

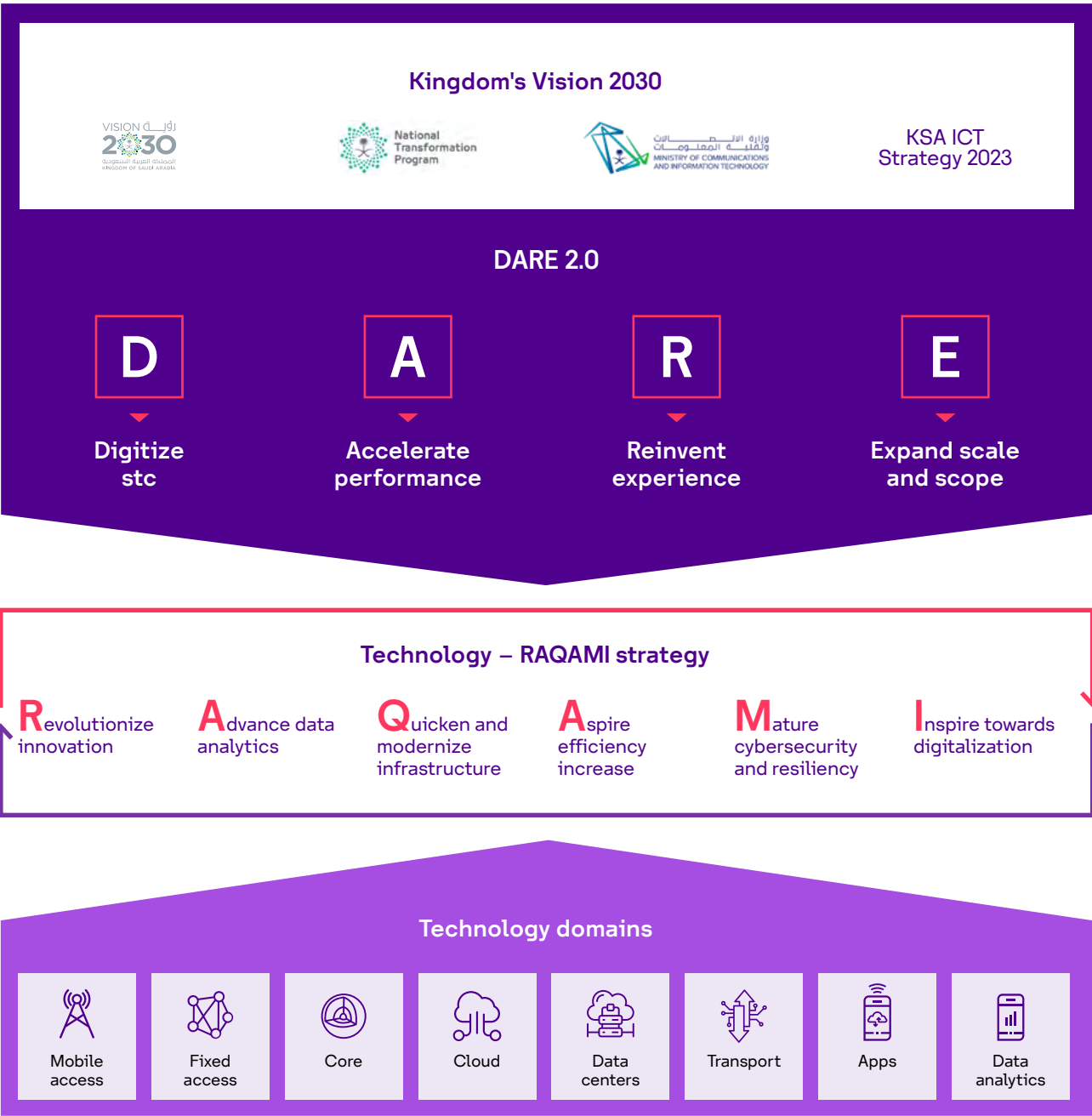
Supporting Units

Technology Unit

The Technology Unit is a cornerstone of stc, dedicated to managing and optimizing technological infrastructure to empower and enhance business operations. This Unit plays a pivotal role in driving innovation, elevating operational efficiency and ensuring stc remains at the forefront of industry leadership and competitiveness.

Strategic focus and alignment with DARE 2.0 strategy

stc's Technology strategy is aimed at accelerating and enabling stc's growth and success by ensuring both effectiveness and efficiency to sustain its leadership in technology, in full alignment with DARE 2.0 and the Kingdom's broader vision and ambitions.



5G expansion vision: stc remains committed to maintaining its leadership in 5G coverage and speed across the nation, aligning with Saudi Arabia's Vision 2030. Therefore, stc plans to:

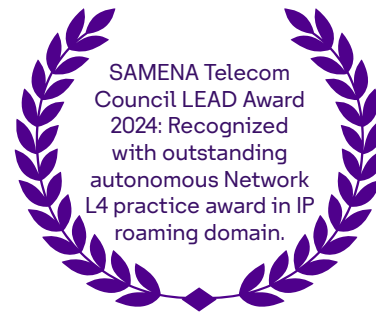
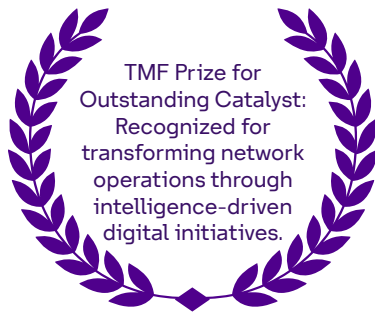
| | | |
|---|--|---|
| Continue network cloudification and enhance automation to drive efficiency and agility. | Expand 5G deployment by targeting additional cities, focusing on the N78 band to increase coverage. | Implement 5G on the N40 and N77 bands to boost speed and capacity in major urban centers. |
| Utilize the N71 band for 5G deployment to improve indoor coverage and services. | Deploy 5G small cells using mm wave technology for hotspot areas, contingent on spectrum availability after the auction. | Establish private 5G networks using the existing C-band. |
| N71 enablement of 5GSA and advanced use cases. | Open RAN deployment in a commercial PoC as an important milestone towards a wider transformation of RAN architecture. | |



Supporting Units continued

Recognitions and achievements

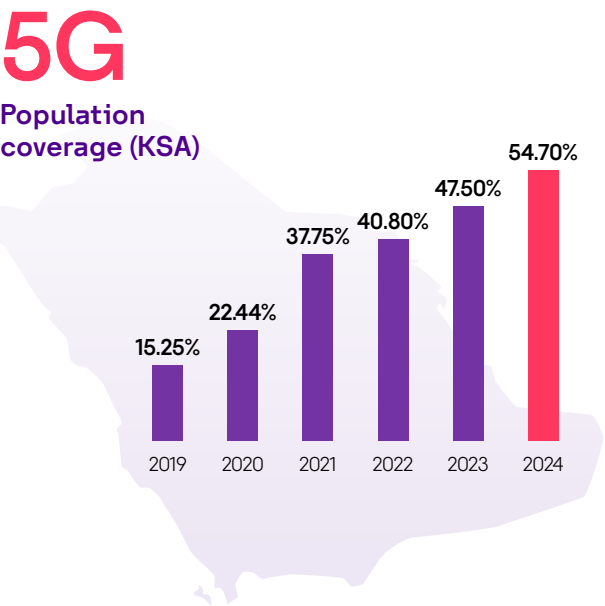
By consistently exceeding its commitments to customers and surpassing all expectations, stc's success is reflected in the following recognitions and achievements received during the year.



