

stc

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Sustainability Report 2022

from ambition to action and beyond

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01

Introduction

Sustainability continues to be an integral part of our business and a responsibility we remain seriously committed to addressing. With that, we are pleased to present stc's fourth annual sustainability report, highlighting the company's activities and performance in the environmental, social, and governance aspects of sustainability.

This report is for all our stakeholders who want to learn more about stc's strategy, commitments, and actions pertaining to sustainability within our organization, the communities we serve, the environment we operate on and the economy we contribute to. As always, we welcome any feedback on our sustainability progress and ambitions on 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 made every effort to ensure the report is as accurate and truthful as possible. However, by their nature forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond stc's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

About this report



Reporting practices

This year's report has been prepared in accordance with the GRI standards, focusing on the material sustainability issues to both stc and its stakeholders. The GRI content index is provided in [Appendix B](#).

stc is a signatory to the [United Nations Global Compact](#) (UNGC) and adheres to the ten principles laid out in the UNGC. This report serves as our communication of progress towards advancing these principles. stc is also reporting on the [GSMA ESG metrics](#) tailored for the ICT sector.

Reporting period

[GRI 2-3]

The report covers the calendar year from January 1st to December 31st, 2022 and focuses on activities during this period. Information from previous years is provided where it may be helpful.

Reporting scope & boundaries

[GRI 2-3]

Unlike previous reports, which covered operations in the Kingdom of Saudi Arabia (KSA) only, this report covers stc operations in KSA, Bahrain, Kuwait and other subsidiaries. Please refer to section [New Operating Model](#) for the full list. Unless specified, data from other clients, external contractors and suppliers are not included. Financial data is expressed in Saudi Riyals (SAR), unless otherwise specified.

Financial, legal, and governance information, including our 2022 Annual Report, is available on our [investors'](#) webpage. Prior years' sustainability reports are available in our [Sustainability Platform](#) archive.

Top management oversight

stc Group's CSO reviews and approves our annual sustainability reports. Our executive sustainability committee, chaired by the Group CEO, tracks our progress on sustainability and regularly discusses key ESG topics. Read more about our governance procedures in the [Sustainability Governance](#) section of this report.

Feedback

Inquiries, feedback or suggestions are welcome at:

✉ sustainability@stc.com.sa
🐦 twitter.com/stc
f facebook.com/stc/
in linkedin.com/company/stc

Welcome message



Mohammed K. A. Al Faisal

Chairman of the Board of Directors

Dear stc shareholders and stakeholders,

I would like to thank every one of our stakeholders for your continued support of stc as the world returned to a state of normalcy that had not been present for the past two years. As the world recovered from the greatest global challenge in modern history, stronger and more focused efforts surrounding Sustainable Development have become the norm, even in the face of economic slowdowns. With this, stc continues laudable efforts to achieve the United Nations SDGs, as well as the expected corporate social responsibilities of a global brand. Our focus on connecting people and bridging the digital divide, including investing in digital literacy, has helped us to further deliver on advancing the aims of Saudi Vision 2030, as well as our commitment to the UNGC and broader international community.

2022 was a notable year for stc, as we embraced a greater role and purpose for our business. We believe that we have a greater role to play as a connector of society and enabler of digital progress that ultimately leads to better environmental and social outcomes. This was fortified by more human capital investment, in both our own people and in society at large, leading to increased investment, training, contributions, engagement, and technological embracement as the key enabler of the knowledge economy. stc has been an instrumental force over the past year for building society, enabling connections, seamless solutions, and partnerships while working to operate in a responsible way for the environment and society.

Exhibiting sustainability leadership means gaining and maintaining trust of not only customers, but also suppliers, shareholders, and all stakeholders. Enhanced transparency, greater Board engagement regarding ESG, and more dedication to Board and governance matters due to sensitivity regarding data were all areas of focus for stc in 2022. We also focused on championing technology for the greater good, developing partnerships across GCC and beyond, as a part of this increased effort to put ESG at the forefront.

I would like to take this opportunity to extend my sincere thanks and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdul-Aziz, and to the Crown Prince HRH Prince Mohammed bin Salman in recognition of the unlimited support provided by our wise leadership. Their tremendous support of the ICT sector in the Kingdom has greatly contributed to its development and growth, as well as to the improvement of its infrastructure in record time. I also extend thanks to our esteemed shareholders for their trust and continuous support for the Board, to our valued customers who are our success partners, and to my stc Group colleagues in the region for their hard work to ensure the continued success of the Group.

Another year of disciplined capital allocation, strong financial performance, and ESG focus has proven to vault stc to success once again and will allow us all to remain resilient in the face of continued societal and economic challenges.

Welcome message



Olayan M. Alwetaid

Group CEO

Dear stc shareholders and stakeholders,

Following the very unique year that was 2021, we were eager for a return to more normalcy in 2022. Building on stc's resounding success throughout the global uncertainty that permeated the previous two years, the Group once again continued to increase annual revenue due to the relentless efforts of the wonderful stc team. The importance of business sustainability continued to grow in various vital sectors, in addition to the ongoing success of the stc's strategic direction to be a leading regional center for digital services through innovative projects and global partnerships.

This year, stc is proud to launch our fourth sustainability report, and the first to include stc reporting as a Group. This has not only streamlined the reporting process, but also ensured more comprehensive disclosures. Our 2022 report further solidifies the Group's role as an enabler of digital transformation in the Kingdom and the region, helping to maximize economic, social, and environmental impacts in the telecom industry and beyond.

2022 saw another year of solid financial performance and accelerated growth in revenue, as well as an expansion of services throughout stc Group. This has come as we have drafted clearer targets for our ESG performance and stc Group objectives, focusing on science-based targets for environmental metrics and clearer directives regarding social investment. With this, we have also implemented greater transparency in our disclosures, along with more indicators and more alignment with the UNGC. We would also like to specifically acknowledge the ILO Protection of Wages Convention, 1949 (No. 95) and The Hygiene (Commerce and Offices) Convention, 1964 (No. 120) which came into force on 7 December 2021, and we have assured that stc has been in full compliance throughout 2022 and will continue to do so for the future.

Based on transformative global megatrends that became apparent during the pandemic and have proven to be lasting factors, we have identified digitization and decarbonization as not only long-term drivers of change for the world, but also the two most important areas of focus for stc's future outlook. Looking ahead, we are steadfastly committed to greater expansion in services and stakeholder engagement, increased transparency on the value that we create as a Group, and expanding our responsibility with regard to the environmental and social issues.

We would like to thank you for your trust and support during the past year as stc Group continued to build a global reputation as a pioneering digital enabler for transformation and sustainability in the Kingdom and in the greater MENA region as a whole. Our resolve to decarbonize, increase digitalization, and keep innovation at the heart of stc's ongoing development has never been stronger.

Q&A with stc GCSO

What are stc's key sustainability priorities?

We take sustainability very seriously at stc Group, and as such we have seven key areas of focus for our business: Expanding Access to Technology & Connectivity, Enhancing Economic Impacts, Advancing Digital Opportunities, Doing Business with Integrity, Enriching Lives & Experiences, Caring for the Environment, Empowering People. We cover each of these principles in great detail throughout our 2022 report.

How does stc think about the connection between digital innovation and sustainability?

We at stc see ourselves as more than just the largest telecom provider and ICT company in the region - we are the leading digital enabler. Our focus on digital innovation is a big part of our overall sustainability strategy, as these innovations lead to decreased carbon emissions, economic benefits for communities, and positive social impacts for people all over the regions in which we operate.

What are the biggest challenges that stc faces in meeting its sustainability goals?

Given our commitment to achieving net-zero emissions by 2050, and our growing business offerings through all of stc's subsidiaries, this will be a challenge - but it is one that we are tackling with full force and one that we aim to achieve. We also challenge ourselves to be more inclusive and impact the community in more positive ways each year. These are challenges we embrace and are committed to surmounting as we constantly move forward with our sustainability goals.

What is stc doing to foster a culture of sustainability?

Our Digital Transformation program is a part of stc's dare 2.0 strategy, the main driver of our overarching sustainability strategy (and something that is covered in-depth in our 2022 Sustainability Report), and this program includes a centralized workspace platform, digital KPIs, insights, and reports to drive both sustainability culture and digital transformation culture across stc. In addition to this, we believe in a top-down, inclusive approach to fostering a culture of sustainability, which means that it starts with leadership and is continued on by employees and stakeholders of all levels.

What is stc doing to advance diversity and inclusion?

We know that working across various countries, communities, and cultures provides an opportunity to tap into unique skills and viewpoints. Diversity is a major driving force behind our progress and success in digital technology, as it enhances our ability to innovate. Our employees are encouraged to embrace their unique qualities and individuality, and we acknowledge that fostering an environment of equity and inclusion is crucial to the success of our group.

Our commitment to diversity, inclusion, and representation of the communities we serve is both a business imperative and an ethical responsibility - we want to be an equitable employer and create an inclusive workplace that attracts, develops, and retains the most talented individuals. We have developed several initiatives to advance our diversity and inclusion efforts, which are detailed in dedicated sections in our 2022 Sustainability Report.

How does stc support communities?

We have a broad portfolio of community investments, and these all directly support the communities we serve, UN SDGs and the national visions of all the countries that stc operates within. Our community investment initiatives span various developmental areas, such as education, healthcare, digital inclusion, technological innovations, caring for the environment, entrepreneurship, donations, sponsorships, and community engagement investments. Continuous monitoring of our community investment activities also allows us to set to guide future plans on how to further improve our programs and maximize our positive impacts within local communities.

Why does stc publish an annual Sustainability Report?

Sustainability reporting - also called ESG reporting - is important to all of our stakeholders, including customers, investors, contractors, and employees. With increasing stakeholder interest in not just sustainability, but also the intertwined social impacts and transparency around company actions, we at stc Group feel that publishing our sustainability progress on an annual basis is essential. Our 2022 Sustainability Report, the fourth consecutive one to be published, provides a transparent look at our far-reaching impacts and contributions to sustainability and social progress in Saudi Arabia and beyond. It is a way for us to showcase what we are able to achieve, together, and what we can all expect from stc Group in the future.



**Abdullah Abdulrahman
Alkanhl**

Group Chief Strategy Officer

stc at a glance

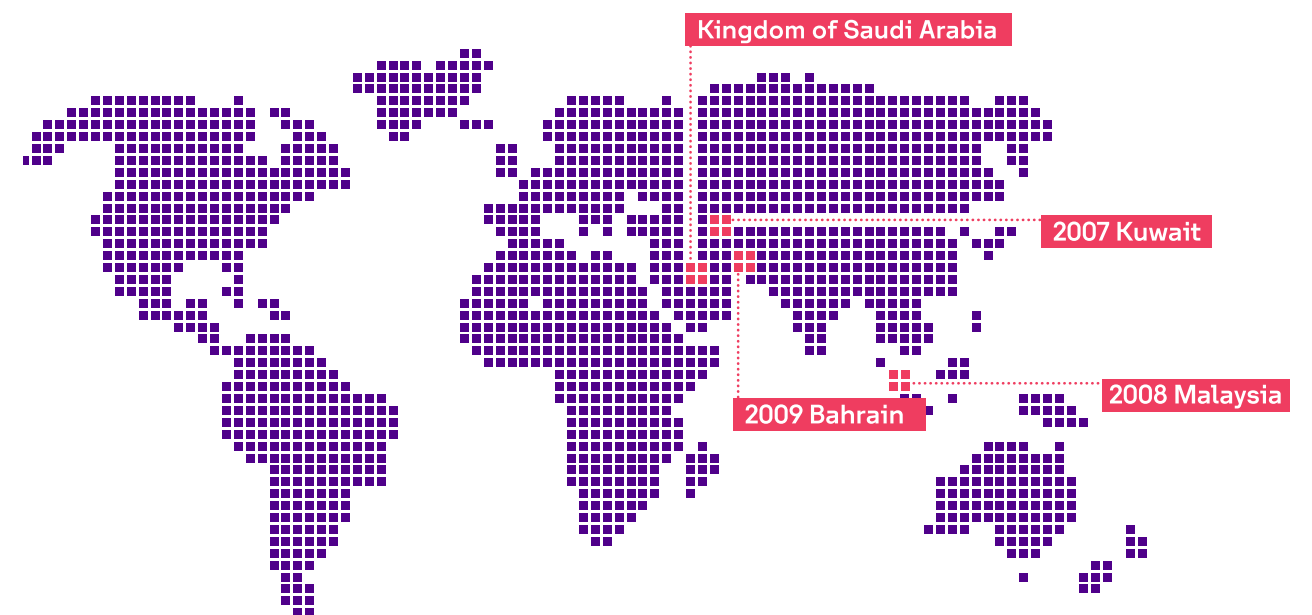
[GRI 2-1]



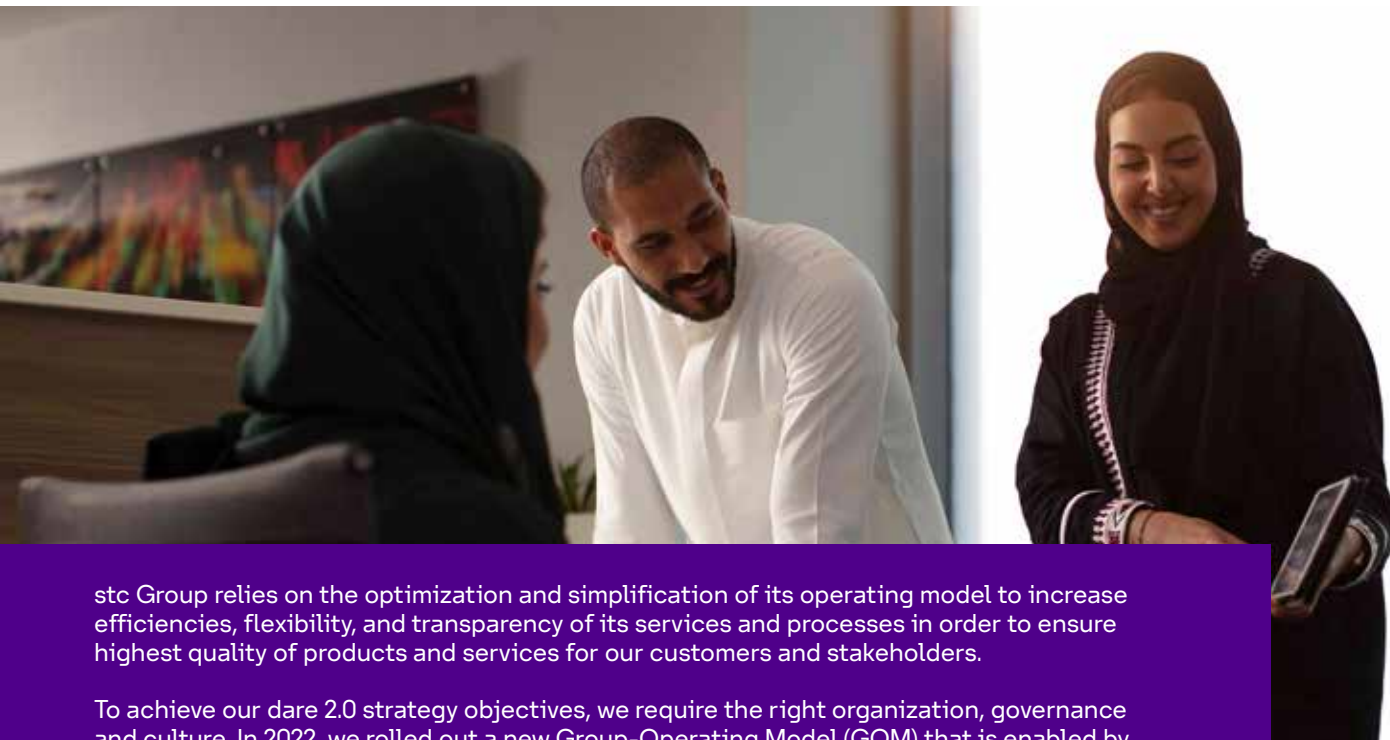
Saudi Telecom Company ("stc") was established in 1998 and is listed in the Saudi Stock Exchange (Tadawul). The Public Investment Fund ("PIF") is the ultimate controlling party of the company through its ownership of 64% as of 31 December 2021 (2020: 70%). stc's head office is located in Riyadh, Kingdom of Saudi Arabia.

We consider ourselves more than just a telecom company - we are pioneers and champions of digitization, always focusing on innovation and evolution of digital solutions. We seek to be the leading digital enabler across the entire Kingdom of Saudi Arabia, offering a variety of ICT solutions and digital services in different areas, including telecommunications, IT, financial technology, digital media, cybersecurity, and other advanced digital solutions.

Our aim is to lead in the coming digital transformation, both nationally and regionally, and to use this as an opportunity to promote sustainability, innovation, and empowerment of people across the Kingdom and beyond.



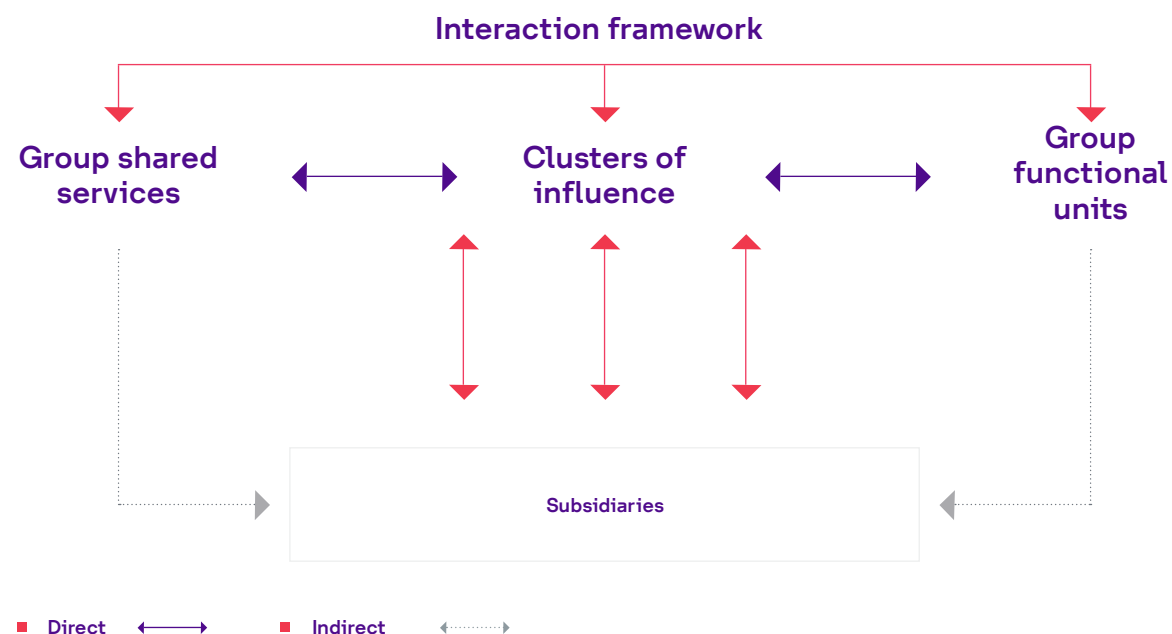
Our new operating model



stc Group relies on the optimization and simplification of its operating model to increase efficiencies, flexibility, and transparency of its services and processes in order to ensure highest quality of products and services for our customers and stakeholders.

To achieve our dare 2.0 strategy objectives, we require the right organization, governance and culture. In 2022, we rolled out a new Group-Operating Model (GOM) that is enabled by clusters of influence, strategic group functions and shared services and centers of excellence to ensure agility and efficiency. We also developed group-wide processes, governance mechanisms and extensive training to ensure the new operating model successfully delivers on its bold ambitions.

New group operating model:



The following stc Group entities are included in this report:

[GRI 2-2]

stc KSA

stc KSA is a pioneering digital champion focused on innovation and evolution that offers a variety of ICT solutions and digital services, leading the digital transformation in KSA.

channels by stc

channels by stc is the sales and distribution arm of stc Group, and one of the leading companies in the field of sales and distribution of the telecommunications sector in the Middle East and operates in GCC countries.

sirar by stc

sirar by stc is a cutting-edge cyber security provider that empowers organizations to take control of their cyber capabilities and digital environments.

stc BAHRAIN

stc Bahrain is a world-class digital enabler and the fastest growing telecommunications operator in the Kingdom of Bahrain.

specialized by stc

specialized by stc is regarded as a trusted partner of critical communications services and innovative solutions

solutions by stc

solutions by stc is Saudi Arabia's leading enabler of digital transformation and the number one ICT service provider in the Kingdom.

intigral

Intigral is a leading digital entertainment company in the MENA region, a subsidiary of the stc Group and its digital media and entertainment arm.

stc KUWAIT

stc Kuwait is a Kuwaiti shareholding company that launched its operations in December 2008.

ccc by stc

ccc is a leading customer experience management company, as it offers spectrum of seamless solutions spans outsourced customer care and technology services

TAWAL






Tawal provides leading integrated ICT infrastructure in the Kingdom of Saudi Arabia.

AQALAT

AQALAT is the real-estate arm of stc Group established to drive the execution of the stc real-estate monetization strategy that covers stc's land bank of 1,388 plots covering 18.7 million sqm widely dispersed across KSA

How we create value:

We depend on:

-  **Skills and expertise**
Our talented team of 22,000+ employees
-  **Our brand**
Recognized as one of the most valuable brands due to major diversification in our offerings. Read more on page 120.
-  **Relationships and partnerships**
We rely on constructive relationships with our stakeholders including customers, suppliers, investors, peers and regulatory authorities. Read more on page 128.
-  **Natural resources**
We rely on natural resources such as fuel and we also operate in water scarce areas. Read more on page 28.
-  **Financial capital**
Our financial performance is strong with y-o-y break record improvements. Read more on page 120.



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









Business activities:
We offer variety of ICT solutions and digital services in several categories including telecommunication, IT, financial technology, digital media, cybersecurity, and other advanced digital solutions, with that we are leading the digital transformation nationally and regionally.



Underpinned by our value:
Dynamism, Devotion, Drive

We create value for:

-  **Our customers**
We aspire to be a digital enabler, providing connectivity to break digital divides, serving millions of customers. Read more on page 41.
-  **Our people**
We provide an equal and inclusive work environment that attracts, develops, and retains the best individual talents. Read more on page 80.
-  **Our planet**
The ICT industry is a contributor to the global greenhouse emissions and we are committed to realizing our goal of net zero by 2050. Read more on page 28.
-  **Local communities**
Our approach to community investment is rooted in developing the communities around us through unique services, digital innovation, transformative technologies, and meaningful investments that go beyond regular corporate donations. Read more on page 54.
-  **Our shareholders**
In our journey to being the digital enabler in the region, we continue to grow shareholder value.
-  **Assets and technology**
Tangible assets (such as network infrastructure) and intangible assets such as technologies are key to connecting people. Read more on page 61.

■ Our strategy for success - dare

stc's dare 2.0 strategy balances a focus between short- and long-term objectives. This helped stc achieve strong financial performance while maintaining its focus on investment in its strategic initiatives and capabilities.

Building on the original “dare” strategy, our reimagined vision of stc inspired this updated, second iteration of the dare strategy that outlines the key pillars to create value with greater efficiencies for a better future. Each letter in “dare” represents one of the four strategy pillars. The strategy includes nine strategic objectives implemented across the entire stc Group.

In 2022, within a global context of record levels of inflation, supply chain disruptions, increasing interest rates, and rising energy costs, stc continued the successful implementation of its dare 2.0 strategy, effectively balancing an emphasis on short-term gains and long-term goals. This helped stc achieve strong financial performance while maintaining its focus on investment in strategic initiatives and future capabilities.

The fundamental pillars of stc's strategy (D - Digitize stc; A - Accelerate performance; R - Reinvent experience; and E - Expand scale and scope), and its associated strategic objectives, are listed below.

Vision: “Digital and telco leader, enabling society and economy to thrive, in KSA and beyond.”

