at stc’s HQ

Water conservation is an important part of our sustainability efforts at our HQ (including stc KSA and other headquarters-based subsidiaries), aimed at reducing consumption, promoting efficient water use and optimizing wastewater management. Our approach focuses on implementing technological solutions and encouraging responsible water usage across all facilities to minimize our environmental impact.

In 2024, we introduced several initiatives to reduce water consumption, including:

- Installing water reducers on faucets
- Replacing manual faucets with sensor-based systems
- Adjusting water flow timings on automatic sensor faucets to optimize usage
- Optimizing water flow in flushing systems, helping to reduce overall water consumption without compromising functionality

Our commitment to water sustainability also extends to **wastewater management**. In 2024, we completed the design and project planning for a gray-water system station, which will allow us to recycle wastewater and reuse it in flushing systems. To support the proper implementation of this initiative, we began preparing the necessary infrastructure, including the installation of new water networks aligned with updated design standards. This project will significantly reduce freshwater consumption and promote resource efficiency.

Looking ahead, we plan to complete the installation of the gray-water system station across our facilities, further strengthening our ability to recycle and reuse water efficiently. Alongside these technical measures, we continue to promote awareness of water use and savings among facility users to support responsible consumption practices and maximize the impact of our water conservation efforts.

Case study

Sustainable water resource management solution



Background

Our solution uses satellite-based narrowband internet of things (NB-IoT) technology for real-time monitoring of water sources to improve water resource management in remote environments. Through smart flow meters connected to satellite IoT terminals, and making use of intuitive analytics dashboards, we enable cost-effective data collection and transmission from water infrastructure in remote areas. This system is low-cost, low-power and user-friendly, addressing the needs of underserved areas.

Challenge

We aim to tackle the effective monitoring and management of water resources in remote regions, which lack reliable data on water usage and availability, negatively impacting communities, agriculture and ecosystems. Our focus on underserved regions aims to address water scarcity, resource allocation inefficiencies and promote environmental sustainability.

Approach

The solution employs a secure process that includes:

- Data collection and transmission: Automated data collection via smart flow meters
- SIM-based authentication: Helps ensure secure connectivity
- Data processing and analysis: Processes data for user insight
- Secure data transfer: Ensures protected transmitted data integrity
- User access and control: Helps provide users with ease of access to data

Outcomes

Our innovation simplifies water resource management, allowing automated data collection and real-time transmission via satellite. Users have access to actionable insight through user-friendly dashboards. Key impacts include the following.

Quantitative results:

- Improved monitoring coverage: 100% coverage in previously inaccessible areas
- Reduction in operational costs: Enhanced cost efficiency
- Efficiency gains: Streamlined operations

Qualitative results:

- Enhanced decision-making: Improved strategies based on data insight
- Stakeholder confidence: Increased trust among users
- Community impact: Better water access for thousands, reducing conflicts over resources
- Environmental benefits: Supports sustainable practices and reduces over-extraction

Next steps

Our solution is scalable, with a vision for a connected system that promotes sustainable water resource management, empowering communities and safeguards future water availability.

84.8%
customer
satisfaction rate
in KSA

15.83%
Women employees -
direct and contractors
(14.03% direct)

14
million total
community investment

05. Development of
human capital
through digital
innovation

Our customers	98
Our people	130
Our community	152



1, 2, 3, 4, 5, 6, 9

Vibrant
Society



Human capital refers to 3 sets of our stakeholders: our customers, our people (employees), and our community. We have risks for each of these sets of stakeholders and a strategy for dealing with these risks, as reflected in our material topics and our adherence to Saudi Vision 2030, which has laudable goals for the development of human capital.

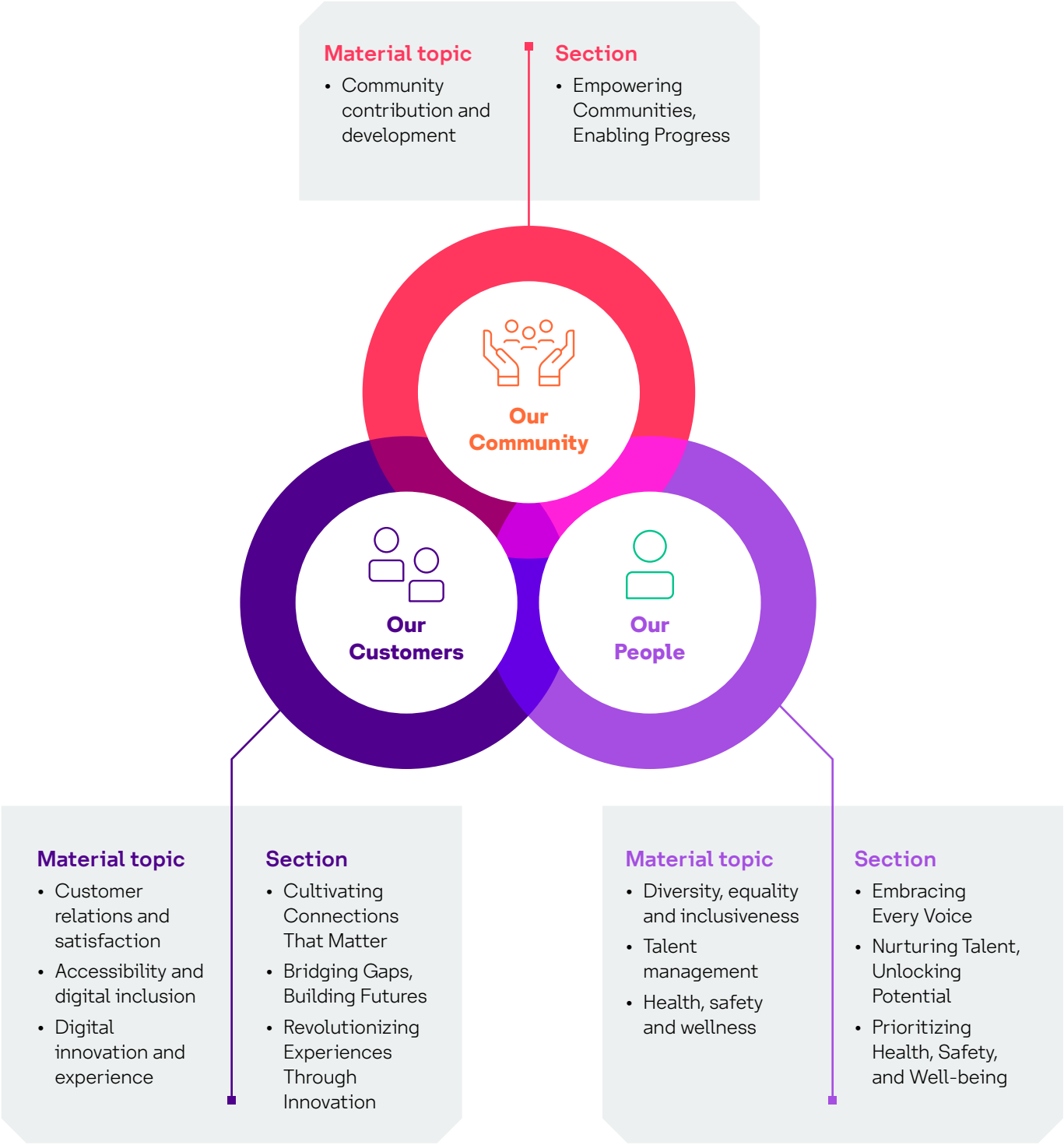
Our approach to human capital development at stc is closely aligned with the principles of Saudi Vision 2030. We are dedicated to promoting accessibility and digital inclusion, working to provide all with equitable access to technology and information; while adhering to the strictest global standards on data privacy, security and protection, guaranteeing customers are safe while engaging with our services.

Health, safety and wellness are at the forefront of our initiatives, reflecting our commitment to fostering a healthy lifestyle among our employees and the broader

community, as well as leveraging our technology and infrastructure to promote e-health. By incorporating diversity, equity and inclusion, we build a workforce that embraces varied perspectives and backgrounds, allowing innovation and creativity in the workplace to flourish.

Our focus on digital innovation and improving customer experience aligns with Vision 2030's goals for a dynamic economy. We also maintain strong customer relations and satisfaction to ensure the needs of the community are met. Lastly, through effective talent management and active community contribution and development, we play a vital role in nurturing human capital that supports the Kingdom's vision for a prosperous and sustainable future.

We are committed to best sustainability practices and alignment with international standards. Thus, we have mapped our social material topics to the respective sections with the following breakdown highlighting our key initiatives in human capital development, showcasing our commitment to fostering a skilled, inclusive and empowered society.



Our customers

Cultivating connections that matter

At stc, we believe strong customer relationships are the foundation of long-term success. Our commitment to customer-centric transformation goes beyond offering high-quality products and services; it is about creating meaningful, lasting connections that strengthen customer satisfaction, trust and loyalty. As we move into 2025 and beyond, we are focused on reshaping the customer experience through a holistic, data-driven approach that prioritizes personalization, accessibility and seamless interactions.

In an era where expectations are shaped by digital innovation, we recognize true differentiation comes from understanding our customers on a deeper level. This means anticipating their needs before they arise, providing intuitive solutions that simplify their lives, and maintaining consistency across every touchpoint, from digital platforms to in-person interactions. By combining cutting-edge technology with human-centric service excellence, we are creating an ecosystem where every engagement feels effortless, relevant and uniquely tailored to individual preferences.

Customer relations and satisfaction

Delivering an exceptional customer experience is a top priority and we continuously strive to improve our services through data-driven insight and customer feedback. By leveraging advanced analytics and targeted engagement strategies, we make sure our offerings align with evolving customer expectations.

In 2024, stc KSA achieved a customer satisfaction rate of 84.77%, based on surveys of 11% of customers. Meanwhile, stc Bahrain and stc Kuwait recorded satisfaction rates of 93.3% and 90.1% respectively.

Analytics are central to stc's strategy for improving sales channels and improving the customer experience. Our Customer Value Management (CVM) team leverages big data to create targeted campaigns for upselling and cross-selling and strengthen our customer relationships.

To further elevate our customer experience, stc continued to improve its services through several initiatives that directly impact our customer satisfaction, including:

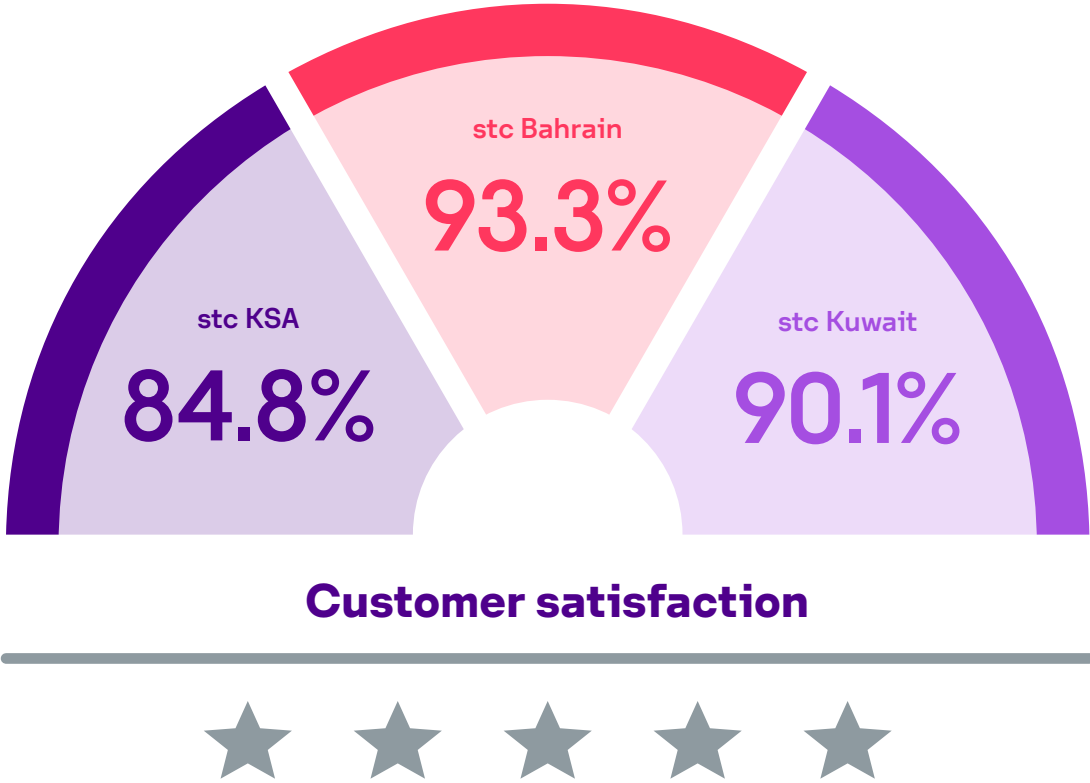
Our vision for the future of customer engagement is anchored in 3 key principles:

- **Personalization at scale** – Through AI-powered insight and real-time data analytics, we deliver **tailored experiences** that align with each customer's preferences, behaviors and unique journey with stc.
- **Seamless omnichannel interactions** – Whether engaging through **our mobile app, website, social media, call centers or retail stores**, customers can expect a **consistent and frictionless experience** designed around their needs.
- **Proactive and responsive engagement** – By leveraging **predictive analytics**, we anticipate customer challenges before they escalate, guaranteeing faster resolutions, greater convenience and **higher satisfaction levels**.

As we continue our transformation journey, we remain steadfast in our mission to not just meet expectations but exceed them. Our strategy is built on innovation, agility and a deep commitment to customer empowerment, confirming every interaction strengthens the bond between our brand and the people we serve.

- **Smart home services:** Providing intelligent, user-friendly solutions for home automation, security and energy management, improving convenience and control for customers.
- **Sayen digital signatures:** Offering seamless, secure digital documentation services, boosting faster and more efficient transactions for customers in banking, procurement and HR.
- **Automated ticket dispatch for incident management:** Reducing service delays and improving response times for technical issues, assuring a smoother customer support experience.
- **Smart meter initiative:** Advancing billing accuracy and energy consumption tracking for telecom towers, improving transparency and customer trust.

By focusing on smart technologies, automation and personalized customer engagement, stc continues to improve service quality, customer convenience and satisfaction, reinforcing its leadership in the digital experience space.



Performance metrics

Customer satisfaction	stc KSA		
	2022	2023	2024
Customer Experience Index (CEI)	88%	89%	92%

Customer satisfaction	stc KSA			stc Bahrain**			stc Kuwait*		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Customer satisfaction rate	83.50%	84.70%	84.77%	78%	92%	93.3%	87%	87%	90.1%
Response rate (%)	12%	14%	11%	-	-	-	100%	100%	100%

Call center productivity									
% of first call resolution (FCR)	79%	78%	82%	96%	96%	96%	88%	91%	91%

*2024 data is not comparable year-on-year due to a new methodology (CATI, condensed questionnaire, stratified base, and 5-point NPS scale).
**stc Bahrain percentages are not available; however, the response counts are as follows: 130,174 (2022), 102,926 (2023), and 465 (2024).

Our customers continued

Customer complaints

While we strive to deliver satisfactory products and services, we recognize customer complaints can arise for various reasons, including those beyond our control. Our Customer Complaints Handling policy

emphasizes that the customer has a right to voice their concerns and to receive timely responses.

Customer complaints are addressed through our Customer Support Resolution process.

In 2024 we continued to reduce complaints and address customer dissatisfaction:

- Customers can raise their complaints across multiple channels:

Call centers	mystc app	Social media
channels	stc website	Retail outlets

- We report trends in complaint numbers and resolution times to top management and relevant teams, allowing us to monitor the effectiveness of our complaint resolution process.

Complaint resolution process

We have a systemized complaint resolution process to address customer complaints and uphold satisfaction. Each of our complaint channels features a troubleshooting function that allows us to resolve issues in real-time, during customer calls or digital transactions. According to stc policy, complaints are processed within 5 days, but we generally respond earlier than that.

Performance metrics

Customer satisfaction	stc KSA			stc Bahrain			stc Kuwait		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Percentage of customer complaints resolved	100%	100%	100%	99%	100%	100%	74%	73%	80%
Complaint resolution average time (days)	4.2	1.3	1.08	4.2	2.7	3.2	0.45	0.70	0.75

Communicating with our customers

stc is fostering a customer-focused culture. By concentrating on the customer journey, we deliver meaningful outcomes across various channels, allowing us to refine our offerings based on customer feedback.

We gather feedback through our Voice of Customer (VoC) program and other methods, allowing us to identify potential issues early. This proactive approach helps us create transparent communication and governance plans to address customer concerns.

In the mobility sector, we regularly engage customers through surveys, identifying problems such as unexpected charges and coverage gaps. We analyze customer service data to pinpoint recurring problems and monitor social media for insight into potential reputational risks. Compliance audits verify adherence to telecom regulations, while partnerships with industry bodies keep us informed on best practices. We also promote e-waste reduction by offering e-SIM cards and uphold data privacy with clear opt-out options and transparent data collection policies.

For fixed services, we conduct surveys during product launches to gauge customer perceptions and gather ongoing feedback to improve the customer experience. We perform sentiment analysis across communication channels and benchmark our services against competitors.

In our Devices and IoT sector, we improve product awareness by providing detailed compatibility information, helping customers select the right products for their needs and minimizing negative experiences.

Furthermore, safeguarding the well-being of our customers and the communities we serve is our top priority. We take all risks seriously and protect the well-being of stakeholders across all aspects of our operations, in accordance with stc policy. We ensure compliance with all government regulations regarding electro magnetic field (EMF) parameters at all stc sites.

Responsible marketing and sales

We prioritize responsible marketing by thoroughly assessing and redesigning the customer journey across all segments and touchpoints. We monitor customer experiences using KPIs that check for fairness and equity.

In the mobility sector, we emphasize transparent pricing by clearly communicating terms and conditions without hidden fees. Our customer support is available through multiple channels – call centers, social media and in-store representatives – empowering customers

to make informed decisions. We comply with telecom regulations to maintain fair competition and avoid misleading practices, with sales representatives trained to provide personalized package recommendations based on individual needs. Regular SMS alerts inform Jawwy customers about data usage and plan expirations, while our app expands customer onboarding. All promotional offers include clear terms and expiry dates.

For fixed services, comprehensive product and service information is readily available through various communication channels, making sure customers can make informed decisions. We train our employees to provide accurate pricing information and support a customer-centric portfolio in our devices and IoT segment, increasing affordability and overall customer experience.

We adhere to responsible marketing practices, as outlined in our Responsible marketing policy statement, emphasizing ethical sales and transparent communication. We actively inform customers of their rights through initiatives like the nationwide campaign by the Communications, Space and Technology Commission (CST). Resources such as our Customer rights and responsibilities, Customer complaint handling policy, and Complaint processing procedures are accessible on our website, ensuring customers are empowered with essential information regarding tariffs, commitments and fair usage limits.

Transparency in communication

stc emphasizes clear communication throughout the customer journey to deliver a consistent experience across all products and services. We actively collect feedback through our Voice of the Customer (VoC) program and other methods to identify and mitigate potential negative impacts of our offerings.

In mobility, we engage customers through surveys and focus groups to address concerns, such as unexpected charges and coverage issues. We analyze customer support data for recurring problems and monitor social media for emerging risks. Regular compliance audits uphold adherence to telecom regulations, while we provide clear opt-out options for marketing communications and maintain transparent data collection policies.

In the fixed services sector, we conduct surveys during product launches to gauge customer perceptions and gather feedback from existing users. Sentiment analysis and competitive benchmarking further inform our strategies. In our devices and IoT segment, we provide detailed product compatibility information, helping customers make informed choices to improve their overall experience.

Our customers continued

Case study

Smart Meter – customer electricity consumption tracker

Background

The Smart Meter initiative aims to track electricity consumption for TAWAL customers on telecom towers via a business intelligence (BI) dashboard. Each tower supports up to 4 smart meters linked to associated customers, including stc, Mobily, Zain, Atheeb and ITC.

Challenge

- A massive volume of data is generated every 10 minutes, resulting in millions of records daily.
- The sheer amount of data made it difficult to track individual customer electricity consumption.
- Billing customers on a monthly, quarterly or yearly basis became impossible owing to Excel’s limitations in handling large datasets, making manual aggregation unfeasible.
- The business struggled to monitor each customer’s consumption to determine appropriate charges.

Approach

To address these challenges, the following strategies were implemented:

- A data warehouse was established to effectively store and retrieve the large volume of data.
- Data aggregation occurs daily and monthly, reducing record counts and improving data retrieval and storage efficiency.
- The data’s granularity was defined to allow analysis at the regional, city and tower levels.
- Complete segregation of data was guaranteed to provide comprehensive billing information for customers.
- Data is auto-refreshed daily, presenting consumption data from the previous day for detailed analysis.

Outcome

The initiative led to significant outcomes:

- Leveraging the data warehouse and BI capabilities, the business can now extract data in seconds, something previously unattainable.
- Electricity consumption can be monitored for each customer daily, monthly, quarterly and yearly across all corresponding smart meter towers.
- Insight is available at both the tower level for individual customers as well as overall consumption across multiple towers.
- Daily data refreshes make certain the most recent customer consumption information is consistently available.
- The reliance on Excel for tracking tower and customer data has been eliminated, as the dashboard suffices for billing needs.
- The automation of data retrieval has significantly reduced manual work hours, allowing for more efficient operations without the need for human intervention.
- The dashboard includes filtering capabilities, enabling specific site monitoring by month, something manual reporting could not accomplish.

Next steps

To further enhance the initiative, we plan to implement the following:

- Development of a data health index to monitor data accuracy at each site. This index will categorize sites into Green and Red categories, utilizing the data warehouse.
- The relevant team will physically visit any sites classified as Red to validate the functionality of the smart meters.
- Automatic notifications for Red sites will be regularly sent to the relevant teams via email for follow-up actions.

Bridging gaps, building futures

In our digitally transforming world, bridging the digital divide is essential. Strategic initiatives are underway to boost **accessibility, connectivity and innovation** for everyone.

Digital inclusion efforts focus on providing equitable access to communication networks in urban, rural and remote areas. By promoting affordable digital services and leveraging public-private partnerships, we aim to overcome geographical and socio-economic barriers, making sure all individuals have the necessary tools to thrive in the digital age.

Digital access and customer experience

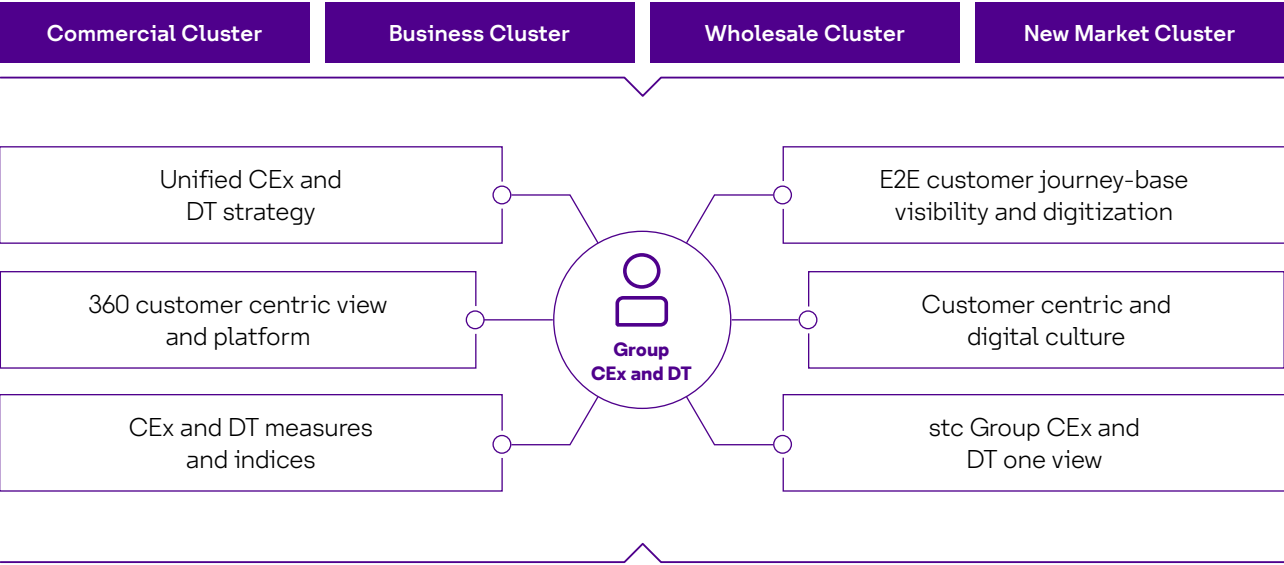
stc is playing a leading role in providing a reliable, modern network that maximizes accessibility and promotes digital inclusion across urban and remote areas in the Gulf region. Our industry-leading wireless broadband services are essential for serving rural and desert areas, while a mix of wireless and fixed services ensures unmatched reliability in urban settings.

We collaborate with both public and private sectors to confirm everyone, regardless of location or socio-economic status, can benefit as a satisfied stc customer.

Our Access to communication policy statement reflects our dedication to adopting best-in-class digital and communication infrastructure, guaranteeing network efficiency, resilience and reliability, while promoting universal access to affordable digital and communication services.

We prioritize our customer journey to ensure seamless, end-to-end experiences across various channels and touchpoints, including telephone services, web platforms, marketing communications and service interactions. By analyzing these journeys, we gain valuable insight that enables us to refine our services and offerings from the customer’s perspective, delivering a more intuitive and responsive experience.

Group-wide customer experience and digital transformation strategy



Our customers continued

The Group CCEx strategic theme continues to evolve in alignment with our dare 2.0 strategy, supported by strategic enablers that improve operational efficiency, organizational agility and technological advancement to drive a holistic, smooth and personalized experience. As we move forward, we remain focused on delivering an experience that is equally intuitive and secure, but also sustainable, guaranteeing every customer interaction is frictionless, engaging and tailored to individual needs.

Building on this foundation, we have progressed our customer experience strategy, RAISE, which serves as the blueprint for reimagining customer interactions and solidifying our role as the trusted partner of choice. Through RAISE, we continue to refine our capabilities, leveraging data-driven insight, AI-powered personalization and enhanced digital touchpoints to create a dynamic, future-ready experience that anticipates customer needs and delivers on our promise of excellence, security and innovation.

Connectivity and network infrastructure

At stc, we are fully committed to continuously improving and modernizing our networks and infrastructure in response to evolving social demands. We believe access to our services should not be restricted by geography, and we strive to expand our network coverage each year.

Our immediate goal is to increase coverage and capacity to where the bulk of our customers reside, i.e. in and around urban areas across our countries of operation. This includes increasing the availability of high-speed broadband services and improving digital connectivity. To achieve this, we have prioritized the transition from copper to fiber optics. Doing so bolsters capacity, but also reduces energy consumption.

We have an agreement with our partners to remove obsolete copper cables from underground channels. We are upgrading our outside plant copper network by removing old, unused cables and recycling them. This initiative strengthens our infrastructure and also helps meet the Saudi Kingdom's recycling targets, particularly for plastic, copper and aluminum sectors.

Advancing digital access with 5G networks

stc is committed to improving digital access for all, especially in underserved rural areas. As the largest telecommunications company in the Middle East,

we are at the forefront of the significant digital transformations taking place in Saudi Arabia, Bahrain and Kuwait. We have made substantial investments in 5G technology and associated infrastructure to support the national visions of these countries; our 5G coverage is set to encompass over 75 cities by 2024 across Saudi Arabia, Bahrain and Kuwait. The widespread adoption of 5G is both reshaping connectivity, but also empowering businesses and communities with faster and more reliable digital experiences.

In 2024, stc made a significant investment, aiming to advance its 5G capabilities. By introducing 5G-Advanced, a next-generation network, stc is pioneering innovation to deliver unmatched speed, reliability and versatility. This year, we increased the number of 5G sites in Saudi Arabia by 6.5%, achieving 54.7% coverage, compared to 2023 and surpassing our 50% target.

While stc has achieved 100% 5G coverage in Kuwait and Bahrain, reaching that level in Saudi Arabia presents unique challenges as a consequence of its larger size and population. In our efforts to transition away from 3G, we completed the shutdown of the 3G spectrum in Kuwait in 2023, heightening the user experience on our 4G and 5G networks. stc Bahrain and stc Kuwait have maintained total 5G coverage since 2022, further demonstrating our commitment to improving digital access across the region.

Performance metrics

	stc KSA			stc Bahrain			stc Kuwait		
Network coverage*	2022	2023	2024	2022	2023	2024	2022	2023	2024
4G population coverage	98.0%	98.0%	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5G population coverage	40.8%	47.5%	54.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*User experience has been enhanced on both 4G and 5G networks, with a complete shutdown of the 3G network.

Our customers continued

Reliable and resilient infrastructure and services

stc is committed to building a digital infrastructure that is reliable and future-ready, ensuring seamless connectivity, technological innovation and sustainable development. As the leading digital enabler in the Middle East, we continue to expand our network, improve service quality and forge strategic partnerships that strengthen our position as a regional leader in next-generation telecommunications.

In 2024, we made substantial progress in improving network resilience and accessibility. Our 4G network now covers 98% of the population, providing uninterrupted service across both urban and rural areas. Meanwhile, 5G expansion remains a priority, with coverage increasing to 54.7%, marking a significant step toward ultra-fast, low-latency connectivity. These advancements both improve the customer experience, and aligns with Saudi Arabia’s vision of becoming a leading digital hub.

With the growing demand for high-speed digital services, our network has experienced a sharp rise in traffic and service quality. Overall network traffic increased by 18.3%, driven by the rapid adoption of cloud services, IoT applications and video streaming. Cellular data traffic grew by 17.6%, reflecting the shift toward more data-intensive usage patterns. Through continuous investment in AI-driven network optimization, predictive maintenance and real-time monitoring, we are improving the resilience and efficiency of our digital ecosystem.

In addition to expanding network connectivity, stc is reinforcing its data infrastructure to support the growing needs of enterprises. In 2024, center3, our leading data hosting and cloud services provider, increased its data center capacity by 20 MW. This expansion strengthens Saudi Arabia’s position as a regional digital powerhouse, enabling businesses to leverage advanced cloud computing, cybersecurity and digital storage solutions.

Our commitment to innovation and service excellence was reaffirmed in 2024 with stc Group named as the Best Middle Eastern Connectivity Provider at the Global Connectivity Awards, highlighting our leadership in delivering reliable, high-quality digital solutions. As the region’s leading wholesaler, we provide national and international connectivity through a vast fiber-optic and submarine cable network. Our self-healing national backhaul infrastructure and diversified border-crossing fiber optic links ensure unmatched resilience and reliability across the region. Our network extends across the UAE, Bahrain, Kuwait, Jordan, Qatar, Yemen, Iraq and Oman, providing cost-effective, high-capacity solutions for businesses, governments and digital service providers.

Looking ahead, stc remains focused on expanding digital infrastructure, accelerating 5G deployment and boosting network sustainability. By integrating artificial intelligence, IoT and next-generation cloud services, we continue to set new benchmarks for connectivity, digital resilience and innovation in the Middle East and beyond. Through strategic investments and cutting-edge technology, we are shaping a future where seamless connectivity drives progress, empowers businesses and elevates digital experiences for millions of users.

Case study

Saudi Vision Cable – enhancing regional digital connectivity



Background

With the increasing demand for reliable, high-speed digital connectivity, Saudi Arabia required a robust submarine cable system to support its expanding data needs and position the Kingdom as a strategic hub for digital traffic. The challenge was to develop an infrastructure that not only augmented interconnectivity between regional and global markets but also improved network resilience in the Red Sea, a critical corridor for international data exchange.

To address these needs, **center3** launched and activated the Saudi Vision Cable (SVC), Saudi Arabia’s first fully owned submarine cable. This development marks a major milestone in increasing the country’s digital infrastructure by expanding capacity, increasing redundancy and strengthening global connectivity.

Approach

The deployment of the Saudi Vision Cable was designed to improve both national and international network resilience while optimizing connectivity for businesses and service providers. Key actions taken included:

- **Deployment of new cable landing stations:** The project introduced state-of-the-art landing stations in Doha, Haql and Yanbu, strengthening Saudi Arabia’s data infrastructure and reducing dependency on external routes.
- **Network resilience in the Red Sea:** By providing an alternative, high-capacity route, the Saudi Vision Cable increases redundancy, ensuring greater stability and lower latency for customers operating in the region.
- **Independent infrastructure management:** Unlike traditional consortium-based submarine cables, center3 has fully invested in and operates the Saudi Vision Cable, marking a shift toward greater control over Saudi Arabia’s digital infrastructure.

Outcomes

The activation of the Saudi Vision Cable has delivered significant benefits in 2024, contributing to the Kingdom’s goal of becoming a global digital hub. The key outcomes include:

- **Improved Red Sea network resilience:** The onboarding of new cable landing stations has improved connectivity reliability, reducing the risk of service disruptions in one of the world’s most critical maritime corridors.
- **Expanded global reach:** The Saudi Vision Cable complements other international cable systems, allowing for seamless data exchange between Saudi Arabia, Europe, Africa and Asia.
- **Higher data capacity:** The infrastructure supports increasing demand for cloud computing, IoT applications and enterprise digital services, catering to the region’s rapid digital transformation.
- **Strategic digital growth for Saudi Arabia:** By independently owning and managing this infrastructure, center3 has solidified Saudi Arabia’s role as a key player in the global connectivity ecosystem.

The launch of the Saudi Vision Cable represents a major step forward in increasing Saudi Arabia’s digital infrastructure, improving intercontinental data flow and confirming network resilience in the region. This initiative aligns with Vision 2030’s ambition to position the Kingdom as a global leader in technology and digital services, supporting businesses, governments and communities in the digital age.



1,160 km
Span

18
Terabits/sec

16
Fiber pairs

Our customers continued

Case study

TAWAL optimizes incident management through automated ticket dispatch



Background

The organization needed to streamline incident management to boost efficiency. They aimed to improve technician response times and optimize resource allocation to reduce travel times and costs. Challenges included delays and misallocation from manual ticket dispatching, and inefficient route planning that hindered technician response times, impacting customer satisfaction.

Approach

To tackle these challenges, we introduced:

- **Automated ticket dispatch:** Tickets are automatically sent to the nearest technician based on location, quota and district.
- **Enhanced map view:** A map feature tracks the distance between the site and technician for improved route planning.
- **District-wise user sorting:** Users are sorted by district for better regional management and resource allocation.
- **Real-time monitoring:** A system monitors field operations in real-time for better oversight of performance and resource use.

Outcome

The implementation of this automated ticket dispatch system resulted in several benefits:

- Streamlined ticket dispatching: Technicians could respond to incidents more quickly, leading to reduced response times.
- Increased customer satisfaction: Faster response times were associated with a higher rate of customer satisfaction, improving the organization’s reputation for service efficiency.
- Optimal technician utilization: The system assigned technicians based on proximity and capacity, ensuring efficient use of resources.
- Reduced travel times and costs: Expanded map functionality minimized travel time, enabling quicker site arrivals and reducing fuel expenses.
- Improved regional oversight: District-based sorting of users allowed for more precise technician deployment, boosting regional oversight and performance monitoring.