Supporting Units continued


Infrastructure

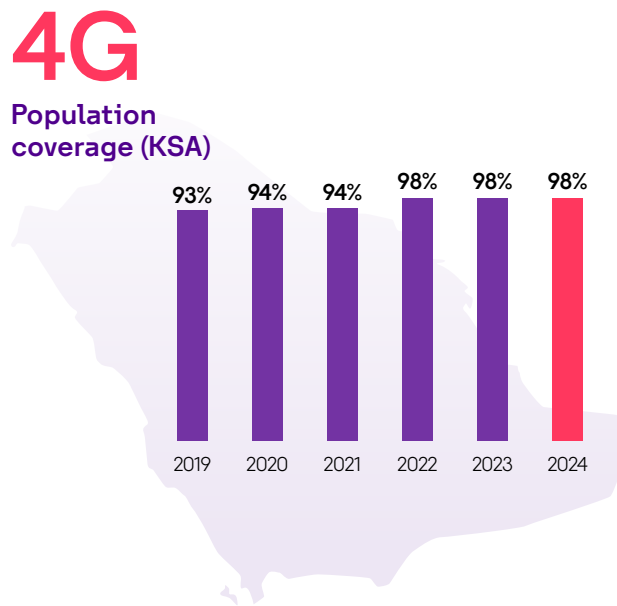
The Technology Unit is accelerating infrastructure modernization and simplification to adapt to a rapidly evolving market and emerging technology trends. These efforts have significantly enhanced customer experience, achieving 54.70% 5G coverage across the Kingdom and 98% 4G coverage as of year-end 2024.



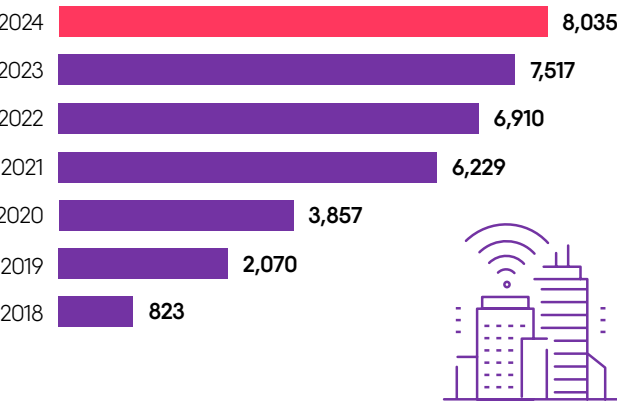
stc made significant strides in infrastructure development and modernization throughout 2024, achieving notable milestones that enhanced connectivity and customer experience. A total of 191,859 households were connected to fiber through FTTH projects, bringing the cumulative FTTH connections to over 3.58 million.

In the 5G domain, stc commissioned 661 new 5G sites, reaching an accumulated total of 8,993 sites. Additionally, over 2,028 integrated 5G second-layer sites (N40) were implemented, bringing the cumulative site-asset inventory to 10,888. To support these advancements, 8,035 fiber backhaul connections for 5G sites were successfully established.


191,859
Number of FTTH households 2024



Number of 5G integrated sites connected by fiber



As part of its infrastructure upgrade initiative, stc decommissioned 1,522 legacy nodes, recovering 1,572 square meters of floor space and saving 18 GW/Y of power. The full shutdown of the 3G network was also completed, while more than 2,803 sites were upgraded with L900 activation in 2024, reaching a cumulative total of 11,694 sites. Coverage enhancements included the deployment of over 800 5G antennas and 11,500 4G antennas across major cities and landmark buildings in the Kingdom, boosting in-building coverage.

stc achieved 74% cloudification of its voice subscribers in 2024, covering 15.5 million subscribers, and migrated 20 million PCRF (Policy and charging rules function) subscribers to the Telco Cloud, with attained total live traffic of more than 2.1 TB through the Partnership Cloud, enhancing efficiency, performance, and closing security gaps. Additionally, the Telco Cloud footprint was expanded to 9 data centers with 12 Points of Diversification (PoDs) and the network virtualization reached 45.44%, surpassing the end-of-year target by 3%. Furthermore, stc achieved a seamless mobile core upgrade, reducing time-to-market by 70%, and rolled out zero-trust security across all data centers.

To support the kingdom's vision for a 10G-ready infrastructure, stc integrated 10G ONT into its systems, enhancing network agility without incurring additional costs. Additionally, single-band ONTs were replaced with dual-band ONTs, improving customer experience and elevating Saudi Arabia's global ranking from #12 to #8. Furthermore, 498 P2P fiber connectivity orders were executed for enterprise and wholesale customers, with network capabilities optimized to handle high-load seasons like Hajj, accommodating up to 20,000 users per site with minimal ticket resolution time.

stc's involvement in mega projects included integrating 66 new sites for Red Sea Global, AIUla, and NEOM. Additionally, stc supported the NEOM Sindalah Island opening event, with a rapid telecom infrastructure deployment, including upgrades to 35 sites, installation of 15 new micro sites, and setup of 6 IBS sites. Furthermore, for the Oman-KSA connectivity, multiple 100G DWDM links were implemented, and KSA's first Omni antenna solution with active sharing (MORAN) was deployed on Thuwal Island, ensuring optimal performance with a minimum backhauling height of 10 meters and supporting all technologies.

For hyperscalers, stc provided multiple 100G DWDM links, reinforcing its commitment to supporting high-speed connectivity and strengthening its infrastructure leadership. These achievements

reflect stc's dedication to delivering cutting-edge infrastructure while driving innovation and operational excellence.

Operations and technology performance

stc is focused on advancing its technical operations capabilities by prioritizing performance outcomes and operational excellence. This includes refining processes through digitization and automation, enhancing workforce skills through targeted training, and reengineering workflows to improve efficiency. To safeguard its services, stc is committed to mitigating network risks and strengthening network resilience and reliability. These initiatives are designed to drive operational efficiency, ensure business continuity, and minimize potential disruptions to stc's services, reinforcing its leadership in delivering reliable and innovative solutions.

Key accomplishments include:

- **Disaster recovery:** Developed new disaster recovery capabilities for 20 critical systems, increasing the total coverage to 137 critical systems along with 9 telco and 42 electromechanical containers designated for recovery of voice and data services in exchanges.
- **OOKLA speed enhancement:** Boosted Kingdom-wide internet speeds by 17%, achieving remarkable throughput milestones and enhancing overall user experience.
- **Sustainability initiatives:** Implemented a Green Initiative program, saving ₪ 1.5 million in power, heat and space while improving environmental sustainability, scalability, efficiency and capacity.
- **Technology quality assurance:** Improved the Technology Quality Index for infrastructure implementation to 92%, with an assurance rate of 89% for OLT sites, ensuring superior quality and reliability.
- **High-traffic event management:** Seamlessly supported major events such as the Dakar Rally, Spanish Super Cup, Leap, World Defense Show, Balad Beast, Little Asia, RS Cup and Formula-E, maintaining stc's brand reputation and delivering exceptional customer experiences.
- **Incident management:** Achieved a significant reduction in response time, from 41 minutes to 26 minutes, through enhanced incident message consolidation and accuracy. This contributed to an 18% reduction in outages, a 36% improvement in fault localization efficiency, and an 8% reduction in fault restoration time.

Supporting Units continued

- **Performance metrics, AOMM scores:**
 - Fault management score improved to 2.07 (2023: 1.2).
 - AOMM CM/PM scores increased to 1.95 (2023: 0.9).
 - CC handling and management score reached 1.87 (2023: 0.85).
- **Customer experience:** Continuous focus on network quality, improvement in incident handling, control on network changes & activities resulted in significant improvement in customer experience. Customer complaints dropped by 36%, repeated customer complaints decreased by 50% and CST complaints reduced by 36%.
- **4G innovation, AI-powered MIMO Sleep, intelligent power-off and RF channel intelligent shutdown** resulted 2,524,879 kWh/year in energy consumption savings.
- **5G Innovation, RF Channel intelligent shutdown, NR Micro Sleep Rx and NE MIMO Eco Mode, NR border carrier sleep** has brought 18,650,718 kWh/year in energy consumption savings.
- **Operational expense savings:** Achieved significant OPEX savings in alignment with stc efficiency plan by applying optimization, consolidation and unification initiatives while standardizing managed services contracts.
- **Customer migration:** Successfully migrating 50% of copper customers to fiber services since 2022.
- **AI and ML injection:** Achieving 20% higher operation efficiency and 13% better user throughput by deploying Cognitive SON (CSON) in Hajj season.
- **Traffic management:** Deployed new traffic management strategy based on service profile identification (SPID), which enabled stc to gain 6% improvement in Ookla throughput speed.
- **Shahid (live streaming):** Achieved remarkable live streaming traffic localization milestone by expanding on capacity by 2.5 Tbps with EdgeNext CDN provider to serve the streaming 83% of the traffic is now localized compared to 48% in 2023.
- **Knowledge-sharing initiatives:**
 - White papers: Published 9 white papers on topics such as energy efficiency, autonomous mobility, generative AI, agile landscapes, 5G network slicing, Fixed Wireless Access (FWA) in Saudi Arabia, and Non-Terrestrial Networks (NTN).
 - Smart Talks: Delivered 10 Smart Talk sessions featuring speakers from Forrester, stc subsidiaries and in-house experts. These sessions attracted over 4,260 attendees and received an excellent evaluation rating of 86%.