Strategic objectives:

Digitize stc



- Instill digital mindset and unlock the potential of digital and analytics capabilities
- Transform into an agile technology company and embrace new ways of working

Accelerate performance



- Maximize shareholder returns by transforming costs and monetizing assets
- Be a role model for sustainability and corporate governance
- Connect our market through leading next-gen technology and digital offerings
- Lead company-wide culture change and be the employer of choice for top digital talent

Reinvent experience



- Excite customers with a seamless, personalized and secure experience
- Be the trusted partner-of-choice for business in the region

Expand scale and scope



- Grow by expanding into selected growth pillars within digital services and core

Generating positive impacts in favor of social and economic development through dare.

stc's dare 2.0 strategy positions us as a key enabler of the Kingdom's Vision 2030 and its digital transformation by successfully building necessary, key infrastructure for the country. We have continued our sustained connectivity leadership in KSA and in the broader region by expanding 4G, 5G, and fiber networks, decommissioning copper networks and 3G network, building state-of-the-art new-era data centers, and guaranteeing business continuity through a highly resilient network. These infrastructure investments consequently place KSA on the list of top countries with the fastest networks and digitization rankings. stc's digital transformation initiatives have also led to the company to being placed at the top in the MENA region and at the top of digital companies globally, as measured by Forbes. Our push for digitization is adopted by customers with increasing usage in digital self-service channels.

On the economic development front, strategic objectives defined under dare 2.0 push stc for strategic partnerships with key government entities, global hyperscalers, and worldwide enterprises, which has led to successful growth stories for several stc subsidiaries. Our active role in venture capital and start-up ecosystem funding is another impact driven by the dare 2.0 strategy, and stc is also a significant contributor to the Kingdom's Local Content Program, with more than SAR 22 billion spent on it over the past year, in addition to significant contributions made in 2022.

On the social development front, stc is one of the top employers in KSA and the Gulf region with over 22,000 people employed in total in the whole Group and an aim to increase its 13% women employee ratio in-line with dare 2.0's focus to attract and retain top talent. stc is also seen as one of the top employers of choice among fresh university graduates, with the company's TIP program and other talent programs providing career paths for newcomers within the organization. We understand the value of our people as the key bearers of our strategy, and because of this stc continued its efforts to attract, develop, and retain a diversified and inclusive workforce. The stc Academy further expanded its leadership development programs by collaborating with some of the leading global academics and experts for the second year in a row, and women empowerment and diversity remained high on our agenda with the further induction of more women employees in our Talent Incubation and other development programs, as well as more women progressing upwards in the management hierarchy.

On the environmental front, we are again aiming to take major strides in addressing our own environmental footprint by setting concise plans and targets to reduce emissions, minimize waste, spread awareness, and identify the risks and opportunities that climate change presents. We have set big ambitions and are committed to reach net-zero carbon emissions by 2050. Currently, we are on the path to net-zero as we develop our science-based targets and explore clean energy and circular economy solutions.

Industry leadership



Associations and memberships

We are active members of the ICT community, seeking to influence and learn from other leading professionals in our sector. stc is actively involved with, or holds membership in, several industry associations and advocacy groups, including the following:

Global Leaders Forum (GLF)	United Nations Global Compact (UNGC)
Global System for Mobile Communications (GSMA)	Business Ethics Leadership Alliance™ ("BELA")
International Telecommunication Union (ITU)	World Economic Forum – Partnering Against Corruption Initiative (PACI)
GCC Board Directors Institute (GCC BDI)	Pearl Initiative
World Economic Forum Cyber Security and Digital Trust Platform	Global Forum of Incident Response and Security Teams First.org
Member of Jubail Industrial City Leadership Council headed by The Royal Commission in Jubail	Local Content Leadership Council (LCLC)
GRI Community Member	GSMA Climate Action Taskforce



Certifications

stc strives to continually monitor and improve its business practices and performance in-line with regulations, industry standards and best practice. In 2022, our operations were aligned with the following standards to ensure continuity with implementing the industry's best practices:

stc Group	ISO 22301 Security and Resilience - Business Continuity Management Systems	ISO 9001 Quality Management	ISO 31000 Risk Management	ISO 27001 Information Security, Cybersecurity and Privacy Protection	ISO 10002 Quality Management - Customer Satisfaction	ISO 14001 Environmental Management System	ISO 45001 Occupational Health & Safety Management System	ISO 37301 Compliance Management System	ISO 29990 Learning Services for Non-Formal Education and Training	ISO 27017 Information technology – Security techniques
stc KSA	✓	✓	✓	✓	✓	✓	✓		✓	
stc Kuwait	✓	✓	✓	✓						
stc Bahrain		✓		✓	✓					
Intigral				✓						
Sirar		✓		✓						
Solutions	✓	✓	✓	✓	✓	✓	✓	✓		✓
Specialized										
TAWAL	✓	✓	✓	✓		✓	✓			



Awards and recognition

Over the years that stc has been in operation, we have realized many achievements thanks to the incredible work and drive of our staff, stakeholders, and core partners. We have been fortunate enough to receive recognition and accolades from esteemed organizations in our industry for which we are collectively humbled. The table below contains an illustrative, non-exhaustive list of the awards received in 2022:

stc KSA: CSR Arabia award for large business category
stc KSA: Glotel award in the Private Networks Perfection category
stc KSA: " Best Corporate Governance System" award KSA in from World Finance Magazine
stc KSA: The working environment award for people with disabilities within the large and vast enterprises category by HRSD
stc KSA: The Saudization award for nationalizing the communications and information technology sector by HRSD
Solutions by stc: Best Workplaces in KSA 2022 by the Global Authority on Workplace Culture
TAWAL : Best Workplaces in KSA 2022 by the Global Authority on Workplace Culture
stc KSA: "Best HR Analytics Strategy" award in the MENA region at the Future Workplace Awards 2022 by Informa Connect.
stc KSA: "Best Corporate Governance System in the Telecommunication Sector – Middle East" from Ethical Boardroom Magazine
Stc Kuwait: "Telecommunications Deal of the Year – 2022" for its acquisition of E-Portal Holding Company
Solutions by stc: Integrated Performance Excellence Award by The KPI Institute
ccc: Company of the year best practice award and the Market Leadership best practice award by Frost and Sullivan.
stc KSA: "Platinum Games Operator" Award from CST
stc KSA: "Outstanding industry contribution" Award from tmforum through tmforum Catalyst: Leveraging AI/ML to drive CX Business outcomes proactively
stc KSA: 'Most Valuable telecom brand' in Middle East from brand Finance
Sirar by stc : Best Workplaces in KSA 2022 by the Global Authority on Workplace Culture for small and medium companies

ESG Performance highlights



22,759 total workforce



1.5+ million 5G subscribers with 7,000+ deployed sites across Saudi Arabia



97%, 34% and 67% nationalization rates in senior management across stc KSA, stc Bahrain and stc Kuwait



127,000 + learning hours provided through stc Academy



89% employee engagement



18% board seats occupied by women



Through Rawafed program, 45+ million mobile SIM cards and 3.6 billion recharge cards manufactured locally



Launched the trade-in program and the renewed devices program



Committed to 50% and 47% reduction in scope 1 and scope 2 absolute emissions, respectively by 2027



Fastest-growing brands in the region with a growth rate of 16.7%



0 legal cases regarding anti-corruption



Mega projects awarded through local content valued at SAR 5 billion



99% stc Group employees completed data protection and privacy training



100% of business units analyzed for risk related to corruption



Technically empowered 324 NGOs through technical enablement program - serving more than 10,000 users across 64 cities



SAR 67 billion revenues (7% increase from 2021)



213 SMEs engaged in procurement activities



38.21% local content score



Leading Fintech with stcpay, with more than 9.6 million registered users



43 different nationalities representation across workforce



150 women enrolled in Women in Stem (WiSTEM) program



Through InspireU, incubated nearly 100 startups with a total valuation of almost SAR 10 billion



Award winning work environment, with more than 5 different awards and recognition received throughout the year



4,348 sustainability training hours provided to employees



Zero employee and contractor fatalities



52% women representation across our advanced analytics department



Recorded 10,000+ employee volunteering hours

An underwater photograph showing two divers in blue wetsuits and silver oxygen tanks. They are positioned on either side of a vertical yellow and black striped rope. The diver on the left is reaching out towards the rope. The background is a sandy ocean floor with some green seaweed.

02

Sustainability at stc

Maha Alnuhait Sustainability GM



"Maximizing economic value, creating positive environmental impact and supporting progressive social development lie at the heart of our approach to sustainability.

Our continued ambition is to lead the ICT industry and create a positive environmental impact throughout the Kingdom of Saudi Arabia and the greater Gulf region. We are committed to supporting the national, regional, and global goals in alignment with national visions and the SDGs, as well as aiming to ensure our business practices are in-line with these goals to promote positive advances and avoid detrimental impacts on society and the environment. We aim to become a role model in the region by applying best practices and innovative solutions to foster positive changes, and our aim is to continue leading the way to 2030 and beyond.

We seek to be a constant steward for the environment by minimizing our own direct environmental impacts as well as the impact associated with the use of our products and services. As with other leading companies worldwide, our aim is to achieve net-zero carbon emissions before 2050 in-line with the Paris Agreement. We are committed to adopting science-based targets to help us achieve this goal, and we aim to launch our specific carbon reduction targets in 2023.

Furthermore, stc invests heavily in infrastructure development to reduce digital divides and provide universal, affordable access to information and communication for people in all geographical areas that we operate within. We also focus on providing services to groups that are at risk to be marginalized, such as the elderly, children, low-income households, those in remote areas, and many others who will benefit from digital inclusivity.

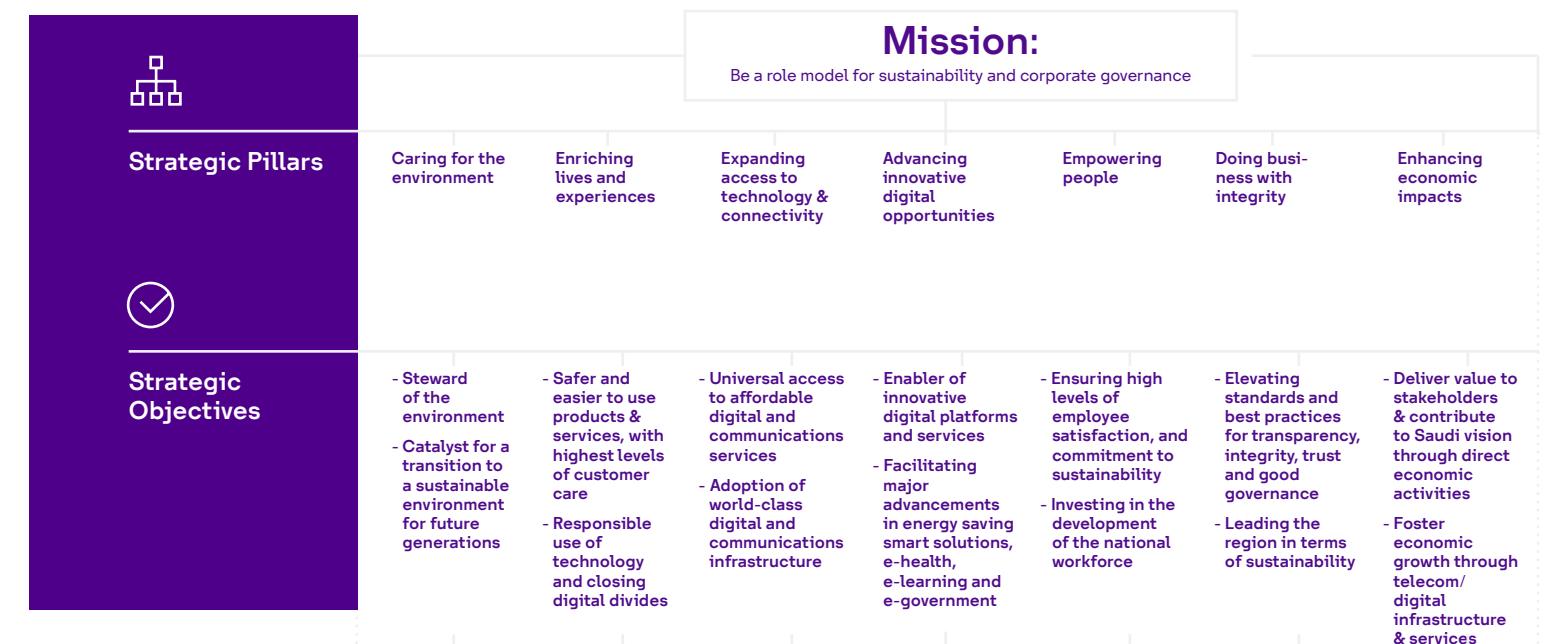
We align our actions with the goal of helping to build a better future, and we believe the steps we have taken to date are already catalyzing digital transformation across all the communities that we are fortunate to serve."

Our sustainability strategy and policies



We have developed a rolling 3-year strategy and roadmap that is endorsed by the GCEO and sustainability committee. Our sustainability strategy is the vehicle which drives us towards achieving our sustainability mission by turning our ambitions into actions. The strategy builds on our sustainability framework and is also aligned with our dare 2.0 corporate strategy, Saudi National Vision 2030, and the UN SDGs.

In 2022, in line with stc's new operating model, we refreshed our strategy to include emerging sustainability trends, potential ESG risks, opportunities, and impacts arising from such trends. We aim to rollout our new strategy by 2023. stc's Board approves the sustainability strategy and delegates execution of the strategy to executive management. This includes setting KPIs, guidelines, policies, and corporate social responsibility spending, which is then approved by the broader management team.



■ Policies and commitments

We apply a range of policies and policy statements to our operations and relations with stakeholders to improve ESG performance. These are reviewed and updated periodically and demonstrate how we operate in an open, transparent, and responsible manner. Below is a non-exhaustive list of stc policies published online:

- [Code of ethics and business conduct](#)
- [Privacy statement](#)
- [Quality policy](#)
- [Conflict of interest policy](#)
- [Whistleblowing policy](#)
- [Management commitment to Occupational Health and Safety](#)
- [Anti-corruption policy statement](#)
- [Environmental policy statement](#)
- [Responsible Supply Chain policy statement](#)
- [Training and Career Development policy statement](#)
- [Responsible Marketing policy statement](#)
- [Access to Communication policy statement](#)
- [Community Involvement policy statement](#)
- [Data Privacy and Security policy statement](#)
- [Human Rights policy statement](#)



Sustainability governance model



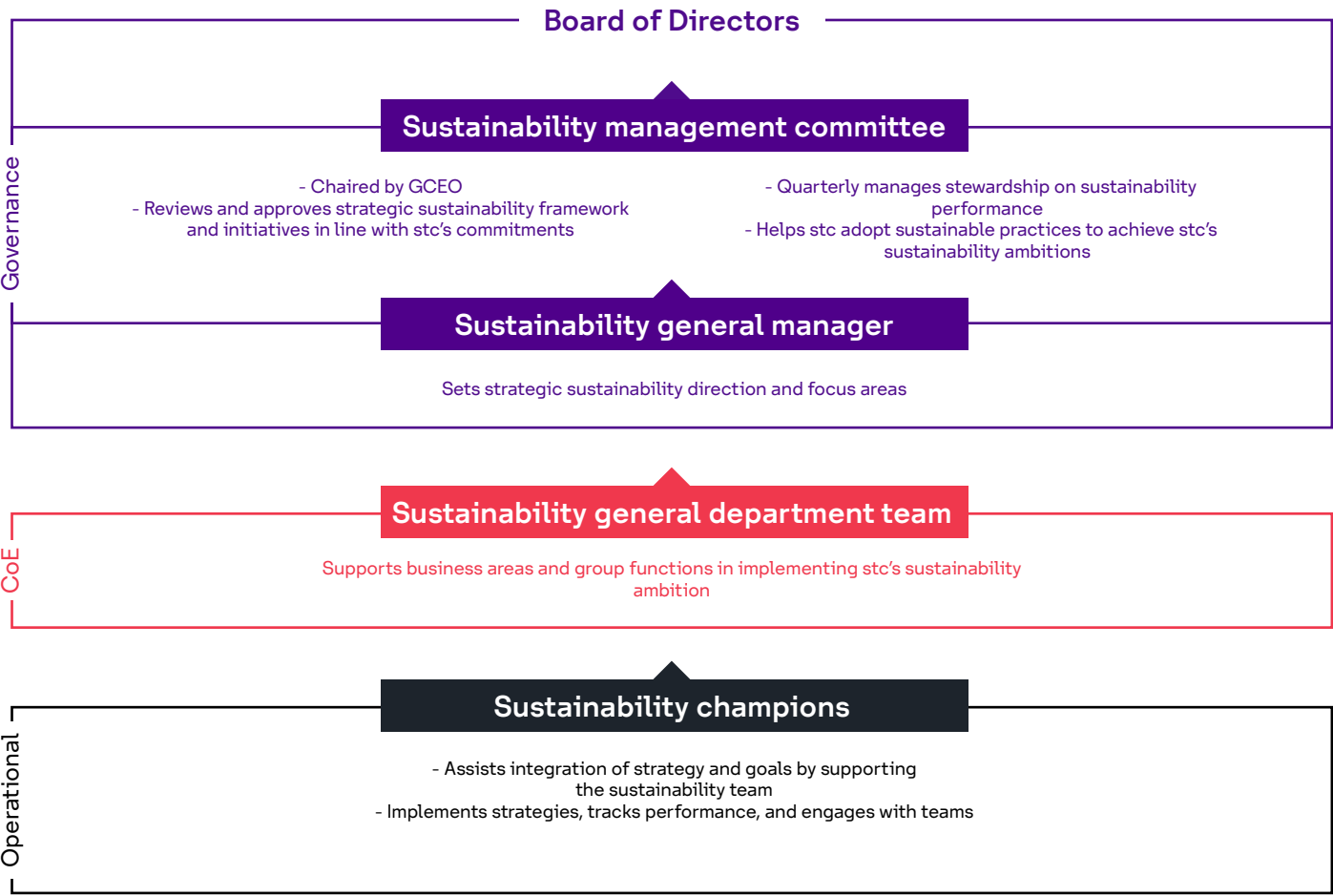
Our commitment to sustainability is embedded in our core business practices, our purpose, and our operational strategy. Strong governance structures and clear lines of accountability will support stc in achieving commitments set out in the company's three-year sustainability roadmap.

stc's sustainability governance model aims to provide a solid foundation for developing and anchoring sustainability strategies and targets. This model ensures that stc focuses on embedding sustainability into all aspects of the organization by implementing tools and integrating sustainability-related risks and opportunities, including ESG and climate-related risks and opportunities, in the decision-making process.

Our CEO and Board of Directors set the tone for how sustainability is approached, which means decisions come from the top – and ESG considerations are an integral part of how decisions are made. Across our organization, throughout all our activities and business units, we are fully committed to managing stc in the most sustainable way possible. Corporate responsibility values are imparted on each employee to support them in recognizing the collective impact of individual action within a larger organization.

The company's sustainability management committee acts as an important vehicle for informing the board on sustainability issues and helping demonstrate a corporate commitment to sustainability at the highest levels. This committee monitors ESG risks and opportunities that stc should address, while also overseeing stc's sustainability-related conduct and corporate reputation. It is chaired by the GCEO, with eight members in total including the Chief Strategy Officer, Chief Financial Officer, Chief Technology Officer, Chief Human Resources Officer, Group Shared Services Officer, Chief Legal and Risk Officer, and General Council, and Corporate Sustainability General Manager.

stc Group sustainability governance model:



Sustainability champions

We recognize that employee engagement is crucial for successfully implementing our sustainability objectives, goals, and overall strategy. stc's Sustainability Champions working group members are nominated by the group's executive management team. The working group consists of 41 members in 11 subsidiaries across 3 countries, and it helps drive improvements in our sustainability performance by embedding sustainability into the way we operate as a business. Key areas of focus for the Sustainability Champions working group include:

- Engagement – working to engage stc employees in programs that connect them to the business of sustainability and drive internal performance.
- Performance – contributing to the development of each country or sustainability action plan to help stc identify and meet public commitments
- Reporting – supporting the collection of sustainability data for internal and external reporting purposes for our annual Sustainability Report.
- Awareness – encouraging employees to take sustainable actions into their work through clear and deep understanding of sustainability and what it means to stc.

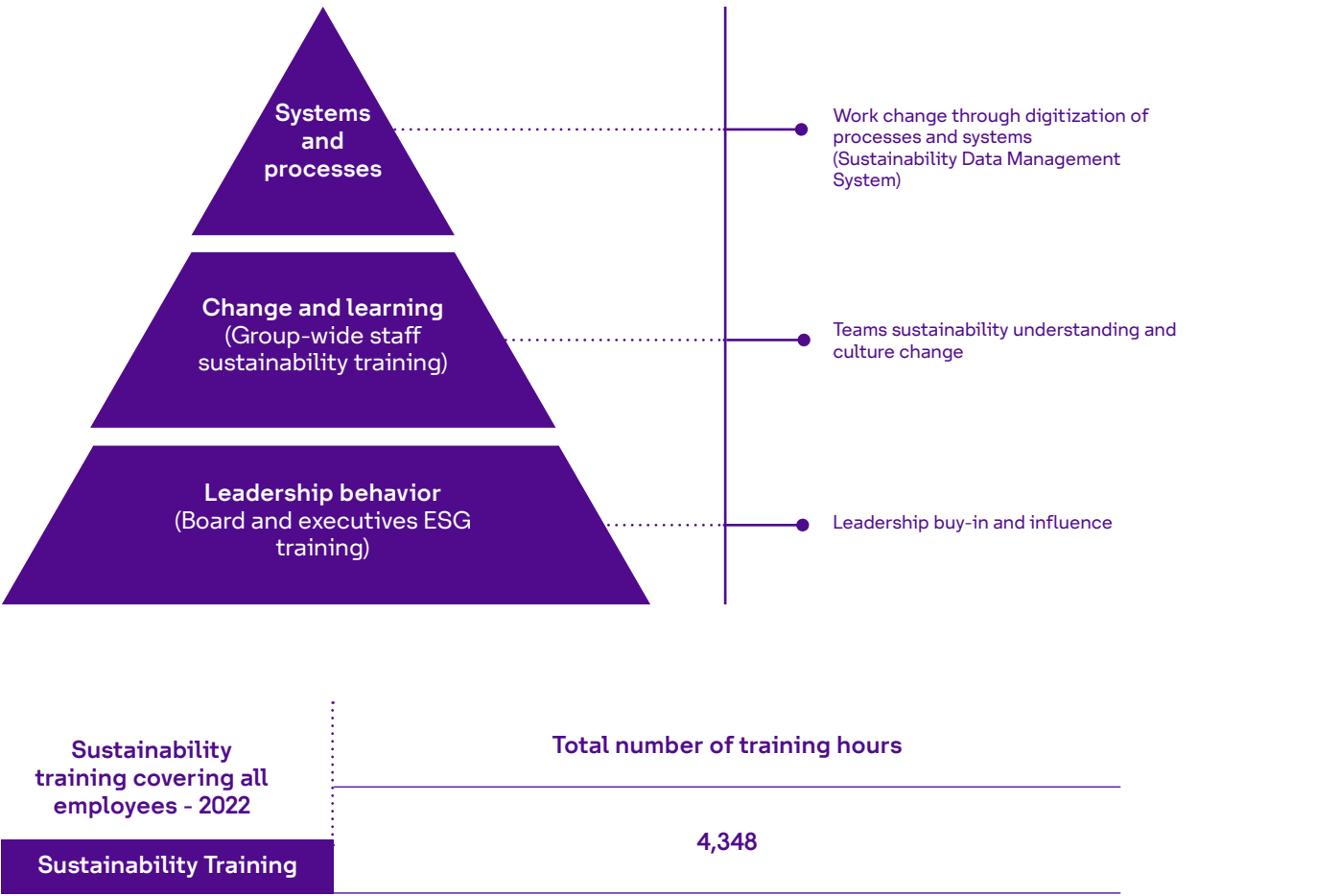
Sustainability cultural transformation

Building adequate awareness and tools are key in achieving the targeted goals and embedding sustainability into stc's culture.