Overall, the initiative successfully transformed the incident management process, addressing the key challenges while delivering substantial improvements in efficiency, customer satisfaction and operational costs.

Cloud infrastructure

stc continues to drive the evolution of cloud infrastructure, reinforcing its leadership in 5G, multi-access edge computing (MEC) and private network innovations. As businesses and industries increasingly rely on ultra-low latency, real-time data processing and AI-powered automation, we remain committed to developing cloud-native and edge-native solutions that develop efficiency, security and scalability. These advancements improves enterprise operations, that also play a crucial role in accelerating digital transformation across multiple sectors.

The expansion of 5G has been instrumental in enabling smart, cloud-native infrastructure that supports high-speed data processing, IoT connectivity and next-generation applications such as AR and VR. Traditional cloud models often struggle to meet the demands of modern digital services, making MEC an essential component of the evolving digital economy. By integrating MEC with 5G, stc has created a high-performance, low-latency ecosystem that brings computing resources closer to the end user, significantly reducing delays and optimizing real-time data processing. This transformation is enabling new possibilities in industries such as autonomous driving, AI-driven manufacturing and smart city development.

As organizations increasingly depend on data-driven decision-making and instant analytics, traditional connectivity models face challenges in performance, security and scalability. stc’s private MEC provides a robust solution that meets the demands of modern enterprises, offering features such as transmission optimization, localized data processing and secure private network infrastructure. By allowing businesses to process data at the edge rather than relying on centralized cloud environments, this technology increased operational efficiency, improves security and reduces costs. Industries such as oil and gas, aviation, logistics and manufacturing have already adopted this architecture to optimize performance and drive large-scale digital transformation.

To further strengthen enterprise capabilities, stc has launched the Enterprise 5G Private Solution, a breakthrough in digital plant management. This innovation carves out a dedicated, high-performance 5G network from stc’s public infrastructure, providing businesses with greater control over their connectivity, and increased security and automation capabilities. By integrating AI, IoT and cloud computing, this private network solution empowers businesses to improve efficiency through real-time network intelligence, predictive maintenance and AI-driven analytics.

In alignment with Saudi Arabia’s Vision 2030, stc is advancing the rollout of secure, distributed multi-access edge computing solutions. Our partnerships are focused on developing ultra-low latency applications, heighten network security with AI-driven cybersecurity measures, and pioneering new Industry 4.0 innovations, such as automated robotics and connected smart grids. Additionally, we continue to invest in advanced cloud computing, AI-powered network intelligence and decentralized edge computing, guaranteeing Saudi Arabia remains a global leader in digital innovation.

Looking ahead, stc is dedicated to expanding ultra-reliable private networks, accelerating MEC adoption and strengthening Saudi Arabia’s position as a regional leader in cloud computing and digital transformation. By integrating cutting-edge technologies into our cloud infrastructure, we are shaping a future where businesses, industries and communities benefit from next-generation connectivity solutions that redefine what is possible in the digital age.

Our customers continued

Sustainability in IT infrastructure

stc is committed to improving operational efficiency while reducing our environmental impact. Sustainability is now a key part of our IT infrastructure strategy, making sure our data centers, servers, storage, backup and networking systems align with our environmental goals. Our focus is not just on cutting energy costs but on building a responsible, energy-efficient IT environment that supports long-term sustainability.

Sustainable technology selection

Sustainability is now a major factor in how we choose new technology. Moving forward, all hardware, software and networking solutions will be evaluated based on energy efficiency, carbon footprint and resource optimization. This ensures we balance performance needs with environmental responsibility.

Optimizing data center operations

To reduce energy consumption while maintaining performance, we are implementing:

- **Energy-efficient servers and storage:** Upgrading to lower-power, high-performance systems.
- **Consolidation and optimization:** Minimizing the number of physical devices through cloud-based platforms.

Monitoring for efficiency

We have deployed supplier monitoring tools across our infrastructure to track power usage and identify inefficiencies. These tools provide data-driven insight that helps us optimize energy consumption and continuously improve our sustainability efforts.

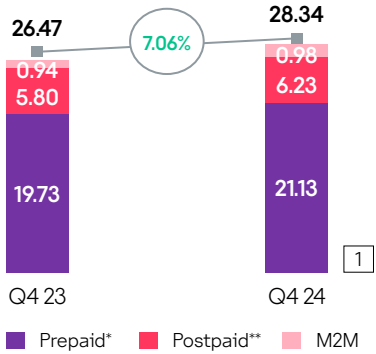
stc remains dedicated to integrating sustainability into its IT infrastructure, guaranteeing our digital transformation efforts align with global environmental standards. Through innovation and efficiency, we are shaping a greener, more sustainable digital future.

Network quality and mobile adoption

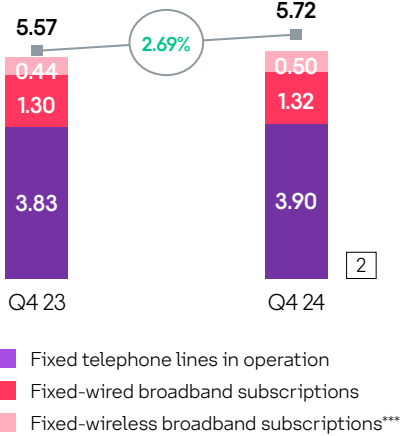
Improved connectivity and network quality make telecommunications and digital services, such as mobile and fixed broadband, more accessible in cities and rural areas. stc is focused on providing top-quality network services and encouraging more people to use mobile internet in the communities we serve. As more individuals and businesses get reliable communication services, our subscriber base increases, fostering inclusivity and allowing more people to participate in the digital economy and to improve their socio-economic conditions.

We recognize network quality is a key driver of user experience and we are committed to delivering continuous connectivity, ultra-fast speeds and reliable performance. Through continuous innovation and infrastructure improvements, we strive to guarantee our customers enjoy uninterrupted, high-quality digital experiences across all services and platforms.

Mobile subscribers
(million)



Fixed subscribers
(million)



*Prepaid subscribers include mobile voice, standard mobile broadband and dedicated data mobile broadband subscriptions.
**Postpaid subscribers include mobile voice, standard mobile broadband and dedicated data mobile broadband subscriptions.
***Fixed-wireless broadband subscribers include 4G and 5G subscribers.

IoT, AI and big data: Driving the future of smart solutions

- stc is leading digital transformation by integrating IoT, AI and big data to revolutionize logistics, industrial automation and smart city solutions. This approach delivers significant cost savings and operational efficiencies and acts as a key element in advancing sustainability in the ICT sector.

iot squared, a joint venture between Saudi Arabia's Public Investment Fund (PIF) and stc Group, plays a significant role in supporting a variety of public sectors, companies and SMEs in their quest to embrace the finest smart solutions available in the industrial sectors, transportation and logistics services and smart cities.

iot squared is deploying innovative solutions such as predictive maintenance and real-time tracking across various sectors, while new offerings in smart cities and sustainable infrastructure are enhancing urban mobility and energy efficiency.

In parallel, stc is pioneering private 5G networks that provide secure, high-performance connectivity for industries like manufacturing and energy. Aligned with Vision 2030, these initiatives position stc at the forefront of connectivity and automation, transforming traditional operations with intelligent, data-driven insight that drives both performance and sustainability.

iot squared smart solutions

Converged security and safety

- Drone detection and UTM
- Real-time location-based services
- Connected fire alarm
- PSIM
- Security video analytics

Supply chain

- Smart warehouse management
- Supply chain control tower
- Vessel management
- Last mile delivery
- Track and trace

Industry 4.0

- Asset performance management
- Safety
- Smart manufacturing
- Operations management
- Intelligent operations
- Smart metering

Sustainable and resilient facilities

- Indoor air quality monitoring
- Sustainability management
- Water sub-metering
- HVAC performance monitoring
- Facility operations

Performance metrics

Network speed	stc KSA			stc Bahrain			stc Kuwait*		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Average mobile broadband download speed (Mbps)	113.58	121.72	142.97	80.97	164.40	164.73	158.00	158.00	167.00
Average mobile broadband upload speed (Mbps)	25.15	23.30	22.55	3.43	3.59	4.1	6.20	6.35	9.86

*stc Kuwait's 2022 and 2023 figures have been restated and differ from those published in the previous report.

Network traffic	stc KSA			stc Bahrain			stc Kuwait		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Network traffic (petabytes)	20,577.61	24,730.11	29,481.91	324	446	552	1,441	1,549	1,636

Our customers continued

iot squared key solutions

Connected Workers: Enhancing safety and efficiency

The Connected Workers ID tag, powered by NB-IoT technology, enables real-time tracking and monitoring of workers at construction sites, significantly improving safety and operational efficiency.

By providing accurate location data and continuous connectivity, this solution helps mitigate workplace hazards, making certain that workers remain within designated safe zones. It also allows site managers to respond quickly to emergencies, optimize workforce deployment and improve overall site productivity.

With uniform integration into construction management systems, the Connected Workers solution plays a vital role in modernizing workforce safety and streamlining operations.

Fleet Control Service: Optimizing fleet performance with IoT

The Fleet Control Service is an IoT-driven fleet management platform designed to provide real-time insight, control and automation for logistics and transportation operations.

By connecting fleet vehicles through advanced tracking and monitoring systems, businesses can optimize routes, fuel consumption and maintenance schedules, ultimately reducing operational costs and increasing efficiency. The platform ensures driver safety, timely servicing and peak productivity by alerting operators to potential risks, vehicle health status and performance trends.

With continuous integration into enterprise systems, Fleet Control Service empowers businesses to maintain high-performing, cost-effective fleets, ensuring smooth and reliable transportation management.

Intelligent Operation: Maximizing asset visibility and control

The Intelligent Operation Sensor, leveraging NB-IoT technology, provides unmatched visibility into hidden and confined spaces, guaranteeing comprehensive asset monitoring and proactive management through the following features.

- Location management
- Event management
- Analytics
- Reporting
- User management

This cutting-edge solution allows businesses to track concealed assets (such as fiber distribution terminals, manholes or handholes), improving security and reducing the risk of loss or malfunction. By delivering real-time insight into critical infrastructure, the sensor enables predictive maintenance, minimizing downtime and operational disruptions.

Whether deployed in industrial settings, remote locations or complex facilities, Intelligent Operation safeguards businesses to efficiently manage even the most elusive and hard-to-reach assets with unparalleled precision and reliability.

Until 2024, iot squared has installed over 10,000 devices, contributing to positive impact on the operations.

Reducing number of site visits

**120+ tCO2 and
2.5 m**

savings using IO platform

Preventing violations

1.8 m
saving on penalties

Preventing vandalism

5.4 m
saving on direct damages



Our customers continued

Next-generation infrastructure and data center expansion program

In 2024, stc continues to advance the development of next-generation cloud-enabled data centers, reinforcing its commitment to scalability, energy efficiency and sustainability. As part of its ongoing expansion, stc has made significant progress in Phase 4 of its data center growth strategy, with the construction of 3 additional facilities in Riyadh, Jeddah and Bahrain now underway. Following the contractor awarding in January 2024, project execution commenced in the first quarter, adding a total IT shell capacity of 20 MW, with an initial 10.8 MW IT load operational from day 1.

To support growing digital demands, stc has further expanded its total active data center capacity, making sure its infrastructure remains robust enough to accommodate future advancements in 5G, IoT and AI-powered cloud computing. The network’s total active capacity now exceeds 91 MW, solidifying Saudi Arabia’s position as a regional digital hub.

A core focus of this expansion is improving energy efficiency and reducing carbon emissions across all data center operations. By integrating advanced thermal and airflow management systems, optimizing chiller efficiency and implementing intelligent server allocation, stc continues to improve power usage effectiveness (PUE) across its facilities. The Group has also taken a proactive approach in leveraging AI-driven monitoring systems to further reduce idle energy consumption and optimize power distribution within its cloud infrastructure.

Sustainability remains a priority throughout the entire data center lifecycle, from design and procurement to material selection and construction. With these advancements, stc continues to set new benchmarks in energy-efficient digital infrastructure, confirming its data centers support Saudi Arabia’s Vision 2030 by enabling a resilient, high-performance and environmentally responsible cloud ecosystem.

Digital enabler for mega events and smart cities

stc takes pride in being the leading digital enabler in the MENA region, driving the development of smart cities and supporting major events such as the Hajj pilgrimage and Formula 1 races.

The Hajj, Umrah and Ramadan experience

Each year, we enhance the Hajj and Umrah experience through advanced technology, reinforcing the Kingdom’s reputation as a sophisticated technological hub. Our commitment extends beyond commercial interests; we aim to support pilgrims on their important spiritual journey.

In preparation for the 2024 Hajj season to welcome more than 1 million Hajj pilgrims, stc upgraded its network with more than 1,200 new 5G sites, over 1,900 Wi-Fi access points, and 3,000 indoor connectivity stations installed for pilgrims to connect with friends and family worldwide. A team of over 1,000 stc Group technicians enabled the connectivity on-site and at control centers, including the management of an extensive fleet of emergency transport vehicles, which will be strategically placed across monitoring centers to ensure any critical response efforts are swift and secure. In comparison to 2023 Hajj pilgrim season, a 74% increase in international roaming capabilities for customers and a 66% surge in data usage by the end of the sixth day of Dhu al-Hijjah was recorded. Nearly half of the increased data capacity is provided by 5G networks, a key success of the stc Group digital services expansion for Hajj pilgrims.

During Ramadan 2024, stc noted a record-breaking volume of voice calls at the Holy Mosque of Makkah, with a 35% increase compared to last year. Over 55% of these calls utilized modern digital voice technologies for the first time. Additionally, the implementation of third-generation technologies enabled millions of visitors who attended the Two Holy Mosques to access digital services, resulting in a 37% increase in data volume compared to the previous year.

Servicing communities through smart cities and digital innovations

With urbanization reaching about 70% in Saudi Arabia, stc is spearheading the transformation toward sustainable smart cities as part of Saudi Vision 2030 by improving 5G network infrastructure and accelerating digital innovations, including IoT, data analytics and smart technologies.

At stc Group, we are at the forefront of the smart city revolution. Through our innovative technologies and solutions, we are transforming urban areas into sustainable, inclusive and efficient communities where individuals can thrive. Our commitment to pioneering cutting-edge solutions demonstrates our dedication to shaping a future where everyone has the opportunity to succeed.

stc Square, developed by AQALAT, stc Group’s real estate arm, is a mega mixed-use project designed as a LEED V4 sustainable community. It incorporates innovative technologies for improved city administration, water supply, smart vehicles and parking, security systems, urban transport and waste management. By utilizing IoT, big data analytics and AI, the project aims to improve socio-economic potential and quality of life.

Our subsidiary, iot squared, offers IoT platforms for waste management, smart parking and disaster management, along with AI solutions for energy optimization. stc’s solutions facilitate ICT service distribution for smart cities, emphasizing integrated mobility platforms and digital twin technology.

The data centers reached a total IT capacity of 125 MW and a live (active) capacity of 92 MW by the end of 2024.

Find below data centers details:

Operational:

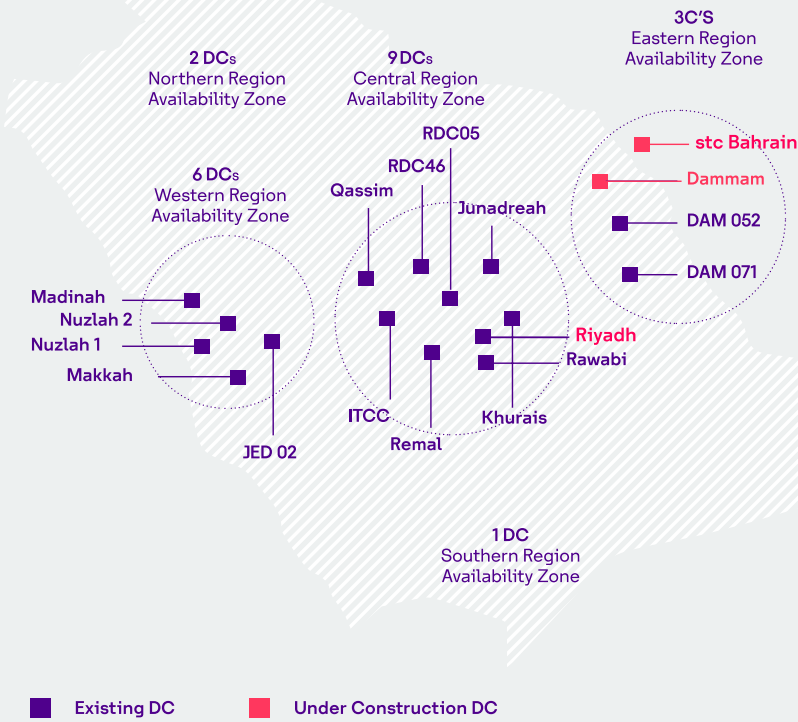
1. RDC46
2. RDC05
3. RUH – Khurais
4. RUH – KAFD
5. RUH – ITCC
6. RUH-2 Remal
7. RUH-3 Junaderiya
8. RUH-4 Rawabi
9. Qassim
10. Dammam DDC21
11. Damm-52
12. Damm-71
13. Jeddah-55 Nuzlah
14. Jeddah – New Nuzlah
15. JDC04
16. Medina
17. Mecca

Under Construction:

1. Dammam DDC306
2. Bahrain DC
3. RUH - New Mursalat

Under planning stage:

1. 5 DCs



Our customers continued

Supporting vulnerable customer segments

We provide differentiated treatment across customer segments to ensure optimal service for all. In the mobility sector, stc supports individuals facing unique challenges by offering a 50% discount on selected Mofawtar packages – our prepaid mobile service tailored to diverse needs – for 3 specific groups.

- 1. **People with disabilities:** We promote inclusivity by making our services more accessible, helping to eliminate barriers for individuals with disabilities.
- 2. **Families of martyrs:** In recognition of their sacrifice, we offer this discount as a gesture of respect and support to ease their journey.
- 3. **Student discounts:** Expanding affordable service offerings for students, making digital connectivity more accessible to younger demographics.

In the fixed services sector, we have introduced a new fiber package at a reduced price for vulnerable groups, including the relatives of martyrs and social security beneficiaries, confirming affordable internet access.

For devices and IoT, we offer a range of products targeting minority and vulnerable groups. This includes trade-in programs and buy now, pay later (BNPL) services to increased affordability, as well as discounts for students. We also provide products designed for the elderly and childcare needs, such as affordable smartphones.

We also recognize smaller businesses often do not have their digital needs properly catered for. To support them, we have transitioned SME customers from B2B to B2C; we have found this to be a better way to personalize and tailor our services for smaller businesses.

Digital inclusion	2023	2024
Cost of the most affordable smartphone (ﷲ)	300	269
Cost of 1 GB of data (ﷲ)	34.5	34.5

Supporting SMEs through digital technologies

As organizations and corporations increasingly digitize their operations, stc recognizes SMEs should not be left behind and that it is incumbent on us to help them keep pace with rapid digitalization.

To support SMEs in remote areas and promote inclusive connectivity, we have a point-to-point service aimed at customer groups located far from an existing network and fiber connections. This service ensures essential connectivity and high-speed internet, vital for success in today's digital landscape. Additionally, we offer incentives for copper customers to switch to fiber or wireless services, allowing them to benefit from higher network speeds and an improved customer offering.

Case study

Building a culture of excellence



Background

This initiative at stc KSA aims to increase quality awareness and recognize the efforts of quality professionals within the organization. By creating value for internal customers through innovation and improved products and services, stc seeks to meet environmental and social standards. This initiative is divided into 3 main categories: Quality Community, Quality Curriculum Development, and Quality Improvement Index.

Approach

The initiative includes the establishment of the Quality Community, known as "Qommunity," which consists of quarterly workshops designed to improve communication among quality representatives at stc. Each workshop begins with a review of the organization's mission, vision and goals, followed by presentations from speakers who share their needs or achievements. This fosters a unified voice and allows for discussions on new objectives pertinent to all quality representatives. The workshops help to break up silos, establish a single quality language, share knowledge, build a quality strategy, forge collaborative relationships and create channels for quality representatives.

To better serve the community, stc aligned with stc Academy to develop a tailored curriculum for quality courses based on 4 levels: new employee, fundamental, advanced, and professional. This curriculum encompasses stc process platform training courses, organizational excellence courses and other quality-related courses. It is also integrated into the Quality Improvement Index, which assesses the maturity of quality management implementation across stc and identifies improvement opportunities.

The Quality Improvement Index evaluates key dimensions of operational and service quality, focusing on 3 main areas:

- **Process:** Measures the maturity level of business process management.
- **People:** Assesses the quality culture and interactions among quality employees.
- **Technology:** Evaluates the maturity of business process automation and data quality.

Outcomes

Since the launch of this initiative, Corporate Excellence has successfully conducted 11 workshops and celebrated 4 World Quality Days over the past 4 years. These efforts are aimed at increasing the level of satisfaction among internal customers and increasing collaborative relationships among quality representatives.

Next steps

stc KSA plans to continue advancing its quality management strategy by increasing the number of workshops and training sessions. The organization will focus on improving quality culture and engagement among employees while leveraging Quality 4.0 applications to drive further excellence.

11

workshops conducted in past 4 years

4

World Quality Days celebrated in past 4 years

Our customers continued

Revolutionizing experiences through innovation

Innovation is at the core of stc’s digital transformation strategy, driving advancements that enrich customer experiences, optimize operations and shape the future of telecommunications. As technology evolves, stc remains committed to integrating cutting-edge solutions such as AI, IoT, cloud computing and automation to deliver seamless, data-driven services that meet the ever-changing needs of customers.

In 2024, stc continued to push the boundaries of digital innovation by leveraging data analytics and AI-powered insight to refine its service offerings. Through strategic investments in emerging technologies, the Group has strengthened its ability to provide more efficient, personalized and secure digital interactions. By enabling an innovation-led culture, stc guarantees every touchpoint in the customer journey is optimized for speed, convenience and reliability.

A key part of this transformation is the Group’s focus on digital accessibility and operational efficiency. We are continuously boosting our self-service capabilities

to streamlining backend processes with AI-driven automation and refining our digital ecosystem. These advancements not only improve service delivery, but also support broader sustainability initiatives by reducing operational inefficiencies and energy consumption.

By embracing a forward-thinking approach to technology, stc is setting new industry benchmarks, guaranteeing customers benefit from world-class digital experiences. Through collaboration, investment and continuous improvement, stc is not just keeping pace with digital transformation, but actively shaping the future of the telecommunications sector.

Digital transformation plays a crucial role in driving sustainability, enabling businesses to enhance efficiency, reduce environmental impact and create long-term value. Our digital transformation strategy is shaped by our DARE 2.0 strategy, GOM activation, business roadmap and industry best practices and benchmarks, ensuring a comprehensive and forward-thinking approach.

Corporate analytics to improve the customer experience

stc is driving analytics capabilities to improve the customer experience. Our NorthStar To-Be Architecture Analytics Roadmap strategic framework outline guides us in implementing analytics solutions that improve efficiency and deliver values to customers.

In 2024, we implemented various capabilities and systems to align with our roadmap, including the enforcement of data stewardship, which helped us achieve our target of +95%.

Further, in terms of the enforcement of data governance controls, we comply to the regulations established by the Communication and Information Technology Commission (CITC) and National Data Management Office (NDMO).

Improving the customer experience through digital transformation

In Saudi Arabia, many individuals fall under the category of “thin profiles,” which poses challenges for financial institutions like credit bureaus in accurately assessing financial standing. This limitation often prevents access to essential financial services. To address this issue, we leverage AI and big data to create an alternative credit scoring system, fostering financial inclusion to secure all individuals, regardless of their profile, have access to affordable financial products. Expanding access to credit bridges economic and social disparities while stimulating economic growth.

We are also exploring the intersection of AI and IoT, utilizing these emerging technologies to advance climate action initiatives within stc Group, as well as outside of it. Energy-efficient applications and social impact projects that yield climate benefits are 2 such examples of these.

Our Customer Experience (CEX) and Digital Transformation (DT) teams implemented several digital-driven strategies to build trust and heighten the customer experience.

- **Frontline-focused experience:** Equipping frontline teams with tools and insight to improve service quality.
- **Voice of employees and customers:** Gathering feedback from employees and customers via a unified digital platform to monitor frontline KPIs.
- **Customer journey insight:** Utilizing data and metrics to identify and improve processes.

We assess and improve customer experience across all stc Group subsidiaries using a detailed group experience index, which combines metrics, feedback and insight to create value in every customer interaction. Additionally, we launched a program aimed at improving performance at local outlets and regions, which has increased customer satisfaction.

stc Group CEI evolution – CEI+



96%

Analytics capabilities implemented in alignment with NorthStar To-Be Architecture Analytics Roadmap

100%

Compliance to data governance enforcement

Our customers continued

Aligning with stc’s sustainability focus on social impact and human capital development, we leverage AI and data analytics for meaningful customer engagement. Our AI-driven sentiment analysis model helps us interpret feedback and minimize spam, ensuring relevant interactions. AI also powers our seamless experience system, providing personalized service across channels to enhance customer loyalty and efficiency.

Our Customer Value Management (CVM) team analyzes customer behavior to enable targeted marketing, strengthening upselling and cross-selling opportunities. Using AIOps (the use of machine learning and data analytics for improved service) allows us to predict and resolve IT issues, improving overall performance. This AI integration has led to accurate issue identification, faster problem resolution and a reduction in customer complaints, ultimately strengthening trust and maintaining stc’s competitiveness in the telecommunications sector.

Leveraging analytics and data to enhance sales channels

stc leverages advanced analytics to boost its sales channels. Predictive models anticipate customer needs and identify optimal engagement times, thus improving overall customer experience.

Additionally, stc optimizes the distribution of retail outlets, what we call Local Market Distribution hubs, and self-service machines across Saudi Arabia to achieve comprehensive market coverage. These data-driven strategies support targeted fiber to the home (FTTH) acquisitions, enabling stc to connect with relevant customer segments. By integrating these analytics practices, stc empowers its sales teams to align strategies with customer preferences, promoting sustainable growth and customer satisfaction.

Digital Index (DI): Advancing digital transformation in 2024

stc remains at the forefront of digital transformation in the Gulf region, continuously driving innovation and enriching the overall customer experience. A key component of this journey is the Digital Index (DI), a sophisticated framework designed to measure and accelerate the adoption of digital technologies across stc Group. By integrating industry best practices and aligning with global digital maturity models, the DI provides a comprehensive assessment of digital transformation efforts across business units, functional areas and strategic clusters.

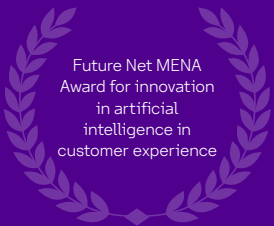
The DI evaluates digital transformation from multiple perspectives, confirming both customer-centric and business-driven improvements are effectively implemented. It measures execution, utilization and impact, enabling stc to track progress and drive continuous improvements across its digital ecosystem. By establishing clear key performance indicators (KPI) based on industry-leading standards, stc makes sure digital initiatives are optimized for both efficiency and effectiveness.

In 2024, the DI framework continues to evolve, reflecting emerging trends in AI-driven automation, data analytics and cloud-based digital services. The index plays a crucial role in aligning stc’s strategic goals with operational execution, ensuring digital initiatives are not only innovative, but also deliver tangible value to customers and stakeholders. With an emphasis on agility and continuous improvement, stc remains committed to refining its digital capabilities and further strengthening its position as a leader in digital transformation within the region.

stc and its subsidiaries continued to receive global recognition in 2024 for their leadership in digital transformation, network innovation and customer experience.

These achievements build on previous recognitions, including 5 global awards in 2023. Last year, solutions by stc was honored by the Project Management Institute for developing one of the region’s largest data centers, while the International Project Management Association awarded projects related to national electronic billing and integrated digital experiences. stc also received a Glotel Award for building a fully digitized and smart medical city. These awards highlight stc’s continued efforts to drive innovation, increase customer experiences and strengthen Saudi Arabia’s position as a leader in digital transformation.

Recognizing excellence in digital transformation and network innovation



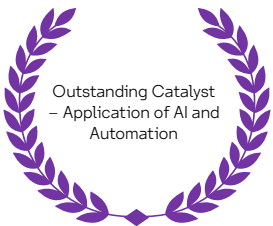
Collaboration with TM Forum

The TM Forum is a global industry association that brings together service providers and their suppliers in the telecommunications sector to address industry challenges and promote digital transformation. Its Autonomous Network Levels Evaluation Methodology establishes various levels of network autonomy, which assess the degree of automation and intelligence within a network.

stc, along with several leading global communication service providers, participates in this initiative to

drive the transformation towards zero-touch and self-service networks. Recently, we participated in a core network fault management pilot study that focused on implementing cloud automation, resilience and advanced fault management technologies.

stc’s active contributions were recognized with 5 notable awards by TM Forum, reinforcing our position as a global service provider.



Our customers continued

Digitizing touchpoints and sales services

Using digitized touchpoints and sales services, we are committed to delivering better, more transparent customer service. By reducing friction in the customer journey, we aim to improve accessibility and exceed our customers’ expectations.

To this end, stc KSA has user-friendly digital communication channels and we have formed a team to analyze data to improve the customer journey. Our digital strategy aims to create

new services and experiences that empower customers, streamline processes and solve existing challenges.

With our **award-winning mystc app**, we have improved customer service, making it more convenient for users to engage with us. The app offers a variety of features, including viewing and paying bills, ordering SIM cards, recharging or transferring balances, managing all numbers linked to a customer ID and accessing detailed information about call data and usage.

Performance metrics

mystc application	stc KSA		
	2022	2023	2024
Number of active users	10,026,542	12,036,473	13,287,896
Unique clients served	7,413,168	7,384,950	8,090,256
Total subscriptions	18,933,785	21,052,583	28,852,760

Sales transactions	stc KSA			stc Bahrain*			stc Kuwait		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
mystc sales transactions	52%	46%	42%	14%	16%	18%	28%	32%	31%
Other sales transactions (SSM + SMS + outlet) without mystc	16%	14%	13%	46%	48%	48%	72%	68%	69%

Digital channels support	stc KSA			stc Bahrain*			stc Kuwait		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Digital self-service assisted support	96%	96%	97%	37%	38%	34%	60%	57%	59%
Human interaction support	4%	3%	3%	63%	62%	66%	40%	43%	41%

* Figures for stc Bahrain from the previous year have been restated to reflect updates in reporting methodology

Our customers continued

Digitizing our products

e-health products and services

Digital health solutions and e-health services are fast becoming important solutions for better, more inclusive, healthcare. These technologies present transformative opportunities to increase healthcare delivery, optimize resource utilization and improve patient outcomes.

In line with our promise to enrich people’s lives, we offer a wide range of products and services that address various healthcare needs. One notable offering is the Holo Doctor service, which provides remote medical consultations by connecting patients with doctors in the virtual Seha hospital. We also use “holoportation” technology, by which patient and doctor can interact virtually in a way that feels real. A 3D image of the doctor is projected on a screen, creating a lifelike impression for the patient.

Telemedicine Virtual Clinic solution

Our Telemedicine Virtual Clinic solution effectively addresses key pain points in the patient experience, enhancing healthcare services at significantly reduced costs. Using stc’s comprehensive telehealth platform, physicians can provide clinical care anytime, anywhere. This platform features a cyber-secure integrated medical tablet and HIPAA-compliant telemedicine cloud services, enabling physicians to access immediate diagnostic data during remote examinations. (HIPAA is the US’s Health Insurance Portability and Accountability Act, which is considered best practice for protecting the privacy and security of individuals’ medical information.) This approach ensures patients, including high-risk individuals, enjoy the same level of privacy and quality of care as they would in an in-office visit.

e-sports and gaming

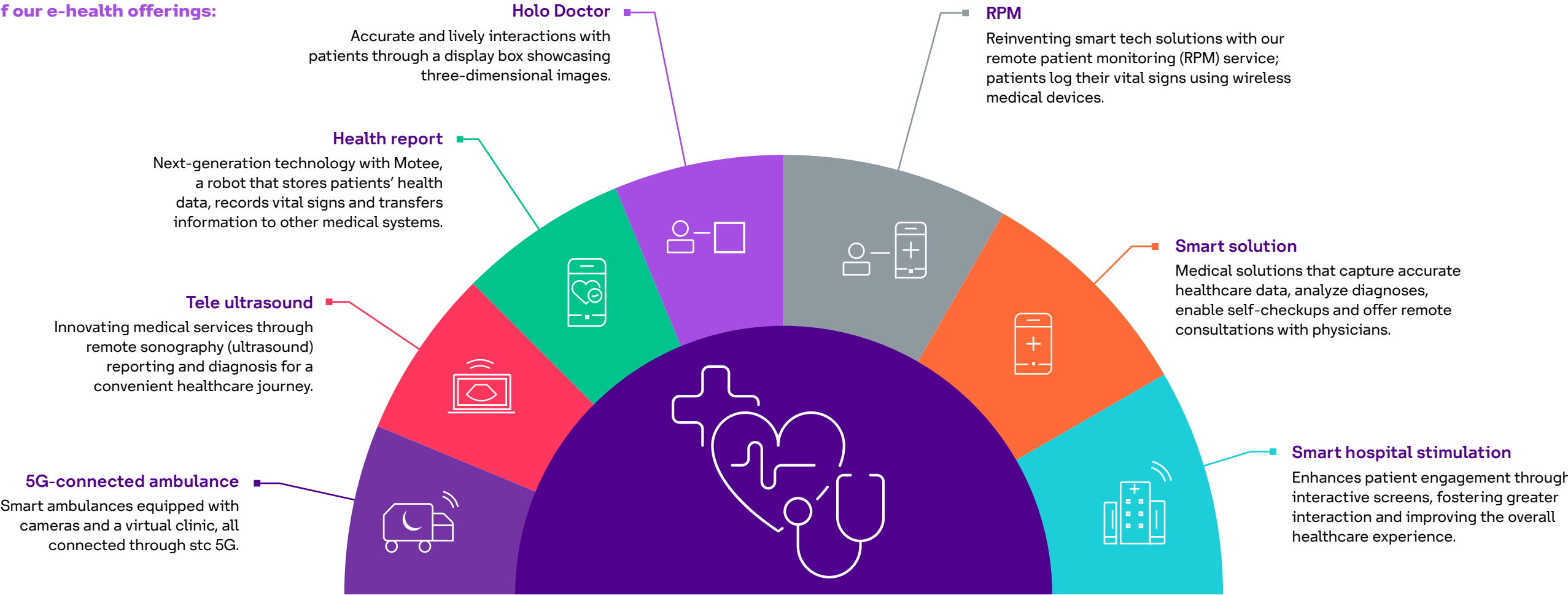
The electronic sports and gaming (e-sports or e-gaming) sector has experienced significant growth in recent years, evolving into an independent technological economy. stc is expanding its services along new and unconventional pathways to meet the demands of this growing sector. stc play, our e-sports and gaming platform, provides casual and professional gamers access to online tournaments, content and gaming merchants – all in one place.