Digital transformation and analytics

stc continued to enhance its digital transformation and analytics capabilities to support business growth and enable innovative ways of working.

Key achievements include:

- **Traffic capacity enhancement:** Expanded traffic capacity to 7.5 Tbps, improved VoLTE roaming quality, upgraded GDE for cloudification and implemented two-factor authentication (2FA) for the CEM platform, boosting performance and security.
- **Data centers:** Operationalized two new data centers ready for traffic management and enhanced security at an existing center (DC46) by implementing a new security control for network traffic visibility.
- **Data quality:** Achieved a 97% organizational Data Quality Health Indicator (DQHI) by improving 500 integrity Critical Data Elements (CDEs).
- **Obsolete system replacement:** Decommissioned outdated systems with North Star capabilities like HVR and Singlestore, paving the way for significant cost savings over the next 5 years.
- **Security enhancements:** Implemented 2FA for local access on web and mobile platforms to strengthen accounts security and protect sensitive data.
- **mystc app integration:** Integrated a new 5G coverage layer into the mystc app, enabling users to identify optimal 5G service areas for improved network coverage availability.
- **Data compliance:** Updated data classification standards to align with NDMO/NCA requirements and emphasized the importance of compliance across all departments.
- **Disaster recovery for critical digital capabilities:** Implemented proactive disaster recovery solutions to ensure the continuity, efficiency and sustainability of operating 17 digital capabilities.

Artificial intelligence (AI) domain accomplishments:

- **Sawaher platform:** Launched the Sawaher platform in collaboration with Tahakom and SCAI, leveraging AI to elevate security in Saudi cities and optimize CCTV installation locations with enhanced visibility, aiming to install 300,000 cameras over 10 years through identifying strong areas, leading to a notable decrease in potential costs.
- **Soft-PAT validation automation:** Upgraded the Soft-PAT validation process with advanced AI tools, reducing human intervention and significantly saving processing time.

- **ISP GEF analysis:** Conducted an end-to-end analysis of non-stc ISPs to assess the current status of International Gateway (IGW) utilization and the potential growth opportunities for stc in L2 and L3 products.
- **Trench quality image detection:** Processed ~700k images across 65,000 workorders annually, leveraging AI to streamline validation, reduce costs, optimize OPEX and accelerate TTM.
- **Launch of Gen AI in stc (stc Brain):** This initiative aims to inject Gen AI assistants (Digital Co-workers) across various domains.
 - Efforts involve building foundational stc domain knowledge and integrating it with GPT and advanced AI capabilities.
- Within 2024, over 5,000 conversations (queries) were conducted through stc Brain, serving more than 10 sectors and 200+ users, achieving a productivity increase of up to 70%. The focus spans domains are sales, customer care, people and finance.

Highlights of this initiative include:

- **Digital co-worker for IFRS compliance:** Increased Finance team productivity by 70% and reduced complex case resolution time by 33% with an IFRS advisor solution, managing 100 monthly compliance requests.
- **Sales enablement with knowledge base:** Improved the knowledge of over 2,000 direct sales agents across the Kingdom on telco and ICT products, ensuring stc services are effectively targeted to customer segments.
- **Voice of customer (call transcription co-worker) – launched:** Collaborated with CVM to integrate call transcription capabilities using stc’s Automatic Speech Recognition (ASR) and Large Language Model (LLM) capabilities. This solution extracts meaningful insight from thousands of customer voice calls to analyze key KPIs, including customer churn, CSAT and fraud.
- **stc GPT (formerly known as “Ask Your KB”) (pilot):** A flagship product offering sovereign LLM capabilities that enable stc employees to safely leverage GPT for internal use cases. Example use cases include summarization, document search, and comparison. It is currently used by Cloud Telco, HR CoE, Investment, Strategy CCEX, Internal Audit, Cybersecurity, and TSA.

- **Responsible AI (RAI):** Launched stc Responsible AI (RAI) guidelines to ensure ethical AI design, development and deployment.
- **Recognition at the GAIN Summit by SDAIA:** A as an early adopter of AI ethics, emphasizing stc’s leadership in ethical AI innovation.

Applications efficiency

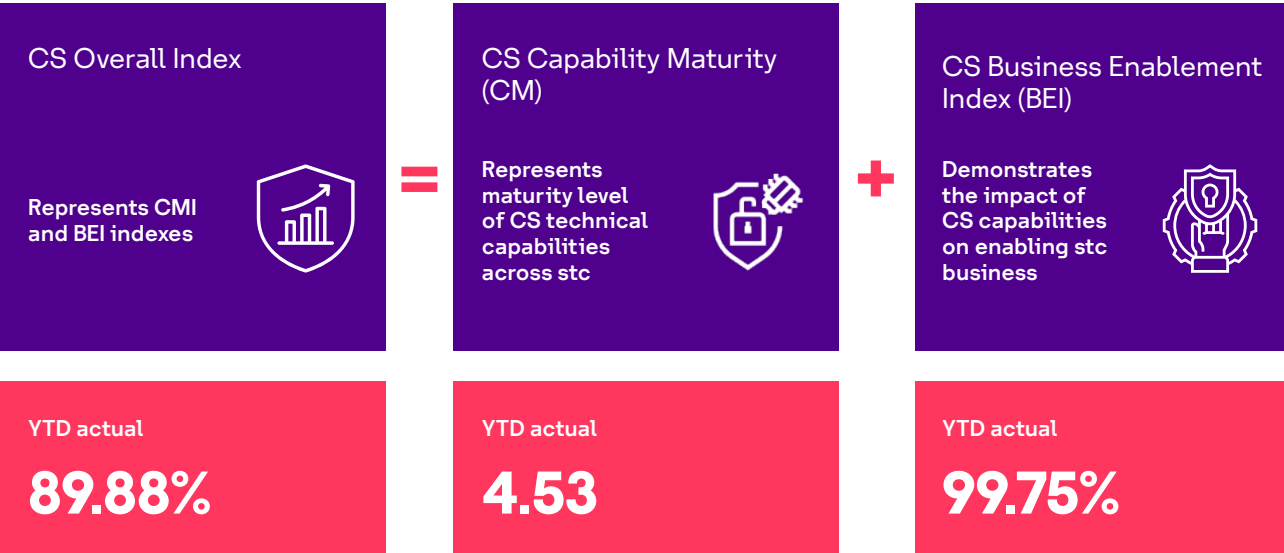
stc has been at the forefront of streamlining its IT infrastructure, focusing on simplifying its application landscape to reduce complexity, improve operational efficiency and lower costs. As part of its digital transformation strategy, stc achieved several key milestones:

- **Cloudera platform deployment:** Deployed the Cloudera ML platform, improving model accuracy by 5%.
- **FWA dynamic view:** Developed a dynamic alarm detection solution for Fixed Wireless Access (FWA) customers using a 360-degree data view across HLR, CRM and billing systems, ensuring revenue assurance coverage of ﷲ 500 million.
- **ML-based upgrades:** Enhanced outbound roaming and RAN services through machine learning-based anomaly detection, achieving 52% identification of hidden issues and 78% alarm compression, improving system reliability and efficiency.
- **Acquisition process automation:** Successfully automated the merger and acquisition lifecycle, streamlining due diligence processes for greater operational effectiveness.
- **IPv updates:** Activated IPv6 rollout for Jawwiy customers, increasing stc’s mobile broadband (MBB) IPv6 adoption from 71% to 77%, elevating Saudi Arabia’s global ranking to 6th position.
- **Employee Experience Index (EEI):** Maintained and enhanced the EEI to reflect stc’s commitment to employee satisfaction. Using surveys and advanced analytics dashboards, the EEI captures employee experiences, allowing informed decision-making and fostering a positive work environment.
- **Direct Carrier Billing Reconciliation System:** Implemented a reconciliation system to accurately match content provider invoices with the SDF platform, preventing revenue loss and providing comprehensive visibility into annual revenues through the RAFM user story.
- **CST dashboard:** Introduced a CST dashboard leveraging EAI to monitor stc KPIs, ensuring compliance with SLAs in Mobile Number Portability and CMC operations.