In 2022, we focused on building this awareness and helped in fostering a deeper understanding of sustainability across the stc Group. This includes launching a company-wide training program throughout different organizational levels including board members, C-suite executives, GMS, VPs, and staff members. In 2022, more than 4,348 sustainability-training hours were provided to employees.

Further to our mission to facilitate cultural transformation around sustainability, we are also working on digitizing our internal environmental and sustainability data, workflows, and reporting to facilitate quality and disclosure.

2022 - 2024 cultural transformation



Our sustainability platform



Our sustainability platform helps us engage and empower our stakeholders while making our environmental, social, and governance (ESG) progress more transparent and accessible to everyone. This is how we are able to maximize economic value while simultaneously creating positive environmental impacts and supporting progressive social development.

Our platform displays and demonstrates stc's sustainability activities, services, and community initiatives to raise awareness and spur action regarding critical issues.

This is achieved through three core services:



Volunteering Program

A service that will enable company employees to have the opportunity to volunteer for non-profit entities to enhance their participation in sustainable community development.



Technical Enablement

A service that digitally empowers charities and non-profit organizations through digital solutions and platforms that help them develop and improve their operational processes and increase efficiencies.



Knowledge Sharing

A service to provide training courses to build capacity and awareness of sustainability issues delivered in partnership with many specialized agencies.

Visit <https://sustainability.stc.com.sa/#/> to learn more about our sustainability platform.

Materiality and stakeholder engagement

[GRI 3-1]

We are actively committed to ongoing engagement with our stakeholders, enabling us to better understand and address their needs. Stakeholder insights and perspectives are important because they help drive continual business improvement and internal strategy development.

During the stakeholder engagement process, we seek to identify topics where we have significant impacts in areas that matter the most to our stakeholders. Identifying these material topics helps ensure our reporting is directly relevant to serving our target audience and allows them to be an integral part of crafting our broader ESG strategy.

Our approach to materiality

In 2022, stc conducted an updated materiality and stakeholder engagement exercise, culminating in a materiality assessment conducted in accordance with GRI standards to achieve a final set of key material topics. The aim of this exercise is to have a more focused list of material topics. This process included the following steps:

1

Understanding the organizational context

In the initial step for assessing materiality, a high-level overview of stc's activities, business relationships, and stakeholder overview, including the sustainability in which these can occur, were set out to identify actual and potential impacts.

2

Identify actual and potential impacts:

In the second step, we identified actual and potential impacts on the economy, environment, and people across stc's business activities and relationships. We compiled a list of material topics along with explanations using a wide variety of inputs from peer reviews, surveys, industry trends, UN SDGs, the Saudi Vision 2030, ESG rating agencies, and national and international standards, guidelines, and declarations (such as GSMA, WEF, SASB, and GRI Standards). We also revised the previous materiality matrix to consider changes in the operating model structure. This resulted in a list of 25 ESG topics for review and discussion by stakeholders and stc management.

Please refer to [Table of impacts](#) section to read more on the actual and potential impacts of our material topics.

3

Assess the significance of impacts

With the goal of creating a ranking of importance, the third step in this approach identified a representative sample of stakeholders for consultation, which included both internal and external stakeholders, such as executives, key employees, investors, customers, and suppliers. Surveys were sent to these representatives to provide quantitative priority of these topics, which were then used to identify and quantify the significance of material impacts.

4

Prioritize the most significant impacts

The fourth and final step of this approach involved stakeholder prioritization on topics based on importance and significance related to stc's impacts. This culminated in a list of 13 main topics which were deemed to be material issues. The other 12 topics, which nonetheless remain important to stc, will continue to be addressed but are either not included in the materiality matrix or have been merged along with other topics.

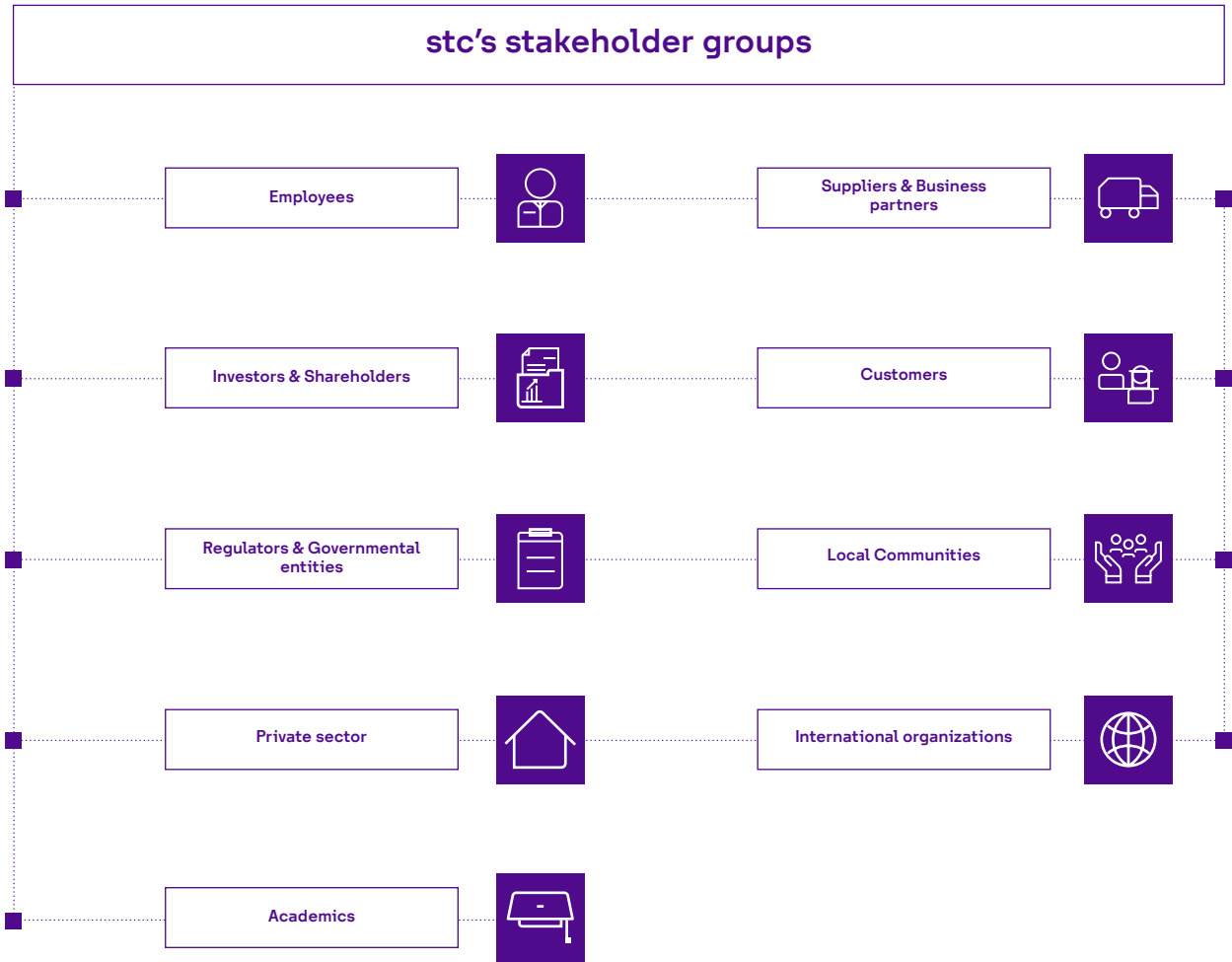
Our stakeholders

[GRI 3-1]

Engaging with our stakeholders and attaining their views into which material topics are most relevant to them was a crucial part of determining our priority material topics. Ongoing and effective engagement with our stakeholders are crucial to address these topics, and we strive to provide transparent and timely information while actively encouraging feedback pertaining to any and all material topics. That is why, we are aiming to align our stakeholder engagement approach with the Accountability AA1000 Stakeholder Engagement Standard that recognizes 3 key principles of accountability: inclusivity, materiality, and responsiveness.

The figure below shows our main stakeholders with whom we engaged and received viewpoints on the most important material topics related to them.

Refer to [Appendix A](#) to read more about each stakeholder group and how we engage with them.



Our material topics

[GRI 3-1] [GRI 3-2]

As we update our materiality topics every year, our refreshed materiality topics for this year are more focused and comprehensive, highlighting 13 priority material issues. These topics will be addressed throughout our sustainability strategy, framework, and reporting. For each issue, we identified why it is material and our management approach, related performance metrics, and any relevant targets that have been set surrounding the issue.

Materiality analysis – table of impacts:

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. In terms of cybersecurity maturity level, stc continues to build on its strength in cyber resilience, protecting stc's information assets, safeguarding confidential and sensitive data for stc customers.	Actual	<div><div></div>Positive</div>
	Cybersecurity threats against data safety of stc and its customers remains crucial. These threats exists not only within stc but also its third-party contractors, which are considered as more vulnerable by cyber-criminals. To prevent damages of cyber and data threats (e.g. loss of customer/company data), the appropriate preventive measures should be taken throughout the organization and all value chain.	Potential	<div><div></div>Negative</div>
Energy and climate change	Reduction of emissions and energy consumption from our direct operations through improvement of the energy mix by increasing renewable capacity and efficiencies. Through our digital and innovative products and services we seek to help our customers reduce their environmental impact especially emissions and energy.	Actual	<div><div></div>Positive</div>
	Working with companies that might have a negative environmental impact, thus we seek to enhance suppliers and project selection that identify and respond to activities that may have negative environmental impacts.	Potential	<div><div></div>Negative</div>
Health, safety and wellness	stc monitors and reports occupational health and safety performance including employees and contractors through preventive actions. stc cares about employees' wellness and motivates via a series of engagement, and wellness initiatives and programs.	Actual	<div><div></div>Positive</div>
	Increase in the rate of accidents due to a failure to disseminate a health and safety culture across communities in which the stc operates.	Potential	<div><div></div>Negative</div>
Accessibility and digital inclusion	Ensure access to ICT products and services in remote areas that serve all groups of people including vulnerable groups thanks to products and services quality improvements.	Actual	<div><div></div>Positive</div>
	Reduction in accessibility and digital inclusion opportunities might have reputational impacts as it will minimize socio-economic development opportunities and limit attaining new customers.	Potential	<div><div></div>Negative</div>
Business ethics and governance	Ensure solid governance according to international and national requirements, and transparent communication on group's performance to groups' key stakeholders such as investors, lenders, partners, suppliers, regulators, community, and the environment.	Actual	<div><div></div>Positive</div>
	Inability to respond to stakeholders' increased ESG expectations performance could negatively impact customer engagements, investor support, talent attraction and retention and regulatory compliance.	Potential	<div><div></div>Negative</div>
Diversity, equality and inclusivity	Growing our diverse and inclusive work environment creates better services and experiences for our customers while respecting the rights of stakeholders.	Actual	<div><div></div>Positive</div>
	Inability to attract, develop, reward and retain talented employees, will not address customer needs and will not meet sustainability challenges.	Potential	<div><div></div>Negative</div>
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	<div><div></div>Positive</div>
	Increase in environmental impacts due to a failure to adopt environmental management policies by the suppliers with whom we conduct business.	Potential	<div><div></div>Negative</div>

Material topic	Overview of ESG impacts	Actual/ potential	Negative/ positive
Customer relations and satisfaction	Increase in the quality of innovative and sustainable products and services provided to customers to enrich and improve their lives.	Actual	<div><div></div>Positive</div>
	Lack of clear, transparent and inclusive communication on business information.	Potential	<div><div></div>Negative</div>
Resource management	E-waste is one of the global fastest-growing waste streams. Waste management for stc can not be designed without recycling and repurposing e-waste. Measures are being taken to increase the amount of recycled waste and e-waste.	Actual	<div><div></div>Positive</div>
	Water is a scarce commodity in this day and age. Lack of action to manage water use and efficiency across facilities and operations, can have negative implications such as increase in its utility bills, inefficiencies and a negative public image.	Potential	<div><div></div>Negative</div>
Human rights	Assessing and addressing human rights risks and remedying impacts across operations and the supply chain and operations.	Actual	<div><div></div>Positive</div>
	Greater awareness of human rights atrocities puts pressure from investors, governments and stakeholders on companies to identify and remediate direct or associated human rights impacts. This requires a better understanding of legal and reputational risks. Insufficient capabilities to address such challenges often sits outside the knowledge base of teams.	Potential	<div><div></div>Negative</div>
Talent management	Ensure stimulating and decent work environment for our people.	Actual	<div><div></div>Positive</div>
	Decreased job opportunities offered that fulfill people's potential due to inadequate institutional support.	Potential	<div><div></div>Negative</div>
Community contribution and development	Social and economic development of the communities in which we operate by actively listening to them and addressing their needs, which in turn would improve public image, gain publicity, help contribute to the SDGs and national visions, or even offset negative aspects of operations.	Actual	<div><div></div>Positive</div>
	The community is not experiencing the benefits they were expecting.	Potential	<div><div></div>Negative</div>

Changes in material topics from previous years:

Data privacy, security, and protection remained unchanged as the top material topic. Rankings of the remaining topics have been changed based on the materiality assessment refresh exercise that was undertaken in 2022. The following material topics may have been excluded from the materiality matrix, however, they are addressed as described below:

- Infrastructure expansion and resilience: addressed within the broader digital innovation and transformation topic.
- Economic performance: addressed as part of stc’s efforts in sustainability and ESG including enhancement of stc’s ESG ratings and management.
- Responsible use of products and services: addressed within supply chain and procurement management.
- Competitive behavior: addressed under business ethics and governance.

ESG disclosure frameworks

As part of our ESG journey, we are committed to enhancing transparency within our disclosures, voluntary initiatives, and public commitments. In an effort to effectively achieve this, we have aligned our reporting and practices with the following nationally and internationally recognized standards:

GRI Standards	stc’s non-financial reporting is prepared and presented in accordance with the GRI Standards. The GRI Standards provide a rigorous framework for voluntary sustainability reporting, and this report focuses on issues classified as particularly important in the context of the aforementioned materiality assessment.
United Nations Global Compact (UNGC)	The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to undertake steps towards addressing the 17 UN SDGs. stc became a signatory to this voluntary initiative in December 2021 and now communicates on its progress annually . stc Group sustainability GM also sits on the Global Compact board in KSA.
Global System for Mobile Communications (GSMA)	The GSMA's sustainability assessment framework provides best-practice examples across the telecom sector and serves as a useful reference to assess performance in working towards addressing global challenges and opportunities. In 2022, we became a member of the GSMA's ESG Metrics pilot project working group and engaged in consultation to work towards establishing, assessing and validating a common KPI framework for the mobile industry.
National Sustainability Standards by Ministry of Commerce (KSA)	The National Sustainability Standards created by the KSA Ministry of Commerce outlines a framework for comparability and harmony with the UN SDGs, the Kingdom’s 2030 National Vision, and international agreements such as the Paris Agreement for Climate Change and the Framework Convention on Climate Change (UNFCCC).
Saudi Exchange ESG Guide	Formerly the Saudi Stock Exchange ‘Tadawul,’ the Saudi Exchange ESG Guide supports the advancement of ESG reporting in Saudi Arabia and the wider region, and stc aligns its reporting framework with the exchange’s ESG guidelines.
GCC Exchanges Committee	On January 9th, the GCC Exchanges Committee (chaired by the Saudi Exchange) published a unified set of ESG disclosure metrics aligned to the World Federal Exchanges, Sustainable Stock Exchanges Initiative and other sustainability reporting frameworks. stc voluntarily reports against these metrics.
Sustainability indices and rating agencies	The analysis and ratings produced by specialized sustainability rating agencies and index providers – which assess companies based directly on ESG criteria – provide guidance to our ESG disclosure journey.

Aligning with national priorities

We have ensured that our corporate strategy is aligned with the national vision by incorporating key components of Saudi Vision 2030 which charts a sustainable path for KSA's future.

The vision highlights Kingdom's importance on a global scale while providing insight into its unique challenges, culture, and opportunities.

We aim to ensure that our sustainability efforts drive positive change and transition at the national and local level.



dare 2.0 was developed in alignment with the three themes of Vision 2030

Vision 2030 themes	dare 2.0 themes	stc has been a key contributor in the Kingdom with its continuous efforts towards achieving Vision 2030's goals and aspirations.
A Vibrant Society	digitize stc	Backbone of KSA's telecom and digital infrastructure First 5G operator in KSA and largest fiber network Amplified connectivity within the Kingdom 5.5x Mobile broadband speed increase (Q2 2022 vs Q2 2019) Best digital company in the MENA region 44 th digital companies in the world by Forbes
A Thriving economy	accelerate performance reinvent experience	Economic driver SAR 674 Bn in revenue, 3 rd largest company in KSA Strong enabler of local content SR 22 Bn local procurement spending Leader in emerging tech and digital offerings – stcPay stcPlay stcTV
An Ambitious Nation	expand scale and scope	Key supporter during COVID-19 pandemic Connectivity and various digital solutions

We also align with the national visions of the countries we operate in:

In Kuwait, we have helped move the country towards achieving the Kuwait Strategic Vision 2035, which seeks digital transformation alongside the many goals set by the state. stc played a fundamental and vital role in accelerating this transformation process as the company's acquisition of Quality-net and its subsequent transformation into "solutions by stc" created an active technical arm that helped in enabling the overall business sector and supported several local projects. Moreover, this move provided a wide range of digital solutions for companies, which included data centers, infrastructure support, and applications for companies. Additionally, stc introduced an IoT strategy that allowed companies to manage their resources more efficiently and make the most of their business models in Kuwait.

In Bahrain, stc has contributed in supporting Bahrain's Economic Vision 2030. In terms of the business sector, we developed a comprehensive range of information and communication technology products including cybersecurity, asset tracking, data hosting, and cloud services. In terms of carriers and operators, the company has succeeded in consolidating its position as an empowered company in this field by providing services to more than 400 national and international companies. We also enhanced customer service experiences across all points of contact to advance the digital transformation within the Kingdom of Bahrain to move towards becoming a more digitally enabled society.

Our contribution to the SDGs

We continue to acknowledge that the 17 UN SDGs are interconnected; meaning that action in one area will affect outcomes in others and that development must balance social, economic, and environmental sustainability, with proven methods needed to govern this balance.

After several years of working towards achieving these goals, we deeply understand that commitments and actions from everyone are necessary to reach these ambitious targets. We recognize our important role in transitioning towards a more sustainable future. As a result, we continue to be committed in supporting the SDGs and aim to ensure our business practices are in line with the goals to promote positive advances and avoid detrimental impacts on society and the environment.

Priority SDGs

We have identified ten priority SDGs that are globally aligned yet locally relevant to our core operations and geographies, and reflect our business strategy.

	SDG	Our contribution	Goal targets	Framework pillar
	SDG 3 – Good health and well-being	Ensuring that our staff, customers, and local communities are healthy helps drive our business forward by reducing costs and risks while also creating positive outcomes for general health and wellbeing in our community.	3.3, 3.4, 3.8, 3.	Empowering our people
	SDG 4 – Quality Education	By supporting quality, inclusive education and skills development, we contribute to a greater pool of talent for our own workforce and for the economy while improving educational outcomes in the Kingdom.	4.1, 4.3, 4.4, 4.5	Enriching lives and experiences
	SDG 5 – Gender Diversity	We treat everyone with respect and consideration at all times. Our company-wide policy applies best sustainability practices, including support for women empowerment in the labor market to ensure gender equality and more women in leadership roles.	5.1, 5.4, 5.5, 5.a, 5.b, 5.c	Empowering our people
	SDG 8 – Decent work and economic growth	Providing decent economic growth, skills development, and job creation is embedded in our business strategy to find dynamic and innovative digital solutions for our customers.	8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8	Enhancing economic impacts
	SDG 9 – Industry, innovation and infrastructure	We have strong infrastructure expertise and drive innovation and communication technologies forwards, which is critical in addressing socio-economic challenges.	9.1, 9.3, 9.4, 9.5, 9.b, 9.c	Enhancing economic impacts
	SDG 10 – Reduced Inequalities	We reduce inequality internally through staff and community empowerment through accessibility and development schemes.	10.2, 10.3, 10.4	expanding access to technology and connectivity
	SDG 11 – Sustainable Cities and Communities	We deliver digital product and service solutions that help build sustainable cities and promote resilient communities.	11.3, 11.4, 11.5, 11.a, 11.b	enriching lives and experiences
	SDG 12 – Responsible Production and Consumption	We have a duty to our customers to produce goods and services that ensure their safety and wellbeing while reducing negative environmental impacts.	12.2, 12.4, 12.5, 12.7	Advancing innovative digital opportunities
	SDG 13 – Climate Action	The greatest impact we can have on climate change is through our business contributions to SDG 4, SDG 9, SDG 11 and SDG 12. We're on our path to net zero by 2050.	13.1, 13.2	Caring for the environment
	SDG 16 – Peace, justice and strong institutions	stc's strong governance framework ensures the highest ethical behavior in everything that we do. It also creates the parameters for responsibility, accountability and decision-making.	16.5, 16.6, 16.7, 16.8, 16.10, 16.b	Caring for the environment



03

Environment

stc is committed to being a steward of the environment, and as part of this commitment, we seek to minimize direct environmental impacts associated with operational processes and indirect impacts stemming from company products and services. We strive to support our customers in reducing their own environmental impacts and aim to implement policies that will allow us to achieve net-zero carbon emissions before the middle of this century.

Caring for the environment



Managing environmental issues is very important at stc, and we consider a wide range of areas to address, including energy use, responsible procurement, etc.

stc KSA's Technology and Quality Assurance (TQA department) is ISO 50001 certified for quality assurance activities surrounding energy management of stc technologies, as well as ISO 27001 and ISO 14001 certified for quality assurance regarding environmental management of all stc technologies.

TQA overlooks all technologies within the entire company, which means that these certifications help stc Group as a whole to assess energy management, including lighting and cooling in buildings, as well as to assess the effectiveness of these energy efficiency policies within major facilities that support stc services, such as exchanges and data centers. Our TQA department is essential for evaluating stc's company-wide resource management activities, facility efficiencies, and environmental practices that support efficiency improvements and positive environmental impacts, such as recycling and monitoring waste.

We aim to fulfill all of our environmental and social commitments to our customers and the communities that we serve by reducing pollution, contamination, visual impacts, and unnecessary noise levels that may disturb normal coexistence. [Our Environmental Policy Statement](#) affirms our commitment to careful stewardship of the environment and underlines our compliance with relevant laws and regulations that apply to our business operations.

Energy and climate change

We acknowledge that climate change is one of the most difficult and serious challenges that humankind has ever faced and, given the fact that industrial CO₂ is the biggest driver of this, our aim is to achieve net-zero carbon emissions as quickly and efficiently as possible within the parameters of our business. stc's environmental strategy aims to promote environmental sustainability in all aspects of the company's operations, in addition to the actions of our customers, suppliers, and business partners.

As of 2022, ambitious targets have been set to reduce climate change impacts through our operations, products, and services. We are committed to adopting the Science Based Targets (SBTs) and have aligned our business practices and operations with the Paris agreement to reach net zero-carbon emissions before 2050.





Our path to net zero

Year	2019	2020	2021
Actions, achievements & ambitions	<ul style="list-style-type: none">Joined the global movement of leading companies aligning their business with the Paris Agreement to reach net zero emissions by no later than 2050, in line with the 1.5° C scenarioCommitted to adopting science-based targets	<ul style="list-style-type: none">Identified scope 1 and scope 2 emissions boundaries and impactExplored renewable energy options	<ul style="list-style-type: none">Signed first renewable energy pilot project contract for 17 sites across KSADeveloped scope 1 and scope 2 emissions baseline across stc KSA infrastructureDeveloped a robust and detailed GHG inventory
	<ul style="list-style-type: none">Reduce scope 1 emissions by 50%	<ul style="list-style-type: none">stc commitment to plant 1 million trees by 2030	<ul style="list-style-type: none">Developed Science-based targets according to SBTi guidelines for ICT sector
	<ul style="list-style-type: none">Meet our science-based targets to reduce Scope 1 and 2 emissions by 47% from 2019 baseline in alignment with ≤ 1.5°C of warming	<ul style="list-style-type: none">Achieve net-zero emissions	<ul style="list-style-type: none">Submitted 2030 scope 1 and scope 2 emissions to the SBTi for verification (May 2023)
			<ul style="list-style-type: none">Improved emission data management procedure
Year	2022	2023	2024
Actions, achievements & ambitions			

Our priorities for addressing climate change

Our priorities framework establishes a clear, ambitious vision with measurable objectives to direct all departments and subsidiaries towards our shared goal of reaching net-zero. We recognize the unique opportunity that our reputation, technologies, and market position provide to enable wider sustainable leadership within and beyond the ICT sector: our ambition is not only to drive climate action through operational optimization and efficiencies, but also to influence, support, and collaborate with companies, customers, and communities to enable greater positive impact on the environment.