As an incubated startup within stc, stc play capitalizes on growth in the digital gaming platform market. It is now the leading gamer-engagement platform in Saudi Arabia, uniting all types of gamers, players, content creators and influencers. The platform offers gaming ecosystem service providers the opportunity to connect with a gamer base within a comprehensive digital user experience. In 2024, stc play recorded 3.35 million registered users.

e-education services

At stc, we empower students by providing access to educational platforms and content through advanced, innovative technologies. solutions by stc collaborates closely with the Saudi Ministry of Education to promote digital transformation within the education sector, confirming students in the Kingdom of Saudi Arabia receive a world-class education and immersive classroom experiences. We are proud to provide managed router services to over 7,000 schools, and we have integrated all educational facilities onto a single digital platform.

Summary of our e-health offerings:



Our customers continued

Smart home services

In 2024, our smart home technologies empowered users to manage everyday tasks – such as energy use, security and connectivity – anytime and anywhere, with intelligent, user-centric solutions that increase convenience, efficiency and safety. Our evolving portfolio featured sustainable, IoT-enabled innovations across energy management, home automation, smart lighting and remote appliance control. We prioritized interoperability and personalized automation, introducing advanced AI-driven security systems, including smart surveillance, motion sensors, door alarms and centralized control systems, all designed to create fully integrated, responsive and connected living environments.

To make smart living more accessible, we have expanded our value-added bundles, integrating Wi-Fi extenders, energy-efficient solutions and home automation add-ons into our fiber packages, ensuring a plug-and-play experience for customers. Additionally, our expert consultation service helps customers identify the most suitable smart solutions for their homes, creating a tailored approach to improving daily convenience, security and energy efficiency.

At stc, we view smart home technology as more than just a product; it is a transformative tool that enriches lives, fosters sustainability and redefines the way people interact with their living spaces. As we continue to innovate, our focus remains on delivering intelligent, intuitive and secure solutions that integrate seamlessly into modern homes.

Digital signatures for digital documentation

Sayen is a licensed digital signature service that streamlines document workflows with high security, compliance and efficiency. Approved by the CST and NCDC, it delivers legally binding cryptographic signatures that confirm the authenticity and privacy of digital transactions. Trusted across sectors such as retail, banking, procurement and HR, Sayen supports both government and private entities by reducing costs, optimizing operations and advancing sustainability through paperless processes. As a certified PKI and Digital Trust services provider, Sayen plays a key role in driving secure and smart digital transformation.

Digital innovation

stc is at the forefront of digital innovation, driving technological advancements that augment customer experiences and support Saudi Arabia’s Vision 2030. The Group’s innovation strategy focuses on adopting emerging technologies such as artificial intelligence, cloud computing and IoT to create a uniform and future-ready digital ecosystem.



In 2024, stc continued to expand its innovation capabilities through strategic partnerships and the development of advanced digital solutions. The Group has implemented AI-driven automation in its operations, improving efficiency and reducing downtime across various sectors. IoT solutions have also played a key role in enhancing industrial operations, smart cities and logistics by enabling real-time monitoring and decision-making.

Furthermore, stc has strengthened its research and development initiatives, with investments in cutting-edge technologies that drive digital transformation across the Kingdom. By fostering an innovation-driven culture and collaborating with key stakeholders such as government, SMEs and big enterprises, stc continues to shape the future of digital services, cementing sustainable growth and technological leadership in the region.

Performance metrics

Innovation	stc KSA		
	2022	2023	2024
Awarded patents	2	5	7

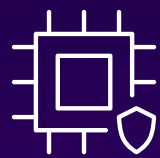
Innovation	stc KSA		
	2022	2023	2024
Number of R&D labs	2	2	2
Number of R&D employees in the lab	17	19	21
By nationality			
Number of Saudi employees working in R&D	11	15	16
Number of non-Saudi employees working in R&D	6	4	5
By gender			
Women	3	5	6
Men	14	14	15



Our customers continued

Case study

AI-Driven Network Optimization for Smarter Connectivity



Background

To meet the growing demand for data and support Saudi Vision 2030, stc continues to invest in cutting-edge, energy-efficient technologies. In 2024, stc enhanced its network automation by deploying Cognitive Self-Organizing Network (SON) technology — an AI-powered system that boosts performance and enables intelligent, automated network management.

Approach

Cognitive SON was introduced to monitor and optimize network performance in real time. This advanced system uses artificial intelligence to detect issues, reallocate resources, and carry out corrective actions without human intervention. It increases energy efficiency, adapts to fluctuating traffic conditions, and ensures seamless connectivity during high-demand events such as the Hajj.

Outcomes

- 13% reduction in energy consumption across 4G and 5G networks
- Thousands of autonomous actions per hour, reducing manual effort
- Enhanced throughput, resource utilization and peak traffic handling

Next steps

stc plans to expand Cognitive SON across its nationwide 4G network and integrate AI automation throughout multi-supplier systems by 2025, driving further cost savings, efficiency and sustainable growth.



Our people

Recognizing that its people are central to its success, stc Group is dedicated to fostering a diverse workforce that mirrors the communities it serves. As an equal opportunity employer, stc is committed to providing an inclusive work environment that attracts, develops and retains top talent from all backgrounds. By prioritizing the development of human capital through digital innovation, stc ensures employees are empowered to thrive and contribute to shared organizational goals. The Group also places a strong emphasis on the safety and well-being of its workforce, creating an environment where individuals are encouraged to reach their full potential and deliver their best.

stc’s award-winning work environment reflects its dedication to fostering excellence, collaboration and innovation. In 2024, stc Group received multiple awards recognizing its commitment to workplace excellence. The Group earned over 40 awards for various achievements, while its subsidiaries were recognized for exemplary practices in employee engagement, diversity and inclusion, training and development, and organizational culture. These honors highlight stc’s ongoing efforts to cultivate a work environment that prioritizes professional development and well-being. A full list of these awards can be found in the Awards

and Recognition section of this report, as well as on the stc Group website.

Among the many accolades, stc was recognized by the Bahrain Ministry of Labor with the annual HRM Excellence in Diversity and Inclusion Award, reflecting the Group’s strategic approach to fostering an inclusive workplace. This recognition underscores stc’s dedication to promoting diversity, equity and inclusion as part of its long-term strategy to build a thriving workforce and deliver lasting value to employees and society.

The stc Group has experienced a measured year-on-year reduction of approximately 12.6% in its workforce, a result of strategic optimization efforts designed to increase long-term corporate efficiency. Central to this transition has been the early retirement program, a carefully structured initiative that provided generous, well-earned packages to a select group of seasoned professionals. This program was not merely a workforce adjustment, but a deliberate effort to honor the contributions of long-standing employees by guaranteeing their financial security and professional dignity as they embark on the next chapter of their lives. At the same time, it has opened the door for the next generation of talent, allowing them to build upon the legacy of their predecessors and steer the Group toward future innovation and growth.

We have clear guidelines for DEI, which include key terms, definitions and best practices. In collaboration with our stakeholders, we integrate these guidelines into daily operations. They cover various areas, such as technical services, facilities, communication practices and HR services, providing ways to enhance inclusivity.

We also focus on raising awareness of inclusivity among our employees through internal communications. We use multiple platforms to spread our message, such as emails (dei@stc.com.sa), campus screens and internal events. The emphasis is on encouraging employees to value each other and to show tolerance and inclusiveness in the workplace.

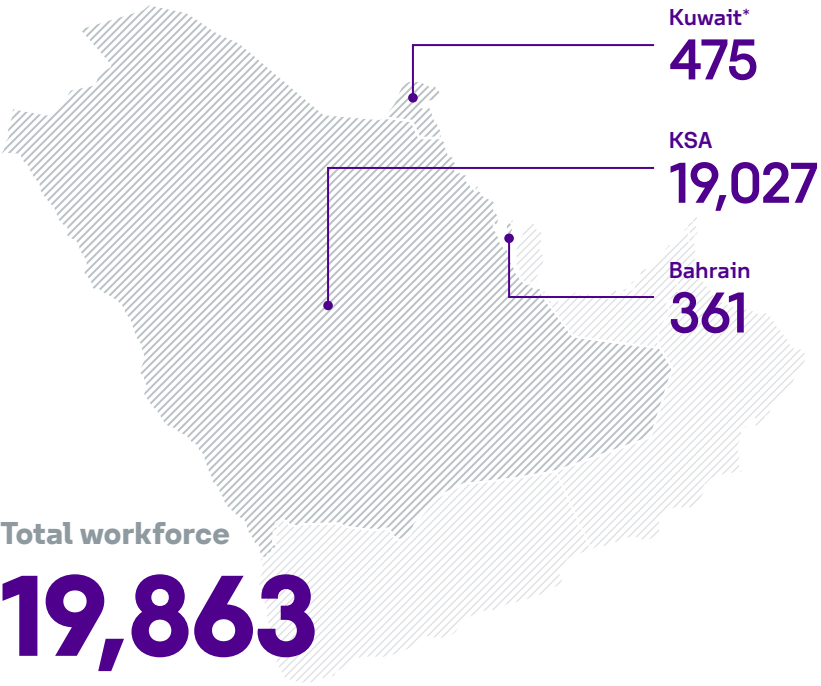
We have various initiatives to improve the experiences of PWDs at stc, tailoring recruitment, learning and development, and benefits to fit the special requirements of such employees. Ultimately, our aim is for them to grow and develop within the stc work environment, knowing they have much to offer if properly resourced and supported. A campaign to identify job opportunities suited to certain disabilities led to an increase in PWD employment.

We are committed to empowering women in our organization. Programs such as high potential (HiPo) and emerging leaders are an excellent way to identify, upskill and promote high-achieving women for future leadership roles.

We believe that if properly implemented, DEI contributes greatly to creativity and innovation. A diverse workforce collaborating to achieve common goals is a wonderful strength to have as an organization, and one we are most proud of. Further, our customers and the communities where we operate appreciate that within our workforce are people like them, which helps us understand their needs and serve them better.

By valuing different perspectives, we improve our understanding of and service to our customers and communities. Ultimately, prioritizing DEI strengthens our culture and drives our business success.

stc Group workforce



* The employee breakdown for Kuwait pertains exclusively to stc and does not include any subsidiaries based in Kuwait.

Embracing every voice

Diversity, equity and inclusion (DEI) is a cornerstone of stc’s People strategy. We foster a culture that nurtures curiosity and values those unique traits of the individual, by which diverse team members are encouraged to express their personal talents in the interests of shared team goals. In such a way, we recognize diverse perspectives and cultivate a fair and inclusive environment where every voice is valued and heard.

We understand that our workforce of 19,863 employees are based in 3 countries, and includes those from an array of different backgrounds. However, in the workplace, we are dedicated to a common vision to enable society and the economy to thrive.

As per our DEI commitments, we prioritize 3 areas: women in leadership, cultural and ethnic diversity, and the inclusion of individuals with disabilities.

In 2024, the DEI team implemented numerous initiatives and achieved significant milestones aimed at serving various employee segments, including people with disabilities employees (PWD), women and our multinational workforce.

Our people continued

Performance metrics

Workforce profile	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Workforce						
Number of employees (excluding trainees, students and outsourced staff)	13,237	12,643	10,577	22,168	22,751	19,863
Employees on a fixed term or temporary contract	1,882	1,786	1,644	2,238	2,961	2,630
Employees on an indefinite or permanent contract	11,355	10,857	8,933	19,930	19,790	17,233
Total full-time equivalent (FTE) employees*	13,237	12,643	10,577	22,168	22,751	19,863

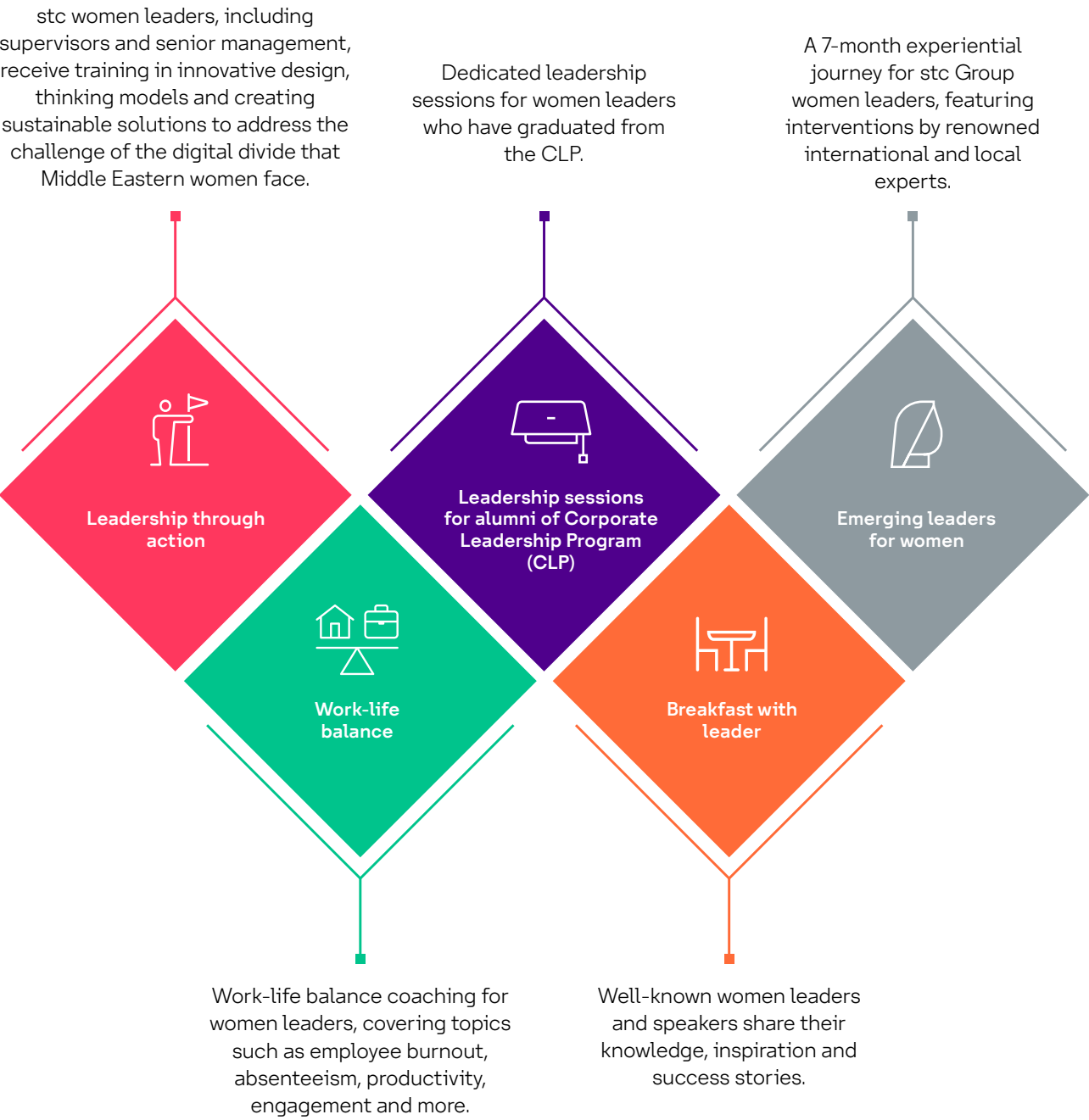
The below workforce breakdown numbers (by age, gender, etc.) are based on the total number of employees on an indefinite or permanent contract

Workforce profile	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Workforce						
<30	2,136	2,158	1,238	3,812	5,072	2,574
31-50	9,693	9,300	6,548	16,055	16,149	12,716
>50	1,408	1,185	1,147	2,301	1,530	1,943
By gender						
Women	1,208	1,365	1,122	2,790	3,204	2,787
Men	12,029	11,278	7,811	19,378	19,547	14,446
By employment level						
Executive/senior management	200	229	230	392	483	464
Middle management	1,399	1,520	1,643	2,549	2,794	2,926
Staff	11,638	10,894	7,060	19,227	19,474	13,843
Inclusion						
Number of employees with disability	67	70	45	76	104	66

Women empowerment

Women are an integral part of stc’s business. We value the significant contributions they make to the Group and strive to create an environment that supports meaningful careers for women. To this end, stc has established several talent development programs that offer competitive compensation for women.

Women empowerment programs at stc



Our people continued

Women employment

In 2024, stc Group made significant strides in advancing gender diversity, with women accounting for 31% of new hires. These figures reflect meaningful progress, where stc Group remains focused on building a more inclusive workforce at every level. The Group is committed to expanding initiatives and programs that promote gender diversity and create opportunities for all talented individuals to thrive, grow and succeed within the organization.

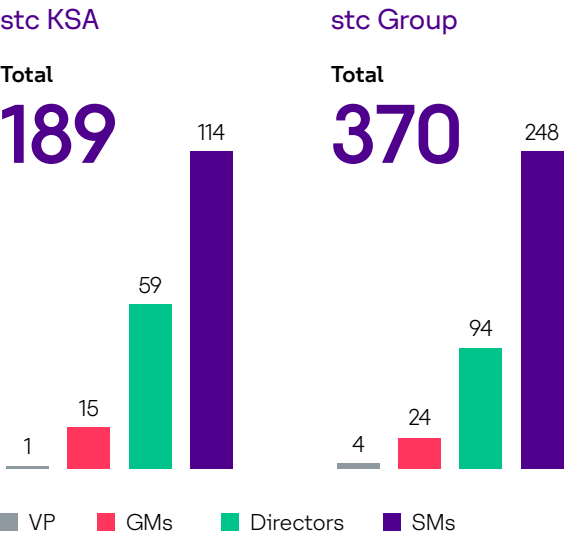
Women employment	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Total new employee hires	762	597	141	5,766	2,386	924
Number of new women employees	287	223	40	693	552	286
Women hiring rate	37.66%	34.17%	28.37%	31.40%	31.60%	30.95%

Women in leadership

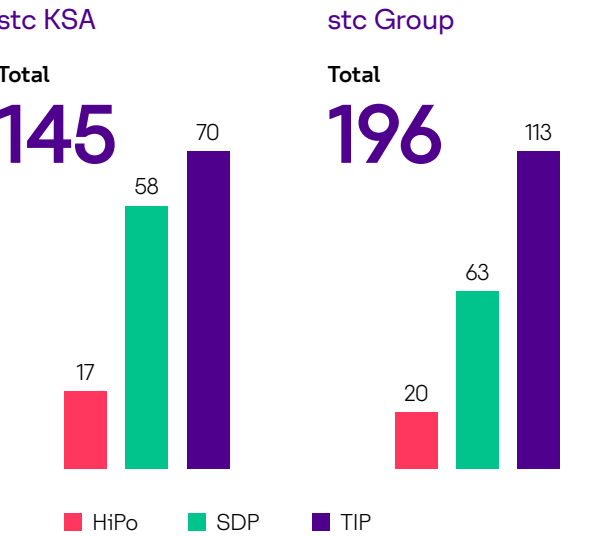
stc continues to champion women in leadership, fostering an inclusive workplace that empowers female talent, drives diversity and strengthens its commitment to gender equity across all levels of the organization. In 2024, we have achieved a noticeable increase in percentage of women in leadership positions across stc Group achieving 12% in junior/middle management and 6.25% in senior management up from 8.9% and 5.2%, respectively in 2023.

Women employment	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Percentage of women in junior/ middle management	6.08%	6.84%	9.98%	8.46%	8.9%	12%
Percentage of women in senior management	6.00%	6.90%	6.52%	4.85%	5.2%	6.25%

Women in leadership roles



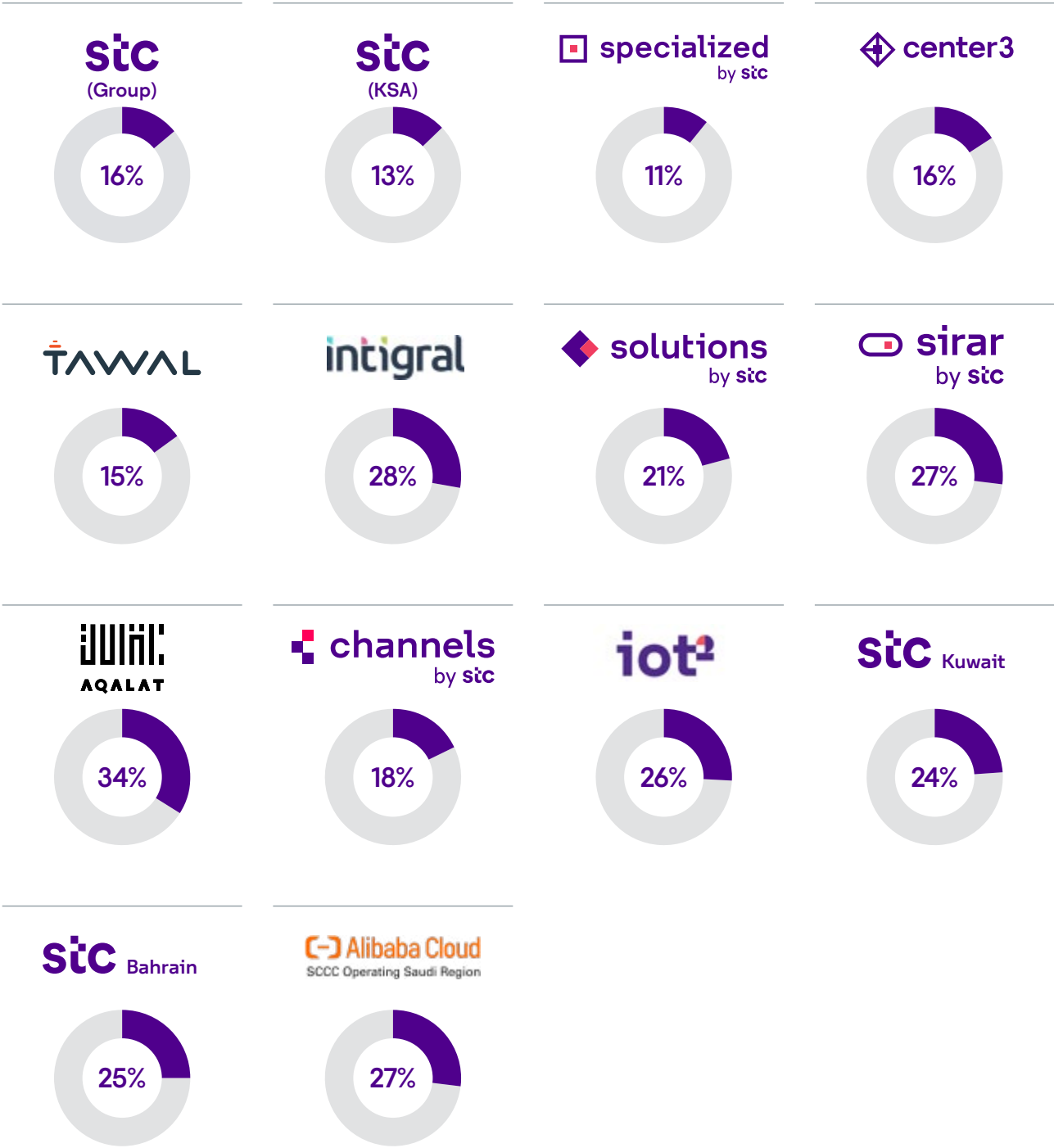
Women in development programs



Women representation across subsidiaries and entities

stc remains committed to increasing women’s representation across its subsidiaries and entities, fostering an inclusive workforce by expanding leadership opportunities, supporting career development and strengthening gender diversity initiatives across all business units.

This reflects overall women representation across all employment levels, ensuring a comprehensive and inclusive approach to workforce diversity.



Our people continued

Inclusion of people with disabilities

Our workplace culture values the inner qualities of employees, safeguarding respect and empowerment for everyone. Our DEI efforts include all employee segments to promote fairness and equitable opportunities.

We collaborate with Qaderoon, a Saudi-based business disability network, to better integrate persons with disabilities into the workforce and confirm they are effective employees. Our facilities are Mowaamah-certified by the Ministry of Labor and Social Development, demonstrating our compliance with best practices and standards in terms of accessible work environments for individuals with disabilities. (Mowaamah-certified refers to a certification granted to organizations in Saudi Arabia that comply with high standards for the employment of individuals with disabilities.)

Across stc Group, our buildings have disability-friendly features such as accessible parking, wide doorways, ramps, grab rails and more. Through our employment mapping tool, we identify roles best suited for individuals with various disabilities, ensuring alignment with their abilities. We also support them through an environment that considers their needs in terms of physical accessibility, technology and communication.

Key initiatives that make stc attractive for PWDs include:

- Sign language and deaf culture workshops for employees.
- Strategic collaborations with disability advocacy groups and educational institutions to create a supportive ecosystem.
- Implementation of a social responsibility program policy by solutions by stc that encourages the integration of people with determination into our workforce.

- sirar’s commitment to creating an inclusive workplace by making physical spaces, digital platforms and communication materials accessible, along with adopting inclusive hiring practices that prioritize the recruitment of candidates with disabilities.

Furthermore, In collaboration with HRSD, stc participates in various sessions to improve experiences for people with disabilities and encourage companies to hire and empower them. The Inclusion Communication Series at stc promotes awareness and engagement among employees, featuring sign language translation sessions and dedicated programs that educate employees about the culture of individuals with hearing disabilities and to teach the basics of sign language.

People with disabilities inspiration program

stc’s PWD inspiration program aims to create an inclusive workplace for individuals with disabilities. This initiative focuses on several key areas to guarantee comprehensive support and integration:

- Attraction, recruiting and onboarding: Streamlining hiring processes to provide a welcoming experience for new hires with disabilities.
- Learning and development: Offering tailored opportunities for career growth.
- Benefits and compensation: Making certain of equitable access to benefits that reflect the diverse needs of our workforce.
- Communication and culture: Fostering an organizational culture that values diversity and inclusivity.
- Physical and digital accessibility: Enhancing both physical and digital environments to meet the unique needs of employees with disabilities.

Key outcomes of this program include the successful integration of individuals with disabilities into stc’s Talent Incubation Program (TIP) and COOP program. The overall number of people with disabilities has seen a decline due to participation in the Early Retirement Program (ERP).

Performance metrics

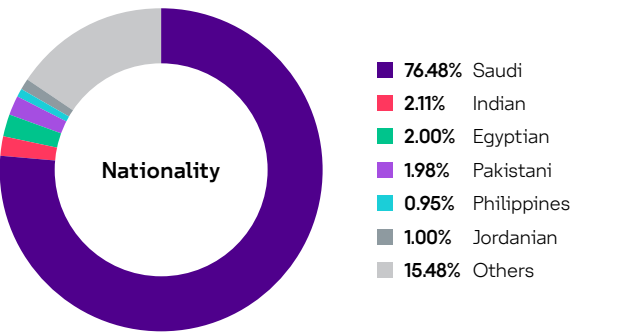
People with disability	stc KSA			stc Group*		
	2022	2023	2024	2022	2023	2024
Number of employees with disability	67	70	45	76	104	66

*Group data excludes Aqalat, Intigral and channels.

Culture and ethnicity

Despite our high nationalization rates where a significant percentage of employees are citizens of the countries where we operate, our workforce represents a variety of ethnic backgrounds and cultures. We actively engage in self-identification efforts to better understand how different cultures and ethnic groups are represented across our organizational structure. We listen to and learn from our colleagues to maintain a welcoming and nurturing work environment.

In 2024, stc Group recorded a diverse mix of over 60 nationalities, underscoring our commitment to fostering an inclusive and multicultural atmosphere.



Performance metrics

Nationalization	stc KSA and local subsidiaries			stc Bahrain			stc Kuwait		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Nationalization rate of senior management (%)	91.5%	92.5%	93.8%	34%	26%	47%	67%	51%	50%
Nationalization rate among total workforce (%)	89.5%	90.1%	89.9%	51%	51%	56%	65%	64%	64%

Diversity, equity and inclusion training

Diversity and inclusion (DEI) are core values that shape our organizational culture. We are committed to building an inclusive workplace where everyone feels they belong and is recognized based on their merit and contributions, rather than any other factors. We understand the importance of embracing diversity and ensuring inclusivity among our customers, employees and stakeholders. In 2024, we provided training on DEI for our employees at stc KSA to support this commitment.

Nationalization

Supporting national priorities by creating meaningful employment opportunities for citizens across our operating markets is a key element in the national visions of the countries where we operate. We are committed to nationalization as part of our efforts to empower local communities and to improve the economies of the countries where we operate.

Our initiatives and programs support the recruitment and retention of national employees. These include nationalization targets for specific areas of the business, a 3-year strategic workforce plan to hire, develop and retain nationals in key roles, and talent programs tailored to meet the diverse goals of our national employees.

These initiatives align with national priorities to increase local talent participation in the workforce and strengthen the economic ecosystems in which we operate. As a result, we have achieved nationalization rates of **93.8%, 47%, and 50%** for senior management in KSA, Bahrain and Kuwait, respectively.

Our people continued

Nurturing talent,
unlocking potential

We focus on developing and training our employees by creating personalized training plans to meet their individual needs. We set annual and semi-annual goals based on these plans, which specialists implement.

Training occurs through stc Academy with support from qualified external companies, using various methods like classroom and online sessions. We monitor and evaluate these programs to make sure they meet specific standards.

Adhering to recognized standards and best practices assures quality and creates an environment of trust and excellence for employees. Maintaining high standards not only leads to exceptional results, but also builds a winning workplace culture.

Demonstrating our commitment to excellence and employee well-being, we have the following ISO certification for stc KSA:

- ISO 9001 for Quality Management
- ISO 45001 for Occupational Health and Safety Management
- ISO 41001 for Facility Management
- ISO 29990 for Learning Services for Non-Formal Education and Training

Our talent

At stc, we are committed to **attracting, developing and retaining top talent**, enabling a diverse and dynamic workforce that drives our growth and future ambitions. By bringing together professionals from various backgrounds and expertise, we ensure a culture of innovation, inclusivity and long-term career development.

In 2024, stc Group’s total workforce reached 19,863 employees, with over 17,233 on indefinite or permanent contracts, reflecting our commitment to job security and stability.

Our efforts to increase gender diversity led to an increase in female representation to over 16%, up from 14% in 2023, marking steady progress toward greater inclusivity. Recognizing the importance of youth employment, stc achieved a 17% employment rate for individuals under 30, supporting efforts to tackle youth unemployment and attract emerging talent. Notably, there were no major layoffs in 2024, reinforcing our dedication to workforce stability and sustainable employment growth.



Performance metrics

Employee hires	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Total new employee hires	762	597	141	5,766	2,386	924
By gender						
Women	287	218	40	2,275	636	286
Men	475	379	101	3,491	1,750	638
By age						
<30	522	275	31	4,190	973	415
31-50	231	313	106	1,542	1,374	499
>50	9	9	4	34	39	10

Employee turnover	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Turnover rate (%)	3.54%	2.65%	2.7%	4.4%	3.9%	4.3%
Number of employees who left	413	303	294	4,371	1,012	854
Turnover by gender						
Women	89	73	72	2,854	761	219
Men	324	230	222	1,630	251	635
Turnover by age						
<30	211	158	106	2,967	432	281
31-50	193	143	181	1,384	555	547
>50	9	2	7	20	25	26

Restated all 2022 data for improved data collection methodologies.

Employee development and training

All our training programs are conducted in line with approved policies and managed through our learning management system (LMS), guaranteeing a structured and effective learning experience.

Our stc People sector is ISO 29990 certified for learning services in non-formal education and training, and our training initiatives include certifications such as:

- ISO 29993 – Learning Services Outside Formal Education
- ISO 40180 – Learning Services for Competence Development
- ISO 10667 – Assessment Service Providing Processes and Related Activities

Additionally, stc holds accreditations from the Education and Training Evaluation Commission (ETEC) and the Technical and Vocational Training Corporation (TVTC), reinforcing our commitment to high-quality professional development.

In 2024, stc Group participants collectively completed approximately **476,675 training hours**. On average, each employee received **22 hours of training**, reflecting our dedication to continuous learning and skill improvement.

We also advanced our diversity and inclusion efforts through a dedicated training program aimed at fostering a culture of respect, acceptance and understanding across the organization. In 2024, **more than 900 hours** of diversity and inclusion training were provided, strengthening our commitment to an inclusive and equitable workplace.

stc Academy

stc leads the way in driving innovation with 4IR tools such as AI, IoT, big data and analytics, and automation. Our goal is to prepare the next generation for a changing technological landscape. To this end, our Training and Development policy demonstrates commitment to this goal by investing in the personal and professional growth of our employees in a way that ensures equal opportunity.

Our people continued

Through stc Academy, we:

- Use a customized learning approach and adopt best practices.
- Create tailored learning solutions to develop employee capabilities based on business needs.
- Provide targeted learning solutions to increase sector-level capabilities, focusing on key competencies, identified skill gaps and customized business needs.
- Collaborate with top training providers to deliver the best learning solutions.

Our Individual Development Plans (IDP) are central to our overall training and development framework. IDPs are a tool that customizes training and professional development activities to align with changing business needs. The IDP is created collaboratively by leaders and employees.

Our thorough assessment process combines psychometric and behavioral evaluations to identify strengths and areas for improvement. Additionally, we offer a range of self-development resources, including advanced digital libraries that are competency-driven and curated to support the learning journeys of both leaders and professionals.

stc Academy has mentorship and coaching programs to reinforce new skills and build positive behaviors. These programs help transfer knowledge back to the workplace, improving on-the-job performance. The LMS, the stc Academy and all of our learning and training initiatives are governed by our Learning and Talent Development policy. The policy includes principles and practices for:

- Self-development initiatives
- The Individual Development Plans (IDP)
- A range of development programs tailored for different talent segments
- Access to extensive e-learning libraries, including stc E-Learning Library, Coursera, LinkedIn Learning, Skillsoft, and Bookboon

These elements ensure all stc employees acquire the skills and competencies needed to meet business demands, contributing to the achievement of stc’s strategic objectives.