Supporting Units continued

Cybersecurity

stc has undertaken various initiatives and implemented innovative solutions to protect customer data while elevating the cybersecurity maturity of its infrastructure and services. These efforts have led to significant achievements in key cybersecurity metrics.



- Cybersecurity index:**
 - CS overall index: 89.88%, exceeding the year-end target of 87%.
 - Capability Maturity (CM): 4.53, surpassing the year-end target of 4.
 - Business Enablement Index (BEI): 99.75%, above the year-end target of 95%
- Cybersecurity architecture realization:** Successfully completed 80% of the project plan, enhancing application performance, scalability and security. This initiative also delivered a 3% improvement in OPEX efficiency for 2024, with further gains expected in 2025.
- Quantum-Safe program:** Established a comprehensive Quantum-Safe program to prepare for the transition to secure post-quantum cryptography for critical applications.
- Data protection enhancements:** Extended new cybersecurity controls to over 14,500 endpoints, enforced user data classification and labeling, and executed over 2.5 million data classification activities.
- Privileged access management:** Secured admin access for 230 privileged users, integrated 16 network systems and 280 network elements with the Network Identity Management (NIAM) solution.
- Remote access security:** Secured remote admin access for 8,000 users with a Privileged Remote Access (PRA) solution, integrating 42,000 assets for seamless and secure operations.
- Cybersecurity visibility:** Enhanced visibility through additional integration of more than 13,000 new devices into the Security Incident and Event Management (SIEM) system, strengthening monitoring and response capabilities.
- Mitigation of cyberattack:** Protected stc's business from potential downtime during a massive cyberattack in August 2024, launched against the Kingdom by the hacker group Darkmeta via 190 countries, ensuring uninterrupted operations and robust defense.

Cybersecurity Regulatory Compliance:

| CS Regulatory Compliances | | |
|--|--|---------------------------------------|
| <div>الهيئة الوطنية للأمن السيبراني National Cybersecurity Authority</div> | | |
| Essential Cybersecurity Controls (ECC) | Organizations' Social Media Accounts Cybersecurity Controls (OSMACC) | Telework Cybersecurity Controls (TCC) |
| 98.08% | 100% | 100% |
| Data Cybersecurity Controls (DCC) | GSMA compliance for SS7 and Diameter | Cloud Cybersecurity Controls (CCC) |
| 97.22% | 100% | 97.3% |

- Secure application development journey:** Re-engineered critical cybersecurity processes and seamlessly integrated them into the application development lifecycle, resulting in a time savings of up to 80% and reducing turnaround time from 10 days before automation to just 2 days after, significantly improving efficiency.
- Global cybersecurity leadership:** stc made a notable impact on the global stage through active participation in the Global Cybersecurity Forum (GCF) as a leader in the "Safeguarding the Future Networks and Emerging Technologies" track, publishing 3 influential whitepapers in 2024, sharing innovative insight to enhance global cyber resilience.
- Cyber awareness simulations:** Conducted 11 phishing simulations focused on email and online scam awareness, leading to a significant improvement in user security behavior. Scam reporting rates increased to 24%, surpassing the global average of 23%, while the percentage of users who fell victim to scams dropped to 6%, closely aligning with the global benchmark of 5%.

Supporting Units continued

Human Resources

In 2024, the HR Unit continued its efforts to enhance employee productivity across stc and opened new growth opportunities within stc, most notably through the Talent Mobility program, which fosters collaboration among its subsidiaries. This program has empowered employees to explore and expand their career horizons, contributing to improved performance, higher efficiency and a more collaborative and integrated work environment across all sectors. This is grounded in the belief that employees are the cornerstone of stc’s ongoing success and innovation.

This year, stc achieved significant milestones in employee experience initiatives, forming the foundation for a unified and effective experience for its employees. Through these efforts, stc maintains its agility and adaptability in the face of rapid change, seizing emerging opportunities for sustained growth and value creation.

The HR Unit at stc has proactively led these strategic initiatives, reinforcing its commitment to going beyond traditional human capital management. It has positioned itself as a central force driving stc’s strategic objectives while balancing stakeholder needs with the evolving business environment.

The HR Unit also aims to embed and promote stc’s targeted culture and organizational values, which form the cornerstone of enhancing stakeholder experiences and workforce cohesion. To this end, the HR Unit has continued to develop its approach by adopting the latest digital tools and methodologies, fostering a culture of shared values and strengthening unity within stc and its subsidiaries.

Workforce profile

stc Group overall

| | Direct | Contractor |
|--------|--------|------------|
| Male | 14,446 | 2,273 |
| Female | 2,787 | 357 |
| Total | 17,233 | 2,630 |

stc Group

| Workforce profile | 2024 |
|---|--------|
| Total number of employees (excluding trainees, students and outsourced staff) | 19,863 |
| By type of employment | |
| Total full-time equivalent (FTE) employees | 19,863 |
| Employees number on an indefinite or permanent contract | 17,233 |
| Employees percentage on an indefinite or permanent contract | 87% |
| Employees number on a fixed term or temporary contract | 2,630 |
| Employees percentage on a fixed term or temporary contract | 13% |
| By age for permanent contract | |
| Workforce by age less than 30 | 2,574 |
| Workforce by age 30-50 | 12,716 |
| Workforce by age more than 50 | 1,943 |
| By gender for permanent contract | |
| Women | 2,787 |
| Men | 14,446 |

2024 by the numbers

924

employees hired

97

fresh graduates hired

89.3%

Saudization rate for stc KSA and its local subsidiaries

221

COOP trainees

2,787

female employees

66

people with disabilities employees

2,141

early retirement program beneficiaries

43

employees in scholarship programs offered by local and international universities



Supporting Units continued

Human Resources strategy

Human Resources vision

“To be recognized as an HR model of excellence in the MENA region through agile, digital and innovative experiences by 2026.”

stc’s Human Resources strategy reflects a dynamic and forward-thinking approach to managing and developing its most critical asset: its people. The strategy is designed to position stc as an HR “Model of Excellence” in the MENA region by focusing on talent, agility, digital transformation and innovative employee experiences. It emphasizes aligning human capital initiatives with stc’s broader goals to maximize value generation for shareholders while fostering a culture of performance and adaptability.

A key priority is achieving manpower operational expenditure (OpEx) efficiency across stc by leveraging digital transformation. Through advanced HR analytics and the unification of HR technology systems, stc aims to streamline processes, optimize resources and create sustainable efficiencies that support long-term growth. These efforts ensure that operational excellence is maintained without compromising the quality of employee engagement or satisfaction.

The strategy also emphasizes positioning stc as an employer of choice by enhancing the employee journey at every stage. This includes improvements in critical areas such as rewards, talent management, learning, performance and culture. By fostering a performance-driven and agile work environment, stc ensures collective satisfaction among employees, organizational leaders and shareholders alike.

To support these goals, shared HR capabilities and services are activated across stc to harmonize policies and deliver consistent governance while allowing flexibility to meet specific needs. stc Academy and HR Business Partners play a pivotal role in implementing this strategy by addressing skill development and aligning HR initiatives with business objectives.

Underpinning this approach is a commitment to cultivating a culture of performance through well-governed agility and efficiencies. Individualized Development Plans (IDPs) are used to maintain top-tier HR capabilities, while strategic alignment ensures that human capital initiatives meet evolving business demands. By integrating technology, tools and facilities into its operations, stc reinforces its ability to adapt dynamically to market changes.

Measuring strategic progress

The execution of stc HR strategy has yielded substantial financial and operational outcomes, demonstrating stc’s ability to create tangible value through strategic workforce initiatives. Our achievements reflect successful implementation across key strategic priorities, from digital transformation to operational efficiency, resulting in measurable returns for our stakeholders.