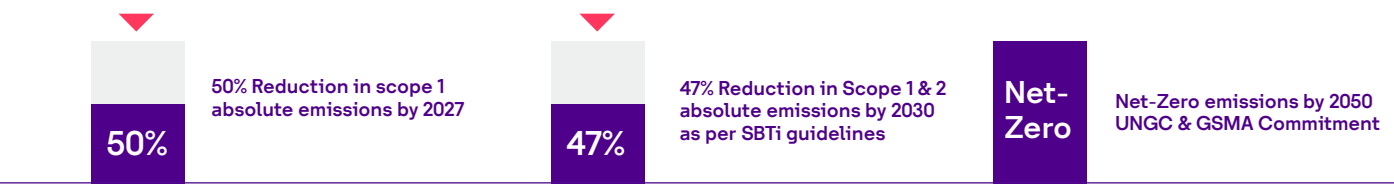
Our priorities for addressing climate change framework:

Priority	Objective	Programs
 Optimizing stc's performance	Promote continuity and quality of information, ensure that carbon reduction commitments are achieved, and provide a foundation for improvement & system analyses.	<ul style="list-style-type: none">Climate permanence governanceScope 1 emissions management programScope 2 emissions management program
 Developing eco-friendly products and solutions	Reduce climate impacts from materials, products, and services used or provided by stc and the company's value chain.	<ul style="list-style-type: none">Effective value chainSustainable customersEngaged supply chain
 Managing climate-related risks & financial impacts	Assess and manage stc's climate-related risks in a manner that future-proofs the company's operations and ensures alignment with stakeholder expectations.	<ul style="list-style-type: none">Carbon enablementClimate risk evaluationClimate resilient assets & services
 Demonstrating climate leadership	Empower stc's partners and supply chain to influence climate action at the local and global scale.	<ul style="list-style-type: none">Internal and external empowerment

Each pillar is supported by specific targets, KPIs, and initiatives with a detailed implementation plan for the period of 2023 – 2030. We recognize that our climate action journey will be iterative and will require robust leadership, oversight, and governance, and, as such, pillar champions will support the Climate Strategy implementation.

Our targets

We have committed to carbon neutrality in line with the goals of the Paris Agreement by 2050. In addition to this, we have the following ambitious climate targets against our 2019 baseline.



Challenge

As we are expanding our scope and cascading the strategy to entire group, we are building the capacity of our teams to properly capture and measure environmental performance. We are also building partnerships to help us achieve our targets. In 2025, we aim to cascade our environmental strategy across entire group.

Energy consumption

We understand the need for businesses around the world to rethink their entire production processes to shift towards more sustainable operations, and we aim to be a leader in this regard. With this in mind, we take an active role in managing energy consumption by promoting the use of digital solutions for our own business activities and for those of our customers.

stc Group utilizes big data analytics to deliver actionable insights and systems that help optimize energy consumption and implement “green” solutions moving the company and all stakeholders, customers, and community members toward greater environmental responsibility.

In 2022, we achieved a 16% reduction in our total electricity consumption for all stc KSA buildings, due in large part to the energy efficiency initiatives implemented throughout the previous year. While stc KSA did record an increase in diesel consumption, this was almost entirely due to the increased demand of our shuttle bus services in the HQ complex. We also achieved a 7% decrease in petrol consumption.

stc’s drive to reduce its carbon footprint led them to explore energy-saving opportunities within their exchanges, resulting in the implementation of innovative solutions that optimized the energy consumption.

One of the most energy consuming systems at stc exchanges is the HVAC system. Finding the optimal set-point for the HVAC systems is a reasonable step in the energy optimization way. However, it was achieved by monitoring the temperatures, adjusting the set-points and utilizing the AHU and DX units to fit the site specifications and to meet ASHRAE specifications. Moreover, the utilization of the Direct Current Power Plants (DCPPs) were optimized by balancing the load on the modules to meet the recommended range to fit the exchange energy requirements with the full possible availability. Additionally, a huge number of lights were replaced with LED lights to enhance the energy efficiency.

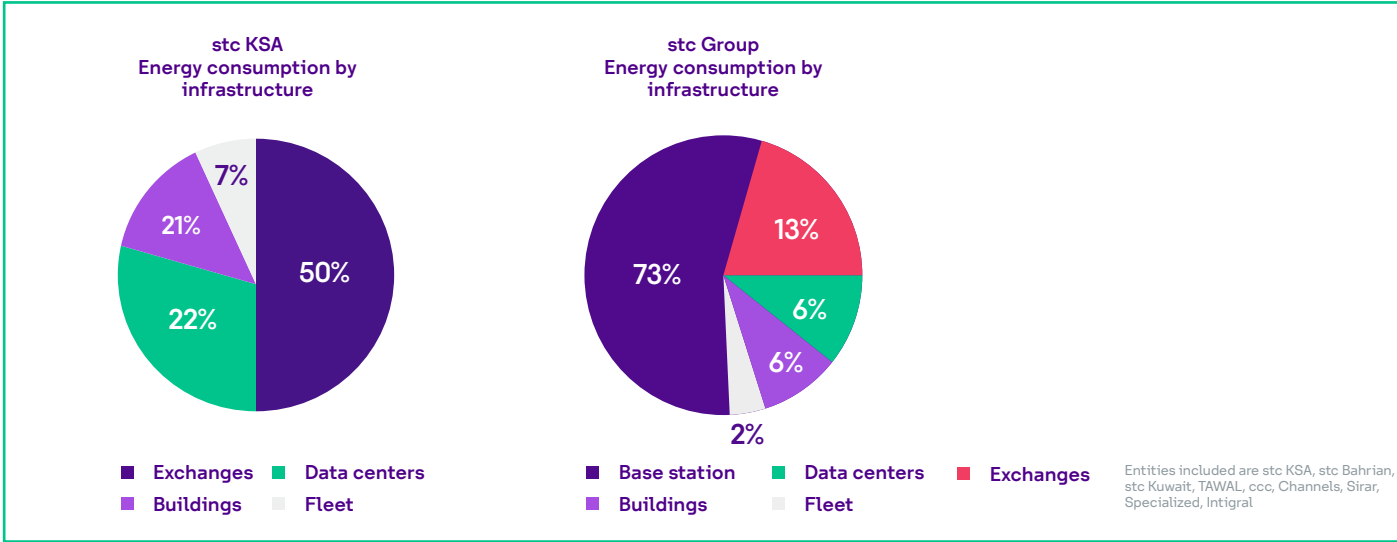
All of these improvements implemented with zero capital expenditure (CAPEX) and contributed to an 11% reduction in the energy consumption of the exchanges compared to the year 2020.

[GRI 2-4]		stc KSA			stc Group		
		2020	2021	2022	2020	2021	2022
Fuel consumption (Liters)	Total petrol consumption	4,499,238.63	4,770,225.46	4,451,959	4,983,332.63	9,835,559.92	10,033,319
	Total diesel consumption	33,32747	47,504.99	81,952.40	58,753,740.47	53,623,861.98	46,485,324.40
Electricity consumption from buildings							
	Total electricity consumption from buildings (GJ)	880,246	642,553	541,442	908,224	698,805	608,893
Energy consumption by telecom infrastructure	Data centers (GJ)	455,163	479,746	570,583	455,163	507,283	629,401
	Base stations (GJ)	-	-	-	2,732,864	6,809,918	6,712,816
	Exchanges (GJ)	1,450,268	1,390,648	1,289,386	1,450,268	1,390,648	1,289,386
	Total energy consumption (GJ)	1,905,431	1,870,395	1,859,969	4,638,295	8,707,849	8,631,603

* Group column includes stc KSA, stc Bahrain, stc Kuwait, TAWAL, ccc, Channels, Sirar, Specialized, Intigral.
** Base stations for stc KSA are not applicable as its under TAWAL.
*** sc KSA figures for years 2020 and 2021 restated for improved calculation methodologies.

Energy Consumption		stc KSA			stc Group		
		2020	2021	2022	2020	2021	2022
Energy consumption in GJ	Direct energy consumption (GJ)	173,354	174,460	174,804	2,924,725	2,921,054	2,695,610
	Indirect energy consumption (GJ)	2,785,677	2,512,948	2,401,411	2,813,655	6,671,801	6,747,750
	Total direct and indirect energy consumption (GJ)	2,959,031	2,687,407	2,576,215	5,738,380	9,592,855	9,443,359
Energy intensity							
	Energy intensity (GJ/Petabyte)	283.3	450.9	413.5			

* stc KSA restated figures for years 2020 and 2021 for improved calculation methodologies.
** Energy intensity not available at a group level, but we are in the process of measuring all indicators at a group level and will disclose in next report.
*** Group column includes stc KSA, stc Bahrain, stc Kuwait, TAWAL, ccc, Channels, Sirar, Specialized, Intigral.



Solar energy at stc buildings

Solar energy is one of the fastest growing renewable energy sources; as photovoltaic (PV) technology advances and production costs continue to decrease, we are steadfastly increasing the usage of solar energy throughout our HQ premises.

In 2022, at stc KSA headquarters, two solar powered sites were in operation and five had completed construction but were not yet in operation. There will be a total of nine sites in 2023, with an average annual generation of 7 GWh for a total installed capacity of over 4.3MW.

		stc KSA			stc Group		
		2020	2021	2022	2020	2021	2022
Renewable energy	Number of solar powered sites	2	2	7	3	3	10

Case study: Go-Green initiative

In 2022, we launched the Go-Green initiative to improve our green footprint of applications operations through increasing overall awareness about Green Technology Practices, IT Resource reclamation and Re-use, energy consumption reduction, and obtaining the 14001 Environmental Management System certification. By the end of 2022, we conducted our first awareness session on green IT and sustainability concepts. We also reallocated unused computer resources such as CPUs, cores, storage, etc to increase their lifetime and reduce procurement costs. For the energy reduction plans, we started our first step to reduce the uptime of more than 2,000 devices by 15%, which in turn reduces the overall electricity consumption. For our next phase in 2023, we plan to reduce uptime for more than 20K devices.



Energy optimization for data centers

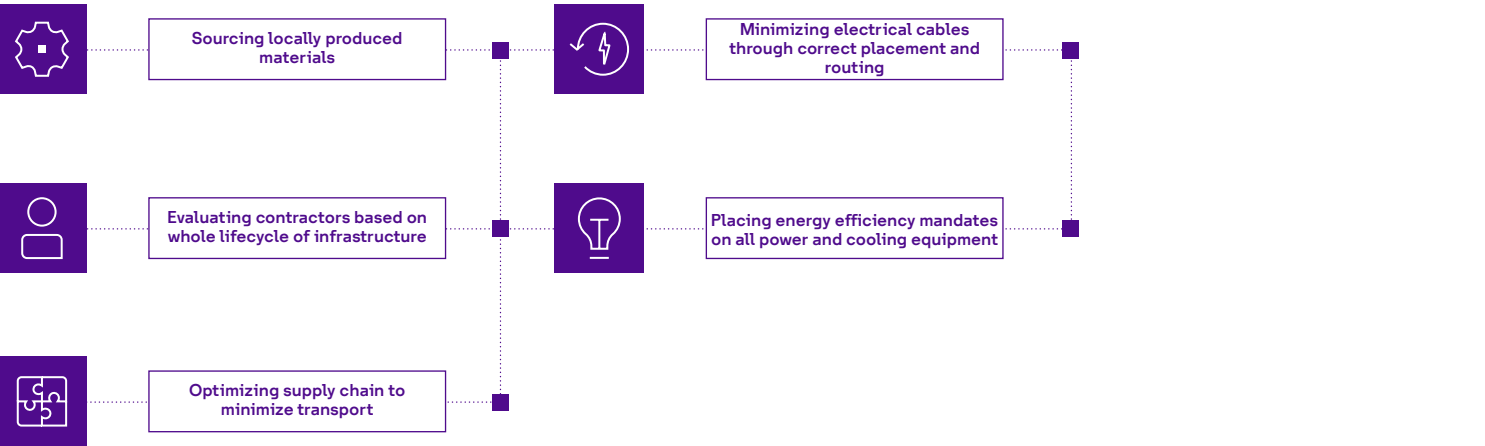
Through our ambitious data center energy optimization project, we aim to decrease the electrical power consumed by cooling systems and improve the energy efficiency and power usage effectiveness (PUE) of stc’s data centers.

These goals are achieved by deploying Hot Aisle Containment (HAC) in all data halls, increasing computer room air handling (CRAH) temperature settings, and increasing chilled water temperature settings. This helps manage airflow within our data centers, which consequently lowers energy usage, cooling costs, and therefore operational costs.

We also ensure that we utilize efficient cooling and heat recovery processes within our data centers with smart sensors that are placed inside the Data Halls. These are integrated with our Building Management System (BMS) for the remote monitoring, CRAHs in the data hall are automated in team mode, which, in turn, controls the position of the valves as part of the desired temperature range.

Other energy-optimizing practices we have installed include Variable Refrigerant Flow (VRF) technology in the corridor area and Variable Frequency Drives (VRF) for controlling flow discharge in the in secondary chilled water pumps, which regulate speed of flow as per demand from sensors.

Sustainable considerations in new data centers:



[GRI 2-4]

As a result of our new sustainability considerations, we have seen a PUE improvement of between 25%-30% in new data centers compared to 2019.

In 2022, stc KSA utilized 70% of new data centers while 10% of old data centers were without load, which, alongside relatively less efficient infrastructure of old DCs, causes higher PUE records.

However, it is worth mentioning that 5 of the new data centers as part of the New Era Infrastructure Data Centers have achieved 14 - 1.6 average PUE during testing and commissioning.

Looking ahead, we plan to complete six data centers by 2023. We also plan to install 265 kW solar at one of our data centers, which will contribute an estimated reduction of 261 t/year of carbon emissions. Please refer to the [New Era Infrastructure Data Centers](#) section to learn more.

Data centers and exchnages	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of exchanges	215	224	223	-	-	-	13	13	13
Number of data centers owned by stc	8	9	11	2	2	2	2	2	2
Power usage effectiveness (average PUE) of old data centers	2.09	2.05	2.24	1.82	1.81	2.10	1.68	1.61	1.63
Power usage effective-ness (average PUE) of new data centers	-	-	1.91	NA	NA	NA	NA	NA	NA

* NA as in not applicable for Bahrain and Kuwait since no new data centers are in operations.
** New data centers for stc KSA were in operation in 2022 so no previous data is available.

Energy efficiency at tower sites

Our towers in Saudi Arabia are managed by TAWAL, the region’s first and largest telecom tower company. TAWAL provides leading integrated ICT infrastructure in KSA for over 16,000 telecom towers, and through TAWAL, we aim to boost infrastructure-sharing capabilities that will enable customers to achieve operational efficiencies, minimize expenses, and reduce our collective environmental impact. We also aim to improve operational excellence and accrue higher profits for all by enhancing tower sharing.

This results from reduced capital expenses needed for network rollouts and lowered operating expenses for managing infrastructure at multiple sites. Tower sharing also provides additional benefits for congested urban areas, including minimizing infrastructure duplications and excessive network redundancies, as well as reducing visual pollution that usually results from dense equipment installations.

Promoting energy efficiency is one of TAWAL’s strategic pillars, with a focus on reducing energy consumption by promoting efficient energy solutions for over 16,000 towers.

In 2022, TAWAL successfully maintained ISO 14001:2015 certification for Environmental Management Systems, which was first achieved the previous year. TAWAL recorded around 20% avoidance of GHG emissions in 2022, and 30% cumulative versus the baseline.

In Bahrain, we’re in the process of constructing 13 towers to improve network connection and Internet services.

Base stations – TAWAL	2020	2021	2022
Number of base stations	15,524	15,524	16,106
Number of base stations powered by renewable energy	69	69	69
Number of base stations powered by diesel	1,468	1,269	1,045
Number of base stations powered by other types of energy (Hybrid - single DG and battery)	788	1,072	1,051

Restated figures due to improved calculation methodology

Case study: Reducing fuel emissions

TAWAL is committed to making a positive impact on the local community and ensure environmental sustainability. Reducing emissions and promoting green energy is a strategic contributor towards achieving this ambition. As such, TAWAL worked on its fuel emission reduction to promote green energy initiative that covers the following aspects:



Reduce GHG emissions: identify sources of emissions at the organizational level and promote alternative energy solutions (grid connectivity, hybrid, solar, etc.)



Promote green energy solutions: identify possible alternative energy solutions to push for efficient energy consumption and reducing emissions



Promoting tower sharing: avoid tower duplication by promoting for more tower sharing amongst MNOs

As a result, TAWAL was able to achieve more than 30% reduction in emissions since its inception. TAWAL also achieved more than 30% reduction in the emission intensity on EPA basis.

Renewable Energy Pilot Project

Our renewable energy pilot project aims to install solar photovoltaic systems within the existing infrastructure of the KSA, including parking buildings, warehouses, sales outlets, and other physical assets in the built environment. This project, which was initiated in 2021 and is scheduled to be completed by 2024, will help pave the way for new energy models within critical infrastructure while also reducing carbon emissions by an estimated 8000 metric tons annually and generating over 14.2 GWh of annual green energy. It falls under the framework of the Green Saudi Initiative, where the public and private sectors work together to accelerate the transition towards a green economy in the Kingdom. As of the end of 2022, 58% of planned construction has been completed for the project.



Phase 1	Phase 2 and 3	Total
9 sites	9 sites	18 sites
Rooftops, parkings, buildings, data center, warehouse and outlet in Riyadh	Data centers and warehouses in Qassim, Makkah, Jeddah, Madinah, Dammam	15447 PV panels
7,643 PV panels	7,804 PV panels	8,629 total installed (kW)
4,259 total installed (kW)	4,370 total installed (kW)	14,238,708 kWh annually
29402 tCO ₂ total emissions reduction	30,167 tCO ₂ total emissions reduction	Approximately 8,088 tCO ₂ reduction annually
		5,149,615 trees saved

Case study: PV solar system for technical buildings in KSA

We're starting the installation the PV solar system at our technical buildings in Riyadh. We are installing PV solar panels across 7 different sites with annual production of 1.7 GWh and estimated CO2 emission reduction of over 960 metric tons of emissions annually.



Total Saving During PV Solar system lifespan

6,719,281.9 SR



Annual CO2 Emission Reduction

1,206 metric tons



Annual Cost Saving

SAR 229,756



Annual PV system Production

1.7 GWh



Total Roof Top Areas

~6,085 m2



% of PV System Contribution to The Total Consumption

7%



Annual Equivalent Tree Planting

19,944 trees

GHG emissions

The risks and challenges associated with climate change are becoming increasingly real and visible within economies globally. As a result, the correlation between climate change and energy consumption has received increasing attention from policymakers over the past decade.

As global energy consumption continues to expand to meet modern-day living demands, greenhouse gases (GHG) and especially carbon dioxide (CO₂) levels are intensifying within our atmosphere, which is the primary contributing factor to climate change and global warming. A global response has been triggered to tackle the challenge of dangerous climate change. The frequency and severity of extreme weather events are increasing.

Across the globe, we have witnessed storm events and forest fires causing unprecedented damage to infrastructure, as well as loss of human life and the destruction of ecosystems. Avoiding the worst impacts of climate change requires cutting carbon emissions in half by 2030. Therefore, since the climate crisis is a threat on the horizon; it requires urgent attention, at scale, today.

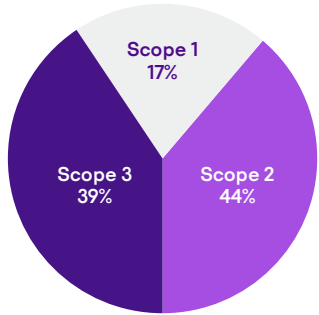
We are committed to playing our part. We are setting ambitious targets and taking necessary actions to manage and reduce carbon emissions from our own operations and throughout our value chain. stc has established an ambitious target to achieve net-zero emissions by 2050, committing to the science-based targets initiative in 2019 as well as the United Nations Global Compact Business Ambition for 1.5°C. This is also reflected in the GSMA climate policy target, which stc aims to comply with.

In 2022, stc committed to reducing scope 1 and 2 emissions by 47% compared to the 2019 baseline and have submitted its targets to the science-based targets initiative (SBTi) for validation on May 2023.

As one of the first regional telecom operators to adopt science-based targets following the ICT sector pathway, stc will establish a comprehensive climate strategy and implementation plan to manage and monitor climate performance, gain competitive advantage, benefit from innovative products, and accelerate climate action in the region. As part of the climate strategy, stc has developed primary targets aligned to SBTi commitments and the ultimate goal of being net-zero by 2050.

50%	47%	Net Zero
reduction in scope 1 absolute emissions by 2027	reduction in scope 1 and 2 absolute emissions by 2030	Net zero emissions by 2050

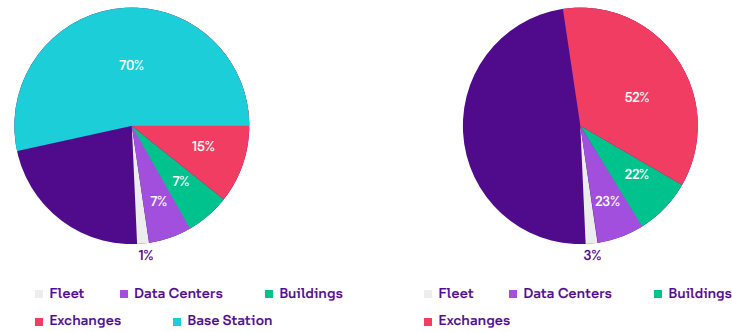
As we continue on the path to net-zero emissions by 2050, we plan to improve our operational efficiency and carbon output year over year. This began with identifying SBTs in 2022, and will continue with subsequent ongoing publication of our progress. Our goal in providing continuous updates is not only to highlight our progress but also to spur others in the region to follow our lead.



Categories measured: capital goods, purchased goods and services, business travel, use of sold products energy and fuel related activities.

In 2022, TAWAL achieved a year-over-year reduction of 20% compared to 2021, driven largely by an aggressive push for onsite electrification. TAWAL also recorded a 25.6% improvement in emissions intensity compared to 2021 and has achieved cumulative GHG reductions of more than 30% since inception in 2019.

	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Scope 1 carbon emissions (CO2)	10,528	10,595	10,616	203,382	203,182	187,217
Scope 2 carbon emissions (CO2)	439,518	396,487	378,889	569,640	1,175,974	1,174,589
Total Scope 1 carbon emissions (CO2)	450,046	407,083	389,506	773,022	1,379,156	1,361,807



Supporting afforestation in Bahrain

stc Bahrain's "Trees for Life" campaign is a collaborative and nationwide initiative that supports the government of Bahrain's national afforestation plans and sustainable initiatives within the Kingdom of Bahrain. This campaign was developed as a collaboration between stc Bahrain, the Supreme Council for Environment, the Ministry of Works, Municipalities Affairs, and Urban Planning. Trees for Life aims to support the Kingdom's national afforestation plans to double the number of trees in Bahrain from 1.8 to 3.6 million trees by 2035, as part of its commitment to implementing sustainable development initiatives country-wide.

In 2022, stc Bahrain planted 7,000 trees in different locations around the southern areas of Bahrain, including specially-selected Al Ghaf trees, Sidr trees, and Al Gardh trees. These desert trees are known for their drought-tolerance, which can remain green even in harsh desert environments.

stc Bahrain aims to plant 35,000 trees by 2023, reaching 25% of the Kingdom's target, with the next phase of the program aiming to plant 50,000 trees.