Leaders School	Professionals School	Business Enablement
The objective of the Leaders School is to improve capabilities within the organization. Additionally, the Leaders School manages the Group-level scholarship program, supporting continuous learning and professional development for leaders.	The Professionals School develops and enhances capabilities within the organization. Additionally, the Professionals School oversees the Group-level scholarship program to support continuous learning and professional development for professionals.	Through the Business Enablement track, we increase employee productivity by offering various business development skills, including partnership initiation, assessments, research and development, digital learning and knowledge management, among others.
Programs • Corporate leadership program (CLP) • Strategic growth acceleration • Digital excellence program (DEX) • Continuous learning program • stc Essentials leadership program • Emerging leaders for women • Generative AI session • The LEAD - Intigral by stc • ONE finance development program	Programs • Sectoral program • TIP formal learning • Strategic professional program • Certificate-based program • Data analytics champions program • Skill enhancement and employee development (SEED) • IoT competition • Business continuity program • Risk program • Strategy learning program	Programs • Corporate social responsibility (CSR) • 21 research and innovation sessions • 4 publications and research papers • 1,751 seats in community outreach • Business continuity program • 6 learning partnerships • 3 whitepapers + multitude undergoing review/research process • stc Academy

stc Academy in numbers

476,675

Learning hours



33,216

Total number of participants



900

Sustainability-related training hours



8,112

Women participants



9,244

Senior management training hours



8,546

Courses (in class, virtual and online) delivered



Ramadan Tech-Talk: Inspiring knowledge through technology

The Ramadan Tech-Talk initiative featured 7 sessions covering key technology topics, delivered by renowned industry experts during the holy month of Ramadan. This webinar series provided a valuable platform for knowledge-sharing, fostering discussions on the latest technological advancements, research trends and future expectations. The initiative followed a structured approach, including brainstorming, planning, communication, marketing and webinar hosting, guaranteeing a seamless and engaging experience for participants.

With an impressive **2,270 attendees**, the program significantly contributed to public knowledge and industry awareness, reinforcing the Academy’s role in empowering professionals and enthusiasts. By leveraging the Ramadan period for intellectual engagement, the initiative successfully boosted learning opportunities and expanded outreach within the tech community. Moving forward, the goal is to relaunch the program with further improvements, assuring an even greater impact in the coming years.

Our people continued

Performance metrics

Training and development	stc Group		
	2022	2023	2024
Total hours of training for participants	470,398	530,073	476,675
Training by type			
In class	213,459	276,206	292,283
e-learning	256,939	253,867	184,392
Total hours of training for participants by gender			
Men	382,048	420,287	360,329
Women	88,350	109,786	116,346
Total hours of training for participants by job category			
Senior management	6,905	8,724	9,244
Middle management	78,980	78,328	61,913
Staff	384,513	443,021	405,518
Total hours of training for participants by nationality			
National participants	445,259	459,004	388,317
Non-national participants	25,139	71,069	88,358
Total hours of training for participants by age			
<30	143,732	264,432	95,578
31-50	297,051	243,320	363,816
>50	29,615	22,321	17,281
Average training hours			
Average hours of training/participant	40	39	40
Average training hours by gender			
Men	37	36.7	34.12
Women	85.7	80	88.75
Average training hours by job category			
Senior management	43	37.8	38.36
Middle management	58	55.3	38.91
Staff	38	39.6	40.39
Average training hours by age			
<30	91	129.9	61
31-50	35	27.7	23.75
>50	19	11.1	7.75
Average training hours by nationality			
National participants	42	40.6	63.3
Non-national participants	26	46.7	37.1
DEI training**			
Total number of training hours provided to participants on DEI		5,318	5,118
Data privacy and security training**			
Total number of training hours provided to participants on data privacy and security		22,422	13,191
Human rights training			
Number of hours devoted to training on human rights-related policies or procedures relevant to our operations	196,034	151,559	58,072
Percentage of participants trained in human rights-related policies or procedures relevant to our operations	100%	100%	100%

Note: Restated figures for Group, following recent implementation Group Operating Model, through the Academy.
** Training program rolled across entire Group only in 2023.

stc Academy development programs	stc Group			
	Total number of training hours		Average number of training hours	
Leadership development	Women	Men	Women	Men
Leadership development courses	17,579	74,116	19	15
Professional development				
Professional development courses	67,030	133,559	26.17	24.47
Business enablement and development				
Digital learning	31,738	152,654	2.16	2.09

Youth development programs

stc is committed to empowering youth through an engaging and award-winning work environment. We offer unique incentives and internal youth empowerment programs to integrate young individuals into the workforce.

As more young people graduate each year, it is essential to assimilate them into the job market and harness their talent. We do so not only for the sake of organizational growth, but also to grow talent in the region for a legacy impact on the economy and society. Our flagship talent development programs help youth reach their full professional potential.

Talent incubation program (TiP)	Specialized development program (SDP)	High-potential leadership development program (HiPo)
Provides new graduates with a variety of job tasks, broad professional exposure and the opportunity to work at stc. TiP includes 11 development tracks.	Includes mentoring, guidance and facilitation to help talented stc staff develop their skills and capabilities. It develops participants in 3 areas: consultancy, innovation and workforce performance. development for professionals.	Targets an exclusive group of employees to accelerate their development and growth thereby ensuring a robust leadership pipeline in stc and its subsidiaries. and knowledge management, among others.

Note: The SDP and HiPo are programs exclusive to stc KSA.

Youth talent development programs	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Specialist development program (SDP)	162	155	157	175	176	177
Talent incubation program (TIP)	631	433	91	739	627	178
High-potential (HiPo) leadership development program	81	43	46	99	56	62

Our people continued

Employee engagement

Employee engagement is a critical pillar of stc’s organizational success, driving innovation, customer satisfaction and operational efficiency. In 2024, the Employee Experience Index (EEI) highlighted cross-functional engagement and development opportunities every year and is a key focus areas, emphasizing the need for a more connected and motivated workforce.

To address these challenges, stc collaborated with business leaders and HR to implement over 300 action plans, including initiatives such as the capability

advancement program and talent mobility activation, designed to strengthen employee collaboration and career growth. Looking forward to 2025, stc remains committed to fostering a workplace culture that prioritizes employee engagement, recognition and career development, ensuring employees feel valued, empowered and aligned with the organization’s mission. Through these efforts, stc aims to cultivate a dynamic and fulfilling work environment that contributes to both individual and corporate success.

The EEI has replaced the stc Health Index, offering a data-rich resource for us to consistently improve the employee experience.

Employee engagement	stc KSA		stc Group	
	2023	2024	2023	2024
Employee experience index*	80.1	76.3	80.7	78.1
Engagement rate	90%	86.1%	88%	88%

* Selected 2023 figures for stc KSA and stc Group have been restated and differ from previously published data.

Compensating employees fairly

At stc, we are committed to offering competitive compensation and comprehensive benefits that guarantee equal pay for men and women in comparable roles. Our compensation structure includes a mix of monetary and non-monetary incentives, highlighted by a long-term stock-based incentive program designed for executives that links rewards directly to individual and organizational performance.

To promote high performance and excellence throughout the organization, we also implement a performance-based incentive system available to all employees. Non-officer staff receive annual bonuses tied to their individual performance

metrics, while employees in sales roles benefit from quarterly commissions based on sales achievements. Furthermore, all employees are eligible for annual merit increases, which consider individual performance, market trends and inflation.

Our key benefits package includes childcare and educational support, allowing employees to effectively balance their professional and family lives. Additionally, we help with financial management through programs such as home and car loans, fostering overall financial well-being. These offerings exemplify stc Group’s dedication to nurturing a supportive and inclusive workplace for our diverse workforce.

Performance-based pay and benefits*	stc KSA			stc Bahrain			stc Kuwait		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Employees benefited from performance-based pay	10,827	10,907	9,926	244	247	225	434	417	475
Percentage of employees who benefited from performance-based pay	-	49.39%	52.17%	-	98.80%	62.33%	-	100.00%	100.00%

*The decrease in the number of employees benefiting from performance-based pay reflects a reduction in overall headcount. Additionally, data for the 2022 percentage was unavailable at the time of publication.

Parental leave

We offer support to employees transitioning back to work after parental leave. Our parental leave options include childcare support and assistance in securing nursing care for family members. Our paid parental leave policy adheres to local labor laws in each country where we operate. Women are eligible for 10 weeks of maternity leave with full pay, which may commence up to 4 weeks before the due date, as approved by a licensed medical professional. Men are entitled to 3

days of fully paid leave within 15 business days of their newborn’s delivery.

For children with special needs, women can extend their maternity leave by an additional month with full pay and 1 more month without pay. Furthermore, women with preschool-aged children receive an annual childcare allowance, and we provide additional support for all parents welcoming a newborn.

Entity	2024							
	Parental leave taken (#)		Return to work when leave ends (#)		Return to work rate (%)		Retention rate (%)	
	Women	Men	Women	Men	Women	Men	Women	Men
stc KSA	63	553	63	553	100%	100%	100%	100%
stc Group	144	1,021	139	1,021	97%	100%	97%	100%

Performance reviews

Our competency framework, which we call JADARA, defines the skills and performance expectations for stc’s core leadership and functional roles. After competency assessments, we create IDPs for each employee to address any skill gaps.

We manage and track performance through regular check-ins, annual performance reviews and career development sessions for targeted employees. Each stc employee’s performance is evaluated based on specific KPIs established at the beginning of the year.

Performance review	stc KSA			stc Group*		
	2022	2023	2024	2022	2023	2024
% of employees who received a performance development review	100%	100%	100%	82%	91%	99%

*stc Group data exclude sirar, SCCC, and specialized by stc

Our people continued

Protecting labor rights

Protecting labor rights is a priority at stc. Mechanisms, procedures and policies are in place to prohibit labor law violations, in compliance with Saudi Arabia's legal framework and the International Labor Organization (ILO), of which Saudi Arabia is a member.

The Workers' Committee makes sure labor rights are maintained across the stc Group. This committee,

comprised of 18 nominated representatives from 5 regions, facilitates communication and safeguards employees' concerns about wages and working hours are addressed. These representatives negotiate directly with management to maintain strong working relationships and protect labor rights.

In 2024, the Workers' Committee implemented several initiatives summarized below.



Addressing employee complaints

stc is committed to protecting the rights of employees and stakeholders by providing effective internal control mechanisms. We encourage our employees to speak up and confirm we uphold our corporate values.

All stc employees are required to adhere to the stc Code of Ethics, which emphasizes our Fair Employment policy. This policy underscores the importance of respecting workplace diversity and prohibits harassment, bullying and unfair employment practices in all forms. Violations of these policies are addressed promptly by the appropriate personnel, and

employees can report such issues through the Speak-Up whistleblowing channel. All grievances are handled professionally and discreetly, with external oversight.

To address complaints, we have dedicated channels for employees to inquire about HR policies and procedures, with ticketing systems that monitor closure of issues raised. We also ensure employee awareness of updated policies and procedures through emails and SMS notifications. Additionally, all stc subsidiaries have established complaints mechanisms, reinforcing our commitment to preventing human rights violations, discrimination and harassment throughout the Group.

Performance metrics

Incidents reported through internal reporting channels	stc KSA			stc Group*		
	2022	2023	2024	2022	2023	2024
Number of incidents reported (internal grievance system)	1,116	1,407	786	1,136	1,448	929
Percentage of these incidents addressed or resolved	100%	100%	100%	100%	98%	100%

*stc Group data excludes stc Kuwait, iot squared, specialized by stc, and Intigril.



Our people continued

Prioritizing health, safety and well-being

We prioritize a safe and healthy work environment to protect employees and contractors from injury and illness. Keeping employees and contractors safe and healthy is not only an obligation of the Group, but also good for moral, productivity and work quality.

Occupational health and safety

Our primary focus is to create a positive safety culture based on awareness, prevention and proper care. Our Management Commitment to Occupational Health and Safety policy affirms stc’s leadership dedication to health and safety and outlines responsibilities to ensure compliance with relevant laws and regulations. In 2024, stc maintained ISO 45001 certification, reinforcing our commitment to national and international Occupational Health and Safety Management System (OHSMS) standards.

Our Health and Safety Management system complies with the following:

- Ministry of Human Resources and Social Development – National Council for Occupational Safety and Health policies
- High Commission for Industrial Security (HCIS) directives Civil defense requirements
- National Fire Protection Association (NFPA) international standards
- Occupational Safety and Health Administration (OSHA) international standards

Our system prioritizes employee health and well-being. Key components include a safety induction program, regular emergency drills and thorough assessments with work permits for critical tasks. Ongoing awareness campaigns, online training and toolbox meetings reinforce safety protocols.

We conduct regular risk assessments and inspections to identify hazards and improvements. The Safety Champions group, trained in first aid and safety protocols, promotes a safe work environment. Advanced software helps manage safety responsibilities and track non-compliance reports. Regular inspections in Saudi Arabia enforce safety compliance, with fines and penalties for violations.

Performance metrics

Workplace-related fatalities/injuries	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Employee work-related fatalities	0	0	0	0	0	0
Contractors’ work-related fatalities	0	0	0	0	0	0
Employee total recordable injuries	1	0	2	1	0	2
Employee occupational illnesses	0	0	0	0	0	0
Heat stress events	0	0	0	0	0	1
Rate of fatalities as a result of work-related injury	0	0	0	0	0	0
Incident rate of recordable work-related injuries*	0.008409	0	0.02	-	0	0.0242

*2022 Group Data not available for “incident rate of recordable work-related injuries” owing to incomplete employee work hours data for accurate calculation. Note: The occupational injury rates have been calculated based on 200,000 hours worked, in accordance with OSHA standards.

Coverage of OH&S management system	stc KSA		
	2022	2023	2024
Employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system	62 0.54%	152 1.30%	166 1%

Hazard identification, emergency response, risk assessments and incident investigation

On an ongoing basis, we identify and assess potential hazards, including physical, chemical, biological and human factors. These hazards can arise from materials, machinery, equipment, the working environment or personnel functions across stc Group’s operations and services.

We have implemented reasonable and effective control measures to minimize risks to the safety and health of our personnel, contractors and relevant third parties.

Our safety policies and safety manual are fit for the ongoing identification, assessment and management of risks, as well as the reduction of hazards and incidents. According to stc policy, all workers receive a copy of this manual.

Contractors must submit dedicated drawings outlining the scope of work and associated risks. This includes the proposed locations of all equipment, systems and devices, along with relevant risk assessments control (RAC), methods of procedure (MOP) and risk assessments and methods statements (RAMS) documentation.

Before any workers are allowed on site, the safety and security teams must provide clearance. These teams conduct regular inspections and routine testing, measurement and calibration of all active and passive safety systems. We identify risks, mitigation measures and potential outcomes, maintaining records of all suggestions and risk assessments on the Risk Management Monitoring and Reporting Dashboard for top management.

We have established processes for workers to report work-related hazards. Workers can submit a loss-incident reporting form to our Corporate Safety and Security Command Center (SSCC). The Incident Management team (IMT) reviews these forms and escalates them to the Incident/Emergency Manager when necessary, following the safety and security escalation matrix.

All stc employees, vendors, suppliers, contractors, subcontractors and visitors must adhere to our Safety and Security policy and procedures. They are required to immediately report all accidents, incidents, dangerous occurrences, potential hazards and near misses to Safety Services to ensure prompt risk mitigation.

We make sure that everyone can remove themselves from work situations they believe could cause injury or ill health without fear of reprisal. This policy underscores our commitment to a safe working environment, allowing immediate reporting of safety concerns to Safety Services for swift action. Our approach guarantees no one is compelled to work under unsafe conditions, protecting all personnel on stc premises from potential hazards. We strive to minimize risks to as low as reasonably practicable (ALARP).

Our SMS alert system enables operations and maintenance managers to proactively respond to severe weather conditions. By sending weather alerts to their phones 1-2 days in advance of events such as heavy rain or thunderstorms, managers can take preventive measures. This approach has positive environmental impacts, as proactive actions can reduce the need for emergency maintenance, which often consumes significant energy and resources. Additionally, it helps mitigate hazards to wildlife, such as electrocution, tower collapses, fuel leaks and contamination of water resources.

Our people continued

Performance metrics

Emergency preparedness and safety	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Total number of emergency response drills conducted	139	128	462	-	382	716
Safety incident investigations initiated	0	6	4	-	29	31
Safety incident investigations completed	1	6	4	-	30	31

Data not available for Group level 2022.
Total number of emergency response drills at Group level excluding center3.

Working at heights

At TAWAL, we prioritize the safety of our employees and contractors while managing tower infrastructure through outsourced service providers. Our managed service provider (MSP) adheres to a stringent Climbing and Working at Heights policy, confirming all MSP employees receive specialized training on its standards. These policies apply to everyone working on our towers, reinforcing our unwavering commitment to safety and risk mitigation.

Our Health, Safety and Security (HSSE) policy mandates that only certified subcontractors are authorized to climb TAWAL sites. We rigorously verify that key contractors hold government-approved certifications for Working and Rescue at Height, covering critical aspects such as fall hazard evaluation, fall protection systems, positioning and suspension techniques, rescue protocols, lifelines, body weight calculations and emergency response planning.

To further strengthen employee safety, we have implemented an advanced early warning system (EWS) as part of our ESG risk mitigation strategy. This system continuously monitors environmental conditions such as wind speed, wind direction and changes in tower position, triggering real-time alerts when potential structural integrity risks arise. By proactively identifying hazards, the EWS bolsters on-field response capabilities, allowing the HSSE and Operations & Maintenance (O&M) teams to take immediate preventive action and guarantees the safety of all personnel working at heights. This initiative

reflects TAWAL’s commitment to creating a safer work environment, minimizing risks and upholding the highest standards of occupational safety and well-being.

Exposure to electro magnetic fields

All stc sites comply with relevant governmental regulations regarding electromagnetic fields (EMF). We have implemented strict measures to protect employees from illnesses related to teleworking and EMF exposure, including on-site medical assistance, first aid kits, proper personal protective equipment (PPE) and an EMF-specific occupational health and safety toolbox.

Health and safety training

Through safety training workshops and campaigns, we equip all staff and contractors with essential skills for safe performance at work. We also conduct health and safety training through stc Academy, our e-learning platform. Our ecosystem of safety and health training programs include:

- Safety induction programs to familiarize employees and contractors with our safety policies and culture
- Regular emergency and fire drills to train employees and residents in emergency response procedures,
- Ongoing preparation of our Emergency Response team, and testing of its systems
- Toolbox meetings with contractors
- Internal communication on health and safety to all employees, via stc internal channels
- To foster a robust culture of health and safety, stc follows these practices

Pre-event safety briefings	Employee training	Crisis management training
For any event with over 25 attendees in a closed space, stc departments must prepare and deliver a safety presentation prior to the event.	All employees are required to receive training on health and safety relevant to their specific job roles before engaging in any potentially hazardous work.	The Safety department provides training and briefings on evacuation procedures in the event of natural disasters or other crises.

These measures contribute to stc’s commitment to maintaining a safe working environment and promoting a culture of health and safety throughout the organization.

Performance metrics

Health and safety training	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Total hours of H&S training provided to employees and contractors	28,000	31,448	22,406	34,244	45,162	34,022
Average hours of H&S training per employee and contractors	2.45	3.00	2.80	-	5.32	2.47

Employee health initiatives

At stc, we are committed to promoting employee health through a comprehensive range of initiatives designed to support overall well-being. Our offerings extend beyond standard insurance to include services such as:

- Infertility treatments
- Obesity programs
- Special needs education allowances
- Seasonal influenza vaccines
- Blood drives
- Diabetes awareness campaigns
- Breast cancer initiatives

We prioritize mental health by providing counseling services, and our Special Needs Fund Service addresses non-occupational medical conditions that may not be covered by standard insurance.

To foster a culture of wellness, we promote a healthy lifestyle by offering nutritious dining options within the stc HQ complex, including healthy restaurants and supermarkets. Our vending machines are stocked with salads and health-related products, making it easier for employees to make nutritious choices.

We also encourage physical activities through organized events like marathons and social games while advocating for an environmentally conscious workplace. These initiatives reflect our dedication to creating a supportive environment that prioritizes the health and well-being of our employees.

Our community

Community investment and development are paramount at stc and are integral to the Group’s corporate strategy, particularly under the sustainability objective of “enriching people’s lives”. Our strategy for effective community development is built on 6 pillars: Education, Environment, Sports and Health, Entrepreneurship, Community Development, and Youth Empowerment. Additionally, stc’s Community Investment policy supports issues that align with our long-term business objectives and where we can make the most significant impact.

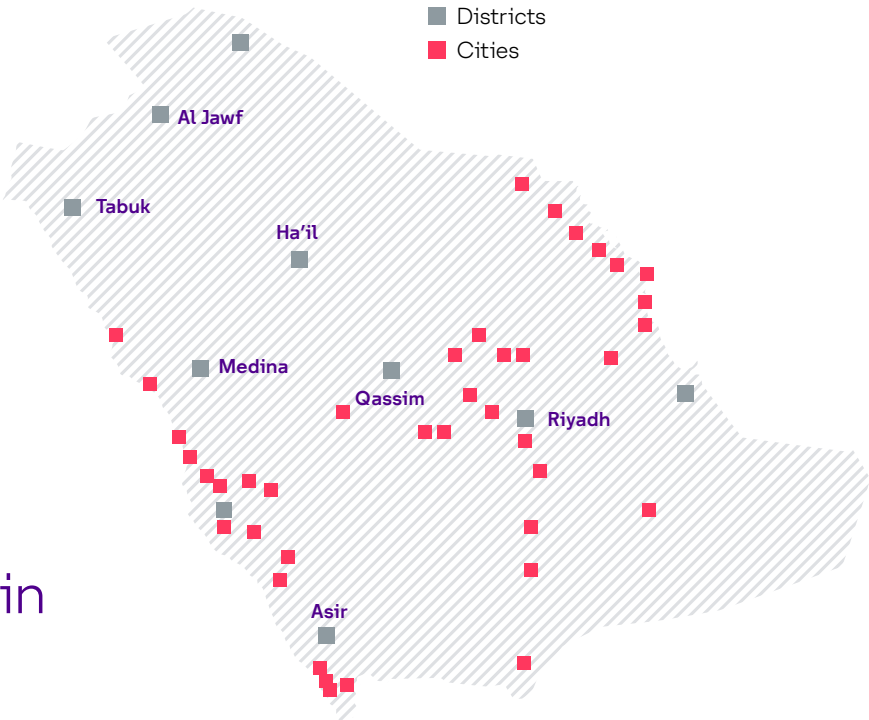
Empowering communities, enabling progress

Community contribution and development

As the leading telecom and ICT service provider in the Gulf and greater MENA region, we are committed to delivering positive community development impact. We continuously monitor and measure the outcomes of our community investment activities to assess performance and guide plans for maximizing our positive influence on local communities. Our success is measured by whether our initiatives achieve their goal of enhancing community development.



In 2024, stc contributed over ﷲ 14 million to community programs across Saudi Arabia, in over 70 cities, and governorates within the Kingdom.



Sponsorships

stc’s approach to sponsorship is guided by our Sponsorship policy and Strategy for Relations and Partnerships, which emphasizes evaluating potential sponsorships while assessing reputational and compliance risks. The selection process is based on specific criteria to ensure initiatives align with our strategy, values, local market, target audience, vision and objectives. Sponsorship allows us to support

our sustainability goals, promote our core values and extend our reach while increasing brand awareness.

In 2024, we proudly sponsored 89 projects across Saudi Arabia, Bahrain and Kuwait. These sponsorships reflect our commitment to making positive impacts in the communities we serve. Our sponsorships support our sustainability goals, as well as our vision to enable society and the economy in our countries and communities of operation.

Sponsorships	Entity	2022	2023	2024
Projects sponsored	stc KSA	124	59	44
	stc Bahrain	23	29	33
	stc Kuwait	32	23	23



Our community continued

Flagship programs for social development across KSA

As part of the Kingdom’s Vision 2030 strategy, Saudi Arabia has 11 flagship programs covering various initiatives aimed at promoting social development and economic growth, including housing, health, industrialization, greening of the environment, volunteerism and human capital development.

stc Group marshals its unique resources and expertise to support these flagship programs, with an emphasis on digital inclusion, education and health, volunteering and entrepreneurship, as well as welfare and quality of life.

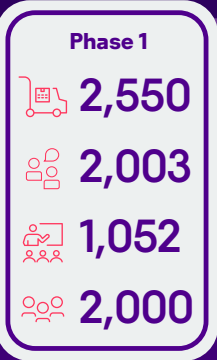
Theme	Target	Flagship initiatives	Social impact (since inception date)
Promotion of digital inclusion and digital capabilities 	Bridge the divides in our operating markets, focusing on the inclusion of people with disabilities, underserved areas, low-income households and the elderly	Smart Truck	Provided 3,022 awareness session to 9,883 elderly people across 39 governorates
		Technical enablement	Offered +3,500 technical services to +1,300 NPOs across +70 cities and governorates
Education, health and environmental protection 	Spread awareness on educational, health and environmental issues and help solve them through our support and innovative solutions	Knowledge sharing	Conducted 7 workshops with 100+ participants from 30 different partners (NPO and government) to build capacity on social return on investment and social value.
		E-health smart cameras	Installed 2 smart cameras worth ₪ 160,213.48 in health centers within an underserved area to help early diabetes detection
		Electronic waste recycling	Since 2019, Eritqaa received 39,000+ devices In 2024, 6,000+ devices were received, 200+ screens and 1,000+ devices were distributed to 100+ NPOs
		Educational grant support	Invested ₪ 3 million in support of 15 students to continue their university education in the field of technology
Embedding a culture of purpose and entrepreneurship 	Generate sustainable change while supporting entrepreneurship and empowering the next generation of young entrepreneurs through education, training and a supportive ecosystem.	impactU	₪ 1.350 million seed fund for 15 incubated startups across 3 batches
		Volunteering program	Completed 10,000+ volunteering opportunities requested by 72 NPOs across 13 regions while recording 8,064 volunteering hours
Welfare and quality of life 	Bridge the divides in our operating markets, focusing on the inclusion of people with disabilities, underserved areas, low-income households and the elderly	Furniture donation	Donated 1,125 furniture pieces to 17 NPOs
		Jood Eleskan	We contributed 32 houses from stc employees, benefiting 134 people, and utilized stc’s digital communication
		Home renovations	Renovated 40 homes across 8 governorates, with investment of ₪ 2 million, aiding vulnerable groups like widows, divorcees, people with disabilities and children of martyrs



Our community continued

stc Smart Truck initiative

Empowering communities through digital literacy and technology awareness

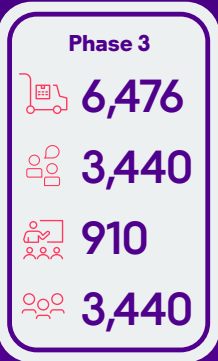


Background

As part of stc Group's continued commitment to social responsibility and sustainability, the Smart Truck initiative was launched in February 2023 to empower the elderly by educating them on the use of modern technologies. This initiative aligns with stc's mission to increase digital literacy across communities, focusing on the elderly population in Saudi Arabia. By leveraging stc's expertise in digital services, the Smart Truck aims to provide essential knowledge on how to navigate the digital world safely and effectively. In line with its sustainability goals, this project also contributes to social inclusion by guaranteeing all members of society, regardless of age, have access to and benefit from technological advancements.

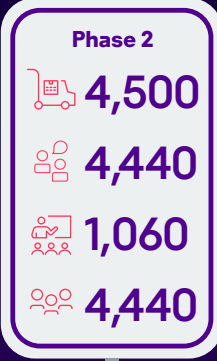
Outcomes

Through the Smart Truck initiative, stc Group has made significant strides in improving the digital literacy of the elderly population, with more than 9,000 elderly beneficiaries participating in the program. Over 3,000 technical awareness sessions have been held, reaching individuals who may otherwise have limited access to technology education. The initiative has had a profound impact, raising awareness about the importance of digital safety and privacy while fostering greater engagement with government and social services through the use of mobile applications. The Smart Truck project has not only educated participants, but also cultivated a sense of empowerment among the elderly, helping them stay informed and safe in an increasingly digital world.



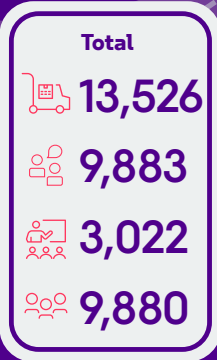
Next steps

Building on the success of its first and second phases, stc Group plans to expand the Smart Truck initiative to reach even more communities, particularly in rural and underserved areas. This will involve increased collaboration with local stakeholders and government bodies to boost maximum reach and effectiveness. stc also aims to introduce more advanced digital topics in future sessions, further increasing the impact of the initiative and helping beneficiaries improve their digital skills in preparation for the evolving technological landscape.



Approach

The Smart Truck travels across various regions, providing mobile digital literacy workshops and offering hands-on guidance in using mobile applications, with a specific focus on government services and the mystc app. The second phase of the initiative concluded successfully after traveling to several northern regions and governorates, including Malham, where it participated in the LEAP2024 conference. The truck's accessibility and interactive learning environment provide an inclusive platform for elderly citizens to gain digital skills that help them stay connected with society.



Our community continued

Technical enablement program

This program empowers non-profit organizations (NPO) by providing affordable digital solutions for administration, finance and operations. These tools help NPOs cut costs, improve efficiency and expand their reach and impact. In 2024, NPOs that used this program saw increased operational efficiency, higher beneficiary satisfaction and reduced technical costs.

2024 Social impact



3,500+
technical services offered



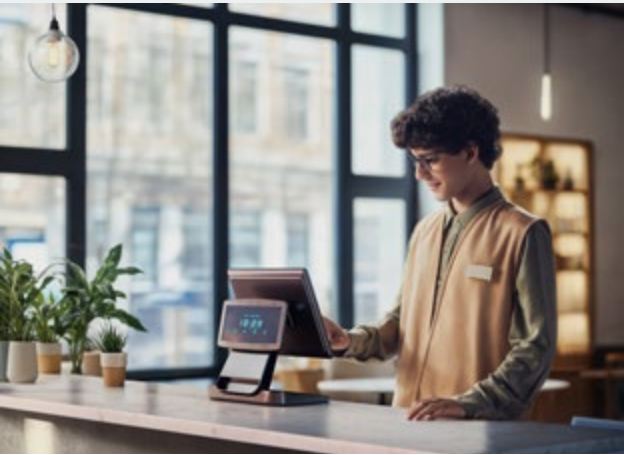
1,300+
NPOs



70+
remote areas



56
cities



Home renovations

In collaboration with the Emirate of Riyadh and the Women's Committee for Community Development, this project aims to restore and maintain homes for needy families in the Riyadh region. This initiative is part of stc's ongoing efforts to support and empower less fortunate individuals in society and improving the quality of life for families in need, targeting vulnerable groups like widows, divorced, people with disability and children of martyrs.

2024 Social impact



40
houses renovated



﷼ 2 m
investment



8
governorates covered



E-health smart cameras

The smart medical camera initiative features an AI-driven eye exam system that detects eye diseases early and uses digital technologies for retinal care, especially for diabetic retinopathy. This initiative brings expert surgical consultations closer to remote and underserved areas, providing accessible and affordable healthcare.

stc has facilitated the installation of 2 medical cameras valued at ﷼ 160,213 in hospitals and health centers in the Jazan region. This initiative aims to accelerate patient access to services, enabling appropriate treatment without the need to travel to specialized hospitals, while reducing waiting lists.

2024 Social impact



2
medical cameras



﷼ 160,213
value



Electronic waste recycling

We support the digitally disadvantaged while addressing the important issue of e-waste disposal. Most electronic devices have an average lifespan of just 3 years. To minimize unnecessary waste, we donate electronic devices to NPOs such as Ertiqā (an NPO dedicated to pursuing innovative solutions for the responsible disposal and recycling of electronic waste), for proper recycling, refurbishment and disposal.

Since we started this initiative, we have recorded more than 25,000 devices recycled, including over 5,000 in 2024 alone.

2024 Social impact



100+
NGO beneficiaries



5,000+
devices recycled and refurbished



158

Development of human capital through digital innovation

159

Our community continued

Educational grant support

One of the key United Nations Sustainable Development Goals (SDG) aligned with our business strategy is SDG 4 – Quality Education, which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. By investing in education and skills development, we strive to strengthen our workforce, boost economic growth and contribute to a more knowledgeable and interconnected society.

stc has a strategic partnership with the Ministry of Human Resources and Social Development and Ta’alum to advance SDG 4. This initiative focuses on expanding social security for families, ultimately increasing access to quality education and improving overall quality of life.

Effat University, Jeddah
10

Al Maarefa University, Riyadh
20

Prince Mohammed Bin Fahed University, Dhahran
01

AlBahaa Private College of Science, Al Bahah
38

2024 Social impact

6 male and 9 female students supported

Technology field

4 years duration

3 m invested

impactU

impactU is a social incubator that supports social and environmental projects aligned with relevant UN SDGs. The focus is on empowering entrepreneurs whose business ideas promote sustainability and improve environmental, health and education outcomes.

Through impactU, stc offers direct training and consultancy in social and environmental sustainability and entrepreneurship.

2024 Social impact

5 incubated startups

500,000 Seed fund for all projects

Volunteering program

The volunteering platform aims to empower non-profit organizations by providing them with specialized support from stc employees. This improving their role in sustainable community development.

Volunteering aligns with stc’s values of dynamism, devotion and drive, all contributing to our vision. Through this program, we contribute to a culture of purpose and giving, as well as supporting the UN SDGs, and improving employee engagement and workplace well-being.

2024 Social impact (stc KSA only)

38 NGOs benefited

715 Volunteering opportunities

13 regions served

8,580 volunteering hours

In addition, we continue to roll our internal volunteering program across the Group, offering our employees the opportunity to give back to the community. In 2024, we recorded 11,740 volunteering hours across stc Group.

Volunteering opportunities	Entity	2023	2024
Volunteers	stc KSA	672	715
	stc Group*	907	594
Volunteering hours	stc KSA	8,064	8,580
	stc Group*	-	3,160

*Group data in the table above excludes stc KSA.

Our community continued

Furniture donation

Through stc’s furniture donation program, we reduce the use of new materials and improve the environmental footprint for both stc and the recipients. By donating furniture to those in need, we aim to lower the demand for new manufacturing, cutting carbon emissions linked to production and transportation. This conserves valuable resources, minimizes waste and provides essential furnishings to recipients.

This program highlights our commitment to environmental and social responsibility as we work toward a more equitable future.

2024 Social impact



1,125
donated furniture
pieces



17
NPOs benefited



Jood Eleskan

Jood Eleskan is a non-profit community initiative that began in mid-2020 during the COVID-19 pandemic. Its goal is to empower the non-profit housing sector by encouraging stc employees, private individuals and the public sector to donate for families in need of housing. The initiative utilizes stc’s digital communication channels to raise awareness and donations by sending SMSs across KSA.

2024 Social impact



2
houses



13
beneficiaries



+296 m
SMSs across KSA



270,833
Donations



Our community continued

Community initiatives by stc Kuwait

stc Kuwait is committed to fostering positive community change through a robust CSR strategy focused on social impact, environmental stewardship and digital inclusion. Our CSR initiatives are designed to empower individuals, increasing sustainability and strengthen community well-being.

At the heart of stc Kuwait's CSR efforts lies a strong commitment to volunteerism and social development. In 2024, we nearly doubled our volunteer participation, engaging 281 volunteers who contributed their time and efforts to impactful programs. While the total number of volunteering hours decreased, this reflects a shift toward more structured and high-impact initiatives that align with community needs.