Key performance indicators:

- Delivered ₪ 400+ million in efficiency program savings through new HR initiatives, while achieving a 24% reduction in employee costs compared to 2023, demonstrating our commitment to manpower OpEx efficiency across stc.
- Strengthened digital transformation through the completion of 23 technology and AI-powered decision-support solutions across core HR functions, advancing our goal of creating sustainable efficiencies through technology integration.
- Enhanced operational excellence through streamlined governance and policy optimization across subsidiaries, earning ISO 30414 certification for human capital reporting and Mowaamah GOLD classification for workplace inclusivity.
- Launched a unified Group mobility platform creating over 300 internal job opportunities, supporting our commitment to talent development and employee satisfaction through enhanced career pathways.
- Expanded talent acquisition initiatives through university partnerships, engaging over 150 student visits and 551 COOP trainees, demonstrating our commitment to building future talent capabilities.
- Achieved recognition through 13 prestigious employer awards, including Excellence in Diversity and Inclusion, Leadership Development, and Best Rewards Strategy, validating our strategic focus on creating innovative employee experiences.
- Utilized internal consulting capabilities across 25 projects on a corporate level, resulting in ₪ 28 million cost avoidance while maintaining high-quality HR service delivery through shared capabilities.
- Successfully executed 22 strategic GHRU projects with 100% completion rate, ensuring comprehensive implementation of our performance-driven culture and operational excellence initiatives.

These outcomes highlight the success of the integrated HR strategy, delivering tangible cost savings, digital advancements and robust talent initiatives. Collectively, they demonstrate a strong focus on operational excellence, employee engagement and stakeholder value.

Putting stc’s values into action

Since 2023, stc has focused on embedding its corporate values to enhance performance efficiency through speed in execution, agility and strong governance. These values are the foundation of stc’s success and business growth, manifested in several prominent initiatives, including:

1- Values adoption competition: This initiative aims to recognize employees who embody stc’s values in their work. Employees are nominated by their supervisors, who provide a detailed description of how these values are reflected in their roles. A specialized committee evaluates the nominations to select the most outstanding examples of the values’ adoption.

2- Leadership model enhancement initiative: This initiative focuses on strengthening cultural integration by engaging stc leaders in various activities, including open meetings with employees, visits to companies and branches across the Kingdom, and organizing open day events. The goal is to foster an organizational culture aligned with stc’s values and principles.

3- Employee values awareness measurement through the Employee Experience Index: stc has incorporated its core values into the Employee Experience Index to assess employee awareness and adoption of these values. The results are used to develop plans to improve and enhance the awareness of values among employees.

4- Support for governance initiatives and policy review:

stc has strengthened governance by implementing dedicated initiatives to review and update organizational policies. These initiatives included a comprehensive assessment of current policies to ensure alignment with stc’s values, as well as international best practices and regulatory requirements.

5- Work environment enhancement: stc has promoted transparency and accountability by strengthening internal communication channels to encourage employees to share their opinions and ideas openly. Additionally, a clear whistleblower system has been established to ensure confidentiality and protect employees’ rights.

6- Awareness and development: stc provided awareness and training programs to empower employees with a better understanding of stc’s values and how to apply them effectively in their roles.

These initiatives reflect stc’s commitment to integrating its values into the core of its corporate culture, ensuring these values guide employee behavior and contribute to achieving the stc’s strategic objectives.

Achievements in 2024

stc dedicated efforts to transforming HR’s role into an operating model that focuses on identifying the activities of each HR team in alignment with stc’s operating model.

HR plays a pivotal role in **Design** and **Drive** with regard to the human resources practices at stc. In 2024, the HR Unit achieved effective results in each classification, including:

Supporting Units continued

Design »

HR Strategy Planning and Culture

In 2024, the general department of HR Strategy Planning and Culture at stc played a pivotal role in bringing the HR Unit’s ambitious vision to life. This department’s responsibilities are centered on empowering HR sectors and departments, enabling them to make effective decisions, automate processes, execute and monitor projects and improve the experiences of stakeholders.

Automation and decision support

Over the past year, the department has prioritized operational efficiency through advanced HR technology and data analytics, achieving significant milestones such as the development of a talent heatmap, employee classification models, an employee stress index, and organizational culture analysis. While these advancements mark considerable progress, ongoing efforts are dedicated to fully achieving the HR Unit’s strategic objectives, aiming for a broader and more profound impact across stc.

Enhancing stakeholder experience and stc’s culture

This area represents a core focus, aimed at elevating the level of service provided to stakeholders to create an exceptional experience throughout their journey. It includes a commitment to continuously welcoming their feedback, evaluating HR products and services through a design-thinking approach, and managing stc culture by promoting desired values, from precise measurement to the implementation of corrective actions where needed. Overall, these initiatives and accomplishments reflect stc’s dedication to transforming its HR operations, with a focus on strategic planning, technological integration and a strong emphasis on enhancing stakeholder experiences and fostering a cohesive company culture.

Employee Experience Index

In line with stc’s unwavering dedication to improving the employee experience across stc, it has built upon the successes of the first edition of the Employee Experience Index (EEI). In 2024, stc fully activated the Touchpoint Surveys, the second key component of the EEI framework. These surveys are instrumental in creating a comprehensive database that captures employees’ experiences during critical milestones of their journeys with stc. By collecting real-time feedback at pivotal stages – such as onboarding, post-training

and performance evaluations – stc unlocks valuable insight that directly informs its decision-making process.

As part of its commitment, stc conducted an in-depth analysis of the Employee Perception Survey results, which revealed 3 key focus areas for 2024: Cross-Functional Engagement, Business Agility, and Development Opportunities.

The findings highlighted a strong correlation between these areas and overall employee satisfaction. In response, unit-specific action plans have been meticulously developed in collaboration with HR leaders and business partners. These plans prioritize addressing the identified focus areas to enhance the overall employee experience. As a result, stc has observed positive outcomes in key areas such as enhanced diversity and inclusion, increased employee productivity and a strengthened employer brand among top talent.

To further cultivate a culture of collaboration and innovation, stc launched the Employee Experience Community – a monthly gathering that serves as a platform for open dialogue, knowledge sharing, and the exchange of best practices. This initiative empowers Employee Experience teams across stc to address challenges collectively and drive impactful change, fostering a more attractive and supportive workplace.

The Employee Experience Index continues to deliver invaluable insight, underscoring stc’s relentless pursuit of excellence in employee engagement. By acting on feedback, promoting transparency and nurturing a culture of collaboration, we aim to create a work environment where every employee feels supported, engaged and empowered throughout their career journey. In collaboration with its employees, stc is building a workplace that inspires growth, innovation and success.

Women’s empowerment

stc embraces the women’s empowerment through various initiatives and activities, including increasing female representation within stc, with over 1,100 women employed at stc’s parent company as of 2024. In addition, women make up approximately 49% of talent and competency development programs (such as the Talent Incubation Program, Expert Program and Waed Program).

To better understand women’s experience at stc, stc conducts a comprehensive Employee Experience Index survey, the results of which are published in the annual Diversity and Inclusion Report. This report evaluates women’s satisfaction with the work environment, flexibility and their access to training, services and benefits.

Women have made notable progress in leadership roles at stc, with 15 women holding General Manager positions and 59 as Department Managers. In addition, the number of women in Division Manager roles has increased by 90%, with a total of 114 female Division Managers.

Other initiatives in learning and development include the “Leadership Through Action” program, where stc’s female supervisors and division managers received training in innovative design thinking models and sustainable solutions to bridge the digital gap for women in the Middle East. stc also places strong emphasis on women’s events and engagement, such as Mother’s Day, where a company-wide celebration honored employees and their mothers, emphasizing stc’s commitment to a supportive and inclusive environment. Additionally, stc celebrated International Women’s Day with interactive activities, showcasing the remarkable

achievements and contributions of women. stc further organized a special event for employees’ children, highlighting its dedication to fostering a family-friendly workplace that supports work-life balance.

These achievements underscore stc’s deep commitment to gender equality and empowering women within its workforce, reflecting a progressive and inclusive approach to talent management and leadership development.