Our contribution to the "Let's Make it Green" initiative

As part of the Crown Prince Mohammed Bin Salman's tree-planting program "Let's Make it Green" – and in alignment with the Saudi Green Initiative (SGI) – TAWAL launched its initiative to plant trees in cooperation with the National Center for Vegetation Cover and Combating Desertification, Vegetation Development Corporation "Murouj", and through the national charity platform "Ehsan". In 2022, TAWAL planted 1,500 trees, effectively reaching 4,500 trees in total since 2021.

stc KSA is committed to planting 1 million trees by 2030. This initiative will start by planting 200,000 trees around the sites of communication towers in Taif Governorate, which will represent 20% of the group's main commitment.

Water management

Water is a scarce and valuable resource in the MENA region, and stc is especially committed to increasing the efficiency of water use. Our business operations consume water mainly from water utility companies for domestic and firefighting uses, tankers for backup use, and wells for irrigation. Overall, our consumption principally comes in the form of sanitation and air-conditioning usage.

In 2022, stc KSA's water consumption remained relatively static; however, it is worth noting that stc KSA HQ commenced major construction activities over the past year and relocated some subsidiaries to the main campus. stc Bahrain, on the other hand, recorded a 66% reduction in water consumption, with more than 60% of gray water being re-used for agricultural irrigation.

Water consumption	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Total water consumption (m3)	303,789	297,087	296,383	335,059	623,808	358,869

* Group figures include stc KSA, stc Bahrain, stc Kuwait, Channels, Specialized, ccc, and Sirar. Water consumption data for TAWAL, Channels, Aqalat and Intigral is not available.

Waste management

[GRI 2-4]



stc has implemented several policies to manage and optimize the use of materials throughout their respective life cycles. These involve commitments to implementing lower impact activities and more efficient materials in our purchases, aiming to select products made from recycled and recyclable materials whenever possible.

Our SAWA rechargeable cards are made from 100% recyclable plastic, and we have also digitized our SIM process by introducing eSIM technology to replace physical SIM cards. This saves on plastics, CO2 emissions, and logistical complications. In 2022, more than 1.2 million eSIM cards were newly issued through the mystc application.

We also seek to minimize waste and limit the loss of materials through effective recycling, and responsibly disposing of equipment and e-waste through a partner in accordance with the regulations of the National Center for Environmental Compliance (NCEC). Our partner recycles and reuses stc's AC radiators, cables, transformers, steel, cars, and e-waste. In 2022, stc KSA recycled 7400 e-waste. At stc KSA, the Material Management sector signed an agreement with a local recycling company to recycle all disposed assets.

Furthermore, we continued our paperless work environment initiative through the 'go paperless' program. This program has reduced paper waste by digitizing all internal transactions and automating paper-based transactions to reduce cost, improve sustainability, and improve overall operational excellence. stc KSA recorded a 55% and 91% reduction in paper consumption in comparison to 2021 and 2020, respectively.

In 2022, TAWAL recorded 1,250 metric tons of waste generated from both network activities and operational maintenance, of which 61% was recycled. TAWAL plans to fully launch a comprehensive recycling program in 2023.

Waste	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Total waste generated in HQ (t)	230	350	750	4,080	4,550	5,530

Materials consumption	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Paper consumption (t)	14.89*	3.04*	137	895	924	1,003

* Restated due to improved methodologies of tracking consumption.

stc KSA trade-in program

In 2022, stc KSA launched the trade-in program and the renewed devices program in cooperation with channels by stc.

These programs allow customers to trade-in or recycle their devices to reduce clutter, protect the environment, and earn stc account credit, while having their old device recycled or refurbished for further use. We then clean-up and repackage devices, re-selling them to other customers at an affordable price.

More than 1,400 devices were collected as part of the trade-in program in 2022, and our target is to reach 110,000 devices in 2023.

Waste recycling and certification

As an infrastructure company, TAWAL generates waste from the use and deployment of steel structures, cables, fuel, oil filters, batteries, and other equipment. In 2022, TAWAL embarked on a project to avoid possible violations of local environmental regulations while promoting responsible waste handling. This was implemented to ensure that TAWAL complies with international best practices in terms of waste management and to become certified for waste recycling from a government-approved organization.

TAWAL subsequently formed a recycling and certification service agreement with an organization licensed by the General Authority of Meteorology and Environmental Protection to support with the following activities:

- 1) Collection of disposable materials
- 2) Recycling of disposed materials
- 3) Ensure reusing (i.e. via selling services)
- 4) Certification services

In 2022, a total weight of 984.5 metric tons was generated from more than 19,000 network assets, with more than 15,000 of these being recycled. Our target is to recycle at least 66% of our total network waste generated in 2023.





04

Social

stc strives to enrich the lives and experiences of employees, customers, and stakeholders through empowering people, improving customer experiences, and serving the communities in which the company operates.

People are at the heart of everything we do, and because of this we aim to foster a culture at stc that values inclusivity, empowerment, and social progress. We champion diversity, equity, and inclusion by consciously and continually building a more diverse workforce, which extends our positive social impact well beyond our office walls.

We are unequivocally committed to supporting and helping those who make our success possible by expanding access to innovative technologies, advancing digital opportunities, and empowering our people, all of which help to improve lives in both direct and indirect manner.



Enriching lives and experiences

The products and services that stc provides, create an enormous and unique opportunity to enrich the lives of customers and stakeholders, and the way in which the company operates provides even more opportunities for the lives of employees to be enriched. This is possible by providing high-quality telecommunications and digital products and services that allow people to create, share, and utilize digital tools to make their professional and personal lives better.

We also work tirelessly to make sure that all of our products and services are safe, easy to use, and promote the responsible use of technology. Our overarching goal is to achieve the highest levels of customer care and satisfaction, the highest levels of employee satisfaction, and to help close economic, social, and digital divides.

Customer relations and satisfaction

stc has worked diligently to position the company as a far-sighted organization that delivers exemplary quality of products and services, in all forms, to all its customers, staff, and suppliers. This has been accomplished through developing new and innovative technology solutions by utilizing the power of digital transformation as one of the foremost digital champions and leaders in the region. Focusing on innovation, digital evolution, and the future of technology has allowed us to lead the way as a truly meaningful and purposeful organization.

As part of this forward-thinking approach, the strategies, structures, and controls deployed by stc have evolved and improved. We have recently established the Corporate-based Customer Experience (CCEx) and Digital Transformation (DT) cross-functional entities to independently unify and maintain group-based customer experiences and drive digital transformation strategy adaptation, increase growth, and enable CCEx enhancements.

Corporate Customer Experience (CCEx)

stc positions itself as a far-sighted organization which delivers exemplary quality of services in all forms to its Customers, Staff and Suppliers, supported through innovative & new technology solutions utilizing the power of digital transformation as one of digital champions and leaders in the region focused on innovation and evolution and continues thinking about future to make it, to stay ahead as a truly meaningful and purposeful organization.

As organizations evolve, so do the strategies, structures and controls that they deploy.

stc corporate-based CEx & DT has been established as a cross functional entity to independently unify & maintain group-based Customer Experience & drive Digital Transformation strategy adaptation to Increase growth and enable CEx enhancements.

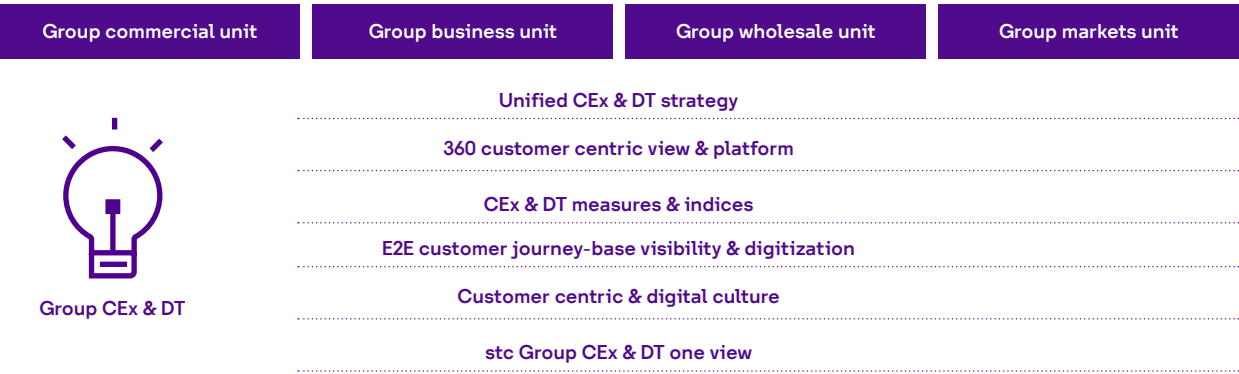
Now that a standardized strategy and customer experience journey concept has been established, we will be able to utilize a consistent and harmonized approach to drive customer centricity and help enrich lives and experiences through high-quality services and innovative digital products. We also aim to make our services safer and easier to use while promoting the responsible use of technology to go beyond customer expectations and help close economic, social, and digital divides.

Our focus on the customer journey is necessary to deliver end-to-end, 360-degree view of customer interactions using all stc services and products throughout all communications channels such as telephone, web, marketing communications, service interactions, and different systems that contribute to customer service delivery. Studying these journeys allows us to improve our services and offerings from the perspective of the customer.

Customer experience

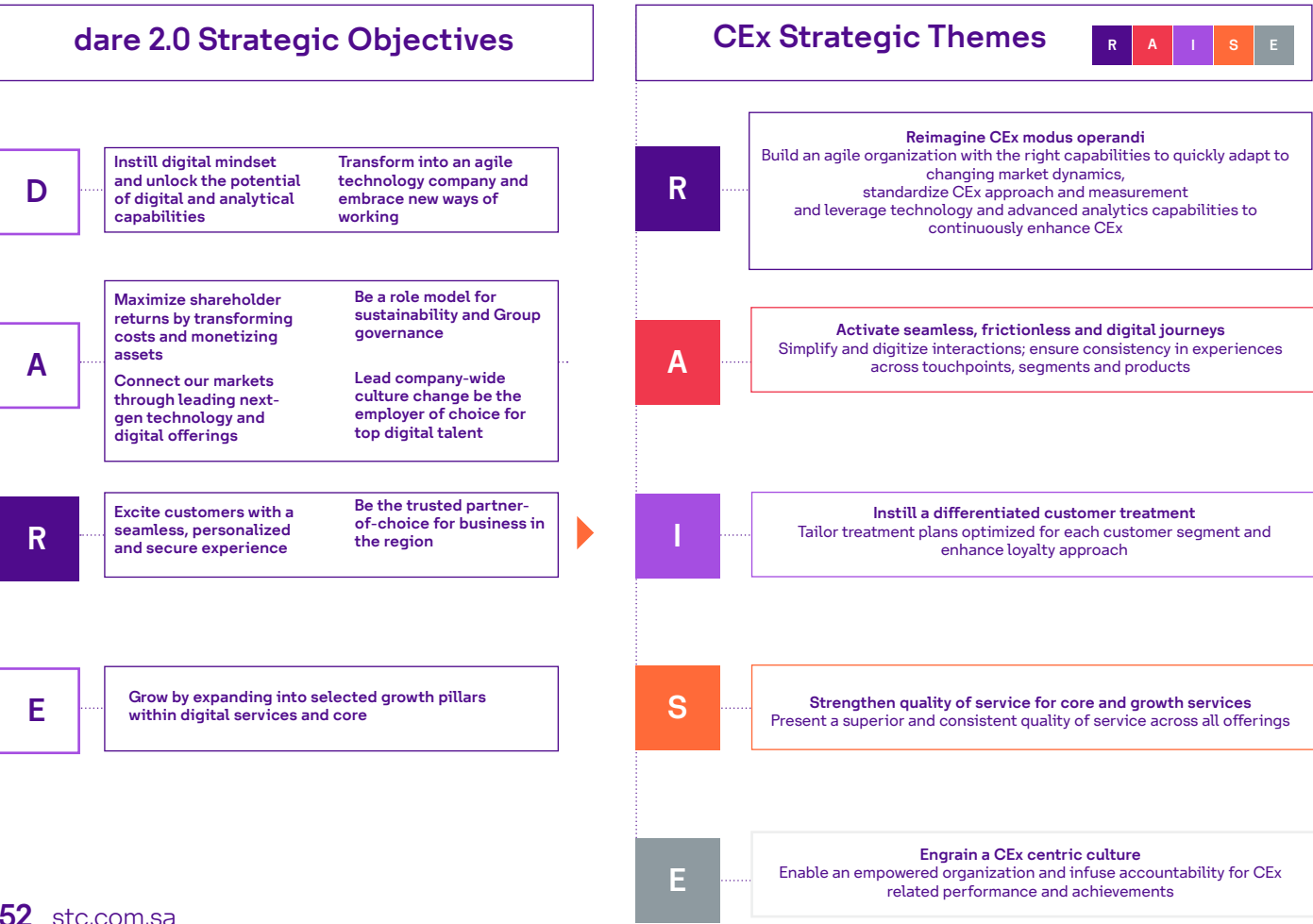
Customer experience is constantly evolving and has rapidly become a cornerstone in many businesses. The global telecommunications industry has followed the lead of major retailers and other service industries, progressing from being technology-centric to more customer-centric, aligning digital services to ensure customer satisfaction and anticipate customer needs. In developing a customer-centric culture within stc, we are aiming to ensure that everything we do is driven by a focus on the customer. We are developing mechanisms to better understand our customers and identify suitable alternatives for their needs, if necessary.

Our ongoing commitment at stc Group is to continue developing customer centricity, accelerating the progress of digital transformation initiatives and ensuring that we deliver quality products and services to highly engaged customers.



Corporate Customer Experience CCEx - strategic themes

Our Group CEX strategic themes is aligned with dare 2.0 strategy focusing on ‘Reinvent’ of the stc customer with a holistic view for a seamless, personalized and sustainable experience.



Customer satisfaction and loyalty

Providing an excellent customer experience is the bedrock for increasing customer satisfaction and loyalty, as well as attracting new customers and retaining existing ones. With this, we are continuing our customer-centric transformation process, with a particular focus on improving the overall customer experience and strengthening the relationship between customers and our brand.

We monitor the customer satisfaction index (CSI) and aim to collect information on the quality of our products and services as perceived by our customers.

In 2022, stc KSA maintained an overall customer satisfaction rate of 82%. This was based on more than 3.7 million customer responses from a CSAT survey focused on customer satisfaction at different levels, helping us understand pain points and develop a roadmap to best-in-class customer experience. stc Bahrain and stc Kuwait recorded 78% and 87%, respectively, showcasing improved satisfaction levels by 18% and 7%.

We ensure clear and transparent communication with all customers by verifying that each customer has reviewed and understood the terms and conditions outlined within their respective contracts prior to proceeding with any requests, changes, account creations, or any other account modifications. Sales and marketing teams are trained to provide fair advice about our products and services.

To ensure full visibility of agreements with customers, we train employees to explain all the terms and conditions prior to signing any document. We keep record of the contracts in our systems and share a copy with the customer. Our staff-customer interactions are recorded for quality purposes.

To ensure our customers feel recognized and listened to, we offer loyalty programs. Qitaf, our customer loyalty program, allows customers to collect points and exchange them with a set of rewards, either internal as free calls, SMS and data, or external rewards through Qitaf partners. Tamayouz is a program designed for special customers with exclusive offers and high-end personalized services. stc Rewards and Testahel are our loyalty programs in Bahrain and Kuwait allowing customers to redeem points for amounts spent on any of our services.

Customer satisfaction	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Customer satisfaction rate	79%	82%	81%	53%	60%	78%	83%	80%	87%
Number of customers surveyed for satisfaction rate	847,337	3,500,324	4,604,777	-	-	-	-	-	-

* In 2021, stc changed methodology from monthly sample using CATI to transactional SMS survey to better measure the rate and avoid practitioner influence.
** Number of customers surveyed for stc Bahrain and Kuwait are not available but will be captured starting 2023.



Managing conflicts of interest and responsible marketing

We strive to swiftly manage potential conflicts of interest between stc and clients, offering advice in a fair and ethical manner while utilizing responsible marketing and sales techniques. [Our Responsible Marketing Policy Statement](#) confirms our commitment to ethical sales, transparent communication, and responsible marketing practices.

We do our best to ensure our customers know their rights. In alignment with the Communications, Space & Technology Commission's (CST) campaign, we have published two new sections that can be found on the stc website: "[Customer Rights and Responsibilities](#)" and "[Complaint Processing Procedures](#)" – both of which are positioned alongside explanatory texts covering transparency principles related to all tariffs, rules, additional features, excluded services, commitments, fair use limits, and unit prices.

Customer complaints

Though we strive to provide satisfactory products and services at all times, we understand that there will always be some level of customer complaints for a variety of reasons. In an effort to solve these complaints effectively and satisfy each aggrieved customer, we utilize a systematic "complaints resolution" process. Complaints may be opened through several channels, including in-person at retail outlets, over the phone via call centers, and online through social media channels, mystc, and our official website. Each of these channels offer a troubleshooting feature that enables customer complaints to be dealt with in real time during a customer call or a digital transaction.

Call Center Productivity	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
First Call Resolution (FCR) rate	86	87	80	92	96	96	-	85	88

* Data not available for stc Kuwait's FCR for year 2020.

Customer Complaints	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of customer complaints	1,562	1,239	1,157	67,026	79,061	83,238	3,659,196	2,227,713	2,358,594
Percentage of customer complaints resolved	100%	100%	100%	100%	100%	99%	99%	99%	99%
Complaints resolution average time (Days)	24	2	19	7	5.3	4.2	-	10H	11H

Case study: Using image recognition to improve customer satisfaction

In 2022, stc enabled image recognition to accelerate the process of resolving customer complaints by recognizing the damages from images raised by customers through image augmentation.

Customer health and safety

We give high priority to the health and safety of our customers and the communities we operate. We take all potential and actual risks very seriously and are committed by policy to ensuring the health and safety of our stakeholders through our operations.

Customer complaints are managed through our customer [support’s complaints resolution](#) process. In all stc sites, we ensure compliance with all government regulations and Elctro Magnetic Field (EMF) requirements.

Customer experience management services

Through ccc by stc, we deliver local digitized customer experience management services based on international standards to strategically optimize operations, boost efficiency and enrich customer experiences. ccc helps clients enhance their entire customer experience lifecycle, enabling them to build relationships and improve engagements with customers and unlock new business value.

Through ccc, we offer outsourcing solutions for various segments – government, semi-government, telecom, healthcare, retail and e-commerce, automotive, manufacturing and banking, and financial services. ccc’s services include end-to-end customer lifecycle management, contact center consulting, business process management as a service, and human resource outsourcing, covering the entire lifecycle of employee engagement.

Today, ccc provides its services in eight different languages with more than 70 million interactions with customers via contact centers annually.

ccc in numbers:

+11 years of experience	+6K customer experience representatives	24/7 operations	+40 high profile clients
3 strategic service centers	95% customer satisfaction	+60K training hours / year	+100 dedicated quality evaluators

In recognition of delivering industry-leading solutions to businesses, in 2022 ccc was awarded the Company of the year best practice award and the Market Leadership best practice award by Frost and Sullivan. In 2022, ccc became the first and only Saudi company to receive COPC Outsource Service Provider (OSP) certification, which affirms our ongoing assurance of utilizing industry-leading standards and benchmarks across our delivery and support processes.

Data privacy, security and protection

stc’s [code of ethics](#) “Integrity takes us forward” is centered around our commitment to privacy, security, and protection of customer data. We take the safeguarding of customer information seriously and have governance processes in place to protect personal data and manage cybersecurity risks. The collection, use, and management of customer information is governed by strict privacy policies and the company complies with all relevant data privacy and security laws.

Our [Data Privacy and Security](#) policy statement asserts our commitment to maintaining data privacy and security measures to protect our customers.

stc also helps customers and employees understand how personal information will be used through privacy notices. It has systems in place to properly handle personal data and mitigate privacy risks. We regularly maintain and upgrade systems for registering and retaining personal data. Any violation of data security is subject to our firm and rapid internal processes. We also utilize different controls to assure data security, including identity and access management (IAM), data classification, database activity monitoring, data leak prevention, data encryption, and digital rights management (DRM). Furthermore, stc’s suppliers and partners are required to have or to implement strict controls to protect personal data, including regular maintenance and upgrades to data security systems.

At stc, we understand that we have a clear responsibility to protect customer data from the emerging and increasing threats on data privacy and therefore, have established the Data Protection and Privacy (DPP) department in 2018 to carry out privacy and data protection activities within the company. Data governance is essential in our dare 2.0 strategy and is driven by government regulations, industry standards, and industry best practices. Since DPP’s inception, the following has occurred:

- Assessed 150 systems within stc against protection risks annually
- Implemented 4,900+ data protection technical controls across 160+ stc systems processing or storing sensitive data
- Implemented 4,500+ business controls across stc departments
- Implemented 1600+ cyber security and remote access controls across stc so far
- Defined and implemented customer rights required by regulation through customer touch points, such as, but not limited to, the right to request a copy of your data via mystc app and the right to be informed via calls
- Implemented privacy by design to ensure privacy concepts are imprinted within stc’s company DNA
- Ensured strict privacy impact assessments prior to launching any product or service that utilizes personal data
- Developed and updated 20+ data governance artifacts, such as, but not limited to, an internal privacy policy to ensure the privacy of stc customers and employees
- Performed compliance validation for 90+ departments across stc and 137+ systems processing personal data to ensure their adherence to privacy and protection controls
- Carried out multiple awareness initiatives, such as, but not limited to, 20+ awareness messages, social media privacy campaigns
- Achieved a 97% completion rate for data protection and privacy training by our employees
- Handled 600+ data sharing requests in 2022 alone
- Performed a compliance validation check for more than 18 systems across stc subsidiaries on systems processing stc customer data
- Included a session for data protection and privacy within the induction program for all new employees and CO-OP trainees
- Conducted processing activities for 80+ departments across stc as required by law and related governmental regulations
- Adhered to the Personal Data Protection Laws to ensure ethical use of customer data and with consent, while protecting the privacy of our customers.
- Recorded and tracked customer personal data processing for purposes with complete transparency.
- Established Data Stewardship function to ensure accountability and ownership of data to efficiently manage appropriate access and quality controls
- Conducted annual data privacy day with special privacy awareness campaigns and communications with activities to ingrain sustainable privacy practices
- Conducted regular data privacy health check with proactive measure by anonymously engaging customer touch points like call centre and sales office to assess their privacy practices
- Linked privacy practices with HR to give punishments for violations by stc staff and partners
- Established a data privacy impact assessment PIA to conduct an evaluation before launching any new products or services
- Encouraged sustainability in data movement, storage & retention practices by optimal use of physical resource e.g. disks, tapes and network use

Data privacy statement

Our [Privacy statement](#) was formulated in accordance with the relevant laws and regulations to help customers understand the nature of data we collect and how this data is treated by stc. The statement applies to all sectors and business units in the Company. All Company staff, contractors, and vendors working either on a permanent or temporary basis are obliged to follow the outlined standards in the policy.

In 2022, we updated the statement to cover the following aspects:

- why we collect and use personal data
- what personal data we collect and use
- how we collect personal data
- how long we store personal data

The statement also covers data protection and disclosure details on the organizational and technical data protection and security measures and procedures – including internal audit, external audit, training of staff and contractors on privacy and reporting to our audit and data governance steering committees and regulatory authorities – to safeguard customer data from any unauthorized disclosure or processing. In addition, the policy includes customer rights, privacy information specific to website and mobile applications usage of cookies.

The Kingdom of Saudi Arabia enacted the Personal Data Protection Law (PDPL) in 2021 by Royal Decree. The PDPL took effect on March 2022 with a grace period of one year. We are currently updating our statement to comply with the new law and will add the right for customers to delete their personal data at any time they desire. We aim to publish the updated statement by 2023.