Our community investment strategy remains dedicated to key social causes, despite an 82% decrease in total investments compared to 2023. The drop is attributed to the absence of tree-planting initiatives in 2024, but stc Kuwait continues to support essential projects that make a tangible difference in people's lives.

Social and environmental awareness programs

In 2024, stc Kuwait launched several initiatives to support underprivileged communities and drive social awareness. These programs include:

- **Ramadan baskets initiative:** Providing essential food supplies to 400 families in need.
- **Support for people with disabilities:** Donations for 150 individuals with disabilities, safeguarding access to critical support.
- **Blood donation drives:** Encouraging community health engagement, with 114 individuals donating blood.
- **Device donations:** Contributing 55 refurbished electronic devices to support digital accessibility for underserved communities.

These initiatives reflect our belief in inclusive community engagement, where corporate responsibility extends beyond business operations to directly improving lives.

Fostering digital inclusion and skills development

stc Kuwait remains committed to bridging the digital divide by ensuring access to digital tools and skill-building opportunities. While data on digital training programs is not available for 2024, we continue to explore avenues for boosting digital literacy and empowerment, particularly for underserved communities.

Strengthening cultural and social engagement

Beyond digital inclusion and economic empowerment, stc Kuwait celebrates local culture and heritage through community-driven events.

- **National and cultural celebrations:** stc Kuwait actively participates in major national events, including Saudi National Day, Saudi Foundation Day and Saudi Coffee Day, reinforcing our cultural commitment.
- **Employee and public engagement:** Our CSR strategy encourages employees to take part in community-driven activities, fostering volunteerism and social responsibility within the workforce.

Supporting those in need

stc Kuwait's **2024 community impact initiatives** included:

- **45K in donations** through a partnership with the **Children with Disabilities Association (CDWA)**, supporting three critical medical cases.
- **100 food baskets** distributed to families in need during Ramadan, with stc Kuwait employees actively participating in packing and distribution.
- **55 items (devices and clothing)** donated to underprivileged individuals, reinforcing our mission of **resource redistribution and sustainable giving**.

Ramadan Basket Initiatives 2024

Ramadan baskets initiative 2024 - Kuwait

Background

During the holy month of Ramadan, stc Kuwait upholds its annual tradition of giving back to the community. The Ramadan baskets initiative is designed to support families in underserved neighborhoods, making certain they have access to essential food supplies during this significant time. A key challenge was identifying those in genuine need while ensuring fair and effective distribution.

Outcomes and impact

- 100+ families supported with essential food supplies.
- Boosted employee engagement, strengthening the culture of volunteerism at stc Kuwait.
- Positive community response, reinforcing trust in stc Kuwait's CSR efforts.

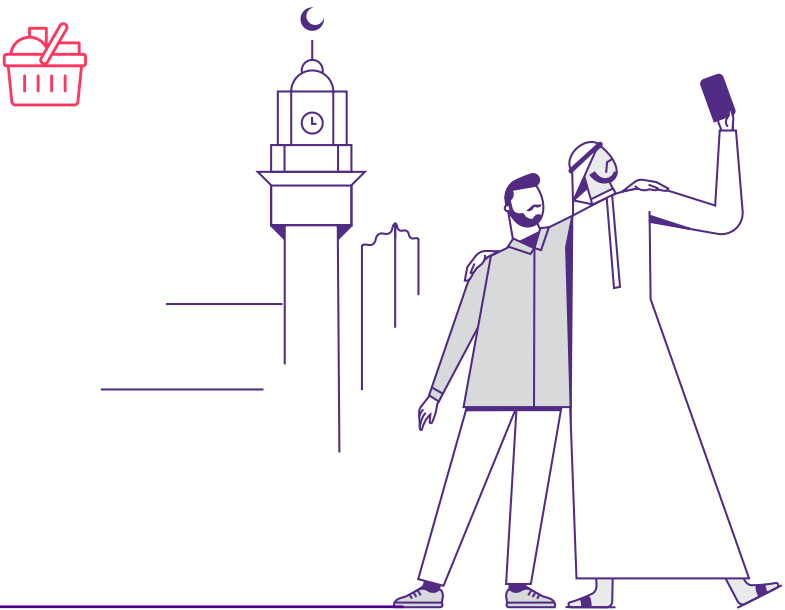
Ramadan basket initiative 2024 - Tawal

During the holy month of Ramadan, TAWAL commits to an annual social investment activity of donating food baskets to families in underserved neighbourhoods in Riyadh. This initiative is driven by a desire to give back to the community during the holiest month in Islam. One of the challenges faced is identifying deserving recipients and ensuring baskets are not given to those who are self-sufficient. To facilitate this effort, TAWAL volunteers began by preparing the food baskets and travelled by bus to underprivileged areas of the city of Riyadh, where they donated over 100 baskets to families in need.

2024 Social impact

Donated over

100+
baskets to families in need.



Approach

- stc Kuwait employees volunteered to assemble and distribute food baskets.
- Volunteers gathered at a central location and traveled to Manfouha to ensure fair and effective distribution.
- Strong logistical coordination confirmed 100 families received high-quality food supplies tailored to their needs.

Next steps

- Improve distribution logistics to expand the program in 2025.
- Increase employee participation to further increase the impact.
- Explore collaborations with local NGOs to scale outreach and sustainability.

Through these initiatives, stc Kuwait reaffirms its commitment to social impact, sustainability and corporate responsibility, ensuring our business remains a force for good in the communities we serve.

Our community continued

Community initiatives by stc Bahrain

stc Bahrain demonstrates its dedication to positive community change through a comprehensive CSR strategy focused on 4 main pillars: Family, Eco, Tech, and Community. We support various worthy causes with subsidised digital services, including:

- **Conserving bounties:** Providing postpaid lines, fleet management solutions (car tracking devices for food vans), Wi-Fi services and executing bulk SMS campaigns.
- **Southern Municipality:** Donating Wi-Fi for the road water management system.
- **Society support:** Supplying Wi-Fi and SIM card donations to various societies.
- **SMS donations:** Offering SMS short code donations for different organizations.
- **Bulk SMS campaigns:** Facilitating bulk SMS campaigns for various entities.

Ana Laha

During the Holy month of Ramadan, stc Bahrain launched *Ana Laha*, a television series featuring Omar Farooq that explores offers inspirational and compassionate messaging. The 30 episodes resulted in over 145 million views, 550,000 shares and more than 800,000 comments.

Jeel ICT graduate development program

Additionally, stc Bahrain introduced the third edition of the Jeel ICT graduate development program. In partnership with the Ministry of Labor, Tamkeen and the Economic Development Board, this program focuses on the ICT sector and aligns with Bahrain's Vision 2030.

Trees for Life project

stc Bahrain's CSR team organizes tree planting events at schools, the Trees for Life project. Prior to planting, children are educated about the environment, climate change and the significance of tree planting. Students of all ages actively engaged in and enjoyed these tree planting activities.

Social investment initiatives

stc Bahrain has launched multiple initiatives focused on supporting elderly individuals, low-income households, families and those with special needs. Notably, the "stc Fereej" home renovation initiative provides essential furnishings and appliances, such as air conditioners, refrigerators, ovens and windows.

In addition to home renovations, stc Bahrain participates in cultural and community events, supporting local culture during Bahrain National Day and Ramadan. Activities include gifting coupons and Eidiya to hospitalized children and orphans during Eid celebrations. The Gergaoun Bus of Joy, in partnership with the Ministry of Youth Affairs, distributes treats and gifts to children across Bahrain, bolster community spirit.

Moreover, stc Bahrain is dedicated to individuals with special needs, sponsoring special needs schools and events like the Charity Run for Autism. Collaborating with the Bahrain Paralympic Committee, the Group provides inclusive opportunities and training facilities for individuals with Down Syndrome, in partnership with the Bahrain Deaf Society. Additionally, stc Bahrain organizes activities, gifts for senior citizens and other initiatives aimed at improving the lives of community members.

Through these programs, stc Bahrain demonstrates its commitment to social inclusion and community engagement.

stc Bahrain recognized for empowering communities

stc Bahrain was recognized with various awards for its contributions to communities in the region.

- GCC International CSR Excellence Awards: Excellence in Community Partnership with Charity
- International CSR Excellence Award (UK) for Community Commitment and Partnership/ Sponsorship
- Gulf Sustainability Award for Best Community Development

inspireU:
Across boundaries and expanding internationally



In alignment with Saudi Vision 2030, inspireU promotes Saudi startups as well as attracting international startups to land and operate in the Kingdom by leveraging strong collaborations with stc subsidiaries, and with stc Kuwait and stc Bahrain. Additionally, inspireU collaborates with MISA (Ministry of Investment of Saudi Arabia) to attract international startups, aiming to bolster the Saudi digital economy. This addresses the challenge of connecting local and global ecosystems, positioning Saudi Arabia as a hub for digital innovation.

inspireU has established a strong presence at key local and international events, including LEAP, Mobile World Congress (MWC), VIVATech and Web Summit. This visibility enables inspireU to attract global startups interested in expanding their operations in Saudi Arabia and the GCC. inspireU facilitates the soft landing of international startups

by providing essential services, including support for commercial registration. These efforts ensure smooth integration and scaling opportunities for startups from regions such as the UK and France.

inspireU supported over 130 digital startups in key strategic investment domains. These startups serve more than 52 million users and have generated over ₪ 15 billion in gross merchandise value, supporting startups to raise over ₪ 1 billion in funding. This reinforces inspireU's role in fostering a dynamic digital economy and supporting global innovation.

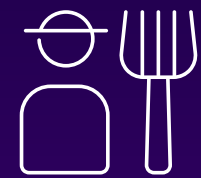
inspireU plans to strengthen strategic partnerships with key entities and international stakeholders to attract more startups and further align with Saudi Vision 2030.

inspireU	stc KSA		
	2022	2023	2024
Number of incubated startups	17	20	25
Total funding raised by accelerated startups	More than ₪ 1 billion since 2015		
Percentage of female-owned startups or investees	18%	20%	8%
Startup survival rate	100%	100%	100%
Number of companies still operating after they have left the accelerator	17	20	25
Mentorship opportunities	17	26	30

Our community continued

Case study

Farmers market with stc partnership



Background

The Bahraini farmers market project is a community-driven initiative that supports local farmers, while promoting agri-tourism. Despite operating for 10 years, the market has faced challenges such as reduced visibility for farmers and local vendors, declining interest among younger generations and aging infrastructure. In response, stc Bahrain embarked on a mission to transform the Bahraini farmers market into a vibrant space that promotes local produce, sustainability and cultural heritage, complemented by modern infrastructure and engaging experiences for all visitors.

Approach

A 4-year partnership was established with the National Initiative for Agricultural Development (NIAD) and the Ministry of Municipalities and Agriculture Affairs. The partnership aimed to elevate Bahraini products within the community, support local farmers, showcase their quality and dedication and create an inclusive space for various vendors, fostering community engagement. The market features weekly workshops on agriculture, designated picnic areas, a kid's zone with various activities, art exhibitions, an artisan's corner for Bahraini productive families, and diverse entertainment options.

Outcomes

With stc Bahrain's support in its 11th year, the Bahraini Farmers Market saw record-breaking visitor numbers and increased farmer revenue, leading to a renewed sense of community pride. Participant numbers surged by 60%, totaling 136, including Bahraini farmers, vendors, cafes, food entrepreneurs and nurseries. The amount of homegrown produce showcased rose from 78,000 kg to an impressive 100,000 kg. Farmers' sales increased by 45% thanks to stc's marketing campaign, with total visitor numbers reaching 230,267 from 23 December 2023 to 09 March 2024. The market received high acknowledgment from government entities and non-profit organizations.

Next steps

Continue to deliver a highly successful farmers market in collaboration with stc, promoting agri-tourism and fostering community engagement.



Fereej stc home transformation project



Background

stc Bahrain launched the Fereej stc home transformation project, renovating and furnishing 15 homes for widows. The main challenges included coordinating with various suppliers to confirm timely completion of work and managing the expectations of more than 15 families, who were eagerly awaiting their renovations and new furniture.

Approach

This project was conducted in collaboration with the Royal Humanitarian Foundation (RHF), which provided the list of widows and families in need. Site visits were carried out to assess and understand the specific needs of each home. The renovation process involved painting walls, replacing doors, furnishing the homes and providing essential appliances.

Outcomes

All 15 homes across various areas in Bahrain were fully renovated and furnished, benefiting over 65 individuals. This project exemplifies stc Bahrain's commitment to making a meaningful difference by transforming homes and creating safe havens for those in need within the community.

Next steps

stc Bahrain plans to continue this project annually, providing support to widows and families in need.



96%
local procurement
across group

18%
board seats
occupied by women

Zero
data security breaches and
zero incidents involving
customers' personally
identifiable information (PII)

06.

Strong
governance
and ethical
behavior

Leadership in action	174
Governance with integrity	178
Safeguarding trust in a digital world	198
Supply chain management	208



Principles
1, 10



Thriving
Economy



Ambitious
Nation

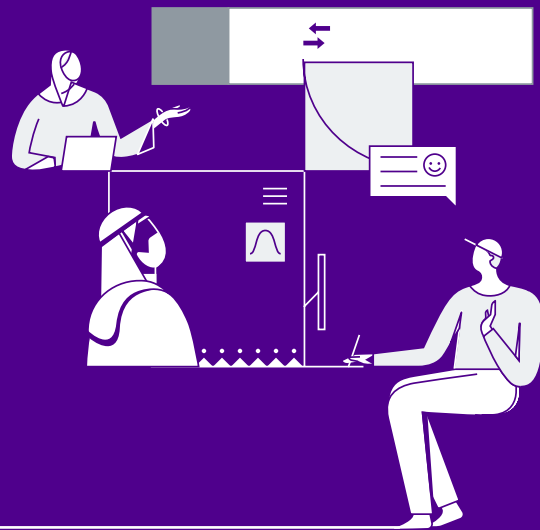


Good corporate governance and ethical business conduct are fundamentally important for sustainability of organizations and their success. We are committed to adopting leading governance practices rooted in integrity, human rights and guaranteeing a resilient and responsible organization and individuals.

Our organization is dedicated to managing operations responsibly, transparently and accountably, assuring long-term value creation for all stakeholders. We consistently strive to improve our governance framework. This includes refining board charters, policies and overall governance practices. We uphold stringent protocols to maintain high standards of conduct, ethics and checks and balances in all our operations.

stc is committed to aligning our business practices with our ESG goals to embark a more sustainable and prosperous future, leaving a lasting positive impact on the communities and countries in which we operate. By concentrating on effective corporate governance and sustainable practices, we generate long-term value for our stakeholders and the wider community.

stc aims to actively align its sustainability governance with IFRS S1 and S2 standards to continuously increase transparency and accountability. This alignment will provide stakeholders with clear insight into the governance processes, controls and procedures we aim to employ to monitor, manage and oversee sustainability-related risks and opportunities.



Leadership in action

Corporate governance and Board details

To demonstrate our commitment to sustainable business practices, we continuously develop our governance framework by refining board charters, policies and overall governance practices. We maintain stringent protocols to uphold high standards of conduct, ethics and checks and balances throughout our operations. stc is working to align its governance of sustainability-related matters with IFRS S1 and S2 standards, enabling partners to understand the processes, controls and procedures we use to monitor, manage and oversee sustainability-related risks and opportunities.

Our corporate governance framework is structured around a clear strategy, well-defined goals, and a precise allocation of responsibilities, ensuring operational efficiency and effectiveness. stc Group is managed by a Board of Directors consisting of 11 members appointed by shareholders for terms of up to 4 years. Shareholders can nominate themselves or others for Board membership, within the limits of their shareholdings.

The formal launch of stc’s sustainability strategy, alongside new sustainability reporting requirements, marked a significant step forward. Additionally, the Executive Management Sustainability Committee — established in 2021 — has been empowered to actively oversee and address ESG-related matters.

The Board of Directors is responsible for overseeing ESG trends and risks relevant to the ICT sector and for evaluating the rationale for adopting sustainability practices. This involves monitoring major international companies that have set ESG targets to manage non-financial impacts and enhance business performance, as well as reviewing the most important trends and motives for adopting sustainability within the telecommunications sector.

The average tenure of Board members is 4 years, and 5 members possess relevant work experience in the ICT sector. To ensure continuous development, we offer tailored training programs, workshops and conferences aligned with the Board Members Training policy and performance evaluations.

Our Director/CEO Equity policy, known as the Executive Long-Term Incentive Plan policy, addresses stock ownership guidelines and non-executive shareholding data, while maintaining strict confidentiality. The Board has approved the sustainability strategy and delegated execution to Executive Management, which includes setting KPIs, guidelines, social responsibility policies and managing CSR spending within an approved budget. These initiatives are typically proposed by employees and supervisory teams before undergoing senior executive review and approval.

On 24 July 2024, a new Board of Directors was elected for the 9th term, with a tenure of 4 calendar years. For a detailed breakdown of the Board of Directors, please refer to the **2024 Annual Report**.

Composition of the Board of Directors

	2022	2023	2024
Percentage of Board seats occupied by independent directors	36%	36%	36%
Executive members of the Board of Directors	0	0	0
Non-executive members of the Board of Directors	11	11	11
Independent members of the Board of Directors	4	4	6
Non-independent members of the Board of Directors	7	7	5

Board oversight of sustainability and ethical issues

The Executive Management Sustainability Committee, chaired by the GCEO, develops, approves and updates stc’s Statement of Purpose, values and mission, strategies, policies and goals related to sustainability and ethics issues, with oversight from the Board of Directors.

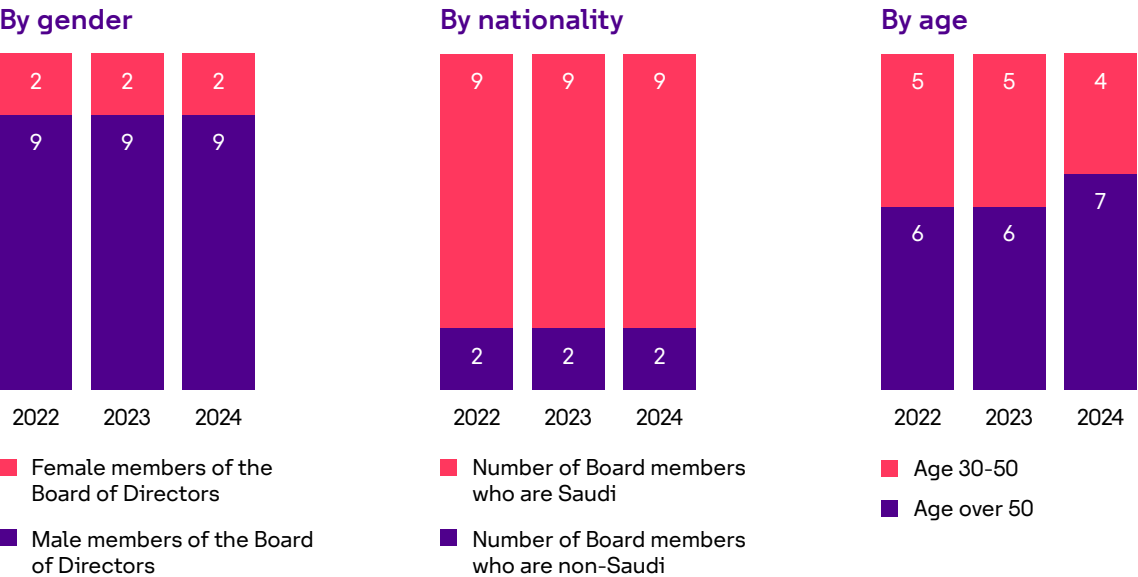
stc Group’s main governing bodies for sustainability are as follows.

Governing body	Responsibilities
Board of Directors	- Oversee sustainability across the Group through the Sustainability Management Committee - Approves sustainability strategy - The Board Executive Committee (BEC) is briefed on key sustainability findings and the report
Executive Management Sustainability Committee (chaired by GCEO)	- Receives regular updates regarding the framework, strategy, action plans and performance across a range of ESG KPIs and goals at its quarterly meetings - The sustainability report is reviewed and approved by senior leadership, with final sign-off from the GCEO before launch
Group Chief Strategy Officer (GCSO)	Endorse sustainability strategy and report ensuring alignment with global best practices, national regulations and corporate objectives

Board diversity

Our Board and standing committees are diverse, comprising members from a wide range of industry and professional backgrounds, as well as varying areas of expertise that align with our business needs. stc’s Board actively promotes diversity and supports initiatives aimed at increasing representation in senior management and across other areas of the Group. In 2024, women constituted 18% of our Board.

Board diversity: stc Group



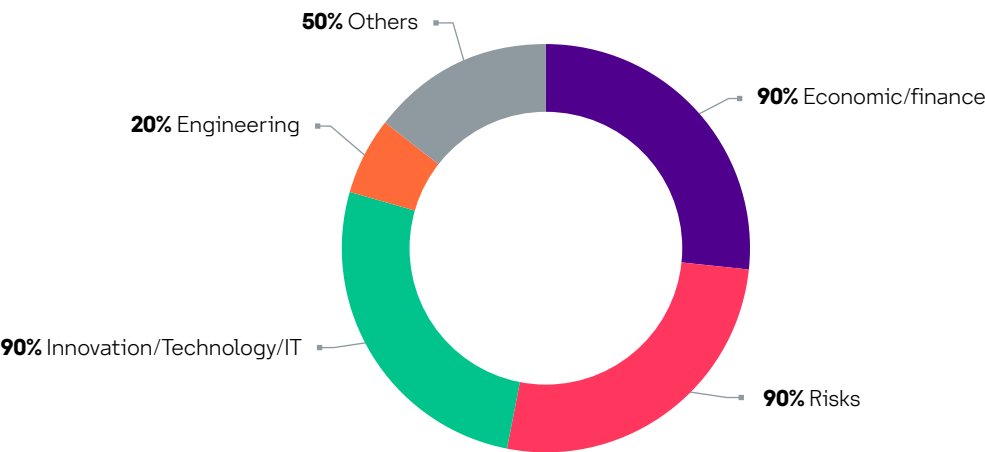
Leadership in action continued



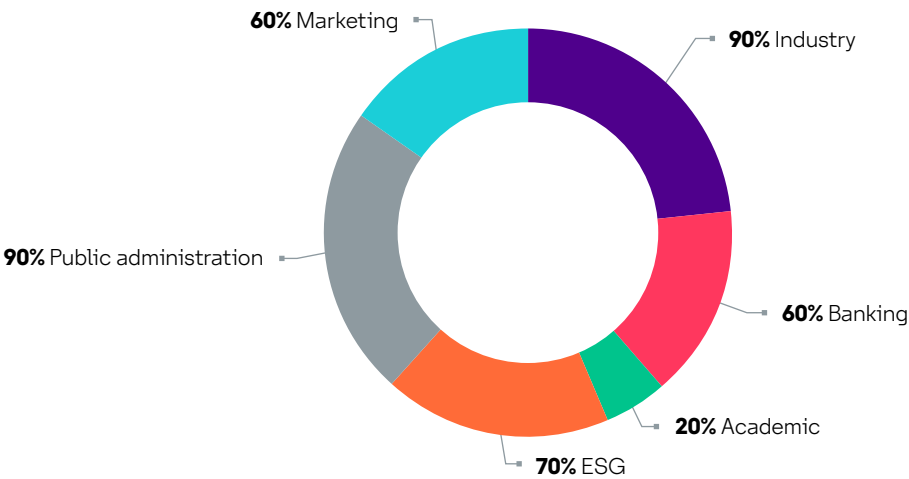
11
Board members

Our 11-member Board of Directors brings together a diverse range of skills, expertise and industry experience, ensuring robust governance and strategic oversight. The Board comprises leaders with backgrounds in the following.

Board members’ skills



Board members’ experience



Performance evaluation and remuneration

The Board Nomination and Remuneration Committee regularly reviews the composition of the Board, aiming to maintain a diverse mix of backgrounds, expertise and experience, with a strong focus on technology and telecommunications. Each year, the Board assesses its performance through an annual review.

The revised Nomination and Remuneration policy includes clawback and malus clauses to support long-term performance and ethical behavior. stc’s Executive Long-term Incentive Plan outlines stock ownership guidelines and non-executive shareholder data, while the Performance Assessment policy sets clear criteria and regulations for evaluating performance according to our standards of ethics, good governance and Board effectiveness.

The Group adheres to high levels of transparency, publishing all legally required governance documents and annual reports on our website. These documents include stc’s incorporation documents, the Corporate

Governance Charter, the Board of Directors and committees’ charters, key policies and executive remuneration. Additionally, we disclose general assembly results and meeting minutes, guaranteeing stakeholders have access to critical governance and financial information.

To align financial incentives with long-term sustainability goals, our annual variable compensation scheme incorporates sustainability indicators as a key component. **Our sustainability index is embedded in our corporate priorities index, comprising 10% of the performance appraisal criteria for top management’s short-term variable remuneration, with sustainability-specific metrics accounting for 5%.** It should further be noted that of the 30% given over to strategic programs, some of this is for programs that have a strong sustainability focus.

Annual variable remuneration scheme

Scorecard	Perspectives	Default KPIs	Weight %
	Financials	P&L-related KPIs	60%
	Strategic	Strategic programs	30%
	Corporate priorities	Sustainability GRC KPIs Diversity and inclusion score Attrition score	10%

Governance with integrity

Business ethics

stc upholds integrity through transparency, accountability and responsible business practices. We adhere to regional standards and respect human rights, setting high ethical benchmarks in the telecom and ICT sectors.

stc’s governance framework confirms transparency, integrity and trust, safeguarding stakeholder rights and interests. Our proactive risk management approach prevents corruption and reinforces a culture of accountability.

Code of ethics: Integrity takes us forward

Ethical considerations form the backbone of stc’s approach to managing information, engaging with employees, allocating resources and addressing sustainability, making sure the Group’s broader impact on society is positive and responsible. stc’s Code of Ethics, titled “Integrity Takes Us Forward”, embodies the Group’s core values of Dynamism, Devotion, and Drive, providing clear guidance and practical advice on conduct expectations. The Code addresses 16 key areas of integrity risk, serving as a reference for employees, customers, business partners, suppliers and other stakeholders.

stc’s Anti-Corruption and Fraud policies operate in conjunction with the Code of Ethics and strictly prohibit facilitation payments across the entire Group, including all subsidiaries. As part of stc’s updated operating model, the ethics component of the stc Compliance program has been seamlessly integrated throughout all subsidiaries. To reinforce the ethical framework, the Ethics team conducts half-day ethical leadership workshops targeting C-Suite officers, general managers, Directors and other senior leaders. These workshops highlight the pivotal role leadership plays in promoting an ethical organizational culture and addresses high-risk areas such as anti-corruption, conflicts of interest and the proper handling of gifts and hospitality.

Adherence to the stc Code of Ethics is mandatory for all employees, executives and leaders, and its

scope extends to suppliers and contractors, as every employee has signed an acknowledgment of the Code of Ethics. Integrity training is compulsory across all levels and violations result in disciplinary action, including termination when necessary.

Further strengthening its commitment to ethical excellence, during the third quarter of 2024, stc Group announced a new milestone in its compliance journey, engaging an external audit firm to conduct a comprehensive third-party ethics audit for all operations at the Group level. The first external audit, completed by Deloitte in December 2024, reinforces stc’s dedication to transparency and ethical governance. Moving forward, these external ethics audits will be conducted every 3 years, ensuring continuous improvement and accountability in ethics and compliance practices.

This integrated approach to ethics and compliance highlights stc’s dedication to upholding the highest standards of integrity while fostering an environment of accountability and transparency throughout the organization and its value chain.

Deloitte’s assessment confirms strong ethics and compliance oversight at both the Board and Executive Management levels, aligning with international best practices. stc’s ethics and compliance programs are closely monitored at all organizational levels, with key oversight provided by the Board Audit Committee (BAC), Board Risk and Compliance Committee (BRC/ RMCC) and Board Investment Committee (BIC). Oversight mechanisms are supported through both direct and indirect reporting lines spanning key stc functions, guaranteeing a comprehensive monitoring framework.

For the fourth consecutive year, 100% of stc Group employees and contractors signed the Code of Ethics Acknowledgment, reaffirming their commitment to ethical conduct. This ongoing commitment, maintained at 100% since 2021, makes sure all employees and contractors have read, understood and pledged to uphold the principles outlined in the Code of Ethics, reinforcing stc’s culture of integrity, transparency and corporate responsibility.

Code of ethics acknowledgment	stc KSA				stc Group			
	2021	2022	2023	2024	2021	2022	2023	2024
Percentage of employees who signed a code of ethics acknowledgement	100%	100%	100%	100%	100%	100%	100%	100%

Business ethics training

At stc, integrity and ethical conduct are at the core of our corporate culture. To uphold these values, all employees, including senior management and new staff members, are required to complete a mandatory **Basic Online Integrity course**. This training introduces the stc Code of Ethics and reinforces the Group’s unwavering commitment to ethical business practices. Additionally, employees must complete an **Advanced Online Integrity course**, offering a more in-depth understanding of compliance-related topics tailored to their roles and responsibilities.

Our integrity training series consists of **21 course modules, 9 of which are mandatory** for all employees, while the remaining modules are assigned **based on job profile and risk exposure**. This structured training approach ensures employees at all levels are equipped with the knowledge and tools necessary to make ethical decisions and mitigate compliance risks.



100%
compliance with mandatory trainings in 2024

In addition to mandatory integrity training, we also require all employees to complete compulsory training on data privacy and cybersecurity.

Mandatory courses

- 1. Anti-Corruption
- 2. Communication
- 3. Conflict of Interest
- 4. Controllership
- 5. Fair Employment
- 6. Gifts and Hospitality
- 7. Health and Safety
- 8. Regulatory Excellence
- 9. Speak Up Culture

Assigned courses

- 1. Anti-Money Laundering
- 2. Intellectual Property: Patents
- 3. Supplier Relations
- 4. Intellectual Property: Trademarks
- 5. Sponsorship and Donations
- 6. Intellectual Property: Trade Secrets
- 7. Insider Trading
- 8. Fair Competition: Interacting with Competitors
- 9. Fair Competition: Avoiding Improper Agreements
- 10. Fair Competition: Market Dominance and Abusive Conduct
- 11. Fair Competition: Competitive Intelligence
- 12. Intellectual Property: Copyrights

Governance with integrity continued

Performance metrics

In 2024, 9,904 full-time and 1,584 part-time employees and contractors has attended the code of conduct training, marking a 100% coverage of all stc KSA employees.

Code of conduct training	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Full time employees	12,131	12,217	9,904	-	13,735	12,770
Part-time employees and contractors	1,671	1,711	1,584	-	-	-

Anti-corruption and whistleblowing

stc’s Code of Ethics, alongside our Group-wide Anti-Corruption and Anti-Fraud policies, explicitly prohibit facilitation payments across all Company areas, including all subsidiaries. These policies adhere to the principles and business guidelines established by Transparency International and are periodically reviewed to ensure continued alignment with global efforts to combat bribery, fraud and corruption.

Our Anti-Corruption Policy statement reinforces our commitment to conducting business with honesty, integrity and ethical responsibility. We maintain a zero-tolerance policy toward bribery and corruption, striving for fairness, transparency and accountability in all business dealings, regardless of location. As part of this commitment, all employees, including senior management and new staff, are required to complete mandatory advanced online integrity training covering anti-corruption, gifts and hospitality. In 2024, no legal cases of corruption involving stc KSA or its employees were recorded. Additionally, we conducted several anti-corruption training sessions, both online and in-person, focused on raising anti-fraud and corruption awareness. Across stc KSA, over 11,473 employees completed the anti-corruption training, representing 99.6% of the workforce.



0

legal cases raised by external entities regarding corruption in 2024



Anti-corruption communicated to
100%
of our business partners

To strengthen our corporate integrity framework, stc has established a Whistleblowing policy that provides a secure and confidential channel for employees and stakeholders to report unethical behaviour, fraud or misconduct. Employees are encouraged to speak up and report any suspected violations through designated whistleblowing channels, and their concerns are addressed with confidentiality and without fear of retaliation. Our zero-retaliation policy protects individuals who report in good faith, reinforcing our culture of transparency and accountability. We actively communicate our anti-corruption policies, whistleblowing mechanisms and ethical guidelines through multiple channels, ensuring all employees and stakeholders remain informed and empowered to uphold stc’s commitment to integrity.

In 2024, a total of **617 reports** were received through the whistleblowing channels:

28

related to external cases (e.g., potential fraud or corruption involving social engineering or subsidiaries)

418

related to violations of internal policies and procedures

150

categorized as “Other” (e.g., HR, safety, and security-related cases)

21

cases remain open and under investigation

View our Whistleblowing policy here

<https://www.stc.com/content/dam/groupsites/en/pdf/Whistleblowing-Policy-en.pdf>

Performance metrics

Anti-corruption

stc KSA Anti-corruption training	2022	2023	2024
Legal cases raised by external entities regarding corruption	0	0	0
Incidents in which employees were dismissed or disciplined for corruption	0	0	0

stc KSA Anti-corruption training	2022	2023	2024
Number of employees attended training on anti-corruption	10,977	12,331	11,473
Percentage of employees attended training on anti-corruption	96%	98%	99.6%
Percentage of governance body members who have received training on anti-corruption	100%	100%	100%

stc KSA Anti-corruption communication	2022	2023	2024
Percentage of governance body members to which stc’s anti-corruption policies and procedures have been communicated	100%	100%	100%
Percentage of employees to which stc’s anti-corruption policies and procedures have been communicated	100%	100%	100%
Percentage of business partners to which stc’s anticorruption policies and procedures have been communicated	100%	100%	100%

Whistleblowing

stc KSA Whistleblowing metrics	2022	2023	2024
Number of inquiries, complaints or issues received by whistleblowing	532	321	617
Percentage of substantiated inquiries, complaints or issues received by whistleblowing	95%	84%	80%
Percentage of cases raised related to human rights	0%	0%	0%

Governance with integrity continued

Partnerships and anti-corruption initiatives

As part of our anti-corruption strategy, we collaborate with both public and private sectors to strengthen preventive measures. We maintain a close partnership with Nazaha, Saudi Arabia’s National Anti-Corruption Authority, and work alongside other relevant entities to promote the behaviors, norms and standards essential for sustaining effective anti-corruption efforts.

We also participate in several external anti-corruption initiatives, including the following.



PARTNERSHIP
AGAINST
CORRUPTION
INITIATIVE

PACI

Since 2019, stc has been a member of the World Economic Forum’s Partnering Against Corruption Initiative (PACI), which focuses on tackling industry, regional, national and global challenges related to anti-corruption and compliance.



PEARL Initiative

The PEARL Initiative is the region’s leading non-profit organization that promotes corporate governance, transparency and accountability in the private sector. It unites business leaders and stakeholders to share best practices and improve governance standards, fostering a culture of integrity to support sustainable economic growth. stc has partnered with the PEARL Initiative to promote the highest standards in corporate governance practices, transparency and accountability.