Empowering people with disabilities

The integration of employees with disabilities is a strategic goal for the HR Unit in 2024. stc received the Mowaamah certification from the Ministry of Human Resources and Social Development, aimed at creating a supportive work environment for people with disabilities by enabling them to access job opportunities and providing the necessary facilities and tools. stc has collaborated with the Ministry and the Mowaamah team to further develop and empower individuals with disabilities, fostering a workplace that meets their needs.

Center of Excellence

In 2024, stc’s Center of Excellence achieved a qualitative leap in human resources strategies, focusing on improving the employee experience and enhancing organizational efficiency. Initiatives included developing systems and standardizing performance and rewards programs, in addition to aligning policies and procedures across stc. These comprehensive efforts not only led to improved internal processes, but also resulted in the stc winning several prestigious regional awards, reflecting its excellence in leading institutional transformation.

Supporting Units continued

Improving employee experience in the career growth journey at stc

stc is committed to elevating and supporting all its employees to improve their well-being and enhance stc's productivity. In 2024, the succession planning for senior management across stc was completed, covering 14 units and 8 subsidiaries. Additionally, stc provided consulting training programs at stc level in collaboration with partners in the Special Development Program, which significantly enriched research publications and graduated 133 certified consultants licensed by the global CMI Institute, the only authorized body to license certified consultants worldwide. This has contributed to stc achieving its strategic goals through the consulting services provided by the program's consultants to deputies and CEOs in the stc.

The Job Attachment program achieved great success in 2024, with the participation of more than 25 global and local companies, and agreements were reached with government agencies and local companies. This year saw a 44% increase in Job Attachment program partnerships, resulting in a fourfold increase in opportunities compared to last year. As a result, more than 300 confirmed job training opportunities were secured for our employees in 2024/2025, in line with the stc's 2024 strategy and Saudi Vision 2030.

Enhancing organizational efficiency

To enhance organizational efficiency, stc has initiated a process to right-size its workforce across stc, contributing to increased operational efficiency. The design and launch of a unified performance management system across stc represents significant progress towards standardizing performance evaluations.

Furthermore, the standardization of the stc's rewards framework and the unification of all internal rules and regulations of the subsidiaries have facilitated the compensation and benefits system across stc. Aligning core and leadership competencies across stc and designing and launching a competency heat map has empowered the management team to make informed decisions regarding employees and organizational structures.

Overall, these initiatives represent a concerted effort by stc to not only improve the work experience for its employees, but also to increase efficiency and effectiveness across stc.

Talent development and retention

Continuing stc's investment in human resources and leadership development, 15 employees graduated from the "HiPo" program in 2024, while 25 new employees joined. In addition, several courses were completed in collaboration with the University of Michigan Ross and IMD University. These courses helped enhance their educational experience and developed their leadership skills.

Furthermore, employees participated in activities with a number of executives, where future projects related to stc's innovative strategies and directions were presented. The activities also included internal visits to a number of leading companies such as Riyadh Air, Diriyah and subsidiaries, in addition to external visits to prestigious institutions such as Nestlé, including a meeting with its CEO, and the Olympic Museum in Switzerland. These visits were an opportunity to enhance practical understanding of the business environment and inspire participants with new ideas that contribute to their professional development.

We believe these valuable experiences will contribute to enhancing their competencies and enabling them to achieve their future goals.

Organization design and workforce solutions

In 2024, stc underwent a qualitative transformation in the field of human resources management, where the organizational structure was completely updated and new mechanisms for appointment and career development were adopted. These efforts resulted in filling leadership vacancies in record time and improving the performance evaluation process. stc also developed a comprehensive career mobility program for talents within stc, which provides employees with opportunities for professional development and gaining new experiences in various fields. This program has contributed to raising the level of individual satisfaction and is viewed by stc leaders as a "career accelerator" and an important element of future institutional success. Thanks to investment in modern technologies, stc has been able to simplify many processes, improve the employee experience and provide a more flexible work environment.



Supporting Units continued

Drive »

Business Partners

The HR Business Partners’ new operating model, implemented in 2023, placed HR closer to stc business clusters and technical and functional units, and helped them roll-out the new stc Operating Model across the organization with agility, flexibility and speed.

For HR Business Partners, 2024 has been a year for expansion in scope, to cover stc subsidiaries in order to unify and harmonize HR practices, thereby providing ease of mobility for talent across stc.

Throughout the year, HR Business Partners have served internal clients in various ways, including but not limited to providing consultancy and support services regarding human resource practices such as organization design, talent development, redeployment, insourcing/outourcing and more. The following are a few key HRBP activities that took place in 2024:

Talent development and retention enablement:

HRBP focused on attracting, developing and retaining high-potential employees through structured programs, aligning with stc’s strategic goals:

- **Development Needs Analysis (DNA):** Conducted a comprehensive competency gap analysis for stc employees, proactively addressing key development areas.
- **Employee experience:** Implemented tailored engagement initiatives and action plans to increase employee satisfaction across key focus areas at stc level.
- **Marketing, MarCom and strategy programs:** Executed tailored programs to improve sector-specific skills, creative expertise and strategic planning, with a focus on knowledge and behavioral excellence.
- **Sales Elite program:** Continuously enhanced digital capabilities for B2B sales, while successfully completing the initial cohort and launched the next phase with expanded participation.
- **Data Analytics program:** Enrolling participants to build analytics skills for data-driven decision-making.

Organization design and workforce solutions:

Business partners have actively redefined and fine-tuned stc’s operating model in collaboration with all stc clusters/units and subsidiaries to strengthen core and growth services while extending enablement services to add value and enhance the customer experience.

- **Business Unit transformation:** stc’s Business Cluster is undergoing transformation to enable an end-to-end and centralized focus on customer needs and requirements across all product portfolios, equipping the sales organization to drive complex end-to-end IT/digital opportunities, with a stronger focus on business and experience requirements, and enabling a balanced and dedicated focus on the telco and IT/Digital portfolio. As the strategic partner to this business transformation, the HR Business Partner is enabling stc’s Business Unit to elevate capabilities and calibers, and to provide the vital support to empower the Business Unit to secure strategic partnerships, close groundbreaking deals and drive innovation.

In addition, HR Business Partners redesigned the existing functions and incorporated enhanced analytics and growth planning capabilities to establish a robust framework for regional expansion in order to optimize revenue generation across districts. HR Business Partners strategically reassigned the key employees to address critical areas and ensure seamless operations to enact the High Potential Portfolio general department.

Sales force activation: Following the completion of the newly designed sales assessment, a comprehensive mapping process was undertaken

across all sales general departments. This initiative aimed to optimize the activation and enhance the performance of the sales force within the business unit.

SIP activation and refreshment: HR Business Partners is currently driving the comprehensive revamp of the sales incentive plan (SIP) to support business transformation based on new operating model, including the introduction and integration of new scopes, to enable a joint go-to-market approach.

- **Technology Unit’s new operating model** established an agile, market-driven Technology Operating Model based on key drivers including agility, time to market, innovation and adoption, to the new emerging technologies and maintain stc’s leading position within the MENA region and globally.
- **Intigral integration project** represents a strategic initiative to fully integrate Intigral’s structures, employees, systems and brand into stc. HR Business Partners is driving this integration by facilitating seamless employee transitions, harmonizing organizational structures and fostering a unified culture that supports collaboration and innovation. By blending Intigral’s core business with stc’s growth sectors, the integration increases operational efficiency, accelerates workflows and strengthens stc’s market positioning. This approach not only maximizes innovation and streamlines processes within the entertainment sector, but also fortifies stc’s core business, empowering it to remain competitive in the dynamic market.
- **Marketing communication centralization project:** HR Business Partners drove the centralization of Marketing Communication activities in order to increase efficiency,

consistency, and governance, by consolidating marketing functions across stc under one umbrella, to streamline workflows, ensure consistent branding, and establish clear accountability, to have more effective and unified marketing strategy.