Data governance model

stc strictly emphasizes on proper data governance structure. Our Data Governance Council, chaired by the GM of Corporate Analytics Governance, steers the company-wide data governance program to focus on strategizing methods on methods to enable data quality and adhere to regulatory compliance. Similarly, our Data Governance Steering Committee, sponsored by the GCEO and chaired by the GCTO, acts as an advisory board and ensures that trusted data is delivered across stc Group.

stc’s Data Governance Council includes representatives from 16 different business units across the company and reports to the Data Governance Steering Committee, which includes 20 VP-level representatives from these same 16 units.

- The council focuses on privacy through:
- Improved data quality using reactive and proactive methods to make system and business processes more efficient using Data Quality Health Index DQHI (stc patented Intellectual Property framework).
 - Established stc data governance maturity framework, that includes sustainability and privacy initiatives to increase stc’s maturity across data management.
 - Ingrained data privacy using robust data access and sharing process to ensure ethical, authorized and appropriate use of data.
 - Embedded data ethics within stc internal policy that seek to preserve the privacy, transparency and trust of customers, employees, and partners as one of the founding pillars of the Data Governance practice.



Data protection and privacy framework

stc’s Data Protection and Privacy Framework sets out seven principles that all employees must respect, wherever they are in the world. These principles are: lawfulness, fairness, and transparency; purpose limitation; data minimization; accuracy; storage limitation; integrity and confidentiality (security); and accountability and governance.

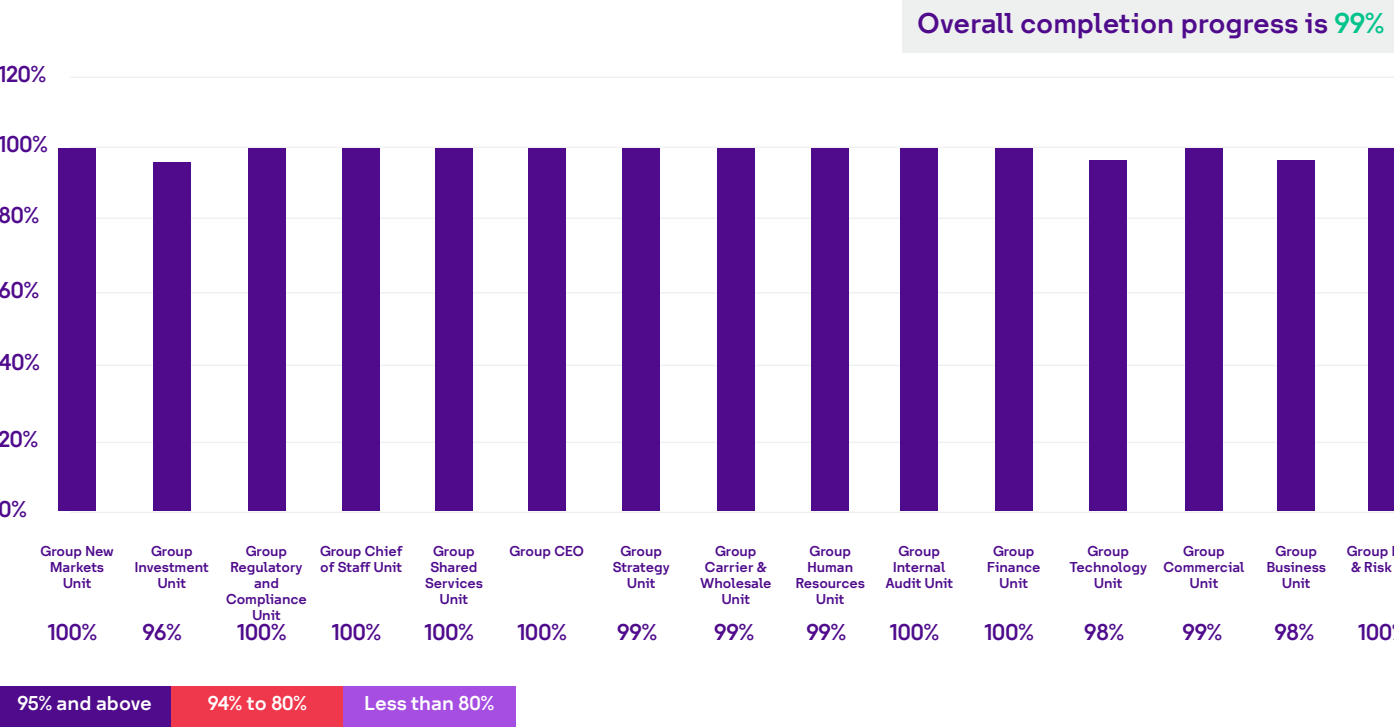
The framework covers policies and procedures relating to the privacy of personal information to address data classification, record management and retention and destruction of personal information. The framework is clearly communicated to all employees through mandatory training detailed in the following section. The data privacy and protection policy is clearly stated in our code of ethics and is published online. Employees who fail to comply with privacy policies and requirements face disciplinary actions.

Data privacy and protection training

Ensuring data security and respecting privacy regulations are our highest priorities, as our customers, employees, and other stakeholders expect their personal information to be protected with the utmost care. This is a responsibility we take with extreme seriousness.

In 2022, we provided mandatory data privacy and protection training for our employees and contractors, building on successful training sessions that were implemented in previous years.

Group-wide training is outlined below:
Data protection and privacy basic training



Data security training – stc KSA	2020	2021	2022
Number of attendees to training courses in data protection and cybersecurity	9,789	855	11,068
Number of hours of training in data protection and cybersecurity	13,267	2,928	34,207

We will also be expanding our training to cover new areas in the digital and technological fields to include Advanced Artificial Intelligence (AI), Machine Learning (ML), Multi-Cloud and Edge Computing, Cyber Resilience and Threat Intelligence, Intelligent Automation and Robotic Process Automation (RPA), Digital Ethics and Responsible AI. Our goal is to prepare our employees to support the direction of the company and stay ahead of the curve in the rapidly changing digital landscape.

Data privacy and security audits

Data privacy, protection and security laws and regulations have become much more stringent in recent years, which has resulted in additional rules and obligations for companies when processing personal data. To ensure strict compliance and full alignment with these regulations, we conduct independent, external audits on data privacy and security at least once every two years. The Communication, Space and Technology Commission (CST) in Saudi Arabia audits stc on an annual and quarterly basis.

Frequency of information system audits	2022	
	Internal	External
stc KSA	> 100	2
stc Bahrain	2	3
stc Kuwait	10	5
Aqalat	1	-
ccc	1	2
channels	100	2
Intigral	4	3
Sirar	3	2
Solutions	-	4
Specialized	200	2
TAWAL	1	5

Cybersecurity

Cyberattacks and professional data hacks are becoming increasingly prevalent as sophisticated cyber-criminal organizations push the limits of digital security measures. This has led to a need for constant development, implementation, and review of security strategies for organizations of all sizes around the world.

As an ICT company with critical infrastructure, applications, solutions, and telecom data, we have implemented a state-of-the-art cybersecurity strategy that ensures comprehensive protection of facilities, critical IT systems, and networks. Our Cybersecurity Synergy and Enablement Committee provides valuable input to top management on relevant topics, in addition to partnering with one of the top consulting services for added measure. Protection against specific cyberattacks has been and remains to bean important part of the security standards across the entire stc Group of companies.

Some of the cybersecurity controls put in place by stc include:

Identification and Access Management (IAM): controls that make it possible for the right entities to use the right resources (applications or data) when they need to, without interference, using the devices they want to use.

Data Classification: data classification tags data according to its type, sensitivity, and value to the organization if altered, stolen, or destroyed, helping an organization to understand the value of its data, determine whether the data is at risk, and implement controls to mitigate risks.

Database Activity Monitoring: a suite of controls that can be used to help identify and report fraudulent, illegal, or other undesirable behavior, with minimal impact on user operations and productivity.

Data Leak Prevention: controls used for detecting and preventing data breaches, exfiltration, or unwanted destruction of sensitive data.

Encryption: translates data into another from (ciphertext), ensuring that only people with access to a decryption key or password can read it.

Digital Right Management (DRM): controls put in place to prevent users from accessing or using certain assets, allowing the organization to avoid legal issues that arise from unauthorized use .



Suppliers’ cybersecurity assurance program

As part of our commitment to advancing Saudi Arabia’s tech landscape, stc KSA launched the Security Pass Program, a cybersecurity assurance program that encourages suppliers to obtain a certificate of compliance with cybersecurity controls to ensure suppliers’ adherence to our stringent standards and encourage them to adopt cybersecurity best practices. Obtaining The Security Pass certificate is a prerequisite to signing any partnership contract with stc. This in turn will strengthen security by reducing third-party cybersecurity risks.

Aligning with industry-wide best practices

stc’s cybersecurity protocols have successfully achieved ISO 27001:2013 certification (ISMS system), which should provide additional confidence to customers and stakeholders regarding security controls and security posture improvement.

We are also an active GSMA member, contributing to standard reviews and revisions, as well as participating in the development of new standards. stc proactively provides consultations and ideas for enhancements regarding documents and guidelines put forth during GSMA workshops, such as privacy and AI ethics.

Furthermore, our cybersecurity policies are aligned with industry-wide best practices, including NIST, SANS, CSA, OWASP, Enisa, First.org, and CREST.

Cyber security training and awareness

We promote cybersecurity importance and awareness through various digital channels, such as social media posts, on-line messages, online workshops, and live webinars for different groups, including Arabic and non-Arabic speakers, the elderly, and the disabled.

Cybersecurity is part of our mandatory employee training. Please refer to [Business Ethics](#) section for more details on training program.

In 2022, we conducted numerous cybersecurity campaigns on topics ranging from data privacy and security to phishing and ransomware that we shared with our employees, contractors, customers, and the public. All new staff members are encouraged to participate in cybersecurity training to gain a clearer understanding of stc’s policies and procedures surrounding this matter.

Security awareness campaigns rolled out in 2022 across KSA:

- 10 cyber security awareness campaigns through which more than 65 awareness materials were communicated across different channels including:
 - 30 Infographics and motion graphics
 - 4 Videos
 - 3 On-site activities
 - 18 Social media posts
 - 10 Others (sms, articles, sessions, screen savers, posters)
- 7 role- based awareness campaigns through which more than 39 awareness materials were communicated across different channels including:
 - 18 New hire on-boarding CS sessions
 - 1 Executives targeted phishing campaign
 - 7 Special technology services awareness & targeted phishing campaign
 - 2 Developers awareness sessions
 - 2 Data center employees, awareness materials & sessions
 - 10 Knowledge transfer sessions for cybersecurity professionals including subsidiaries
- 7 Phishing simulations campaigns for stc employees and contractors
- 95% Cyber Security Mandatory Course Completion Rate (for both stc employees and contractors)

Security awareness campaigns rolled out in 2022 across Kuwait:

- Online training assignment on a monthly basis for all stc employees and contractors
- Conducted a phishing attack simulations periodically
- Conducted a data privacy campaign, and training sessions to all employees with a total of 25 targeted sessions

Security awareness campaigns rolled out in 2022 across Bahrain:

- Rolled out a monthly awareness program to ensure that all employees are up to date with the latest security trends
- Measured employees’ security sense and level of awareness through multiple phishing campaigns and observed a huge improvement in staff reaction towards phishing techniques

Cybersecurity policy

Our comprehensive cybersecurity is aligned with international standards and best practices and addresses cybersecurity aspects related to our business environment. We review the policy on a regular basis. This policy covers 18 security domains to enable our business and ensure the protection of information assets in terms of confidentiality, integrity, and availability.

Cybersecurity policy domains:			
Roles and responsibilities	Cryptography	Mobile devices	Test data
Asset management	System acquisition, development, and maintenance	Information classification	Cybersecurity incidents management
Communications security	Human resource security	Compliance	Business continuity
Access control	Teleworking		
Media handling	Physical and environmental security		
Operation security	Supplier relationships		

Protection against cyberattacks

We perform various in-depth assessments to evaluate the security performance of stc’s IT infrastructure and provide assurance to customers and stakeholders. These assessments are separated into different categories, including:

Vulnerability assessments	Risks assessments
Penetration testing	Cyber resilience assessments

We also conduct various insurance assessments, such as mandatory security assessments before the launch of any new product and service. Should any findings uncover a potential issue, a remediation process is then triggered, along with strict SLA and a well-defined responsibility matrix.



Cybersecurity influence and memberships

Working in collaboration with peers across the telecom and ICT sectors is crucial to create efficient frameworks, understand requirements, and develop solutions for serious challenges. Given this, stc is a member of several working groups, including the GSMA Malware Information Sharing Platform, GSMA security focus groups, World Economic Forum Cybersecurity and Digital Trust Platform, and the First.org Global Forum of Incident Response and Security Teams.

Through our cybersecurity arm, Sirar, we focus on security advisory and advanced professional security services by developing cybersecurity platforms and managing additional security services. In 2022, Sirar was awarded the “Managed Security Service Provider Partner” award at the Fortinet Security Day held in Riyadh, solidifying its place as a leader in helping businesses effectively manage digital risks.

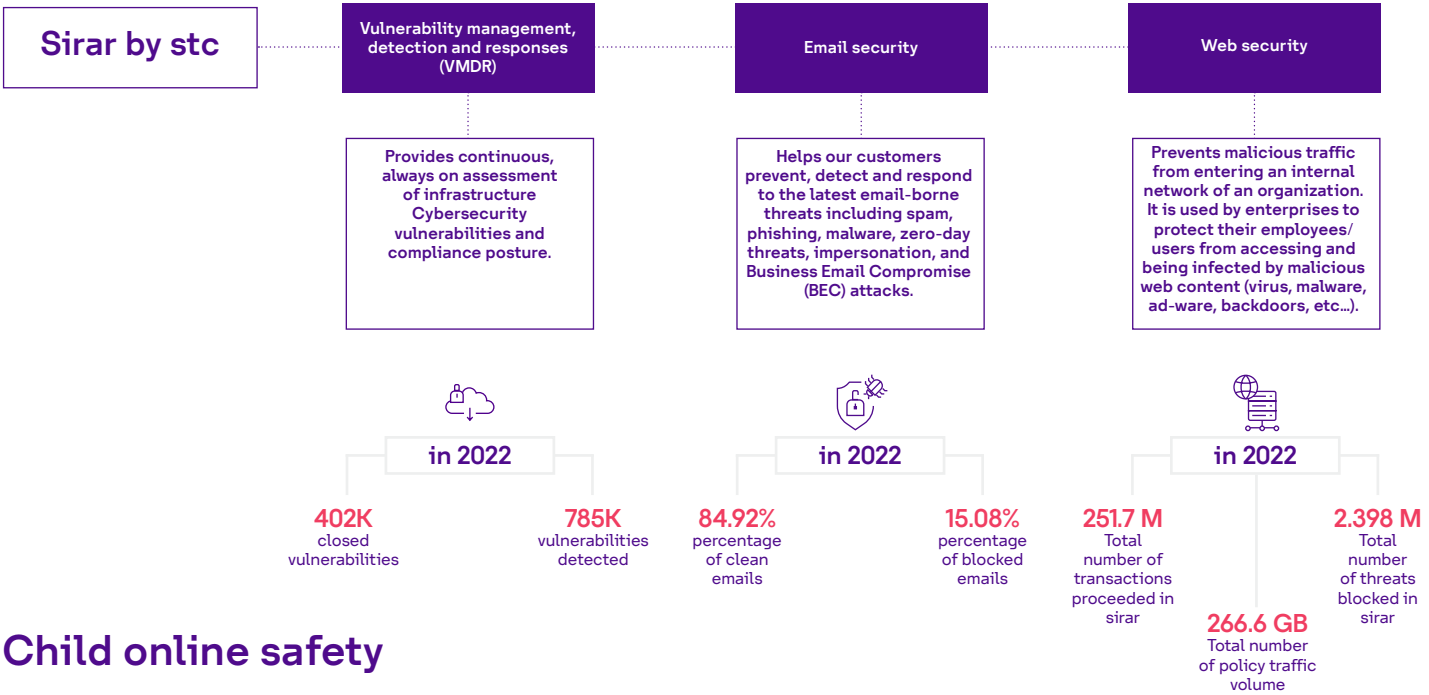
Case study: Contributing to Bahrain Vision 2030

In-line with The Kingdom of Bahrain's vision of becoming a digital hub, and to help address the rising cybersecurity challenges in the Middle East region, stc Bahrain, in cooperation with Sirar, rolled out new cybersecurity solutions to protect SMEs and other businesses within the Kingdom in 2022.

These solutions empower organizations to take control of their digital assets, revolutionizing web and email security and reflecting stc Bahrain's strategy to utilize new technologies to empower the Kingdom's digital transformation in a safe and effective way. They also help address the rising number of cybersecurity incidents in the region, which can reach as high as USD \$6.93 million per data breach.

Case study: stc Kuwait's Cybersecurity Services Program

In 2022, stc Kuwait established the Managed Security Service Providers (MSSP) program, which provided Server Message Block protocols (SMBs) along with innovative and next-generation cybersecurity services to replace the previous deployments. This was done as part of the implementation of stc Kuwait's strategic objective of being a one-stop cybersecurity solutions provider, with services such as proof point mail protection, managed security services (MSS), awareness, and clean pipe service (DDoS protection) also being included in the program.



Child online safety

stc is deeply committed to creating a safer online environment for children. We uphold child rights at all stages of our business operations, proactively offering and providing support for children and their parents to become responsible digital citizens. This includes up-to-date [guidance](#) and conversations about safe and responsible online conduct.

Our TUBY application provides children a selection of age-appropriate educational and entertainment videos and includes enhanced security, enriched interface features, regularly updated content, parental controls for time and content, and safety features designed specifically for children.

In addition to TUBY, stc's direct billing services provide better controls for parents to use their postpaid monthly bill or prepaid credit balance to pay for one-time purchases or recurrent subscription services that provide children's educational and entertainment services.

Community contribution and development



When it comes to community investment and development, stc follows the strategic objective of “enriching people’s lives” for better sustainability, which is a part of the company’s corporate strategy. Our community investment and development strategy is based on 6 key pillars: Education, Environment, Sports & Health, Entrepreneurship, Community Development and Youth Empowerment. [Our Community Investment Policy Statement](#) enables us to support issues that we believe are most relevant to our business and where we can make the most impact.

We constantly strive to keep our commitment of making the greatest possible positive impact by leveraging our key strengths as a leading telecom and ICT service provider, along with our incredible people and financial resources, to bolster support throughout the Gulf and MENA regions. Achieving these positive impacts requires having a clear idea of what they should encompass from the design stage onwards, and we measure our success not by the activities themselves, but by whether or not they achieved the stated goals.

Our broad portfolio of community investments directly supports several UN SDGs and continues to advance progress towards the national visions of all the countries that stc operates within. Our community investment initiatives span various developmental areas such as education, healthcare, digital inclusion, technological innovations, caring for the environment, entrepreneurship, donations, sponsorships, and community investments.

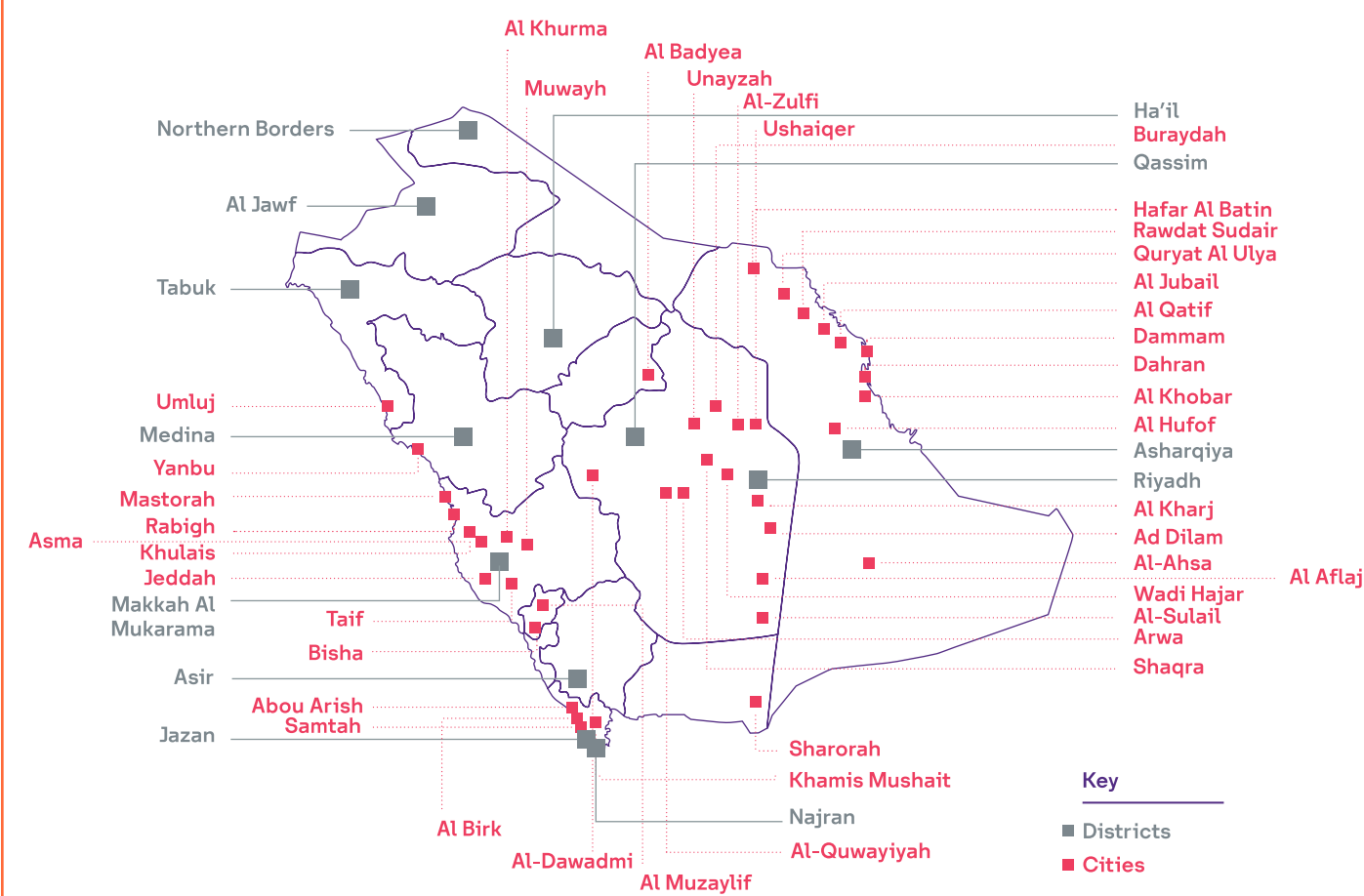
We continuously monitor and measure the results of our ongoing community investment activities to guide plans on how to further improve our programs and maximize our positive impacts on local communities.

Community investments	2020	2021	2022
Total community investment	More than SAR 14 million	More than SAR 30 million	More than SAR 14 million

* Excludes sponsorships and free services

Over the last three years, stc contributed more than SAR 58 million towards community programs across remote and underserved locations, with more than SAR 14 million contributed towards its community initiatives in 2022.

stc’s geographic social impact



Sponsorship

stc’s approach to sponsorship is in line with the company’s Sponsorship Policy and Strategy for Relations and Partnerships focusing on evaluating potential sponsorships while assessing reputational and noncompliance risks. Furthermore, our sponsorship selection process is based on specific criteria that ensures selected initiatives are in line with our strategy, values, local market, target audience, vision, and objectives. Sponsorship allows us to support our sustainability objectives and endorse our core values in addition to extending our reach and raising brand awareness. In 2022 alone we sponsored 124 projects, the three most significant being MWC, LEAP and Fil.

Sponsorship	stc Group	2020	2021	2022
Number of projects sponsored	stc KSA	-	91	124
	stc Kuwait	17	19	32

* stc Bahrain data is confidential.

Social development across stc Kuwait

stc Kuwait actively supports local communities and their various social responsibility goals by participating in various initiatives with government agencies and private sector institutions. These initiatives are focused on empowering Kuwaiti society in key areas such as health, sports, education, entrepreneurship, and the environment, in line with Kuwait Vision 2035. As part of this, we have launched several initiatives, such as the “Safe Education” campaign in cooperation with the Ministries of Education, Health, Interior, and Information, and the “Weyak” initiative to support local SMEs by enabling their digital transformation strategies.