BELA

Since 2020, stc has been a member of Ethisphere’s Business Ethics Leadership Alliance (BELA), a globally recognized organization comprising over 300 leading companies that collaborate to share best practices in governance, risk management, compliance and ethics.

Anti-competitive behavior

Fair competition is essential for a healthy and prosperous economy. We compete fairly by adhering to applicable competition laws and regulations. Our policies are designed to prevent anti-competitive and monopolistic practices, while managing associated legal risks. Our Code of Ethics emphasizes key commitments that help safeguard fair competitive practices, which are supported by senior management and implemented across the organization. A module on fair competition is included in stc’s mandatory Code of Ethics training series for all employees.

We engage in government consultations and regulatory processes to promote fair competition, sustainable practices and discourage anti-competitive behavior. We support government efforts to boost economic competitiveness in all countries where stc operates.

In 2024, as in prior years, stc faced no legal penalties related to anti-competitive behavior or violations of antitrust laws.

IT GHI and cost optimization

In terms of our IT Management for the stc Group, we have achieved a 98% Governance Health Index (GHI) for 3 years running for stc Bahrain and 95% for stc KSA. This is an impressive indicator of stc’s strong IT governance practices, reflecting effective IT compliance, robust risk management and strategic alignment with organizational goals; contributing to a culture of accountability and transparency.

Transparent investor communications

As part of our ongoing commitment to improving transparency and strengthening collaboration with the investment community, we launched the Enhancing Top Management Engagement initiative in 2024. This program provides investors with direct access to the Group’s top management and subsidiary leaders, allowing them to address concerns and inquiries directly.

To further optimize communication, we launched the Investor Relations Application in 2024, introducing unique features that elevate the investor experience.

We prioritize ongoing engagement with shareholders through various touchpoints, including one-on-one meetings, conferences and earnings calls. These efforts are further supported by a series of detailed presentations, press releases and continuous improvements to stc’s [IR website](#) and application.

These strategic initiatives have fostered robust engagement with the investment community, resulting in foreign ownership reaching 9.77%. Transparency remains a cornerstone of stc Group’s commitment. Our Investor Relations team has benchmarked our voluntary disclosures against leading telecom companies to identify best practices and confirmed alignment with global standards, fostering greater transparency and trust.

Additionally, our Finance function is aligning stc Group’s financial reporting with International Financial Reporting Standards (IFRS), as endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and regulated by the Capital Market Authority (CMA).

Case study

New investor relations app



Background

stc aimed to create a leading investor relations (IR) app to increase transparency, accessibility and shareholder engagement. This project addressed investor expectations and adapted to evolving market prospects.

Approach

We started with in-depth research, analyzing investor needs and benchmarking against market-leading solutions. This insight shaped the app’s feature development, ensuring a user-centric design.

Close collaboration between IT and Investor Relations teams improved the app’s relevance, functionality and ease of use. Continuous feedback during testing phases was instrumental in refining the app for an optimal user experience.

Outcomes

In 2024, stc unveiled its new IR app, introducing a range of innovative features, including portfolio viewing, inquiries about unclaimed dividends, attending General Assembly meetings, agenda voting, scheduling meetings with IR team, and accessing information about stc’s Board and Executives. These developments have strengthened transparency and engagement, significantly boosting IR activities. While initial adoption rates are promising; continuous improvements will be made to increase functionality and meet user needs.

Next steps

Continuous enhancements will streamline information access, improve functionality and better meet user needs, ensuring the app remains at the forefront of investor relations practices.

Governance with integrity continued

Compliance

Group-wide compliance

stc’s Corporate Compliance function plays a central role in promoting a strong culture of ethics and integrity across the organization. The Internal Audit function independently reviews all business units on a rolling three-year cycle, in line with the Institute of Internal Auditors (IIA) standards, with a focus on identifying and reporting potential instances of unethical behavior or fraud. Complementing these efforts, stc’s control functions, including Enterprise Risk Management (ERM) and Compliance, proactively monitor the risk and control environment to ensure continuous improvement in governance practices.

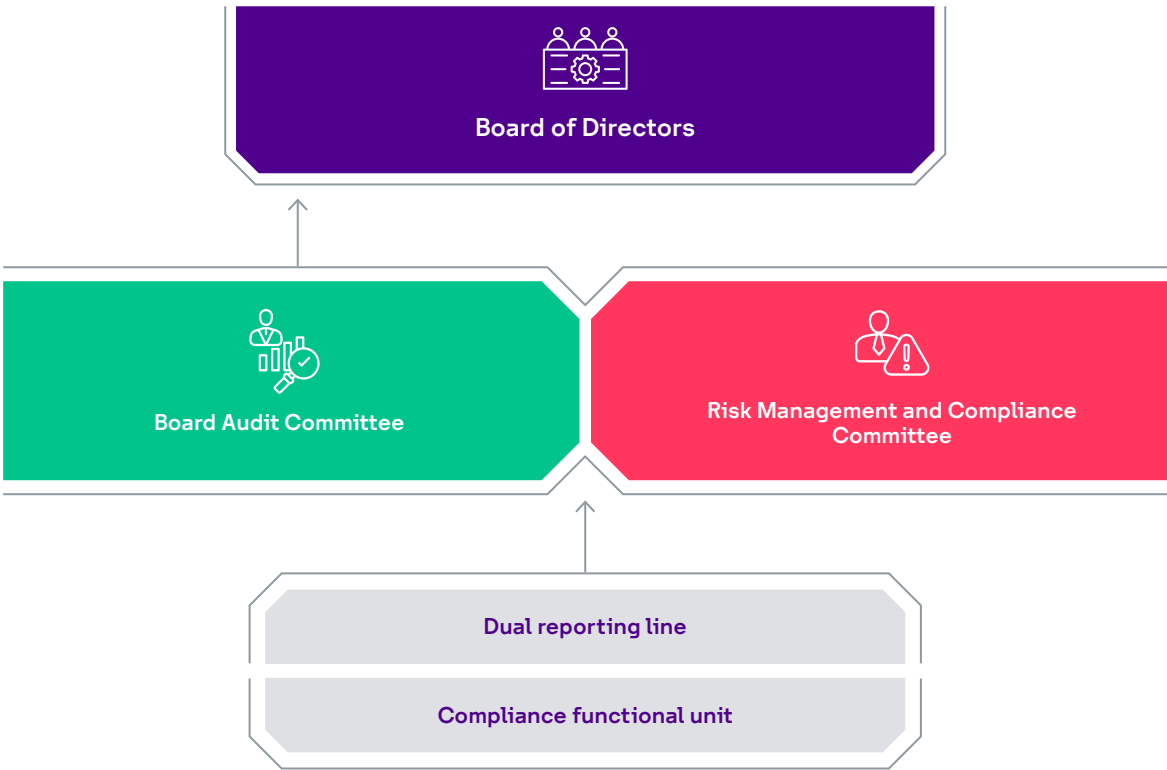
The Executive Risk & Compliance Committee, chaired by the CEO, oversees and approves reports from the Head of Compliance concerning the implementation of the Code of Ethics and its related policies. In 2022, stc strengthened its compliance framework by restructuring the Corporate Compliance function to report directly to the Chief Regulatory and Compliance Officer, creating an independent division with Group-wide responsibilities. This restructuring has allowed the Group to extend the Compliance program across all subsidiaries, developing cohesive and effective compliance management, both locally

and internationally. This structure also facilitates the implementation of policies, tools and evaluation mechanisms that guide the organization in meeting its compliance and ethical objectives.

Deloitte’s audit report confirms that stc’s Internal Audit unit performs annual audits on Compliance and Business Integrity functions, ensuring continuous monitoring and improvement of key governance processes. The Internal Audit unit itself undergoes external quality assessment every three years to ensure adherence to standards and best practices. In the most recent assessment, the Internal Audit unit achieved the highest maturity rating. It was in full compliance with the International Standards for the Professional Practice of Internal Auditing (IIA Standards), receiving a “Generally Conforms” rating — the highest possible level of conformance. Deloitte further noted that stc’s ethics and compliance programs were audited by external consultants in 2021 and by Deloitte in 2024, highlighting the Group’s ongoing commitment to strengthening governance and compliance frameworks.

By embedding regular evaluations and independent oversight within its operations, stc reinforces its dedication to maintaining a culture of accountability and that compliance and ethical standards are upheld across all business units and subsidiaries.

stc’s Compliance function operates under a dual reporting framework to both the Board Audit Committee and the Risk Management and Compliance Committee. This approach highlights stc’s commitment to achieving the highest standards of transparency and accountability, reinforcing our ongoing efforts to uphold and increase ethical practices across all facets of our business operations.



Theme	Strategic pillars	Objectives
C	Cultivate forward-looking digitalization practices	• Forward-thinking digitalization strategy to automate compliance-related activities • New governance regime to ensure high performance in this area • Team capabilities and certifications assessment • Training and awareness to upskill compliance teams • Compliance communication campaign (email, digital display, stc magazine) • Regular updates to compliance framework and plan • Follow the standards set forth in ISO 37301:2021 for maintaining compliance excellence • Annual risk-based compliance plan • Group-wide compliance program focused on ethical behavior
L	Lead compliance practices with a robust operating model	
E	Expand stc’s compliance capabilities	
A	Adopt the “Compliance in Business-As-Usual” approach	
R	Run effective compliance monitoring and evaluation	

The Board Audit Committee is comprised entirely of independent members and is chaired by an independent Board member. This structure ensures stc operates within a robust legal and ethical framework, complying with applicable regulations and industry standards. The committee regularly reviews stc’s compliance program to evaluate its effectiveness and identify any gaps or areas for improvement.

The Risk Management and Compliance Committee is led by the GCEO and enables stc to proactively and expeditiously address a wide area of strategic and operational risks.

Governance with integrity continued

Internal compliance monitoring and reporting

stc’s Corporate Compliance sector makes sure compliance and ethical standards are consistently upheld across the organization. The Internal Audit sector conducts thorough assessments of all stc functions on a rolling 3-year cycle. In line with IIA guidelines, Internal Audit also evaluates the potential for unethical behavior and fraud during audit engagements, reporting any identified occurrences when necessary. Additionally, control functions, including enterprise risk management (ERM) and compliance, are responsible for the ongoing monitoring of stc’s risk and control environment.

Oversight of compliance and ethics is further reinforced by the Executive Management Sustainability Committee, chaired by the GCEO, which reviews and approves reports from the Head of Compliance on the implementation of the Code of Ethics and its related policies.

Speak Up platform for reporting ethical breaches

stc promotes a work culture where employees can confidently report integrity concerns. Employees and stakeholders are encouraged to report integrity issues through designated Speak Up channels, such as direct managers, interdepartmental managers, the stc HR team, the Business Integrity team, and the Speak Up email (speak-up@stc.com.sa).

Concerns can be reported anonymously via the Speak Up email, enabling individuals to raise issues without fear of retaliation. All reports are handled with professionalism and confidentiality. stc regularly informs employees about the Speak Up channels and emphasizes the importance of speaking up in compliance and ethics-related training.

The Business Integrity team reviews each integrity-related allegation to ensure it is submitted in good faith and conducts a preliminary assessment to determine the appropriate processing path. If a concern does not meet the defined integrity criteria, it is redirected to the relevant business unit or corporate function for resolution.

stc upholds a strict anti-retaliation policy, safeguarding individuals who report in good faith or participate in compliance investigations. Following an investigation, disciplinary actions range from formal

warnings to termination, depending on the severity of the issue. The disciplinary process considers all factors surrounding an incident, and employees accused of misconduct have the opportunity to respond to allegations before any decisions are made.

Preventing workplace discrimination and harassment

stc enforces **strict policies against workplace discrimination and harassment** through its Code of Ethics and Fair Employment policy. We are committed to diversity and maintain a **zero-tolerance policy for harassment and bullying**. Employees are encouraged to report concerns through Speak Up channels. Our Diversity, Equity and Inclusion team raises awareness about these issues, while leaders promote an inclusive culture.

Please check our **Code of Ethics and Fair Employment Policy** here: https://www.stc.com.sa/content/dam/groupsites/en/pdf/codeofethics_EN.pdf

Violations of the Code of Ethics can significantly impact stc’s reputation and lead to substantial financial losses. As a result, any breach may carry serious consequences, including disciplinary actions or termination when necessary.

Compliance with laws and regulations

In 2024, stc remained fully committed to rigorous compliance with all laws and regulations across the countries in which we operate. We continue to foster positive and constructive relationships with relevant regulators to uphold shareholder rights, protect our reputation, and maintain our competitive position and market share.

As part of our compliance efforts, we actively monitor non-compliance cases, aiming to identify root causes and implement corrective actions to prevent recurrence. Customer complaints are routinely assessed, ensuring proper resolutions and strict adherence to relevant regulatory decisions. Throughout 2024, stc Group recorded zero non-compliance incidents related to environmental, social, or national laws and regulations across all countries of operation, reflecting our unwavering commitment to corporate integrity and regulatory excellence.

Performance metrics

stc Group	2022	2023	2024
Compliance with laws and regulations			
Incidents of non-compliance	0	0	0
Society & national economy regulations			
Incidents of non-compliance	0	0	0
Environmental laws & regulations			
Number of non-monetary sanctions	0	0	0
Environmental, society & national economy regulations			
Amount of legal and regulatory fines and settlements	0	0	0
Environmental, society & national economy regulations			

Supply chain compliance

As part of our commitment to conducting business with integrity, stc works exclusively with suppliers who uphold the same ethical standards. Given that supplier practices directly impact our corporate reputation, we require all suppliers to sign the Supplier Code of Conduct, confirming their commitment to compliance and ethical business practices.

To reinforce these standards, we engage with suppliers annually to remind them of stc’s Zero Gift Policy and encourage them to hold us accountable by reporting any misconduct through the dedicated Speak Up channel. Additionally, all suppliers are required to adhere to the Supplier Code of Conduct, which includes anti-corruption guidelines, ensuring alignment with stc’s zero-tolerance stance on bribery and unethical behavior. For more details, refer to the supply chain management section on page 208.

100%
of stc’s suppliers adhere by the
supplier code of conduct in 2024



Governance with integrity continued

Our commitment to human rights

At stc Group, human rights are not just a policy, they are a core principle shaping our identity and business practices. They form the foundation of our integrity and the trust we build with stakeholders daily. Strong human rights policies do more than protect brand reputation; they adopt loyalty among investors, customers and employees while acting as a critical layer of risk management. From the way we operate our facilities to how we engage our suppliers and partners, our human rights commitment is embedded in every aspect of our business.

In the fourth quarter of 2024, stc’s CEO approved the new and improved stc Group Human Rights policy, a significant milestone that reaffirms the Group’s commitment to upholding the highest standards of ethical conduct. Aligned with the Universal Declaration of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work and guided by the UN Guiding Principles on Business and Human Rights, this policy reflects not just compliance but leadership. It is also tailored to meet the unique regulatory needs of our operations in Saudi Arabia and beyond.

This year, we prioritized key human rights issues directly impacted by our operations. The Group identified critical areas needing attention, including workplace rights, labor conditions, supply chain ethics, community engagement and security protocols. Collaborating closely with the Saudi Human Rights Commission, stc fine-tuned its approach to implementing the UN Guiding Principles and strengthened efforts to create a more respectful and inclusive workplace.

The policy does not just sit on paper, it is a living framework that drives action. It addresses core issues like privacy and confidentiality, diversity and inclusion, safe and healthy working conditions, transparent employment contracts, fair wages, working hours, the prevention of forced labor and human trafficking, the prohibition of child labor and opportunities for employee development. Every aspect of this policy is designed so that we are not just meeting expectations, but setting new benchmarks for human rights practices in our sector.

The responsibility for implementing this policy is shared by the Legal Affairs, Procurement and Human Resources departments, working hand in hand with business units to guarantee human rights considerations are woven into everyday decisions. To build awareness and accountability, the Group rolled out training programs that equip employees with the knowledge and tools they need to make ethical decisions. Regular reporting to Audit and Data Governance steering committees keeps the Group transparent and accountable. Additionally, stc’s Speak Up tool empowers employees, contractors and suppliers to report any human rights concerns, backed by our strict zero-retaliation policy to protect whistleblowers.

We take a proactive approach to supplier accountability, starting with rigorous pre-qualification, followed by ongoing performance assessments and compliance screenings. In 2024, all new suppliers were evaluated for their adherence to environmental, labor and human rights standards. Every major contract includes human rights clauses addressing key issues like fair wages, working hours, minimum age requirements and workplace safety. stc’s Supplier Code of Conduct explicitly prohibits child labor, forced labor and discrimination while promoting diversity, job localization and responsible practices across the supply chain.

This commitment to ethical procurement is backed by compliance with international standards like the ILO Protection of Wages Convention, 1949 (No. 95), and the Hygiene (Commerce and Offices) Convention, 1964 (No. 120). The Group also aligns with Saudi Arabia’s national programs to guarantee fair wage practices and adequate worker protections. Supplier accountability is continuously monitored through regular compliance screenings, keeping our environmental and social performance in check.

At stc Group, we understand that human rights are not static but they evolve, which is why we regularly review and update our policies to stay ahead of regulatory changes and industry best practices. Through this dynamic approach, the Group is able to deliver on its promise of ethical business practices, safeguarding human rights and promoting the well-being of everyone connected to its operations. With every action we take, we strive to create not just a better business, but a better future.

Human rights training

At stc, we train our employees to uphold human rights principles within the organization. Our primary policy for addressing human rights issues is our Code of Ethics, which covers key areas such as fair employment, health and safety, and fostering a Speak Up culture. We also offer additional training related to human rights,

including data protection and privacy, with specific courses for contractors. These training courses are mandatory, and all employees must complete them at least once.

In 2024, we offered 6 mandatory courses, totaling approximately 58,072 hours.

Performance metrics

stc KSA Human rights training	2022	2023	2024
Number of hours	196,034	151,559	58,072
Percentage of all employees attending the training	100%	100%	100%

Risk management

The telecommunications sector faces growing challenges, including declining demand for voice services and surging data consumption, trends accelerated by the pandemic. Disruptive technologies are reshaping traditional revenue models, demanding rapid innovation and adaptation from telecom providers.

In a saturated market, differentiation through superior service offerings is crucial, alongside significant investments in infrastructure, robust data protection, and strict regulatory compliance. Telecom companies must broaden their portfolios and enhance customer experiences to maintain a competitive edge.

stc’s risk management function is integral to its strategic framework, embedding risk considerations into planning, performance evaluation, and critical decision-making to drive sustainable impact.

stc has an intolerance appetite for any risks that could result in incidents of corruption or fraud, whether perpetrated by internal staff or external stakeholders. We are committed to upholding the highest standards of ethical conduct, transparency, and accountability in all our business practices. We maintain a robust anti-fraud and anti-corruption practice that includes comprehensive policies and procedures, a confidential whistleblower hotline, thorough investigations of all reported incidents, robust internal controls, and stringent due diligence processes for third-party relationships. This unwavering commitment to integrity protects our assets, reputation, and the interests of our stakeholders.

All stc business units are routinely assessed for corruption-related risks. While some entities undergo more intensive evaluations, we continuously address potential corruption attempts through established policies, procedures and extensive training to confirm compliance with relevant laws and regulations.

stc KSA Risk management	2022	2023	2024
Percentage of business units analyzed for risk related to corruption	100%	100%	100%

Governance with integrity continued

Enterprise risk management governance

The Board of Directors ensures the highest standard of corporate governance is maintained by regularly reviewing governance development best practices and making certain these are duly adopted. As a result, the Board has established the Board Risk Committee, which plays a key role in overseeing the implementation of the ERM framework, risk strategy

and related risk management policies, as well as monitoring stc’s risk management system, reviewing the top risks and the management of those risks. The risk management function is independent and separate from stc’s business groups and sectors; it has completed its first wave of measures this year as per the Board-approved risk strategy to uplift current practices and maturity.



Enterprise risk management framework

The ERM framework provides guiding principles for proactively managing business risks through a comprehensive and dynamic system designed to identify, assess, prioritize and mitigate risks effectively across stc operations. The ERM process is embedded within stc as this allows us to take a holistic approach and make meaningful comparisons to support the delivery of strategic objectives. Quarterly risk assessment is a core part of this process. The risk framework clearly defines roles and responsibilities and sets out a consistent end-to-end process for identifying and managing risks.

Our approach is continuously developing, enabling more dynamic risk detection, modelling of risk interconnectedness and leveraging data to improve risk visibility and responses. With the attainment of ISO 31000 attestation, we further solidify our commitment to industry-leading practices. A standard risk scoring methodology has been devised to provide context and ensure consistency in reporting and evaluating risks. The output from this process is consolidated to determine the principal risks and uncertainties for the organization.



The risk categories classify all risk source types that could affect stc into 5 main silos known as category 1 risks. For easier management and communication, Category 1 risks are broken down into Category 2 risk types and, in some instances, these are further sub-divided into Category 3 and 4 risk types. Furthermore, the ERM will be the custodian to the risk families and has the authority to add or reclassify them.

Risk family CAT1	Corporate risk >> 01	Operational risk >> 02	Technology risk >> 03	Financial risk >> 04	Legal and compliance risk >> 05
Risk family CAT2	Governance 1.1	Service delivery 2.1	Information technology 3.1	Market 4.1	Compliance 5.1
	Strategy 1.2	Sales and marketing 2.2	Network operations 3.2	Liquidity 4.2	Legal 5.2
	Program management 1.3	Supply chain 2.3	Cybersecurity 3.3	Foreign exchange 4.3	Regulatory 5.3
	Planning and resource allocation 1.4	People / human resources 2.4	Data privacy 3.4	Interest rate 4.4	
	Major initiatives 1.5	Revenue management 2.5	Data integrity 3.5	Investments 5.5	
	Mergers, acquisition and divestiture 1.6	Physical assets 2.6	Artificial intelligence 3.6	Credit 4.6	
	Market dynamics 1.7	Intangible assets 2.7		Accounting and reporting 4.7	
	Communication and investor relations 1.8	Project management 2.8		Tax and Zakat 4.8	
		Business continuity 2.9		Capital structure 4.9	
		Health and safety 2.10		Fraud 4.10	
				Revenue leakage 4.11	

Governance with integrity continued

 Impact¹: The loss expected if a risk materializes; the impact is generally tiered between 1 to 5 levels on an exponential scale. stc's impact rating scale is as follows.			
Rating	Qualitative measure	₪ value utilized for inherent risk calculation	Quantitative measure (monthly revenue)
5	Severe	Above ₪ 400M	>10%
4	Major	Between ₪ 200M and 400M	5% to 10%
3	Moderate	Between ₪ 40M and 200M	1% to 4.99%
2	Minor	Between ₪ 2M and 40M	0.05% to 0.99%
1	Insignificant	Below ₪ 2M	< 0.05%

 Likelihood²: The likelihood is the probability that a risk may cause a loss for the stc before considering the effectiveness of controls. The likelihood rating scale is as follows.			
Rating	Qualitative measure	Qualitative chance of risk occurring in time period	Probability
5	Almost certain	Once in 3 months or less	90%-100%
4	Likely	Once in 6 months	60%-89%
3	Moderate	Once in a year	41%-59%
2	Unlikely	Once in 2 years	5%-39%
1	Remote	Once in 4 years or more	Less than 5%



Inherent risk scoring²: Quantifies the potential impact and likelihood of risks using inherent risk ratings, which assume no controls. The calculated inherent scores result in an attention score or index.

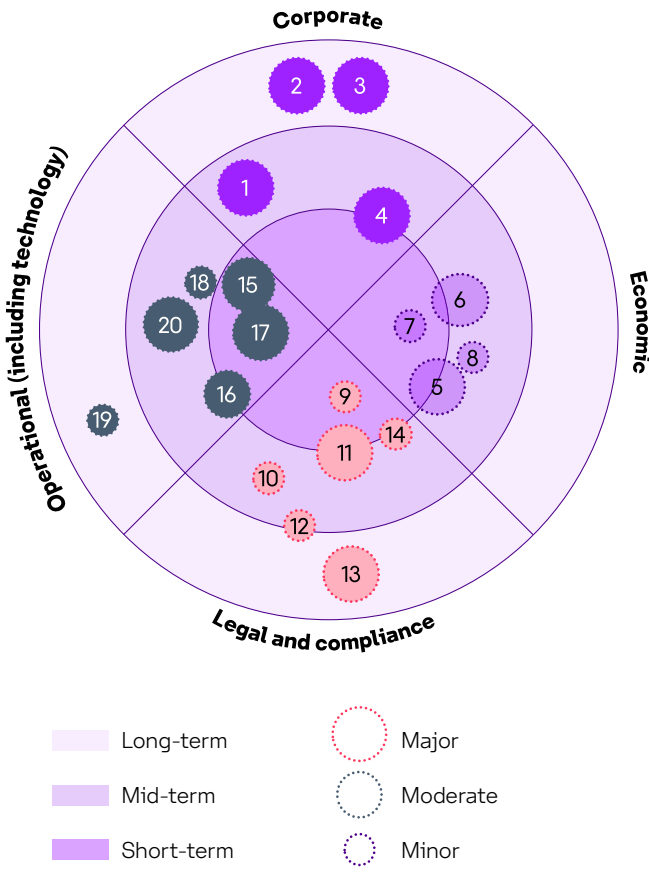
Action attention index							
Impact rating	Severe	256	16	36	64	144	256
	Major	81	9	20	36	81	144
	Moderate	16	4	9	16	36	64
	Minor	5	2	5	9	20	36
	Insignificant	1	1	2	4	9	16
			1	5	16	81	256
			Remote	Unlikely	Possible	Likely	Almost certain
Likelihood rating							

 The inherent and residual risk scores assist in assessing the risks against the risk appetite baseline.		
Risk rating	Risk matrix score	Risk appetite baseline
Negligible	< 9	Below appetite
Marginal	>= 9 to < 20	Within appetite
Manageable	>= 20 to < 51	Above appetite
Substantial	>= 51 to < 101	Greatly above appetite
Critical	>=101	Beyond appetite

Emerging risks are considered part of the risk assessment process and identified through horizon scanning, continual dialogue with the business and keeping abreast of market and industry changes. A summary of identified emerging risks is presented to the Board Risk Committee and Board for assessment, and these risks are consistently monitored as part of our ongoing risk management processes.

This year, we placed greater emphasis on sustainability and ESG risks, reflecting our commitment to aligning with global best practices and stakeholder expectations. Significant progress was made in identifying, assessing and managing these risks, ensuring they are integrated into our broader risk management framework and strategic decision-making processes.

Global emerging risk landscape



Source: BCG and Gartner

	Category	Name
1	Corporate	Evolving dynamics of the digital currency from China and US
2	Corporate	Increased competition with OTT and DC providers
3	Corporate	Carriers in smart city infrastructure
4	Corporate	International tensions and economic relations
5	Economic	Credit crunch widens
6	Economic	Market effect from higher borrowing costs
7	Economic	Erosion of ARPU for IoT and consumer customers
8	Economic	Increased capital requirements for core network construction and operations
9	Legal and compliance	Potential expectation gap on 5G coverage and performance
10	Legal and compliance	Compliance to Deep Packet Inspection or network access
11	Legal and compliance	Legal framework for the development, marketing and use of AI
12	Legal and compliance	Disputes over spectrum access, pricing and deployment
13	Legal and compliance	Complex and stringent national and transnational cybersecurity regulations
14	Legal and compliance	Personal data regulatory fragmentation
15	Operational	AI and LLM threats and misinformation
16	Operational	Quantum computing and encryption
17	Operational	Cybersecurity incident management in heterogeneous technology landscape
18	Operational	ORAN and the exposure of the attach surface
19	Operational	Early development of 6G technology
20	Operational	Low orbit satellite advancements

Governance with integrity continued

Identifying risks

All stc entities identify and assess their own risks, which could potentially affect our strategy and operations. A consolidated list of these risks is presented to senior leaders and executives, along with the outputs from an external environment scan and related benchmarks. Applying a Group-wide perspective, these executives evaluate and determine critical risks and which emerging threats warrant further exploration. These are defined and agreed upon by the Risk Management Committee before being submitted to the Board Risk Committee and the Board for final review and approval.

Managing risks

Establishing the context and having a clear understanding of the environment in which it operates is important. Therefore, stc assigns each of its risks to a specific category (i.e. corporate, technology, operational, financial and compliance) and identifies whether the source of the threat is internal or external. This approach enables a better understanding of how it should treat the risk and makes sure the right level of oversight and assurance are provided. The assigned executive risk owners are accountable for making sure adequate controls are in place and implementing the necessary treatment plans to bring the risk within an acceptable tolerance. stc continues to monitor the status of risk treatment strategies across the year and hold in-depth reviews of its risks. stc also develops a comprehensive assessment of the related scenarios for each of the top risks, providing additional insight into possible threats and enabling a better risk treatment strategy.

Monitoring risks

stc risk report, which presents the main risks, is prepared for the Board of Directors on a quarterly basis. The Board Risk Committee also examines this report at its meetings. In addition, the emerging risks are presented once a year as part of the risk report. Among other benefits, stc risk report ensures transparent monitoring of the development of individual risks, as well as the overall risk situation. It informs the Board Risk Committee about all of the latest developments and/or changes in the risk management system. With the aim of managing and supervising risks, stc is improving its risk management technology tools, which facilitate the reporting, analysis, assessment and management of

risk information. These are continuous improvements developed in risk management tools to improve or expand their functionalities. As part of ongoing enhancements, stc has improved its risk management technology tools to support better reporting, analysis, assessment and management of risk information. Additionally, we have refined our existing key risk indicators (KRI) as a key measure to strengthen risk monitoring practices, ensuring more robust oversight and proactive management of risks.

Risk mindset and culture

stc engenders a set of behaviors and expectations that drive risk awareness throughout its business activities. It is driven by the tone from the top and supported by its people management systems. It promotes timely and sensible risk interventions and actions that improve operational integrity and help employees make smart choices about risks. It communicates expected behaviors to every colleague to weave risk awareness into the fabric of its culture. It has an ongoing program of training and communication and has defined roles to formalize risk management and continuously integrate risk management procedures into key areas of decision-making.

Business continuity

At stc, our unwavering commitment to business continuity management (BCM) reflects our strategic focus on safeguarding national resilience, operational integrity and the trust of our stakeholders. As a key enabler of Saudi Arabia's Vision 2030, we continue to prioritize the resilience of our critical infrastructure, the protection of our assets and the safety of our people, making sure we remain a cornerstone of the nation's digital and communication backbone.

In alignment with the directives of the National Risk Committee (NRC), Communications, Space and Technology Commission (CST), and the newly introduced National Emergency Management Authority (NEMA), stc has fully integrated national guidelines into our BCM framework. These efforts affirm our leadership in crisis management, organisational resilience and business continuity, setting an example for the sector while engaging with top-tier experts globally to adopt best practices and innovative solutions.

Our BCM strategy is underpinned by adherence to international standards such as ISO 22301, with comprehensive training programs for our teams in DRI and BCI standards. This equips stc with cutting-edge capabilities to ensure readiness and response excellence. Over the past year, we have achieved significant milestones, including successfully executing over 200 BCM exercises, spanning all critical functions and incorporating interdepartmental collaboration. These rigorous tests have strengthened our recovery strategies, validated our business continuity plans (BCP), and reinforced our ability to maintain seamless operations under any circumstance.

To ensure measurable and transparent performance, stc employs strict key performance indicators (KPI) across all BCM activities, underscoring our disciplined approach to maintaining the highest levels of preparedness and reliability. Through continuous business impact analyses (BIA) and iterative improvement cycles, we have elevated our BCM maturity, guaranteeing alignment with national and international resilience mandates. Moreover, stc has harnessed the power of digital transformation to enhance the agility, scalability and efficiency of its business continuity management system (BCMS). These initiatives have modernised our operations and fortified our capacity to adapt swiftly to evolving challenges.

Recognising the importance of a skilled workforce, stc has invested in extensive training and professional development programs in BCM, crisis management, incident response and disaster recovery. This ensures our employees remain at the forefront of resilience disciplines, empowering them to respond effectively to crises and disruptions. This year's accomplishments reflect stc's steadfast commitment to supporting national resilience frameworks, maintaining operational continuity and safeguarding the interests of our shareholders, stakeholders and the nation. These efforts reassure our leadership and citizens that stc remains a trusted partner in pursuing a secure and resilient future for Saudi Arabia.

Internal control

stc's Board of Directors declares that the accounting records have been prepared correctly and that the internal control system and procedures have been properly prepared and effectively implemented without material observations or concerns raised and

asserts that nothing exists to impede the Group from continuing its operations and activities. The Audit Committee oversees the compliance and internal and external audits, and regularly reviews the adequacy and effectiveness of the internal control system. One of the objectives of the Board is to obtain reasonable assurance about the soundness of the design and the effectiveness of stc's internal control system. In this regard, during the fiscal year 2024, the Audit Committee held 8 meetings and discussed a number of topics falling under its competencies, including reviewing financial statements, investments and business units, as well as strategic and organizational affairs, human resources, procurement and IT systems. This meeting is attended by Executive Management and members of the Internal Audit team.

Risk management highlights

In the past year, stc has achieved significant milestones in its journey toward excellence in risk management, reinforcing its position as a forward-looking and resilient organization. A key achievement was the comprehensive review and reassessment of the Group's risk appetite. This effort ensured alignment with evolving strategic priorities and established a robust foundation for governing risk-taking activities, enabling more informed and balanced decision-making at all levels.

To strengthen risk oversight, stc introduced automated monitoring indicators across all key risks. This advanced mechanism provides real-time insight into risk status, allowing the organization to anticipate potential threats and respond proactively to emerging challenges. Complementing these efforts, stc obtained ISO 31000 certification for enterprise risk management and ISO 27001 certification for information security, highlighting its adherence to international best practices and its dedication to maintaining the highest standards of governance and security.

Recognizing the critical role of a strong risk culture, stc conducted extensive training sessions and awareness events across the organization. These initiatives have fostered a heightened understanding of risk management principles and have begun to deliver tangible improvements in internal processes, bolstering collaboration and accountability.

Governance with integrity continued

Finally, the Group has continued to focus on expanding its coverage of risks, ensuring a comprehensive understanding of exposures across its operations. Rigorous efforts were made to strengthen existing controls and implement robust mitigation strategies, further securing the organization against an increasingly complex and dynamic risk environment. These achievements collectively reflect stc’s unwavering commitment to safeguarding its future while driving sustainable growth.

Principal risks

As a leading entity in the global telecommunications and information technology arena, stc navigates a landscape rife with uncertainties and rapid change. Success in this dynamic environment is predicated on its proactive anticipation of potential developments and the systematic identification,

evaluation and management of the consequent risks and opportunities. stc regards an efficacious risk and opportunity management system as an indispensable component of its value-driven corporate governance. In the risk evaluation phase, it categorizes risks into corporate, technology, operational, financial, and legal and compliance domains. This classification develops its comprehension of each risk’s unique characteristics and informs its management approach, allowing it to craft tailored oversight and assurance strategies.