- **Corporate customer experience and digital transformation:** Customer Experience & Digitization is the central theme of our strategy. Therefore, HR business partner, in collaboration with stakeholders, elevated stc’s Corporate Customer Experience & Digital Transformation to sector at VP level. This was done based on business needs and in efforts to align with leading industry practices.
- **The Legal Tower project,** launched in 2024, aimed to improve legal services across the subsidiaries of stc. By consolidating legal functions and insourcing legal talent, stc aims to overcome existing legal challenges while improving efficiency and compliance within the legal framework. The following subsidiaries were targeted: Sirar, Aqalat, Specialized, Intigral, IoT, center3 and Channels.
- **Shared services:** In alignment with stc’s commitment to operational excellence and streamlined service delivery, stc is consolidating its Academy and HR services under a Shared Services model. This move is part of its broader strategy to boost efficiency, improve resource allocation and support a more agile organization that can swiftly adapt to business needs. This consolidation not only leverages economies of scale, but also ensures consistent, high-quality support across stc and fosters a unified approach to employee development, reinforcing stc’s commitment to building a future-ready workforce that drives long-term value for its stakeholders.

Supporting Units continued

Organizational efficiency at Group level

Business Partners is key to driving stc's HR operating model. The stc HRBP model enhances operational agility by aligning HR processes with business needs, reducing time-to-fill for critical roles, and improving workforce productivity through targeted talent

management. By leveraging data analytics, the HRBP team has successfully identified areas for streamlining, allowing for proactive adjustments in workforce planning and resource allocation that directly impact operational efficiency. Through these enhancements, the HRBP supports both short-term gains and sustainable long-term growth.

Awards and recognitions

In recognition of the HR Unit's efforts to improve employee experiences and elevate the work environment, stc received over 8 prestigious HR awards, honoring its commitment to global best practices.



Three global awards from Brandon Hall Group for excellence in Leadership Development, Data Analytics, and Best Employer.

Human Resources in 2025

In 2025, stc HR strategy is centered on enabling corporate strategic priorities through a transformative people agenda. We are refreshing our HR approach to align with business growth, supporting integrations and M&A with strong talent frameworks, and fostering

a high-performance culture that drives productivity. Additionally, we are accelerating digital transformation to enhance the employee experience while optimizing workforce structures for greater efficiency and agility. Through these initiatives, we aim to build a future-ready, high-performing and adaptable workforce that drives stc success.



Supporting Units continued

Shared Services

stc’s Shared Services Unit represents a transformational business model designed to unify and integrate support functions, providing comprehensive, high-quality and easily accessible services. By optimizing the use of strategic resources, expanding the service product portfolio and integrating core systems, Shared Services aim to increase spending efficiency, boost productivity and improve transparency. This approach strengthens the strategic alignment of stc and contributes significantly to its overall effectiveness.

The Shared Services Unit plays a critical role in achieving stc’s strategic objectives by driving organizational growth and enhancing business efficiency. It delivers a diverse range of essential services, including Human Resources, Training, Supply Chain, Procurement, Facility Management, Safety and Security, Business Partnering, Office Automation, and Local Content. These integrated offerings enable stc to operate more cohesively and effectively, fostering a streamlined and agile organization prepared to meet evolving business needs.

HR Services

Employee services

stc’s Human Resources department remained focused throughout 2024 on delivering essential HR services with efficiency and effectiveness, playing a critical role in ensuring uninterrupted business operations. The Group prioritized the digitization of HR services, the enhancement of employee well-being programs and strict compliance with applicable laws and regulations.



Academy from stc

“Academy from stc” is the educational and strategic enabler for stc and its subsidiaries, offering a wide range of services for all employee segments, from fresh graduates to senior executives. Programs span critical areas such as cybersecurity, artificial intelligence, data science, modern technologies, management, finance, communication and leadership. With centers located in Riyadh, Jeddah, Dammam, Medina, Qassim and Abha, more than 600 trainees benefit from its programs daily. The academy also provides e-learning solutions and resources to ensure continuous development.

Leadership Development Center

The Leadership Development Center achieved significant milestones, including the graduation of 1,000 employees from the Corporate Leadership Program (CLP), equipping leaders with the skills needed to support stc’s strategy and digital transformation.

Additionally, the academy offers the Scholarship program, designed to enhance the capabilities of talent by providing opportunities for higher education in leadership and emerging fields aligned with the strategic directions of the stc.

One of the key programs offered by the Leadership Development Center is the High-Potential Employee program (HiPo), which aims to identify and prepare future leaders within stc for critical roles.

Furthermore, the Leadership Development Center recently celebrated the graduation of 36 employees from the Scholarship program in collaboration with leading local and international institutions such as Prince Mohammed bin Salman College of Business and Entrepreneurship (MBSC), the University of Leeds, the University of Manchester, New York University and Imperial College with 10 additional graduates expected by year-end.

Professional Development Center

The Professional Development Center delivers specialized programs in business and technology to help employees stay ahead of technological advancements. In 2024, the center delivered 8 programs through 112 sessions, engaging over 1,700 participants. Furthermore, over 3,200 additional participants completed training in sectoral, functional, investment programs and more.

One of the center’s key programs is the Specialist Development program (SDP), which aims to equip Saudi employees with the necessary skills to become experts in fields such as the IoT, cybersecurity and data science. Through clear development plans, the program ensures employees are prepared to support stc’s strategic goals.

Additionally, the Talent Incubation Program (TIP) is designed for Saudi graduates with less than one year of experience. This program focuses on attracting and retaining outstanding talent by providing intensive development activities across various business areas in a flexible work environment.

Moreover, the center is an accredited training center for leading organizations such as CompTIA, Cisco, the KPI Institute, and the Project Management Institute (PMI) to ensure that the programs meet the highest standards. All these programs provided unique learning experiences that contributed to enhancing participants’ career development, driving excellence across business units, and ensuring stc remains at the forefront of innovation and progress in its areas of interest.

General Administration for Excellence and Knowledge

The General Administration for Excellence and Knowledge plays a critical role in evaluating and supporting the academy’s operations. In 2024, it completed initial assessments for the SDP and HiPo programs, involving over 1,600 candidates. It achieved a 107% usage rate of more than 5,000 learning licenses from platforms like LinkedIn, Coursera and Udemy.

Moreover, it launched digital programs focusing on artificial intelligence for executives and professionals and completed the first phase of the Technical Competency Question Bank, covering 294 competencies. This initiative aims to empower stc to assess employee expertise and strategically plan for the competencies needed in the future.

Learning Efficiency Program (LEP)

The Learning Efficiency Program (LEP) significantly enhanced the academy’s capabilities by leveraging internal and external resources, achieving cost savings equivalent to 213% of the academy’s budget. This initiative ensured alignment with stc’s strategic needs while maintaining high-quality outputs to support long-term objectives.

Supporting Units continued

Accreditations of academy from stc

In 2024, the academy upheld its commitment to quality and excellence through the following accreditations:

- **ETEC:** Full accreditation from the Education and Training Evaluation Commission.
- **TVTC:** Accreditation from the Technical and Vocational Training Corporation.
- **ISO 9001:** Certification for Quality Management Systems.
- **ISO 29993:** Accreditation for learning services outside formal education.
- **ISO 40180:** Guidelines for quality, management and improvement in technology-enhanced learning.
- **ISO 10667:** Accreditation for assessment services in work and organizational environments.

Rawafed Program

Rawafed is a key strategic initiative designed to enhance and develop local content within the ICT sector in Saudi Arabia. As part of stc’s commitment to fostering the growth and enrichment of this vital industry, Rawafed plays a pivotal role in aligning with the objectives of Saudi Vision 2030.

In 2024, Rawafed continued its pioneering efforts by driving a variety of impactful initiatives and activities. These endeavors have contributed significantly to supporting the national economy, strengthening local output, and reinforcing stc’s position as a leader in advancing local content development within the Kingdom.

Rawafed vision

Pioneers of local content, Rawafed builds, develops and grows the ICT sector to increase stc’s contribution to the national digital economy.

Strategic focus

Rawafed is an integral part of stc’s efforts and strategy to enrich local content, based on the strategic pillars of the program and its operational model.

Strategic pillars

| | | | |
|-------------------|--------------------|-------------------|---------------------|
| Localize spending | Attract investment | Foster innovation | Enrich capabilities |
|-------------------|--------------------|-------------------|---------------------|

Rawafed’s strategy focuses on **maximizing local spending** by increasing direct expenditures with local partners and raising the share of spending on small and medium-sized enterprises.