We are keen on continuing investing in the ongoing development of stc Kuwait’s human resource capabilities, which form the cornerstone of the company’s outstanding performance. Through this dynamic department, education and development programs are delivered, including e-learning programs through recognized international organizations such as LinkedIn Learning and the “Creativity Academy” training academy to empower high-potential employees.

stc Kuwait follows a sponsorship approach that takes the national context of the country into account. In 2022, five sustainability campaigns were launched, each of which were promoted both internally and externally.

In 2022, stc Kuwait launched #we_are_one campaign in line with the return to school decision. The primary focus was preventing bullying through a series of engaging initiatives that aim to uplift students as they begin to resume their studies.

Social development across stc Bahrain

stc Bahrain has worked diligently on spreading a culture of innovation beyond customers as part of developing a broader social responsibility agenda. Several programs have been launched with this goal in mind, including the “Jusoor” program that empowers community service, the “Trees for Life” initiative that supports the Kingdom’s national reforestation plans, the “Kafu” program that highlights inspirational people during the holy month of Ramadan, and the “Fareej” initiative that helps families living in difficult conditions. stc Bahrain also worked on educating and developing Bahrain youth while providing unique opportunities for fresh graduates looking to enrich their careers inside and outside the company through its “ICT Generation” program.



Our flagship community investment and development activities in 2022

Empowering the third sector through digital services

The technical enablement program:

As part of enriching lives and experiences, as well as advancing digital opportunities, the technical enablement program continued in 2022 to empower the non-profit sector by providing integrated services and advanced technical solutions for administrative, financial, and operational needs. We provide 13 different digital cloud-based solutions through the platform:

- Grant Management

- Gift cards (donation)

- Meetings Management

- Technical license

- Management & planning systems

- Events Management

- Developing websites

- Consultation

- Live lectures (webinar)

- Memberships and packages

- Training

- Online Store

- Elections Management Platform

Social impact:



Supporting the non-profit housing sector

Jood Eleskan:

An ongoing non-profit community initiative that started in mid-2020 during the height of the COVID-19 pandemic, which aims to empower the non-profit housing sector by encouraging all stc employees, private individuals, and the public sector to provide a donation for families in need of housing.

We used our digital communication channels – internally through the SMS messaging center and externally through social media accounts –to raise awareness and attract donations. By the end of 2022, we were able to collect SAR 3 million in donations to securing 17 homes for vulnerable families including access to free 4G connectivity to 7 homes for 12 months.

Social impact:



Embedding a culture of purpose and giving

Volunteering program:

The ethos of volunteering is greatly aligned with stc’s values of dynamism, devotion, and drive, all of which contribute to stc’s vision. Through the volunteering program, we aim to embed a culture of purpose and giving, help meet the UN SDGs, and improve employee engagement and workplace wellbeing.

Our volunteering platform connects non-profit organizations with volunteers. These organizations can register and add volunteering opportunities, which can be seen and selected by employees.

In 2022, our employees recorded 10K volunteering hours.

Social impact:



Supporting sustainable innovation while driving economic growth

impactU:

stc’s flagship start-up incubator, [ImpactU](#), focuses on empowering entrepreneurs whose core business addresses sustainability-related solutions, such as improving environmental, health, and education outcomes.

Through impactU, we provide training and consultancy in the field of social and environmental sustainability and entrepreneurship. We also provide access to co-working spaces and free services to social enterprises and startups.

Social impact:



Incubated start-ups overview:

- Mustadem: an agricultural company focused on sustainability in food value chains, enabling farmers with technology to transform the food sector in Saudi Arabia.
- Karaz: an electronic platform that relies on IoT, AI, and data, providing a single destination for all diabetes related services.
- Axenda: an ecosystem that enables students to make better decisions based on data throughout their educational journey.
- Beaee: a one-stop shop for recycling, providing an integrated environmental experience, including awareness workshops for employees, digital platform to link with factories, a rewards system, and organizing volunteer campaigns for employees.
- Shaguf: an EdTech startup providing interactive peer-to-peer learning system at universities.

Unlocking people’s limitless potential through our career enrichment program

Career enrichment program:

stc has developed strong long-term relationships with renowned international organizations, and we utilize these relationships by developing an extensive career enrichment program.

This flagship program capitalizes on the extensive knowledge and capabilities these organizations have to offer, allowing employees and students to attend seminars, workshops, and other training courses to help unlock their full potential. stc employees can take particular advantage of skill building and practical experiences that are offered by our renowned partners, while young Saudi graduates can better prepare for their future careers through paid internships and financial empowerment.

Social impact:



Building capacity for a sustainable future

Social Return on Investment Training program

We seek to give back to the community by sharing our expertise and creating a social return on investment and, in this spirit; we offer the SROI training program on our sustainability portal.

This initiative aims to build capacity for stc employees, start-ups, and non-profit organizations by raising awareness of the Social Return on Investment (SROI) concept, resulting in sustainable changes through increased knowledge and skills.

Social impact:



Digital inclusion for the elderly in remote areas

Smart truck – Education4All:

In a joint effort, stc and Huawei created the Education4ALL Digital Inclusion Action Plan. Through this initiative, we aim to launch the smart truck project to reach out to remote areas and fill the gap between the elderly population and fast-developing digital technologies.

The smart truck will be officially launched and operated in January 2023 and will include a digital classroom to be mobilized across the kingdom with the aim to provide elderly people with skills necessary to use digital applications and online services as well as protecting their data privacy and security.

Social Impact Targets for 2023:



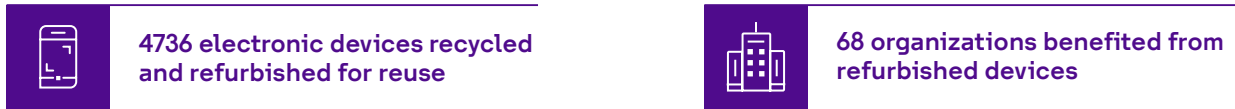
Reducing digital divide while tackling e-waste disposal

e-waste recycling

We seek to serve the digitally disadvantaged while simultaneously tackling the critical issue of e-waste disposal. The lifespan of typical electronic devices averages out to only three years; to avoid unnecessary disposal of electronic devices, we donate electronic devices to national non-profit organizations such as “Ertiqā” for proper recycling, refurbishment, and disposal.

In 2022, we donated over 4,732 electronic devices to be recycled and refurbished for reuse and 7,400 since we started the program in 2021. Nearly 68 organizations, including non-profit associations, schools, and educational institutes, benefited from stc’s refurbished electronic devices.

Social impact:



Turning assets into sustainable impact

Furniture donations project

Launched in 2022 to donate furniture, reducing the need for new materials and improving the environmental impacts of both stc and the companies receiving the donations. Since the launch of the initiative in 2022, we have aided the donation items of gently-used furniture passed on to 3 of our charity partners.

Social impact:



e-health systems using artificial intelligence

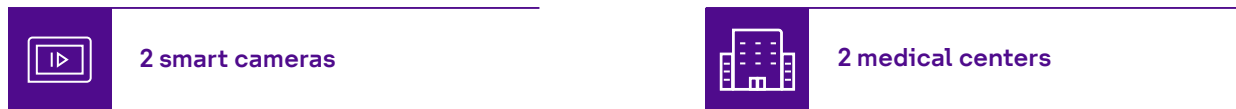
Smart medical cameras

The smart medical camera initiative supports a breakthrough AI eye exam system that identifies and detects eye disease early. The smart cameras utilize digital technologies such as AI for retinal care in diabetic retinopathy.

This initiative will bring expert surgical consultations closer to remote and underserved areas.

It will also help utilize the time and skills of the best medical consultants in the Kingdom both wisely and accurately and provide excellent healthcare in an easy-to-access manner at lower prices.

Social impact:



Utilizing our strengths to create sustainable value in society

Educational support

In cooperation with the Ministry of Human Resources and Social Development and Taalum, we seek to support students continuing their university education in the field of technology to ensure employment after graduating.

In 2022, 15 students from different universities across the Saudi Kingdom benefited from this initiative.

Social impact:



Giving back to the local community

Ehsan platform donations

Ehsan is a national platform for charitable work launched by the Saudi Data and Artificial Intelligence Authority (SDAIA). The campaign is an extension of Crown Prince Mohammed bin Salman’s interest in supporting and developing the charity sector by making every effort to organize it, enable its activities, and sponsor it to raise its contribution to the development of society.

We seek to play our part through actively giving back to the local community and in 2022, we donated SAR 11 million through the platform.

Social impact:



Expanding access to technology and connectivity

Expanding access and availability of essential technologies is not just good for business, but also helps stc contribute to the overarching goal of moving towards a more sustainable future. Ensuring an equitable distribution of connectivity and other essential digital services and products is one of the best ways to pursue sustainable development, and we are focused on future economic and social advancement through increased digitization.

Accessibility, connectivity and digital inclusion

We remain committed to providing a dependable, modern, sophisticated network with maximum accessibility and digital inclusion for urban and remote areas across the entire Gulf region and all communities that stc operates within. Our industry-leading wireless broadband services are key to serving rural and desert areas, while a combination of wireless and fixed services cover urban areas with unmatched reliability. We strongly believe in collaborating with the public and private sectors to ensure that everyone in society, regardless of their location or socio-economic status, can be served as a satisfied stc customer.

Our [Access to Communication policy statement](#) affirms our commitment to adopting best-in class digital and communication infrastructure to ensure network efficiency, resilience and reliability, while promoting universal access to affordable digital and communications services.

Case study: Largest digital operations control center

stc recently launched the largest integrated operating center in the MENA region, known as the digital operations control center. With an area of more than 42,000 m², it offers a system of unparalleled digital services, with the capability of transmitting more than 84 terabits of data per second along submarine cables. Additionally, the center is the first in the MENA region to secure service systems, data transmission, and voice circuits using the latest available protection and distribution systems.

Supporting SMEs through digital technologies

As organizations and corporations continue to digitize their operations, we understand the need for effective and secure solutions and infrastructure. This is especially true for SMEs, which may find it more challenging to keep pace with the acceleration of digitization currently taking place. In an effort to support SMEs working in remote areas and promote connectivity that is more inclusive for all SMEs, we recently developed a point-to-point service to target customer groups far from network or fiber connections helping them access connectivity services and high-speed internet that is essential for succeeding in the modern world. We also offer incentives for copper customers to transfer to fiber or wireless services to utilize higher network speeds and be a part of an enhanced customer experience.

Connectivity and network coverage

We believe that the ability to connect to our services should not be limited by geography, and we strive to ensure our network covers more space every year. Our immediate goal is to further expand stc's coverage and capacity within and around cities across Saudi Arabia, Bahrain, and Kuwait, including increasing the availability of high-speed broadband services and improving digital connectivity by enhancing the ICT infrastructure. With this vision, we have focused on fiber optics as a replacement for copper. This shift will in turn gears towards improved customer capacities at a technological level while consuming less energy.

Bridging the digital divide

We actively seek to reduce the digital divide by developing and expanding the critical ICT infrastructure needed to fulfil the national vision of the countries that we operate within. As part of our contribution to National Vision strategic frameworks, stc's growing infrastructure contributes to the strategic frameworks of any national vision by supporting essential online services such as e-education, e-government, e-commerce, and e-health. More information on these services is available in the [Advancing innovative digital opportunities](#) chapter of this report.

Through our trade-in program, we seek to renew and recycle devices to not only minimize the impact of products on the environment, but also to offer devices at affordable prices. We also participated in the CST's e-waste recycling initiative by encouraging stc customers to donate their own devices and provide incentives such as a 5% discounted coupon from mystc store for customers who have donated.

Reliable and resilient infrastructure and services

Developing reliable and resilient infrastructure is vital in the expansion of access to technology and connectivity. We have worked hard to continuously evolve our network, capitalizing on the introduction of leading-edge technology by adopting KPIs for network resilience. These KPIs not only help ensure network optimization, but also underpin our commitment to deliver an excellent and uninterrupted user experience for all stc customers.

Technologies such as 5G, artificial intelligence, augmented reality, IoT, and cloud services are used in stc’s innovative products and services, and are accelerating the pursuit of sustainability goals. With this, we provide impartiality and transparency in line with business sustainability to create the right environment for an open market concept that enriches the ecosystem in developing countries where all customers and partners – such as content providers, cloud providers, and international and national carriers – can communicate with each other.

In 2022, stc Group announced the launch of Centre3 for the Middle East and North Africa. With an initial investment of 1 billion USD, Centre3 will include the installation of several highly efficient cables to meet the future requirements of cloud services, helping to ensure continuous availability of services through an advanced fiber optic network.



Subsea cables:

Existing 20 Tbps of capacity
13 fully landed subsea cables
+4 new subsea cables



Data centers

Total of capacity 150 MW
Across KSA major cities
with 6 new centers

Another important launch by stc Group in 2022 was the Saudi Vision Cable, the first high-capacity sub-marine cable ever deployed in the Red Sea. This cable is 1,160,000 meters (1,160 km) long and will provide seamless connectivity of up to 18Tbps per fiber pair, with a total of 16 fiber pairs through four landings in Jeddah, Yanbu, Duba, and Haql. It is also one of the main submarine cables linked to Centre3, connecting three continents and leveraging the strategic location of the Saudi Kingdom. Furthermore, the Saudi Vision Cable will provide better, more reliable internet services to meet the increasing demand for communications at the local, regional, and international levels. It will also allow all sectors to obtain high-speed internet services, including education, healthcare, and business, which will in turn provide economic and social benefits.

In terms of tower infrastructure development, in 2022 TAWAL undertook several major projects, including building new sites, upgrading existing sites, delivering colocation services, and offering in-building solutions (IBS). As a result, more than 150 sites were built and more than 600 colocations were delivered, causing an increase in tenancy ratio from 1.16 in 2021 to 1.19 in 2022. In addition, more than 4,400 5G upgrade sites were implemented, and the TAWAL SMART Tower Project has resulted in more than 1,800 fence locks, 1,100 ODU locks, 1,500 shelter locks, 1,900 smart meters, 81 DC power meters, and 922 RMS (24 sites with full fledged RMS sensors) being implemented.

As the leading wholesaler in the region, we offer national and international services over numerous cable systems and via its PoPs-extended network. Our national network covers all area of the Saudi Kingdom and is extended to link all neighboring countries including UAE, Bahrain, Kuwait, Jordan, Qatar, Yemen, Iraq and Oman, through diversified fiber links with various paths and capacities. stc’s self-healing national backhaul network and border crossing terrestrial fiber optics links represent the most resilient, reliable and cost effective connectivity in the region.

5G networks

5G investments and creating infrastructure to boost network coverage are both key to realizing the national vision of Saudi Arabia, Bahrain, and Kuwait, all three of which are undergoing radical digital transformations led in large part by stc.

In Saudi Arabia, we are the largest digital enabler with a 40% market share consisting of over 20 million mobile subscriptions, with a 5G population coverage of 40% since the launch of commercial services back in 2019. In 2022, we shut down 3G spectrum services completely to pave the way for more developed system networks, which recently reached more than 1.5 million 5G subscribers with 7,000+ deployed sites across the Kingdom.

In Kuwait, stc is pioneering the digital transformation with an upgraded 5G network named it FULL 5G as it takes 5G further to bring our customers more connectivity, speed, and digital capabilities than ever before. There are three distinct ways in which customers are given a fuller product: full coverage, full speed, and full experience.

In Bahrain, stc recently expanded 5G coverage to reach the entire nation, which enables full migration options for customers to go from 3G to 4G, and from 4G to 5G, before 3G services are discontinued.



Network coverage	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Percentage of 3G population coverage	98.00%	98.00%	-	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of 4G population coverage	93.90%	93.99%	98.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of 5G population coverage	22.40%	34.60%	40.80%	93.52%	99.40%	100.00%	97.00%	98.00%	100.00%

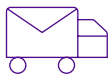
IoT, AI, and big data

Technologies such as Internet of Things (IoT), and artificial intelligence (AI), and big data have become the primary drivers of innovation. In 2022, we partnered with the Public Investment Fund (PIF) and launched a new company specialized in IoT (IoT Squared – IoT2) to deliver industry-leading IoT solutions.

Through IoT2, we aim to drive cost efficiencies, improve customer experiences and promote sustainability through innovative industrial, logistics and smart city solutions.



Industrial solution
Optimize costs with intelligent warehouse operations that drive automation and transparency



Logistics solutions
Enhance connectivity and efficiency with smart Fleet Management solutions that elevate hardware, platforms, and analytics capabilities



Smart city solutions
Augment sustainability and mobility through connected workforce and smart city solutions that are both customizable and secure

In stc Kuwait, we launched several smart solutions, including Enterprise Smart Bus solution for schools and kids monitoring, Thermal Screening, Drones for Geospatial Intelligence and Precision Agriculture. Also, we launched the AI Video Analytics which helps users supervise, monitor and optimize enterprise business efficiency.

Cloud

Companies are increasingly relying on cloud computing to store large amounts of data and carry out processes to increase agility, flexibility, and efficiency. Cloud services offer a digital space to safely integrate networks, providing an instant, online, off-site access to critical information and greater control of business processes.

stc’s cloud digital platform serves more than 3,000 different entities in the KSA government and private sector alone. This not only provides expansive digital bandwidth, but also helps eliminate costs that customers would otherwise have with running on-site data centers. With stc Marketplace, customers can change, customize and manage cloud infrastructure in any way that best works for them, including the following:

- Customers can host their IT infrastructure on our site in a safe and secure environment, ensuring availability and connectivity with 99.99% uptime guarantee
- Customers can build their own virtual machines in the cloud through virtual data centers
- Customers can select from our software deployments for their virtual data centers
- Customers can run their business completely in the cloud without the need for hardware, software licenses, or periodic updates

In 2022, stc cloud infrastructure won the Glotel award in the Private Networks Perfection category and was shortlisted for the Layer 123 Cloud and Edge award. In addition to that, we also won the Middle East Technology Excellence Award 2022 for data center automation. These accolades show that stc remains committed to offering companies the highest quality digital solutions that best meet their needs.

Network quality and mobile adoption

We aim to have the best available network quality and work to drive mobile internet adoption within all communities where stc operates. It is clear that barriers still exist when it comes to mobile adoption, and this is especially true in rural areas and for people impacted by socio-economic status or physical impairments. We continuously strive to improve connectivity for everyone in the countries that we operate within, especially rural areas that can benefit immediately from a geographical expansion of stc’s coverage.

[GRI 2-4]

Network traffic	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Network traffic Network traffic (petabytes)	15,253	17,810*	20,364	222.46	273.46	323.87	1,228	1,406	1,441

* Restated due to improved calculation methodologies.

Network speed	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Average mobile broadband download speed (Mbps)	57.72	87.66	113.58	58.32	64.90	80.97	9.00	43.00	62.00
Average mobile broadband upload speed (Mbps)	19.16	20.24	19.61	2.6	4.16	3.43	-	-	-

Mobile subscribers	stc KSA		
	2020	2021	2022
Prepaid Subscribers	15,948,226	16,400,583	17,622,470
Postpaid Subscribers	4,905,625	5,169,471	5,377,265
M2M Subscribers	658,134	769,538	864,697



New Era Infrastructure Cloud-Native Data Center Program

As part of our initiative to develop next-generation facilities, we are committed to building new data centers across each of the countries that we operate within. Our goal is to have these facilities incorporate enhanced energy efficiency and sustainability throughout the entire lifecycle of new mission critical infrastructure.

In Saudi Arabia, we are in the process of building new data centers to serve the entire Saudi community with enhanced digital services. These new data centers will incorporate sustainability features in all aspects of construction and development, from design and procurement to materials and construction.

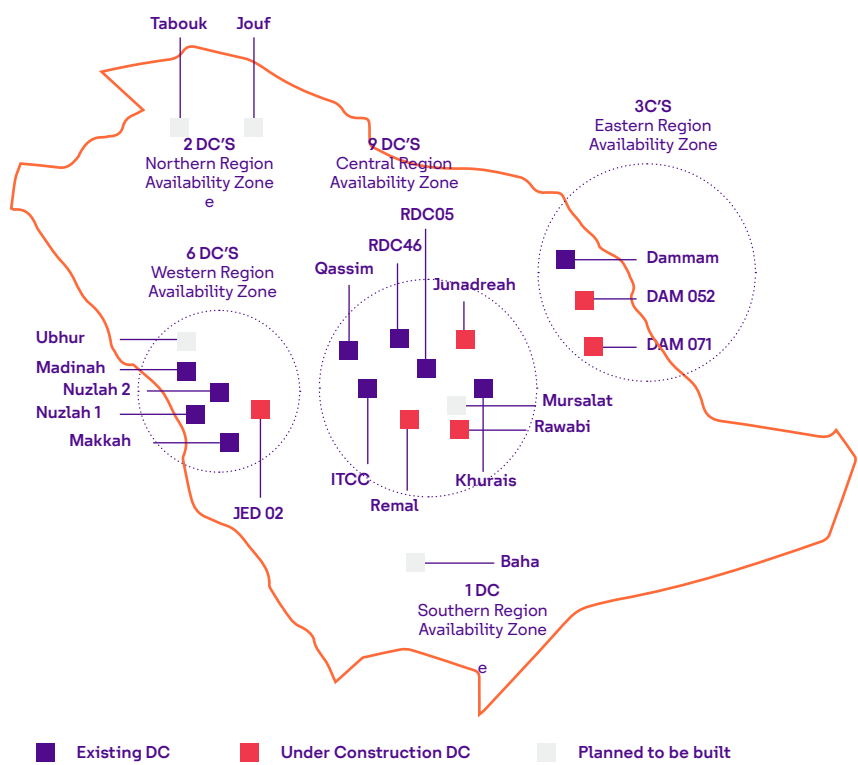
In 2022, we continued the construction for Phase 3 of this project for the next-generation cloud-enabled data centers, and we set out plans to build new state-of-the-art data centers in Bahrain and Kuwait to host main internal 4G and 5G traffic. Through implementing energy efficiency technologies, we anticipate 25-30% reductions in energy costs and 15-20% reductions in CO2 emissions. Some of these technologies that we plan to implement to achieve this goal include: power utilization efficiency (PUE), energy conservation opportunities, server efficiency, right-sizing, chiller plant optimization, thermal management, air flow management, humidity control, improved power chain and supplies, improved lighting, on-site generation, HAC solution, Highly efficient UPS, Highly efficient low water consumption cooling systems, emerging and proven technologies studies.

In 2022, stc KSA achieved uptime certification for design, testing, and commissioning TIER -III standards and TCOS (Gold) for three data centers.