The key risks affecting the Group remain largely unchanged from last year, with only 1 additional risk identified and minor updates to existing risks. The material risks, including environmental and social exposures, are detailed below, along with the strategies employed to manage them. The risk management process continues to highlight the most significant risks at the entity level, reflecting ongoing challenges rather than new developments.



Category	Risks	Mitigation measures
Technology 	Cybersecurity threats The rise of advanced malware and DDOS botnets is reshaping the threat landscape and forcing enterprises to reassess how they protect themselves. This threat exists not only within stc, but upstream through vulnerabilities in its vendors and suppliers; and downstream, where vulnerabilities in stc may be leveraged by cyber-criminals to attack its customers. Third-party access management is a significant matter as it relies heavily on third-party contractors with multiple incidents reported by stc.	stc continues to strengthen the cybersecurity unit. Internal systems and policies are developed, levels of security procedures are raised, awareness is intensified, and the effectiveness of information security plans is tested. stc has established robust cyber assurance practices for information protection and asset management and stc has established advanced penetration testing and vulnerability management capabilities.
Technology 	Data privacy One of the biggest challenges faced by any organization is managing privacy as data volumes continue to grow and regulatory and customer scrutiny increases. It is more important than ever to be clear on the privacy risks it faces to handle PII, or an individual's right to determine what kind of data can be collected, stored, protected and can be shared with third parties.	stc has established a privacy framework containing policies and procedures relating to the privacy of personal information address data classification, record management, retention and destruction, that is also aligned with the PDPL regulations established by the government, as well as implemented technical solutions to set different permission levels for employees based on what PII they need to access, such as public, private and restricted access.
Technology 	Resilience following disaster, crisis or events impacting business continuity In the rapidly evolving landscape of telecommunications sector, stc's network has faced unprecedented demand surges, compelling us to confront the specter of partial or complete service interruptions. The resilience of Information and Communication Technology (ICT) services is pivotal to maintaining its operational integrity and is, consequently, a focal point of its risk mitigation strategies. The potential for network disruptions • stemming from failures within telecom networks • poses a persistent challenge that demands our undivided attention.	stc has established entity-wide written programs that address and validate the continuity of the institution's mission-critical operations. It has recertified the organization against ISO 22301:2019 and taken all required steps to comply with any relevant regulatory requirements. stc has worked on additional projects to strengthen disaster recovery (DR) systems to ensure business and services continuity, taking into account various possibilities. The Emergency Response team oversees major contingency planning work and periodically conducts virtual experiments. Additionally, stc intends to work closely with the National Emergency Management Authority (NEMA) recently established to ensure resiliency of the Kingdom.
Legal and compliance 	Unfavorable regulatory changes impacting its current business model Regulations over its current obligations are increasing, both in number, frequency and impact, and are evolving in their nature. The potential impact of these new regulations could have serious negative implications for stc's profitability, market position and include penalties or financial liabilities.	stc studies the regulatory legislation on an ongoing basis, coordinates efforts with sectors related to it, inside and outside stc, and applies the best standards to ensure the provision of the best services to its clients in a manner that achieves the objectives of the national plans. A dedicated administrative structure is established for the regulatory affairs sector to contribute to enhancing stc's capabilities in the regulatory field.
Operational 	Supply chain disruptions Material shortages and supply risks to rare earth minerals and other key components for chip manufacturing may have far-reaching consequences for continued stc technology leadership, including its ability to provide essential services and next-generation mobility, and to meet the demands of infrastructure projects upon which it has engaged.	stc diversifies its supply chains so that it does not depend on limited numbers of suppliers, and it emphasizes in its contracts that the systems are compatible with each other regardless of the supplier. It also reviews the conditions of contracted companies and sets legislation to ensure their financial and operational suitability for stc's requirements, in line with technological development and the integrity of their business plans. Additionally, stc keeps track of the geopolitical aspect ensuring it stays ahead of predicting and supply chain disruptions due to such reasons.
Corporate 	Strategy implementation in a dynamic market In order to succeed in this highly competitive and dynamic environment, it is essential to have agile strategic development, maintenance and implementation processes capable of providing stc with a strategy for success and carrying sufficient agility to meet the demands on the markets in which it operates.	stc's strategy is updated on a 3-yearly basis and refreshed annually to ensure it remains current and relevant. The timing of the annual refresh and 3-yearly updates is flexible in line with context, dynamics and stakeholders' inputs. It has also conducted a 360-degree environmental scan (i.e. competition, industry trends, regulation, socio-economic and stc performance). ERM sector has also developed its own 3- year strategy aligned with stc's strategy to support achieving all strategic objectives.

Safeguarding trust in a digital world

Data privacy and security

stc’s Code of Ethics commits us to the privacy, security and protection of customer data; and we have extensive governance processes to manage personal data and cybersecurity risks.

The collection and use of customer information is strictly governed by our privacy policies, guaranteeing compliance with relevant data privacy and security laws in each country where we operate. Our Data Privacy and Security policy confirms our dedication to maintaining robust data protection measures. As per our Risk Appetite Statement, “stc has an intolerance appetite for any risks that may lead to a breach of data privacy.” We safeguard the confidentiality and availability of all personal data entrusted to us by our customers, employees and partners. We adhere to the highest standards of data privacy, confirming all sensitive personal data is authentic, appropriately classified and managed in strict accordance with legislative and business requirements.

We continuously monitor and assess potential threats to data privacy, implementing proactive measures to mitigate identified risks. By prioritizing data protection, we maintain the trust of our stakeholders, protect our reputation and uphold our commitment to responsible personal data stewardship. Our Data Protection and Privacy statements offer clear guidelines on various topics, including:

- The purpose of collecting customer data
- The types of personal data we collect and use
- Our methods for collecting personal data
- The duration of data storage
- The rights of data subjects, including customer rights for stc customers

Our [Privacy Notice](#) makes clear to customers and employees how their personal information will be used, and we have robust systems to manage personal data and mitigate privacy risks. We regularly maintain and upgrade these systems to guarantee secure handling of personal data, with strict internal processes in place for any data security violations. Data privacy requirements are integrated into our key business processes to guarantee privacy by design, utilizing various controls like identity and access management (IAM), data classification (DLP), database activity monitoring, data leak prevention (DLP), encryption and digital rights management (DRM).

We require our suppliers and partners to implement stringent controls to protect personal data, including regular updates to data security systems. Our Data Protection and Privacy (DPP) department oversees privacy within stc. They have assessed systems against protection risks and enforced stringent data protection controls across sensitive data systems, while imposing business controls across all departments. The DPP has defined customer rights at various touchpoints, including facilitating data copy requests via the mystc app.

We are committed to privacy by design principles, and the DPP conducts privacy impact assessments before we launch products or services. Compliance validations have been performed across departments that handle personal data, making sure of our adherence to legal requirements. The department has launched awareness initiatives, social media campaigns and an annual Privacy Day campaign to educate employees, achieving a 99% completion rate for data protection and privacy training. Data protection and privacy training is included in the induction program for new hires.

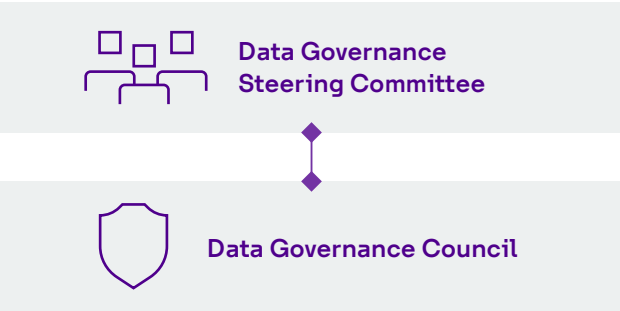
With its dedicated department for data governance and protection (CAD), stc ensures the definition of data privacy policies, procedures and required controls; our cybersecurity function implements these controls.

In 2024, the DPP handled over 1,996 (2023: 1,400) data sharing requests, included data protection clauses in all contracts, and automated data destruction certificates to make sure vendors effectively wipe stc data upon project completion.

stc’s Privacy Notice statements is designed to comply with the legal requirements of Saudi Arabia, Bahrain and Kuwait, ensuring customers understand how their data is collected and handled. Each subsidiary has a tailored notice to meet specific legal and industry standards. The notice outlines data protection and disclosure practices, internal and external audits, and staff training to safeguard data from unauthorized access. Transparency is maintained through reports to governance committees and regulatory bodies. It also covers customer rights and cookie usage policies. The notice applies to all employees, contractors and vendors within the stc Group. Regular updates safeguard our compliance with evolving regulations, including the Personal Data Protection Law (PDPL) and Communications, Space and Technology Commission (CST) standards.

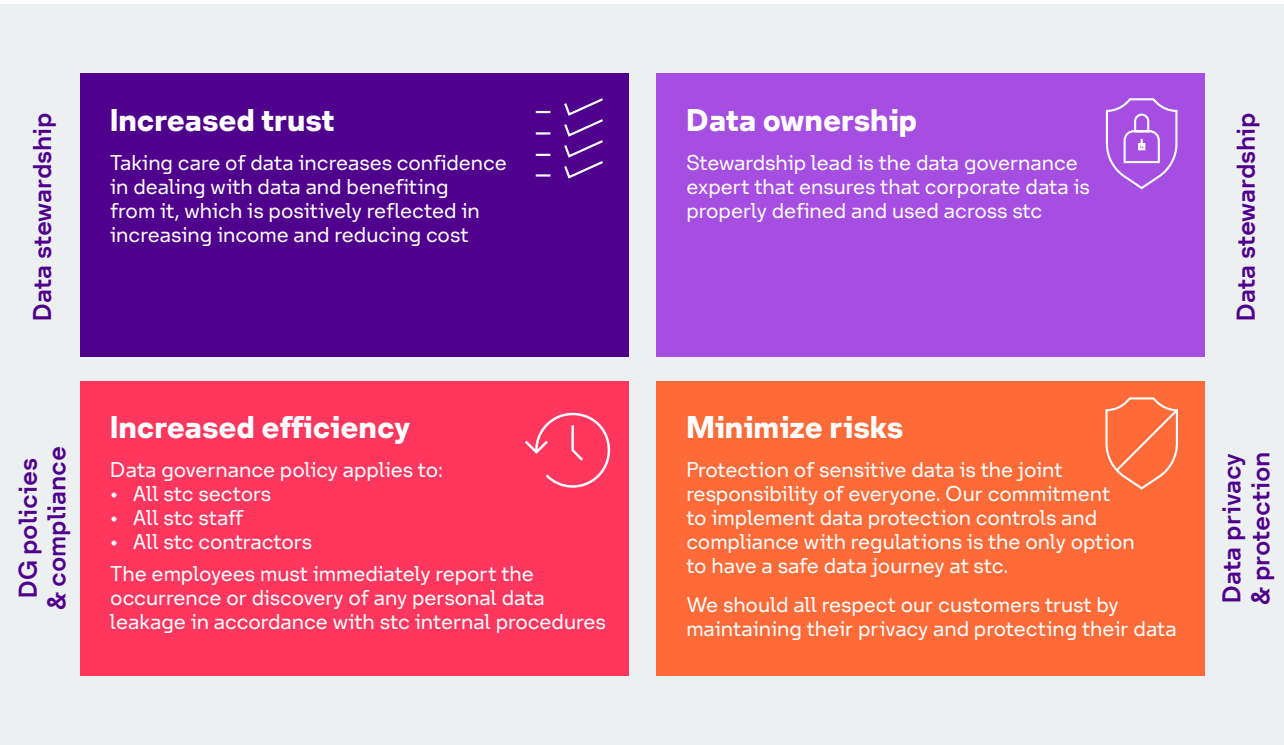
Data governance model and framework

Our commitment to data governance is reflected in our operational practices. Our Data Governance Council, which is led by the GM of Corporate Analytics Governance, oversees initiatives aimed at increasing data quality and ensuring regulatory compliance. To give support, guidance and advice to the Data Governance Council, we have a Data Governance Steering Committee. The steering committee is chaired by the GCTO, with backing from the GCEO, and includes 20 VP-level executives – 16 business units – all dedicated to guaranteeing the reliability and integrity of data across the stc Group. Indeed, stc can vouch for its consistent and effective approach to data governance throughout the entire organization.



Our Data Governance framework is essential for upholding the integrity and trust that underpin our operations. This framework prioritizes exceptional data quality to improves confidence and operational excellence; it also enforces comprehensive governance policies for all employees and contractors, emphasizing shared responsibility in protecting sensitive data.

At the core of this framework is our Stewardship Lead, a data governance expert responsible for ensuring corporate data is accurately defined, consistently applied and securely managed across stc Group. By overseeing data governance principles, the Stewardship Lead makes sure customer privacy, regulatory compliance and precise data utilization remain a top priority. This reflects stc’s unwavering commitment to responsible data management, guaranteeing our data governance ecosystem continuously evolves to meet the highest security, regulatory and ethical standards.



Safeguarding trust in a digital world continued

Our Data Protection and Privacy framework

stc's Data Protection and Privacy (DPP) framework establishes 10 fundamental principles that all employees must uphold, regardless of their location.

- 1

Accountability
- 2

Transparency
- 3

Choice and consent
- 4

Limiting data collection
- 5

Use, retention and destruction
- 6

Access to data
- 7

Data disclosure limitation
- 8

Data security
- 9

Data quality
- 10

Monitoring and compliance

These principles form the foundation of our privacy and data protection approach, ensuring personal data is managed with the highest level of integrity, security and compliance.

The DPP framework provides a structured governance model, encompassing policies and procedures that regulate the privacy of personal information, with clear guidelines on data classification, record management and the retention and destruction of personal data. This framework is systematically embedded across stc, ensuring data privacy is a core responsibility for all employees.

To reinforce compliance, the DPP framework is clearly communicated through mandatory training programs, as detailed in the following section, and is explicitly outlined in our Code of Business Ethics, which is publicly available online. Employees are expected to fully adhere to these privacy policies, with strict disciplinary measures in place for non-compliance, reflecting stc's unwavering commitment to data protection and regulatory adherence.

Other ongoing initiatives include automating threat detection and remediation, leveraging AI and data analytics for better threat intelligence visibility, implementing automatic fraud detection, utilizing robotic process automation for security assessments, and adopting DevSecOps to integrate security practices within development workflows.

In 2024, we implemented over 1,600 cybersecurity and remote access controls across stc, strengthening our defenses and safeguarding our infrastructure against potential threats.

Cybersecurity

Cyberattacks and professional data breaches are increasingly common, as sophisticated cybercriminal organizations challenge the limits of digital security. This trend necessitates the ongoing development, implementation and evaluation of security strategies for organizations.

As an ICT company managing critical infrastructure, applications and telecom data, our cybersecurity strategy ensures comprehensive protection of our facilities, critical IT systems and networks. The Cybersecurity Synergy and Enablement Committee provides essential insight to top management on relevant cybersecurity topics and collaborates with leading consulting services, making certain they remain on the cutting-edge of the topic.

Cybersecurity: Business enablement index

In 2024, we completed our strategy to improve our cybersecurity. Key improvements and initiatives by 2024 include:

- Enhanced business resiliency across stc Group
- Shortened incident response time to under 2 hours
- Strengthened stc brand reputation and customer trust by monitoring internet-facing assets and social media for 13 subsidiaries
- Contributed to cybersecurity thought leadership through participation in over 20 global and local events
- Increased employee cybersecurity knowledge with 92% completion rate for employees and contractors fostering a culture of proactive security awareness
- Improved executive understanding of cybersecurity, providing workshops and practical insight to effectively promote and enforce cybersecurity best practices
- Fostered a culture of cybersecurity innovation, with one idea granted startup as a result of the cybersecurity hackathon

We have a range of security controls to enhance digital security and protect our assets.

Identification and access management (IAM): This control is to certify only authorized entities can access the appropriate resources (applications or data) using their chosen devices, without interference.

Database activity monitoring: A suite of controls that detect and report fraudulent or illegal behavior while minimizing disruption to user operations and productivity.

Encryption: This process transforms data into ciphertext, ensuring only individuals with a decryption key or password can access the information.

Data classification: Data is classified according to its type, sensitivity and value to the organization. This helps us understand the potential risks of data alteration, theft or destruction, allowing for targeted risk mitigation controls.

Data leak prevention: Controls that detect and prevent data breaches, unauthorized data exfiltration or the loss of sensitive information.

Digital rights management (DRM): Controls that prevent users from accessing certain assets.

Safeguarding trust in a digital world continued

Cybersecurity policy

Our comprehensive cybersecurity policy aligns with international standards and best practices. We conduct regular reviews of this policy to maintain its effectiveness. The policy covers 19 security domains to make sure our information assets are protected, and confidentiality, integrity and availability is assured, as is uninterrupted business activity.

Protection against cyberattacks

As cyber threats become more frequent, we rise to the challenge by tightening our cybersecurity measures and strengthening our defensive capabilities, our protocols and systems.

In 2024, stc recorded zero data security breaches, and zero incidents involving customers’ personally identifiable information (PII), no regulatory actions for data protection violations, and no financial losses from legal proceedings related to customer privacy across stc KSA, Bahrain, and Kuwait.

To prevent cyberattacks, we conduct a range of assessments and cybersecurity stress tests. These assessments include:

- Vulnerability assessments
- Risk assessments
- Penetration testing
- Cyber resilience assessments
- Automatic ad hoc vulnerability assessments
- Monthly periodic assessments covering all stc assets

We have also improved our security measures with automatic ad hoc vulnerability assessments and monthly periodic assessments. These additions provide more frequent and comprehensive evaluations of our security infrastructure.

To combat known cybersecurity threats like USB baiting, our policy mandates the blocking of USB, reducing the risk of unauthorized access and malware infiltration. Additionally, we conduct mandatory security assessments before launching new products and services. If issues are identified, a remediation process is initiated, supported by strict service level agreements (SLA) and a clear responsibility matrix.



Performance metrics

stc KSA SMS spam/fraud	2022	2023	2024
Reported spam messages handled	39,864	67,915	44,548

stc KSA Cyberattacks	2022	2023	2024
Attempted cyberattacks	9,090	9,708	8,405
Actual cyberattacks	26	11	15
% of compliance with legal, regulatory and cybersecurity requirements	N/A	99%	98%
% of frameworks, policies and standards fully aligned with legal and regulatory requirements	N/A	100%	100%

Cybersecurity influence and memberships

As a leading ICT provider, stc has cultivated a strong network of strategic memberships and partnerships, reinforcing our cybersecurity capabilities while solidifying our position as an industry leader. These collaborations enable us to stay ahead of evolving threats, adopt best-in-class security standards, and contribute to the development of global and

regional cybersecurity frameworks. By actively engaging with key industry alliances and regulatory bodies, we increased our security posture and share our expertise to drive collective advancements in cybersecurity practices. Through these efforts, stc continues to be a responsible corporate leader, committed to strengthening the security ecosystem and safeguarding digital infrastructure at both local and global levels.

Key memberships



- Member of the GSMA Malware Information Sharing Platform
- Participant in GSMA security focus groups, contributing to anti-fraud standards and 4G roaming security guidelines
- Maintaining member of first.org, the global Forum of Incident Response and Security Team
- CST – Post Quantum Readiness
- Global Cyber Alliance (GCA)
- Open-source threat intelligence (Shadow Server)
- Bug bounty with Saudi Federation for Cybersecurity, Programming and Drones

Partnerships and collaborations achieved in 2024



- Part of ISACA (Information Systems Audit and Control Association) threat intel team and signed agreement with CISA (Cybersecurity and Infrastructure Security Agency) to be a member of their trusted circles and share intelligence
- Communications, Space and Technology Commission (CST) Sectorial Committee
- Communications, Space and Technology Commission (CST) Third-party Committee
- Partnered with MCIT (Ministry of Communications and Information Technology) on cloud security
- Collaborated with MCIT to support stc women cybersecurity community
- Involved in a session cybersecurity in the workplace with Misk Foundation and Tuwaiq academy
- Telecom World Middle East 2024
- stc is a member of GSMA's T-ISAC (Telecommunication Information Sharing and Analysis Center) Executive Governance. stc will be able to shape the future of the telecom information sharing and analysis center for threat intelligence under the GSMA
- Elected as deputy chair of GSMA Middle East Fraud and Security Group
- Blackhat CS team participation
- Aramco cybersecurity event
- Cybersecurity team participation in Global Cybersecurity Forum in panel discussion, ICT Knowledge Community roundtable and contributing to the child protection initiative
- NCA partnership with stc in October Cybersecurity Awareness Month
- Signed MOU with Saudi banks for a joint collaboration on cybersecurity awareness and financial fraud

Key partnerships



- Misk job shadowing program for high school students, promoting early cybersecurity education
- Collaboration with the National Cybersecurity Authority (NCA) in areas such as awareness, threat intelligence, information sharing and protection of signaling protocols
- GSMA T-ISAC partnership: stc is a key member of the Executive Governance team, comprising only 7 mobile operators from Europe, contributing to the telecom information sharing and analysis center for threat intelligence
- Partnership with IBM and sirar to host a cybersecurity hackathon, fostering innovation and skill development in the field

Safeguarding trust in a digital world continued

Data privacy and security training and awareness

Our customers, employees and stakeholders trust us to safeguard their personal information; a responsibility we take most seriously.

Our mandatory data privacy and protection training for stc KSA employees, subsidiaries and contractors, reinforces our Company culture as one that is highly informed and extremely strict on data privacy and protection.

stc conducts a variety of training and awareness campaigns in the fields of cybersecurity and data privacy for all employees and business partners, including:

- Privacy Day campaign
- AI and ChatGPT campaign
- Personal Data Protection Law (PDPL) campaign
- Data privacy in third-party relationships
- Data privacy in marketing and advertising
- Privacy impact assessments
- Data protection violations
- Phishing Awareness campaign
- Strong Password campaign
- Online Shopping campaign
- Social Media campaign
- Clean Desk campaign
- CS Policy and Standards campaign
- Cloud Storage and Storage Media campaign
- Secure Teleworking campaign
- Safe Meetings campaign
- Data Protection campaign

We also have role-based awareness campaigns, targeting:

- Social media team
- GCEO office staff
- Special Projects team
- Cybersecurity team
- VPs
- GCO (Group Chief Officers)
- Administrative people (admins with privileged access)
- Service provider contractors

As an organization at the leading edge of digital innovation and one that is driving growth and development in the region, we take every effort to stay on the cutting edge of the subject. Our training encompasses emerging areas in digital technology, including advanced AI, machine learning, multi-cloud and edge computing, cyber resilience, threat intelligence, intelligent automation, robotic process automation, digital ethics, and responsible AI. Our goal is to equip our employees to align with the Group's direction and adapt to the rapidly evolving digital landscape.

In 2024, approximately 99% of stc KSA employees completed the mandatory data privacy and protection training. Among our subsidiaries, nearly 35% of employees and 62% of contractors completed the required sessions.

These comprehensive training sessions, averaging 3.5 hours, are delivered through our online learning platform. To ensure compliance, participants must pass the evaluation with a score of 70% or higher. If an employee does not complete the training, departmental GMs are notified, and appropriate actions are taken to remedy the gap.

We emphasize the importance of cybersecurity through various digital channels, including social media, online messages, workshops and live webinars tailored for diverse audiences, including Arabic and non-Arabic speakers, the elderly and individuals with disabilities. Cybersecurity is integral to our mandatory employee training program; further details can be found in the Business Ethics section.

We conduct ongoing communication campaigns for employees, contractors and customers to help them protect themselves from phishing, ransomware attacks and privacy violations. All new employees complete cybersecurity training to understand stc's policies and procedures.

To assess the effectiveness of these campaigns, we have a cybersecurity course score, comparing pre- and post-test results to measure knowledge retention. We also conduct phishing simulation test campaigns to identify where employees may be vulnerable to phishing attacks or other cyber threats.

Performance metrics

Data protection and security training	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Number of employees attended data protection training	11,068	17,637	21,661	-	1,175	5,339
Total training hours	34,207	61,553	75,597	-	4,100	18,633
Number of employees attended security training	11,068	18,781	11,066		22,422	4,118
Total training hours	34,207	65,733	25,452	-	90,012	9,746

* Group data for 2022 is not available owing to expanded scope of operations. Accurate calculations and comprehensive data collection across Group were initiated starting 2023.

Data privacy and security audits

As data privacy, protection and security regulations continue to tighten, companies handling personal data face increasingly stringent compliance requirements. To ensure stc's full adherence to these evolving regulations, we undergo independent external audits of our data privacy and security practices at least once every 2 years. Examples of these external audits include

assessments aligned with the National Cybersecurity Authority's Essential Cybersecurity Controls (NCA ECC), the Communications, Space and Technology Commission (CST), and ISO 27001 standards. Additionally, Saudi Arabia's CST conducts annual and quarterly audits of stc, reinforcing our commitment to maintaining the highest standards of regulatory compliance and data protection.

Frequency of information system audits	2022		2023		2024	
	Internal	External	Internal	External	Internal	External
stc KSA	>100	2	>100	15	>100	7
stc Bahrain	2	3	1	3	1	3
stc Kuwait	10	5	12	6	20	6
Aqalat	1	-	1	-	1	-
channels	1	2	1	1	1	1
Intigral	4	3	4	3	5	3
sirar	3	2	2	6	2	6
solutions by stc	-	4	2	5	5	8
specialized by stc	2	2	1	5	1	3
TAWAL	1	5	3	4	1	6
iot squared	-	-	0	2	1	2
center3	-	-	1	3	-	2
SCCC	-	-	-	-	3	1

Safeguarding trust in a digital world continued

stc Security Pass program: Data protection for suppliers and business partners

stc requires all suppliers and business partners to implement data protection requirements and to undergo compliance inspections every 2 years to maintain their certification.

The scope of our Security Pass program includes all current and potential partners. Each partner must register and document their third-party qualified inspections and audits to meet program requirements. To obtain the Security Pass Certificate, partners must:

- Determine their tiering
- Implement applicable Security Pass Certification requirements
- Complete the Partner Compliance Cybersecurity Certificate report
- Submit an audit certificate from an authorized firm

The audit firm is responsible for validating the partner's cybersecurity compliance as per stc's Suppliers Security Standards and issuing cybersecurity certifications; providing monthly updates on certification progress to stc's Cybersecurity GRC department.

By improving our data protection and privacy initiatives, we proactively safeguard our customers' data and the information exchanged with our partners. This initiative strengthens our commitment to maintaining the highest security standards in our ecosystem, fostering trust and confidence in our services.

Read more on the Security Pass Certificate at <https://partnershub.stc.com.sa/security-pass>.

Child online safety and protection

At stc, we recognize our responsibility in shaping a safer, more secure digital world for children. As a leading enabler of digital connectivity, we are committed to upholding children's rights across all aspects of our business operations, proactively supporting both parents and young users in becoming responsible digital citizens. Our efforts focus on empowering families with the knowledge, tools and resources needed to navigate the digital landscape safely and confidently.

Empowering parents with knowledge and tools

To support parents in safeguarding their children's digital experiences, we provide a comprehensive, free parental guide, "Secure Cyberspace for Your Kids." This 18-page resource delivers practical insight on setting up parental controls, recognizing online risks, fostering open digital conversations, promoting responsible online behavior and staying informed on evolving cybersecurity threats. By equipping parents with actionable strategies, we help them create a safe and controlled online environment tailored to their child's needs.

Commitment to data protection and cybersecurity awareness

Data privacy and security are at the core of our child protection initiatives. stc strictly adheres to robust data protection frameworks that guarantee secure processing of children's personal information, in line with both internal policies and external regulatory standards. We continuously refine our security measures to align with global best practices, safeguarding young users from potential digital threats.

To further fortify online safety, stc has deployed an international gateway-level solution that provides comprehensive internet filtering, ensuring a secure browsing environment for all users, including minors. This filtering mechanism is aligned with Saudi regulatory requirements and helps mitigate exposure to harmful content.

Advocating for child safety through awareness and education

Beyond technological solutions, stc actively promotes digital literacy and online safety awareness through dedicated educational initiatives. Our commitment extends to engaging children, parents and employees in cybersecurity education, including:

- Two educational booklets (available in Arabic and English) designed to equip parents and children with cybersecurity best practices.
- A specialized kids' magazine, fostering interactive learning on digital safety.
- Workshops and awareness sessions for children aged 6-18 years, as well as exclusive programs for employees' children, reinforcing cybersecurity knowledge and safe online behaviors.

At stc, we go beyond compliance, we strive to set the standard for child safety in the digital age. By integrating technology, education and proactive engagement, we are committed to creating a safer, more responsible digital future for the next generation.



Supply chain management

Our approach to sustainable procurement involves sourcing sustainable goods and services whenever possible while encouraging sustainable practices throughout the entire supply chain. We expect our suppliers and business partners to operate in alignment with our sustainability requirements and adhere to our principles on critical issues such as safety, human rights and environmental responsibility.

Supplier Code of Conduct

stc’s Responsible Supply Chain policy reaffirms the Group’s commitment to maintaining and promoting responsible business practices with suppliers, while advocating for integrity and transparency in all dealings. Additionally, stc’s Supplier Code of Conduct is a contractual obligation for all suppliers, mandating fair employment practices for their workforces. Compliance is enforced by guaranteeing suppliers respect the dignity, privacy and rights of employees and associated contractors, refraining from unlawful discrimination and the use of child or forced labor, and avoiding exceeding applicable working hours or unfairly compensating employees. Suppliers can also use our Speak Up platform to raise concerns about ethics, human rights or other important matters.

Our recent agreement with the General Authority for Small and Medium Enterprises (Monsha’at) commits us to using our significant market share and our supplier spend to empower and sustain local SMEs, in turn contributing to the economy.

Performance metrics

stc KSA Sustainability screening	2022	2023	2024
Suppliers screened for environmental, labor and human rights practices	221	230	656
Percentage of new suppliers that were screened for environmental, labor and human rights practices	100%	100%	100%
Number of supplier’s subject to assessments for sustainability impacts (supplier evaluations)	158	122	40

Integrating sustainability into our supplier assessment

Every supplier and contractor is assessed for environmental and social issues as part of a comprehensive supplier evaluation process. Suppliers with customer data access must adhere to legally binding contracts and the Supplier Code. During project implementation, we continuously evaluate suppliers on performance, compliance and ethics, which affects their rankings and future selection. Criteria include quality, sustainability, risk, customer service, innovation, delivery, operational excellence and cost. Serious non-compliance, such as confidentiality breaches or unauthorized disclosure, can lead to disqualification or termination.

In addition, all significant investment agreements and contracts at stc include human rights-specific clauses that undergo rigorous screening to comply with ethical standards. In 2024, we maintained our commitment to responsible sourcing by confirming that 100% of new suppliers were screened for environmental, labor and human rights standards, reinforcing our dedication to sustainable and ethical business practices.

stc KSA Human rights integration	2022	2023	2024
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	100%	100%	100%

Suppliers’ sustainability audits and monitoring	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Number of suppliers identified as having significant actual and potential negative impacts	52	49	47	52	49	47
Suppliers with which sustainability improvements were agreed upon as a result of audit	9	3	10	9	8	71
Suppliers with which relationships were terminated as a result of audits and monitoring	5	4	0	5	4	0
Number of suppliers blocked for non-compliance with ethical aspects	5	4	0	7	4	0

Supplier engagement and development initiatives

stc engages with its suppliers through various initiatives to reinforce collaboration and ensure alignment with company objectives. Our annual supplier conferences, such as the Partner Day, providing partners with updates on stc’s strategies, ambitions and expectations, and how they can contribute to the Group’s goals.

Our Partner Awards recognize partners who have significantly contributed to projects aligned with the Group’s strategic objectives; with a rawafed Partner Awards category that focuses on localization.

In terms of cybersecurity and data protection, we have various assurances to protect customers:

- Partner Code of Ethics
- Contractual clauses to safeguard data
- Data destruction assurances upon project completion
- Continuous audit and monitoring processes

We monitor and audit suppliers on their environmental and social performance, labor practices and human rights impact. This includes adherence to the stc Code of Conduct and a prequalification process for suppliers.

We build ESG considerations into the procurement process, including:

- Specifications in invitations to tender or RFPs
- Shortlisting responsible suppliers
- Favoring suppliers with strong environmental or social performance
- Including relevant considerations in supplier contracts

stc uses a comprehensive supplier evaluation framework to assess partners based on measurable criteria, ensuring performance excellence and early risk identification. Performance evaluations involve both the Partner Management team and project managers at stc, guaranteeing a thorough assessment of partner contributions.

Through these initiatives and frameworks, stc reinforces its commitment to responsible supplier engagement, securing sustainable practices throughout its procurement processes.

Supply chain management continued

Performance metrics

Procurement spending	stc KSA			stc Group*		
	2022	2023	2024	2022	2023	2024
Total procurement spending (ﷲ billion)	22.1	35.2	29.9	45	6748	129
Amount spent on local suppliers (ﷲ billion)	22	33.2	28.6	38	42	124
Percentage of total procurement spending on local suppliers	93%	94%	96%	71%	89%	96%

* Group data excluding channels, specialized by stc and sirar.

Suppliers	stc KSA			stc Group*		
	2022	2023	2024	2022	2023	2024
Number of total suppliers	2,227	3,475	3,773	6,289	9,316	9,024
Number of tier 1 suppliers	171	199	24	213	993	684
Number of local suppliers	1,787	2,828	3,111	4,941	6,941	7,101
Number of foreign suppliers	440	647	662	1,656	2,217	1,923

* Group data excluding channels and specialized by stc.

Local procurement spending

Our commitment to local procurement spending has made a meaningful impact on the economies of the countries in which we operate. By supporting local businesses, we contribute to job creation, economic growth and the development of essential infrastructure that benefits communities and strengthens national economies.