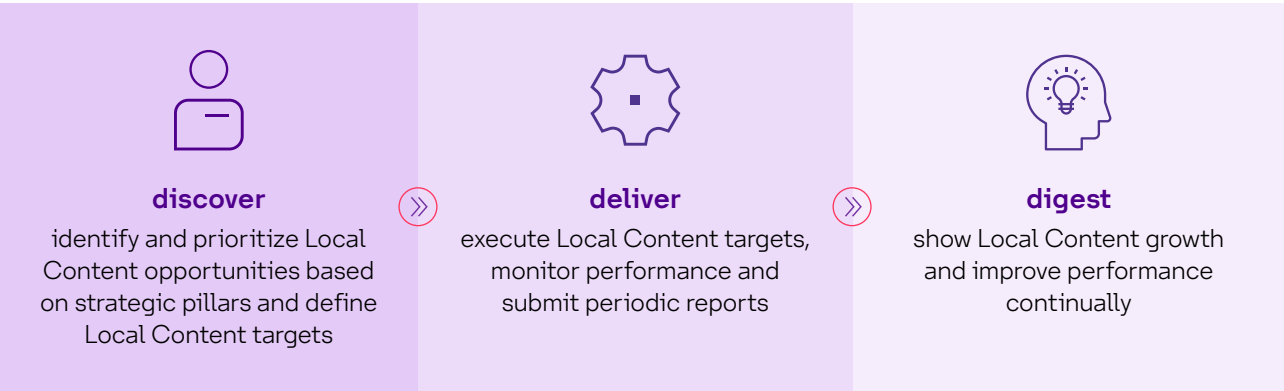
It also aims to **attract investments** to localize the operations of partners and transfer manufacturing and technological expertise to the Kingdom, creating new local supply and production chains and enabling promising investment opportunities.

To **strengthen the culture of innovation**, the strategy focuses on fostering new digital businesses as one of its core pillars. It also emphasizes adopting local innovations and supporting research to create new ideas and diversify job opportunities.

All of these efforts rely on the contributions of national capabilities and competencies, as Rawafed strives to enrich local talent by increasing their participation in the sector and **enhancing their knowledge capabilities**, positively impacting the growth of local content.

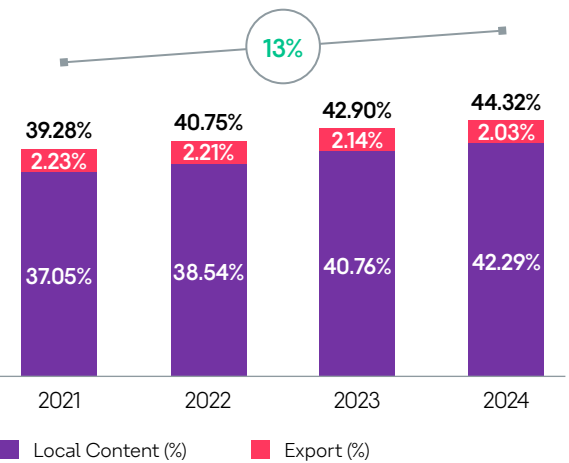
Operational model

Through its operating model, Rawafed program presents a sustainable institutional work that focuses on the continuity of the creation and development of local content across stc.



Rawafed program performance in 2024

Building on its leadership in the ICT sector and its commitment to advancing Local Content, stc has implemented comprehensive reviews and enhancements of its internal policies and procedures to support Local Content across operations and procurement. These efforts resulted in a significant increase in the Local Content ratio, which has risen by over 13% since 2021, reaching 44.32%. This achievement aligns with the standards set by the Local Content and Government Procurement Authority, with total local spending exceeding ₪ 16 billion.



stc also leads in workforce localization, maintaining an overall localization rate of 90%. stc’s annual spending on local labor wages has surpassed ₪ 9 billion, complemented by an investment of more than ₪ 59 million in workforce training programs, underscoring its dedication to empowering local talent.

Efforts to localize goods and services have been bolstered by expanding the network of local partners, which now includes 2,828 companies. Rawafed has played a crucial role in this achievement by supporting partners in obtaining Local Content certificates, issuing 1,025 certificates in 2024. This contributed to the localization of goods and services, which has increased to 33%.

Rawafed has further amplified awareness of local content through participation in national forums and hosting over 33 workshops. The initiative has also contributed to the preparation and publication of numerous reports and launched multiple media and awareness campaigns. As a result, an internal awareness survey revealed that 70.5% of participants have a comprehensive understanding of the importance of local content and how to support and develop it.

Supporting Units continued

Rawafed program key initiatives during 2024

Rawafed reinforced its commitment to business sustainability and local content growth by launching several impactful initiatives aimed at developing local content within stc companies and among external partners.

A key initiative was the **Local Excellence initiative**, through which the Rawafed team provided advisory sessions to stc partners to enhance and develop local content. These sessions were built around over 18 specialized services, including strategic planning, process modeling, governance modeling and methodologies for measuring local content. In the first

phase, Rawafed worked with 9 of stc’s key strategic partners, offering over 20 advisory sessions for more than 13 services.

In addition to the **Local Expand initiative**, which aims to achieve sustainable growth of local content by guiding and mentoring stc’s subsidiaries on ways to increase local content within their operations. The Rawafed team held more than 10 advisory workshops for subsidiary companies. This initiative was designed based on the future plans and nature of each company’s operations to ensure local content growth and forecast its future impact on local content percentages.

Awards and recognitions

The Shared Services Unit at stc received several prestigious awards and recognitions, underscoring its excellence and achievements across multiple domains. Among the most notable awards were:



These awards reflect stc’s dedication to operational excellence, innovation and its ongoing commitment to fostering local content and talent development.

Shared Services in 2025

Throughout 2025, Shared Services is committed to accelerate its contribution toward stc’s strategic objectives to improve overall efficiency. We will be expanding and diversifying shared services, create additional cost optimization and synergies, improving customer journeys, enhance talent acquisition and development and maximize stc assets utilizations.



Supporting Units continued

Internal Audit

stc’s Internal Audit is an independent and objective function that provides both reasonable assurance and consulting services to add value while improving stc’s operations. It supports stc in accomplishing its objectives by adopting a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

The function has conducted assurance audit reviews in alignment with the Audit Committee’s approved annual audit plan. These reviews aim to provide reasonable assurance on the effectiveness and efficiency of stc’s risk management, control, and governance processes, primarily focusing on high-risk functions and operations. In addition, Internal Audit has delivered independent consulting services in collaboration with executive management to enhance operational effectiveness, reduce costs and minimize revenue leakage.

Furthermore, the function has played a pivotal role in reviewing interim and annual financial statements while coordinating with external regulatory authorities and supervisory bodies to ensure compliance and uphold governance excellence.

The Internal Audit’s assurance and consulting reviews have not identified any significant findings that would affect stc’s ability to sustain its operations.

Legal Disclosure

Sanctions and reserve restrictions

The committees related to regulatory bodies of the telecommunications sector have issued a number of decisions against stc, and based on the responsibility of stc to defend the rights of the shareholders and the mandate granted to the company under the Telecommunications Act, stc has grieved these decisions by filing lawsuits at courts.

There are various reasons for these decisions, including the committees’ view of lack of documentation for SIMs issuance, failure to complete Mobile Number Portability (MNP), providing offers or discounts that are illegal from these committees’ point of view, or using unlicensed frequencies. In addition, there are some decisions that related to customer complaints, which the regulatory authorities believed were delayed in implementation by stc or failed to follow instructions or provide the required information.

There were (306) total cases filed based on these decisions for the fiscal year 2024, with total amount of ﷲ 295,815,000 (Two hundred ninety-five million eight hundred and fifteen thousand Saudi Riyals), detailed as follows:

- Cases ended with final judgments in favor of stc: (37) with total value of ﷲ 126,474,000.
- Active cases handling in the grievance board: (101) cases with total value of ﷲ 77,096,000.
- Cases ended with final judgments against stc: (168) cases with total value of ﷲ 92,245,000.

stc has taken the necessary internal measures to ensure compliance with CST regulations, as well as reducing the issuance of such penalties.