2024 Local procurement spending – stc KSA

96%

2024 Local procurement spending – stc Group

96%

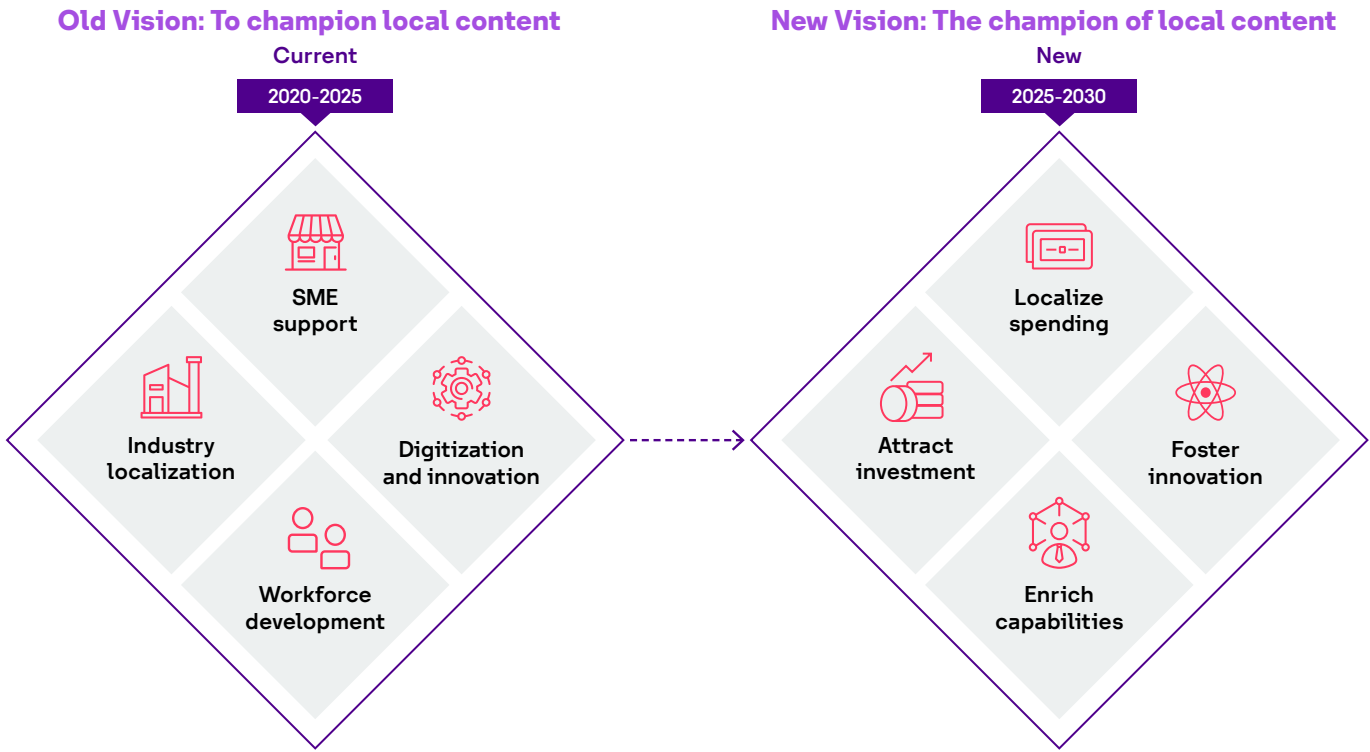
Maximising local content through rawafed

Launched in 2018, rawafed is stc’s flagship initiative aimed at maximizing local content within Saudi Arabia’s ICT sector and increasing its contribution to the national economy. rawafed focuses on maximizing local content within the Saudi ICT sector and boosting the sector’s contribution to the national economy. The initiative aims to strengthen the national economy by promoting local businesses and aligning with the broader goals of Saudi Arabia’s Vision 2030.

In 2024, rawafed’s strategy has been refreshed to build upon its past successes and further strengthen local content within the ICT sector. With a vision to maintain its leadership in local content, rawafed aims to develop, expand and grow the ICT sector, increasing stc’s contribution to the national digital economy. The updated strategy prioritizes localized spending, attracting investment, fostering innovation and improving local capabilities.

A key focus of the strategy is localizing spending through strategic initiatives and partnerships, reinforcing stc’s commitment to supporting local enterprises and SMEs. Additionally, it seeks to stimulate investments by creating new opportunities for national industries in the telecom and ICT sectors. To drive technological advancement, rawafed also places a strong emphasis on fostering innovation, expanding the adoption of digital and ICT solutions, and improving R&D capabilities and practices.

These efforts are made possible by empowering local talent and competencies. rawafed is dedicated to developing Saudi talent, creating new employment opportunities in the ICT sector and equipping professionals with the skills needed to drive digital transformation, further reinforcing stc’s commitment to national economic growth and sustainability.



Supply chain management continued



rawafed’s governance model, which we adhere to, ensures the smooth execution of all local content requirements and compliance control. To safeguard our adherence to this new approach, we have established a robust local content compliance framework that includes various guidelines and policies, such as a new local content policy and comprehensive guidelines for addressing local content violations. As a testament to these efforts, stc achieved a local content score of 44.32%, underscoring our commitment to fostering local content participation and driving sustainable growth.

Throughout the reporting year, we have cascaded our strategy across our Saudi subsidiaries to advance stc’s investment in local content sustainability and contribute to the development of the Saudi economy. rawafed has ensured subsidiaries obtained local content certificates, showcasing stc’s unwavering commitment to local development and the broader Saudi economy.

Increasing the number of local content certificates among stc suppliers is a critical component of the Group’s local content growth strategy. This initiative has resulted in a significant increase in local content levels. As a result, the total number of local content certificates issued to our partners reached 1,025 as of 2024, exemplifying our commitment to promoting socio-economic development in local communities.

Moreover, our efforts to localize the procurement of goods and services have also yielded notable results. Through strategic management of operating expenses and a commitment to supporting local suppliers, we achieved a localization score of 33% in 2024, up from 30.34% in 2023.

Recognizing the impact of localizing products and services on the local content score, rawafed actively promoted its catalog, listing 27 products worth ₪ 6.68 billion for localization over 5 years. In collaboration with the Local Content and Government Procurement Authority (LCGPA), the Public Investment Fund (PIF), the Ministry of Industry and Mineral Resources (MIM), the Chambers of Commerce (CoC) and the PIF Forum, we connected over 10 local companies with relevant entities to explore manufacturing opportunities and assess technical specifications.

rawafed also participated in several national local content events, including the Local Content Forum and the PIF Private Sector Forum, to showcase its efforts. Additionally, we organized 33 knowledge-sharing sessions with key stakeholders, such as the Saudi Chambers Federation and PIF portfolio companies like NEOM and Qassim Cement, fostering collaboration and best practices in local content development.

rawafed has been recognized for its exceptional contributions to local content development, achieving prestigious national accolades. It secured **first place for excellence in local content** preference for owned companies, awarded by the Local Content and Government Procurement Authority. Additionally, for the second consecutive year, rawafed received the **Technical Excellence Award from the Ministry of Communications and Information Technology**. These achievements underscore the sustainability of Rawafed’s impact, reaffirming its commitment to advancing local content, driving economic growth and strengthening Saudi Arabia’s ICT sector.



For more on rawafed achievements, please refer to their annual report, published on stc’s [website](#).

Performance metrics

stc KSA Local content	ICT benchmark	2022	2023	2024
Local content score	30%	40.75%	42.90%	44.32%

stc KSA Local content	Unit	2022	2023	2024
Local content contribution spends	₪ billion	11.2	13.0	14.0

Notable projects and initiatives – rawafed
Local Excellence initiative

The Local Excellence initiative is designed to improve local content within stc’s partnerships by providing consulting sessions to strategic partners. This initiative offers more than 18 tailored services, including strategic planning, process modeling, governance modeling and methods for measuring local content. In its initial phase, the rawafed team collaborated with 9 key strategic partners, conducting over 20 sessions that covered more than 13 services, effectively fostering an environment of expertise and growth in local content development.

Local Expand initiative

The Local Expand initiative aims to achieve sustainable growth in local content by advising and guiding stc Group’s subsidiaries on how to increase their local content contributions.

The rawafed team conducted over 10 consulting workshops tailored to each subsidiary’s future plans and business needs. This initiative is designed to guarantee local content growth is aligned with the subsidiaries’ operational strategies, ultimately forecasting a positive impact on local content percentages across the Group.

To further strengthen stc’s leadership in local content development across the communications and information technology sectors, local content requirements have been made mandatory in all 2024 projects. Additionally, local content price preference mechanisms have been implemented across all stc procurements to maximize impact.

Supply chain management continued

Promoting SMEs

stc actively supports the participation of small and medium enterprises (SME) through its procurement activities, aligning with the national visions of the countries in which it operates. By enabling local business growth, stc plays a pivotal role in developing the telecom and ICT sectors, contributing to economic diversification.

In 2024, stc engaged with more than 492 SMEs, reinforcing its commitment to strengthening local industries and driving sustainable economic development.

Performance metrics

SME suppliers	stc KSA			stc Group		
	2022	2023	2024	2022	2023	2024
Number of SME suppliers engaged	134	168	117	531	665	492

Warehouse consolidation and logistics optimization

We are dedicated to making a positive impact on the local community and environment through our logistics and inventory practices. Our journey toward sustainable logistics is guided by 3 main goals:

- Improve demand planning for responsible consumption and production
- Streamline operations to reduce Scope 1 and Scope 2 emissions and increase efficiency
- Promote a circular economy with material reuse and safe disposal of non-recyclable waste

To standardize warehouse inventory management, we use 100% biodegradable bags. Since 2018, our warehouse consolidation project has optimized storage capacity, planning and distribution, reducing costs and carbon emissions by consolidating multiple warehouses.

Building a digital ecosystem across procurement practices

At stc’s main office, we now have a paperless environment for procurement. We utilize our internal system, HUB, in conjunction with the Oracle Procurement System, to streamline and digitize procurement processes. As a result, 100% of bidding, work orders and letters of award are now paperless, eliminating paper consumption related to procurement.



99%

average paperless procurement process across stc Group

Performance metrics

Digitization of procurement process	Reduction of paper-based documents with the electronic procurement process		
	2022	2023	2024
stc KSA	100%	100%	100%
stc Bahrain	80%	95%	100%
stc Kuwait	100%	100%	100%
Aqalat	-	90%	90%
TAWAL	80%	90%	99%
sirar	100%	100%	100%
iot squared	-	100%	100%
center3	-	5%	100%
Intigral	100%	100%	100%
solutions by stc	90%	100%	100%
SCCC	-	50%	100%
specialized by stc	15%	15%	100%
channels	100%	100%	100%



07.

The details that matter (appendices)

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UN Global Compact

WE SUPPORT



Core Value	UNGC Principle	Description	stc's commitment	Commitments & References	Page Number or Direct Response
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	stc has a Human Rights policy that aligns with local laws and international standards to ensure the protection and promotion of human rights within all aspects of its operations. stc actively involves itself in extending these principles beyond its immediate operations to include suppliers, customers, and partners. This is reflected through our supplier codes of conduct, code of ethics, ethics training, and a commitment to diversity and inclusion, as evidenced by various initiatives and 100% employee training in human rights-related policies.		60, 142, 147, 178, 188-189, 208-209
	Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	stc's commitment to human rights is further reinforced through its rigorous approach to prevent complicity in human rights abuses. stc's efforts include a focus on ethical decisionmaking, adherence to a strict code of ethics, and supplier code of conduct that specifically prohibit child and forced labor. stc's screening process for suppliers to ensure compliance with human rights principles and its zerotolerance policy for human rights abuses within its operations and supply chain are key to this commitment.		60, 142, 147, 178, 188-189, 208-209

Core Value	UNGC Principle	Description	stc's commitment	Commitments & References	Page Number or Direct Response
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	stc supports labor rights in compliance with the labor laws of Saudi Arabia and the standards of the International Labor Organization (ILO). stc respects freedom of association and collective bargaining in accordance with Saudi law through the establishment of the stc Workers' Committee, which facilitates dialogue on critical labor issues. This approach is part of stc's broader commitment to ensure that labor rights are protected and that employees' voices are heard.		146-147
	Principle 4	Businesses should eliminate all forms of forced and compulsory labor.	stc's human rights policy, supplier code of conduct, and code of ethics make it clear that stc is committed to respect, protect, and develop its employees. stc's commitment to ethical labor practices, rigorous supplier screening, and zero tolerance for human rights abuses are indicative of efforts to prevent forced labor in its operations and supply chain.		188, 208-209
	Principle 5	Businesses should effectively abolish child labor.	Similar to Principle 4, the explicit efforts to prevent child labor within the group and throughout the supply chain, which is reflected through our human rights policy, supplier code of conduct, and code of ethics.		188, 208-209
	Principle 6	Businesses should eliminate discrimination in respect of employment and occupation.	stc actively works to eliminate discrimination and promote diversity, equity, and inclusion within its workforce. stc has implemented various initiatives, including diversity and inclusion training. stc's adherence to non-discrimination in its employment and occupation practices is a testament to our commitment to creating an inclusive and equitable workplace.		146-147, 186, 208-209

UN Global Compact continued

Core Value	UNGC Principle	Description	stc's commitment	Commitments & References	Page Number or Direct Response
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges.	stc's environmental stewardship is demonstrated through our commitment to minimizing our direct environmental impact and supporting customers in reducing theirs. stc's adherence to ISO 14001:2015 for environmental management and initiatives like renewable energy projects and energy efficiency improvements in buildings and fleet management reflect a precautionary approach to environmental challenges.		64-92, 208-209
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	stc commits to achieving net-zero GHG emissions across its value chain by 2050, with near-term targets of reducing scope 1 and 2 emissions by 50% and scope 3 emissions by 46.2% by 2030 from a 2019 base year. Long-term, stc aims to reduce scope 1, 2, and 3 emissions by 90% by 2050, emphasizing its commitment to significant environmental impact reduction. Through various initiatives, including energy efficiency measures and the renewable energy pilot project, stc is actively promoting greater environmental responsibility. By setting ambitious near and long-term GHG emission reduction targets, stc underscores its commitment to environmental stewardship. These efforts, combined with the company's dedication to reducing electricity consumption, CO2 emissions, and adhering to science-based targets, highlight stc's holistic approach to achieving net-zero carbon emissions by 2050 and fostering a sustainable future.		64-92, 208-209

Core Value	UNGC Principle	Description	stc's commitment	Commitments & References	Page Number or Direct Response
Anti-Corruption	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	stc is committed to the development and diffusion of environmentally friendly technologies. This is evidenced by our investment in renewable energy and energy efficiency initiatives, such as the integration of solar networks and hybrid solutions at tower sites. These efforts not only aim to reduce our environmental impact but also encourage the adoption of sustainable practices across the industry.		64-92, 208-209
	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	stc has taken a strong stance against corruption, implementing a comprehensive anti-corruption policy statement and Code of Ethics which clearly prohibit facilitation payments in all areas pertaining to the company, including all subsidiaries, as well as conducting regular risk assessments and training focused on anticorruption. We have recorded zero public legal cases regarding corruption brought against the organization or any employees. stc's membership and commitment to the UN Global Compact and its membership in several anti-corruption and business ethics initiatives such as, PACI, PEARL Initiative, and BELA, a testament to our commitment to maintaining integrity and ethical conduct in all business dealings.		178, 180-183, 189

GRI Content Index

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.



The service was performed on the English version of the report.

Statement of use	stc has reported in accordance with the GRI Standards for the period 1 January to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Location and/or direct answers	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-1	Organizational details	Page 16-17	-	-	-
	2-2	Entities included in the organization's sustainability reporting	Page 18-19	-	-	-
	2-3	Reporting period, frequency and contact point	Page 6-7	-	-	-
	2-4	Restatements of information	Page 122, 139, 142	-	-	-
	2-5	External assurance	No external assurances	-	-	-
	2-6	Activities, value chain and other business relationships	Pages 20-23	-	-	-
	2-7	Employees	Pages 130-132	-	-	-
	2-8	Workers who are not employees	Pages 148-151	-	-	-
	2-9	Governance structure and composition	Pages 174-175	-	-	-
	2-10	Nomination and selection of the highest governance body	Page 177	-	-	-
	2-11	Chair of the highest governance body	Pages 170-215	-	-	-
	2-12	Role of the highest governance body in overseeing the management of impacts	Pages 170-215	-	-	-
	2-13	Delegation of responsibility for managing impacts	Pages 40-43, 177	-	-	-
	2-14	Role of the highest governance body in sustainability reporting	Pages 40-43	-	-	-
	2-15	Conflicts of interest	Page 60	-	-	-
	2-16	Communication of critical concerns	Page 147	-	-	-
	2-17	Collective knowledge of the highest governance body	Pages 170-215	-	-	-
	2-18	Evaluation of the performance of the highest governance body	2024 Annual Report , Pages 177-184	-	-	-
	2-19	Remuneration policies	Pages 60, 177	-	-	-
	2-20	Process to determine remuneration	Page 177	-	-	-
	2-21	Annual total compensation ratio	2024 Annual Report , Pages 177-184	-	-	-
	2-22	Statement on sustainable development strategy	Page 8-9	-	-	-

GRI STANDARD	DISCLOSURE	Location and/or direct answers	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-23	Policy commitments	Page 60	-	-	-
	2-24	Embedding policy commitments	Pages 60-61	-	-	-
	2-25	Processes to remediate negative impacts	Pages 22-26, 44-47	-	-	-
	2-26	Mechanisms for seeking advice and raising concerns	Pages 186-187	-	-	-
	2-27	Compliance with laws and regulations	Page 184-187	-	-	-
	2-28	Membership associations	Pages 28-29	-	-	-
	2-29	Approach to stakeholder engagement	Pages 50-51	-	-	-
	2-30	Collective bargaining agreements	Pages 188-189 All stc employees have formal individual labor contracts, and are covered by regional work conditions standards and their terms of employment are determined based on the same. No collective bargaining agreements as per prevalent laws in Saudi Arabia.	-	-	-
Material topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pages 48	-	-	-
	3-2	List of material topics	Page 49, Appendix F	-	-	-
Customer relations and satisfaction						
GRI 3: Material Topics 2021	3-3	Management of material topics	Pages 98-101	-	-	-
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Pages 16-17	-	-	-
	201-3	Defined benefit plan obligations and other retirement plans	Pages 144-146	-	-	-
Data privacy, security and protection						
GRI 3: Material Topics 2021	3-3	Management of material topics	Pages 198-206			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-	Confidentiality constraints	stc does not publicly disclose this information in the sustainability report but reports to regulatory entities on regular basis

GRI Content Index continued

GRI STANDARD	DISCLOSURE	Location and/or direct answers	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Digital innovation and experience						
GRI 3: Material Topics 2021	3-3	Management of material topics	Pages 103-116	-	-	-
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Pages 103-116	-	-	-
	201-3	Defined benefit plan obligations and other retirement plans	Pages 103-116	-	-	-
Energy and climate change						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 78-83, 86-91	-	-	-
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Page 83	-	-	-
	302-2	Energy consumption outside of the organization	Page 83	-	-	-
	302-3	Energy intensity	Page 83	-	-	-
	302-4	Reduction of energy consumption	Page 82	-	-	-
	302-5	Reductions in energy requirements of products and services	Pages 78, 79, 82	-	-	-
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 74	-	-	-
	305-2	Energy indirect (Scope 2) GHG emissions	Page 74	-	-	-
	305-3	Other indirect (Scope 3) GHG emissions	Page 75	-	-	-
	305-4	GHG emissions intensity	Page 83	-	-	-
	305-5	Reduction of GHG emissions	Pages 74-75, 305-307	-	-	-
	305-6	Emissions of ozone-depleting substances (ODS)	-	-	Information unavailable/incomplete	Work in progress. This metric to be included in upcoming sustainability reports.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	-	Information unavailable/incomplete	Work in progress. This metric to be included in upcoming sustainability reports.
Accessibility and digital inclusion						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 154	-	-	-
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Pages 156-157	-	-	-
	203-2	Significant indirect economic impacts	Pages 156-157	-	-	-
Diversity, equality and inclusivity						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 132-137, 175	-	-	-

GRI STANDARD	DISCLOSURE	Location and/or direct answers	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 132, 175, 176	-	-	-
	405-2	Ratio of basic salary and remuneration of women to men	-	-	Confidentiality constraints	stc does not publicly disclose this information
Talent management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Pages 130-147	-	-	-
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	-	Confidentiality constraints	stc does not publicly disclose this information
	202-2	Proportion of senior management hired from the local community	Page 137	-	-	-
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 138, 139	-	-	-
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2024 Annual Report , Pages 147-148	-	-	-
	401-3	Parental leave	Page 145	-	-	-
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-	-	stc uses the boundary relevant to the jurisdiction in which stc is active. As per HRSD decree No.50945, the company must send a notice including (study, justification... etc) of such action 60 days before the major layoff to HRSD and seek their input within 45 days of the notice.	-
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 142	-	-	-
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 142	-	-	-
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 143	-	-	-
Resource Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 92, 93	-	-	-

GRI Content Index continued

GRI STANDARD	DISCLOSURE	Location and/or direct answers	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 92	-	-	-
	303-2 Management of water discharge-related impacts	-	-	Information unavailable/incomplete	Work in progress. This metric to be included in upcoming sustainability reports.
	303-3 Water withdrawal	-	-	Information unavailable/incomplete	Work in progress. This metric to be included in upcoming sustainability reports.
	303-4 Water discharge	-	-	Information unavailable/incomplete	Work in progress. This metric to be included in upcoming sustainability reports.
	303-5 Water consumption	Page 92	-	-	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 86-89	-	-	-
	306-2 Management of significant waste-related impacts	Page 86-88	-	-	-
	306-3 Waste generated	Page 89	-	-	-
	306-4 Waste diverted from disposal	Page 89	-	-	-
	306-5 Waste directed to disposal	Page 89	-	-	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 89	-	-	-
Supply chain management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 208	-	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 208	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 209	-	-	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 210	-	-	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 208	-	-	-
	414-2 Negative social impacts in the supply chain and actions taken	Page 209	-	-	-
Health, safety and wellness					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 148-152	-	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 148	-	-	-

GRI STANDARD	DISCLOSURE	Location and/or direct answers	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	403-2 Hazard identification, risk assessment, and incident investigation	Page 149	-	-	-
	403-3 Occupational health services	Page 149	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 148-152	-	-	-
	403-5 Worker training on occupational health and safety	Page 150-151	-	-	-
	403-6 Promotion of worker health	Page 151	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 148-152	-	-	-
	403-8 Workers covered by an occupational health and safety management system	Pages 148-152	-	-	-
	403-9 Work-related injuries	Page 148	-	-	-
	403-10 Work-related ill health	Page 148	-	-	-
Business ethics and governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 178-197	-	-	-
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 182	-	-	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 178	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	Page 179	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Page 181	-	-	-
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 182	-	-	-
	417-1 Requirements for product and service information and labeling	Page 108	-	-	-
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 188-189	-	-	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 147	-	-	-
Community contribution and development					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 152-169	-	-	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 152-169	-	-	-
	413-2 Operations with significant actual and potential negative impacts on local communities	Page 152-169	-	-	-

GSMA ESG Metrics for Mobile Industry

Environment

Topic	Core Metric	Metric	Metric Code	Page number or direct response
Emissions	Science-based targets	1.1a	GSMA-ENV-01	74
		1.1a i		72-75
		1.1a ii		74
		1.1b		74
		1.1b i		74
		1.1b ii		74
	Scope1 & 2 emissions	1.2a i	GSMA-ENV-02	74
		1.2a ii		74-75
		1.2a iii		74-75
		1.2a iv		74
		1.2a v		74-75
	Scope 3 emissions	1.2b i	GSMA-ENV-02	75
		1.2b ii		75
Energy	Energy consumption	1.3a i	GSMA-ENV-03	83
		1.3a ii		83
		1.3a iii		80
		1.3a iv		80
		1.3a v		83
	Network energy consumption	1.3b i		80-83
		1.3bii		Data Not available based on calculation methodology
		1.3b iii		Data Not available based on calculation methodology
		1.3b iv		Data Not available based on calculation methodology
Circular economy	Circularity of network equipment	1.4a i	GSMA-ENV-04	86-89
		1.4a ii		86-89
	Circularity of mobile devices	1.4b i		86
		1.4b ii		86
		1.4b iii		86-89
	Circularity of customer premises equipment (CPE)	1.4c i		88-90
		1.4c ii		86-89
		1.4c iii		86-89
	Electronic waste	1.5a i	GSMA-INC-05	86-89
		1.5a ii		86-89

Digital Inclusion

Topic	Core Metric	Metric	Metric Code	Page number or direct response
Network coverage	Population covered by mobile network	2.1	GSMA-INC-01	105
Affordability	Device and subscription affordability	2.2a	GSMA-INC-02	116
		2.2b		116
Digital skills	Digital skills programs	2.3	GSMA-INC-03	140-143

Digital Integrity

Topic	Core Metric	Metric	Metric Code	Page number or direct response
Data protection	Customer data incidents	3.1a	GSMA-INT-01	202
		3.1b		202
		3.1c		202
		3.1d		88-89
Digital rights	Digital rights policy	3.2	GSMA-INT-02	Yes, we do have a policy covering digital rights protection and transparency Data Privacy and Security policy statement
Online safety	Online safety measures	3.3		104-105

Supply Chain

Topic	Core Metric	Metric	Metric Code	Page number or direct response
Sustainable Supply Chain	Sustainable procurement policy	4.1a	GSMA-SUP-02	Yes (https://www.stc.com.sa/content/dam/groupsites/common/generic/pdfs/Responsible%20Supply%20Chain%20Position%20Statement.pdf)
		4.1b		It covers 3 elements: 1. Responsible relationship with suppliers 2. Integration of environmental factors in the supply chain 3. Integration of social factors in the supply chain
	Supplier assessments	4.2a		208-209
		4.2b		208-209

SASB Telecommunications Industry Metrics

Topic	SASB Code	SASB Metric	Page number or direct response
Environmental Footprint of Operations	TC-TL-130a.1	Total energy consumed	83
		Percentage grid electricity	74, 80
		Percentage renewable	80
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to targeted advertising and customer privacy	101
	TC-TL-220a.2	Number of customers whose information is used for secondary purposes	This information is considered confidential, as such stc does not disclose this indicator
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	202
	TC-TL-220a.4	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	This information is considered confidential, as such stc does not disclose this indicator
Data Security	TC-TL-230a.1	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	198-206
	TC-TL-230a.2	(1) Materials recovered through take-back programmes, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	86-87, 159
Competitive Behaviour & Open Internet	TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	182
	TC-TL-520a.2	Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content	110
Managing Systemic Risks from Technology Disruptions	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service disruptions	194-197

Activity Metric	SASB Code	Page number
Number of wireless subscribers	TC-TL-000.A	111
Number of wireline subscribers	TC-TL-000.B	111
Number of broadband subscribers	TC-TL-000.C	111
Network Traffic	TC-TL-000.D	110

Materiality matrix assessment

Framework Pillar 1 (Environment): Environmental performance and climate [GRI 3-1] [GRI 3-2]			
Material topic	Overview of ESG impacts	Actual/ potential	Negative/ positive
Energy and climate change	Reduction of emissions and energy consumption from our direct operations by increasing renewable capacity and efficiencies. Through digital and innovative products and services, we help customers reduce their environmental impact, including emissions.	Actual	Positive
	Working with companies with poor environmental reputation. Thus, we select suppliers and projects appropriately, considering environmental concerns.	Potential	Negative
Resource management	E-waste is a fast-growing waste stream and stc is committed to recycling/repurposing e-waste. We have measures to increase the proportion of recycled waste, including e-waste.	Actual	Positive
	Given that water is a scarce resource in KSA, lack of action to manage water use and efficiency impact negatively, e.g. increased utility bills and a negative public image.	Potential	Negative

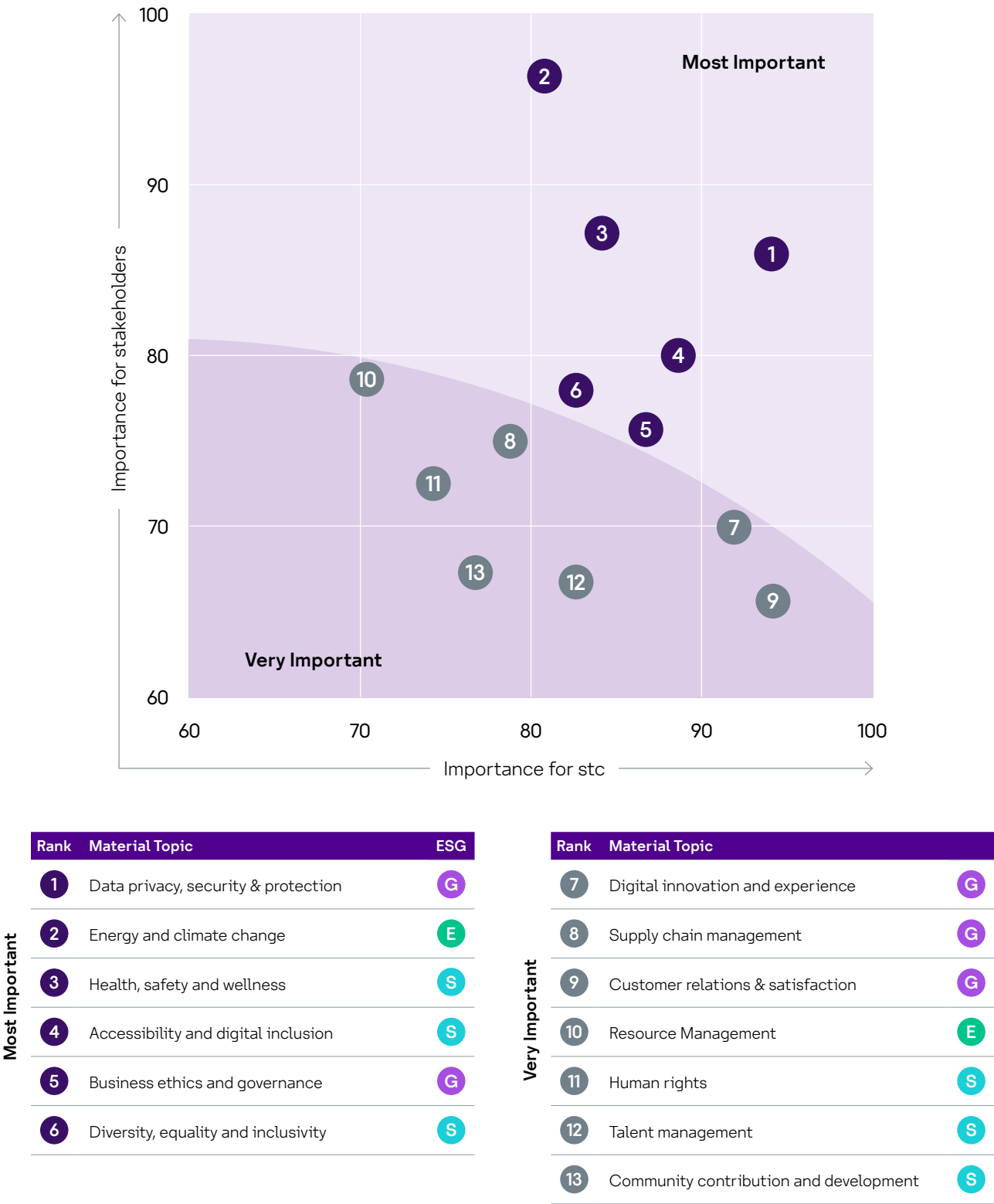
Framework Pillar 2 (Social): Development of human capital through digital innovation [GRI 3-1] [GRI 3-2]			
Material topic	Overview of ESG impacts	Actual/ potential	Negative/ positive
Data privacy, security and protection	stc focuses on data privacy, security and protection as its first material topic under Pillar 2 (Social). In terms of cybersecurity maturity, stc protects its information assets, safeguarding confidential and sensitive data for stc customers.	Actual	Positive
	Cybersecurity threats against data safety of stc and its customers is a crucial concern. This threat exists not only within stc, but also its third-party contractors, which are considered as more vulnerable by cybercriminals. To prevent damages caused by cyber and data threats (e.g. loss of customer/company data), appropriate preventive measures are taken throughout the organization and its value chain.	Potential	Negative
Accessibility and digital inclusion	Quality improvements ensuring access to ICT products and services in remote areas that serve all groups, including the vulnerable.	Actual	Positive
	Reduction in accessibility and digital inclusion opportunities might damage reputation and affect out ability to boost socio-economic development build our customer base.	Potential	Negative

Framework Pillar 2 (Social): Development of human capital through digital innovation [GRI 3-1] [GRI 3-2]			
Material topic	Overview of ESG impacts	Actual/ potential	Negative/ positive
Health, safety and wellness	stc monitors and reports occupational health and safety performance, including for employees and contractors, and takes appropriate risk-prevention measures. stc cares about employees, engaging with them through various health, safety and wellness programs.	Actual	Positive
	Increase in the rate of accidents owing to a failure to promote a health and safety culture across communities in which stc operates.	Potential	Negative
Diversity, equality and inclusivity	Building a diverse and inclusive work environment helps improve the customer experience, while also showing respect for the rights of stakeholders.	Actual	Positive
	Inability to attract, develop, reward and retain talented employees will negatively impact our ability to meet customer needs and will also negatively impact sustainability/ESG metrics.	Potential	Negative
Digital innovation and experience	Digitization and innovation improves our customers’ lives and brings efficiency to our own processes, allowing for valuable insight and contributing to profitability.	Actual	Positive
	Failed digital transformation journey is very costly in lost money, resources, time and credibility.	Potential	Negative
Customer relations and satisfaction	Through innovation, improved and more sustainable products/services that enrich customers’ lives.	Actual	Positive
	Lack of clear, transparent and inclusive communication on business information.	Potential	Negative
Talent management	Ensure stimulating and decent work environment for our people.	Actual	Positive
	Decreased job opportunities because of inadequate institutional support.	Potential	Negative
Community contribution and development	Engaging the communities in which we operate, addressing their needs and promoting their socio-economic development. In turn, this improves our public image and reputation, contributes to the SDGs and KSA national vision, possibly offsetting some negative outcomes of our operations.	Actual	Positive
	The community not experiencing the benefits they were expecting.	Potential	Negative

Materiality matrix assessment continued

Framework Pillar 3 (Governance): Strong governance and ethical excellence [GRI 3-1] [GRI 3-2]			
Material topic	Overview of ESG impacts	Actual/ potential	Negative/ positive
Business ethics and governance	Ensure solid governance according to international and national requirements; transparent communication on performance to key stakeholders such as investors, lenders, partners, suppliers, regulators, customers and communities where we operate.	Actual	Positive
	Inability to respond to stakeholders' increased expectations around ESG could negatively impact customer engagements, investor support, talent attraction and regulatory compliance.	Potential	Negative
Data privacy, security & protection	Ensure robust data privacy, security, and protection practices to safeguard stakeholder information and build trust, positively contributing to national digital resilience and economic stability in countries where we operate.	Actual	Positive
	Failure to uphold strong data privacy, security, and protection standards could negatively impact customer trust, investor confidence, talent attraction/retention, and compliance with evolving regulatory requirements.	Potential	Negative
Supply chain management	Ensure sustainable procurement practices and support local procurement spending and SME support to positively contribute to the national GDP of countries we operate.	Actual	Positive
	Increase in environmental impacts owing to a failure by our suppliers to adopt environmental management policies.	Potential	Negative
Human rights	Assessing and addressing human rights risks; remedying impacts across our operations and supply chain.	Actual	Positive
	Greater awareness of human rights abuses builds pressure from investors, governments and other stakeholders, for companies to remedy the situation. This requires that we gain a better understanding of legal and reputational risks. Capabilities to address such challenges is sometimes lacking within the organization.	Potential	Negative

stc materiality matrix



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