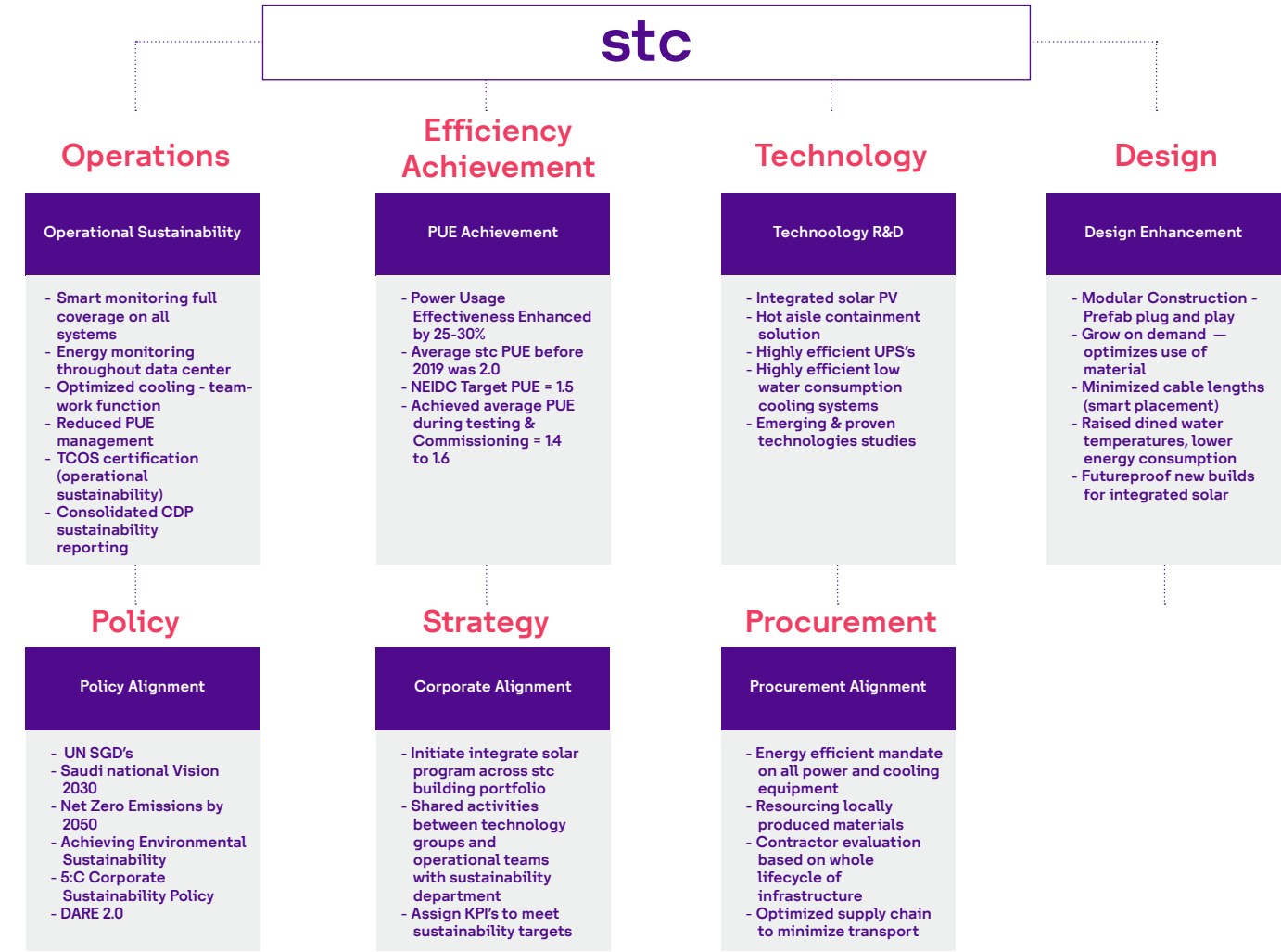
In 2024-2025, we plan to construct three new data centers in addition to expanding the existing sites with a total capacity of 34.8+ MW for both new sites and expanded projects.



center3 21 Data Centers – 152 MW



Sustainability considerations in our data centers:



We are proud to be the leading digital enabler in the MENA region and have used this privileged position to develop smart cities and run mega events, including Formula 1 races, the Hajj pilgrimage, NEOM, and more. stc built 5G network infrastructure for NEOM, Saudi Arabia's smart city, accelerating the city's digital ambitions to enable various forward-thinking technologies, such as Internet of Things (IoT), data analytics, virtual reality, augmented reality, smart homes, and autonomous vehicles.

Additionally, Solutions by stc will also help implement a new smart city strategy for Prince Mohammed Bin Salman's non-profit city. This strategy focuses on mobility, sustainability, and security verticals, as well as a digital twin that integrates advanced technologies to create dynamic digital models to visualize the city in real-time.

Case study: Serving pilgrims during Hajj season

In an effort to better serve pilgrims, we elevated our network across all holy sites for the year 1443 Hajj season. We strengthened our network by increasing 5G coverage across 863 sites, adding 108 locations and increasing communication towers distributed over 141 new locations. Additionally, to ensure the best performance of the network we provided, 72 mobile vehicles to support coverage and increase capacity in various locations, and we also developed communication towers across 1754 sites, adding 18 towers to accommodate new technologies, upgrading 940 sites with 5G services, and equipping 138 sites with critical communication networks to support vital sectors.

Furthermore, a detailed plan was put in place in cooperation with relevant authorities to provide rapid response times for emergencies, which included securing backup devices for mobile cabins, electric generators, spare mobile carts, and mobile carts to connect via satellite, as well as remote medical consultations and direct health examinations via the cloud.

Case study: Providing advanced digital technologies during Jeddah season

As the leading digital enabler and partner of Jeddah season, stc aimed to enhance the digital infrastructure and enrich the visitor experience by providing a suite of digital services for the event's locations.

stc deployed a technical team of 200 specialists to supervise and maintain its technical services, and readied 64 locations to serve Jeddah season areas, offering the best 5G network possible to ensure that network coverage was able to meet the increased traffic. This was done by providing 12 circuits with a capacity of 12.75 GB and utilizing two vehicles for outdoor coverage.

Advancing innovative digital opportunities



stc strives to harness best-in-class digital capabilities and solutions to lead the digital transformation in the MENA region and beyond, helping to usher in a more prosperous, sustainable future.

We dare to push for the constant improvements in telecom industry standards, hence the apt title of our 'dare' strategy. This flagship initiative has redefined the role of a telecom service provider, proving stc to be a digital enabler with the unparalleled ability amongst companies to not only enhance the customer experience, but also to enrich the lives of people in the communities that we serve. This illustrates why digital transformation is at the core of our business and is the focus of all our products and services.

Digital innovation and transformation

Digital transformation is part of our company DNA, and our strategy for implementing this transformation is rooted in preparing the company for the future, enabling a better growth position as we move forward today's evolving world. stc's main core values, the three "D's" (Dynamism, Devotion, and Drive), are the foundation on which our digital transformation journey is built. As we move towards the goal of being the undisputed leader in digital enablement within the region, we have put forth several initiatives to foster new ways of working and to better clarify the customer journey. We are constantly looking to develop tools, mechanisms, advanced analysis, and artificial intelligence programs to stimulate teamwork and innovation that will lead to new solutions for enriching the lives and experiences of our customers.

Our commitment at stc Group is to expedite actions that improve customer centricity, speeding up the progress of digital transformation initiatives through customer journey mapping and making sure that everything we do delivers measurable quality to our customers.

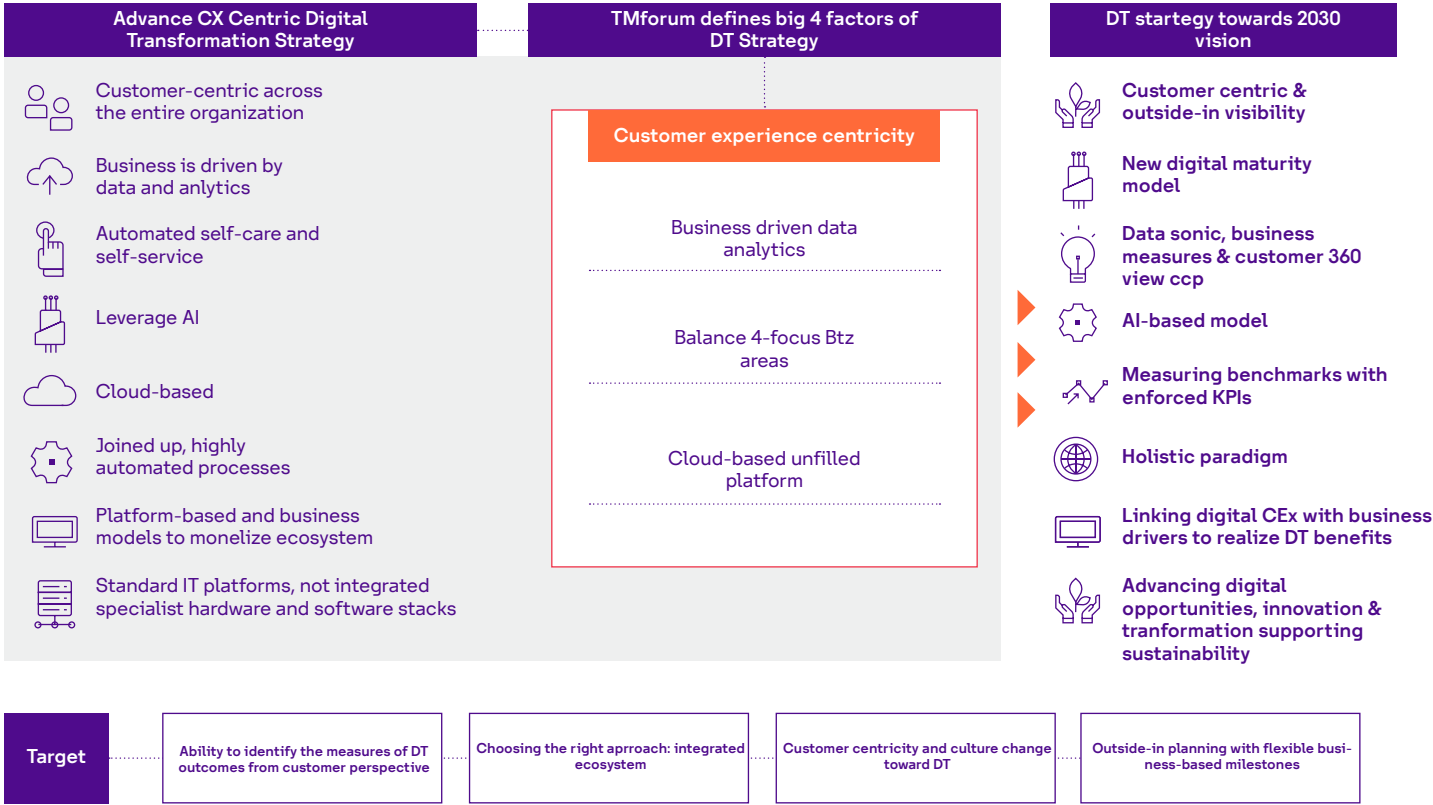
As the digital revolution continues to bring significant opportunities and threats across virtually all industries, there has been a natural expansion of customer experience towards digital transformation. With this in mind, stc's 2030 Vision to guide digital transformation featured a strong focus on customer experience and time-to-market as key drivers, and the Corporate Customer Experience (CCEx) initiative was developed. This established a matrix with a dedicated digital transformation team to ensure all projects benefit from cross-organizational support, and a digital innovation center was also established with support from industry bodies and other partners.

Our Group Transformation (DT) program is a strategic initiative that aims to build digital capabilities for stc Group and then utilize these capabilities, measure their business value, and ascertain their impact to drive organizational transformation and growth. This DT program is a part of the "d" pillar within stc's dare 2.0 strategy. We aim to ensure its successful implementation by introducing a Digital Transformation Index, which includes a centralized workspace platform, digital KPIs, insights, and reports to drive both "digital transformation" and "change management" across stc.



Customer-centric Digital transformation

Customer-centric experience drives operators’ digital transformation



Case study: Digital Transformation (DT) program and FWD framework

As part of the Digital Transformation program, our proprietary FWD framework combines customer centrality with business value and technology capabilities to re-imagine the customer journey. This framework is based on the Agile methodology and focuses on:

1. FWD Thinking: the innovative solution design process; and

2. FWD Doing, the way to implement changes in rapid rollouts of incremental values

We have established Squads made up of cross-functional teams from both the business and technology sectors to ensure we deliver on this framework. Each Squad is composed of a Product Owner, Scrum Master, Business Analyst, Agile Coach, Customer Experience team (Customer Journey, Digital Experience, UI and UX Designers), Solution Architect, Domain Architects, Developers, and Testers.

Digital transformation towards sustainability

At stc, we perceive digital transformation as a key driver of sustainable development. Digital technologies can help achieve sustainability by optimizing costs, improving management efficiency, and improving productivity. We seek to accomplish these goals through the following:

1. **Adaptation of Devops/forward thinking:** reduce developing time, improve time to market, less carbon output

2. **Cloudification of the stc services portfolio:** augment and synergize portfolio among the clusters, reuse and shar resources between clusters, targeting agility of service portfolio to meet market dynamics

3. **Strategic themes:** focus on six dimensions that drive the evolution of the business/customer focus to maximize return on experience and minimize ecosystem impacts on the environment

4. **Operational excellence:** use digital technologies to drive process improvement and automation, delivering cost savings and improved reliability and efficiency

Case study: Supporting the Saudi Data Community

The Saudi Data Community (SDC) is one of the largest communities in Saudi Arabia, and it aims to share knowledge and expertise surrounding data and analytics. Each year, SDC conducts multiple workshops, events, and training sessions to enable and build a future of Saudi data scientists and data experts. In 2022, stc sponsored the SDC to help share important knowledge and provide valuable expertise regarding analytics. Throughout the year, the following initiatives were conducted by the SDC with the support of stc:

A data tour

across Saudi Arabia with workshops in the field of data. More than 170 people attended the data tour.

Open data day

to use open data and apply data science and engineering to develop 8 AI projects. stc aimed to ensure open data for public usage to benefit students, researchers and data enthusiasts. We published a [website](#) dedicated to sharing two datasets, with plans to share more in 2023.

Sharing knowledge

across community members with more than 20,000 participants. This initiative also included a competition to award the winning projects that best serve the community. More than 200 projects were submitted across 26 different universities, with three winning projects announced at the end of the competition.

In support of all these initiatives and as part of our efforts to advance innovative digital opportunities for the community, stc provided mentors and experts to support the community projects at all stages of development.

Additionally, we also provided career consultation sessions, training sessions, and knowledge sharing sessions along the way.

■ Artificial intelligence and Internet of Things (AI + IoT)

With millions of mobile subscribers, we rely on AI and data analytics to manage our increasingly dynamic business and connect with customers in a meaningful way, such as ensuring more substance and less spam for marketing purposes. . AI is also used throughout the organization to maximize revenue, reduce costs, improve decision making and efficiency, and create better experiences for both internal and external stakeholders. Additionally, AI is being used in conjunction with IoT and other emerging technologies to support climate action within stc and beyond, including the development of energy efficiency applications and social impact initiatives that promote climate benefits.

In Saudi Arabia, about 12 million individuals are considered thin profiles, which limits financial entities, including credit bureaus, to build the right perception of these people’s financials and thus limits these individuals when trying to access financial services. With this in mind, we have been utilizing AI and big data to build an alternative credit scoring system to increase financial inclusion, which is defined as greater accessibility and affordability for financial products to meet the needs of individuals and businesses. Access to credit has the potential to close economic and social divides as well as drive economic growth.

Several AI and IoT use cases are developed by Specialized by stc for the business, government, industrial and commercial sectors. Some of these use cases include smart IoT locks, smart roads and smart traffic lights. The smart road project uses advanced passive Radio Frequency Identifier (RFID) installed on vehicles’ license plates and distributed among readers across roads to monitor and manage congestion and car speed limits in addition to fast search for any vehicle in real time. The smart traffic light project is an AI platform to manage and control traffic lights in cases of emergency so that traffic lights automatically go green to offer clearer routes for ambulances, fire engines and police vehicles. This could also help reduce the risk of an accident caused by first responders driving through red lights.



Case study: Women and youth in AI

stc KSA is an enabler of females and youth within its advanced analytics department, with 52% of staff being female and 43% youth. AI and data analytics are both highly competitive fields that are continuously evolving, which is why we ensure that our team is well equipped with the tools needed to succeed by providing them with different career development programs within consultancy, leadership, and a specialized program built specifically to satisfy the needs of the broad analytics domain.

Case study: AI in travel and tourism

Asir province in Saudi Arabia has become a popular destination for international tourism. In an effort to further boost this growing popularity, we utilized AI, computer vision, and Natural-Language Processing (NLP) to develop an analysis tool that provides tourists insights and helps make data-supported decisions to drive tourism expansion.

■ Digitizing touch points and sales services



We continuously seek to reinvent and digitize customer experiences. At stc KSA, we have defined digital communication channels and established a committee of stc representatives to analyze data, with stc’s commercial digital strategy focusing on creating new services and experiences that enable customers to fulfil their needs, digitize all processes, and radically address existing problems.

Through our award-winning mystc app, we have digitized our customer services, allowing consumers to go further with greater ease and comfort. Through the app, customers can perform numerous activities and have access to a wide array of services and features, including a space to view and pay bills, order SIM cards, recharge or transfer balances, control all numbers registered under a given customer ID, and access specific statistics for call data and usage.

mystc application	2020	2021	2022
Number of active users	8,490,000	9,460,371	9,541,323
Unique clients served	6,345,930	6,686,154	9,118,414
Total subscriptions	23,420,562	23,638,622	27,665,581

Sales transactions	2020	2021	2022
mystc sales transactions	60%	52%	52%
Other sales transactions (SSM+SMS+outlet) without mystc*	40%	18%	16%

In 2022, stc Kuwait fully revamped all digital touchpoints to provide a more integrated, seamless customer experience. As a result, several initiatives were implemented, including customer experience unification across all digital channels, tailored offers based on data-driven customer behaviors and patterns, and resource optimization through the introduction of chatbots that manage 40% of incoming live chats.

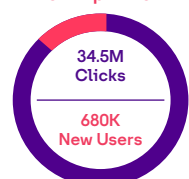
In addition, stc Bahrain utilized analytics and leveraged big data to support the subsidiary’s sales team and to better understand market dynamics and trends. Data science models were also used to enhance multiple sales-related cases, including a recommendation engine model to increase inbound and outbound sales, a mobile financing model to enhance device sales process and reduce bad debts, and a multi-channel optimization model to predict customer contact preferences in terms of channel and timing.

Innovative and digitized products and services



We are a pioneering digital champion in the greater Gulf region. Our efforts in the areas of innovation and digital transformation have grown stc into a truly meaningful and purposeful organization. We offer a variety of services in the areas of communications, information technology (IT), cloud storage, and management of nearly everything digital, from media to cybersecurity and other advanced digital solutions.

From April 2022



Digital interactions

Achieved For 2022



Meaningful insights



1.1B



Customer experience

Planned in 2023



Planned in 2023



Deep Links

Reach Customer on 11 different channels to direct them to a relevant page of mystc to complete their journey



E2E Campaign Visibility



Better Content Discovery



Enhanced CEX



Analytics at use

Harnessed analytics capabilities in 28 use-case across products & services which benefited STC's subscriber growth through better offers, enhanced customer experience, revenue increase of 409M and retention worth 685M



Gamification

Mini games for stc users when visiting mystc app. Winners are gratified and rewarded Games Created #3 Platforms: IOS and Android



AI-based Chatbot

Natural language understanding based BOT to resolve customer queries on Bill Enquiry. It also indulges in small talk with users to engage with them even better

- 8 Postpaid Billing queries supported
- Supports customer survey
- Languages: Arabic and English
- Business managed bot training

Smart home services

Designed to provide added conveniences, smart home technologies can remotely perform daily tasks such as setting thermostat levels, checking-in on loved ones, monitoring utility usage, and more. When adding these technologies it is recommended to identify what would best help the customer, and for that reason we provide onsite expert consultations for our customers to help them assess their potential service needs. We also continued to develop creative add-ons and bundled them with fiber packages to enhance the customer experience. Some of these add-ons include Wi-Fi extender devices and smart home additions that enhance customer security and home control through IoT devices such as home surveillance cameras, door alarms, and controllers with affordable pricing options.

e-health products and services

As part of our efforts to be the leading digital enabler in the region, in 2022 we continued to run our e-health services (virtual clinic, Tar', EMI and Forun) to effectively help medical staff in hospitals and other health facilities, providing accessibility and connectivity to healthcare through ensuring the continuity of remote work services. Our new Holo Doctor service is stc's most recent digital medical solution, offering remote medical consultations by linking patients to doctors in the virtual Seha hospital. This service uses Holoportation technology, making patient-doctor communication more similar to an in-person interaction as a3D image of the doctor is projected on a screen, giving a lifelike impression to the patient.

Number of e-health services users

	2020	2021	2022
Forun	48,732	54,084	50,110
Tari'	2,825	9,988	10,103

e-sports and gaming platform

There has been significant growth in the electronic gaming (e-gaming) sector in recent years, making it an independent technological economy in itself. stc seeks to expand its services along several new and unconventional paths to accommodate growing customer demands and needs. stcplay, our e-sports and gaming platform, provides casual and professional gamers access to online tournaments, content, and gaming merchants in one platform.

This innovative platform is an incubated startup within stc and aims to access inorganic potential growth in digital platform gaming. stcplay is the number one gamer-engagement platform in the KSA, bringing all types of gamers, players, content creators, and influencers together. It offers gaming ecosystem service providers the opportunity to get connected with an engaged gamer base under one comprehensive digital user experience.

Since the launch of stcplay, more than 5,000 online tournaments were created with more than 1.2 million registered users on the platform.



Social engagement experience:

Allows gamers to create their gaming profile, post UGC (user generated content), comment, like, and share, as well as the ability to follow users and accounts by adding them to their gaming network.



Online eSport tournaments:

Enables users to create community-level tournaments, select game and bracket types, assign prizes, set rules, and participate in these created tournaments to win prizes and show their skills in a specific game.



Shop experience:

Allows users to buy digital gaming vouchers and have them delivered digitally by email/SMS, and is also a sales channel for voucher providers to list their offerings.



e-education services

At stc, we aim to pave the way and empower students by providing them with access to educational platforms and content at the tip of their fingers through advanced innovative technologies.

In 2022, stc continued the rollout of the Madrasaty e-schooling platform that was initially released the previous year. This beneficial platform enables parents to ensure online access for their children without any additional charges to their original data packages.



Entertainment platform

Through Intigral, we offer world-class entertainment TV with best-in class content and consumer experience. Capitalizing on our technological capabilities, stc tv (a.k.a. Jawwy TV in markets outside KSA, Bahrain and Kuwait), the entertainment-streaming platform, warrants an uninterrupted viewing experience with availability across all devices.

This innovative platform provides access to digital products and services, direct carrier billing to various cards, and coupons from other stores, enabling customers to manage their plan in real-time. Furthermore, stc tv offers a wide range of local and international video-on-demand content at a fraction of the price of other major VOD platforms. In 2022, stc tv had more than 2.6 million subscribers with 58% growth year-on-year increase in viewership in 2022, garnering 210M+ hours views for both App and Home.

In 2022, Intigral was recognized as the Most Innovative Digital Entertainment Solutions Brand in MENA for 2022 by Global Brands Magazine. The award recognizes Intigral's outstanding commitment to innovation, quality, branding activities, and performance. Intigral was also recognized for its outstanding performance in the field of digital entertainment in the Kingdom of Saudi Arabia, winning the Best Smart Service Platform and the Best VOD Service Provider in the 2022 International Finance Awards.

Leading Fintech in Saudi Arabia

As we continue to successfully execute our dare strategy, we have further strengthened our position as an enabler of digital life. Our commitment to digital transformation is best shown with stcpay, widely recognized as the largest fintech creation and the first tech unicorn in Saudi Arabia and the Middle East.

stcpay gives users complete control over their finances, with the ability to issue cards, transfer money, pay bills, and much more. The stcpay app enables instant money transfers to be sent to more than 200 countries with ease, needing only a phone number to complete the transaction. In 2022, the new "Qattah" feature was added, allowing users to collect and split bills seamlessly. stcpay serves nearly 9.6 million registered users, which is a testament to how the payment platform is evolving.

Through stcpay we aim to reduce dependence on cash as the economy becomes increasingly digital. Looking ahead, we will seek to roll out the service to other countries in the MENA region and, eventually, around the world.



■ Boosting the digital economy through inspireU



stc is constantly seeking to help young people gain the skills and experiences they need to help further boost the digital economy of Saudi Arabia. This ongoing goal precipitated our creation of InspireU, an incubator for early-stage digital companies. At InspireU, entrepreneurs are given the opportunity to learn the skills necessary to not only follow their dreams, but to help bolster the KSA digital economy.

The program offers financing in the form of a seed grant worth up to SAR 100K, as well as access to partners within the stc network for start-ups in industries as diverse as gaming, real estate, logistics, financial technology, health and fitness, and transportation. We ensure young entrepreneurs have the right skills to succeed by providing access to the academy training program, mentorship opportunities, and extensive 1-on-1 coaching sessions for selected startups in each intake group.

Achievements in 2022:

Leveraged stc’s infrastructure to attract and foster elite startups for potential integration within the Group.

Incubated nearly 100 startups with a total valuation of almost 10 Billion SAR.

Added value to the Saudi economy by soft-landing international delegations and startups to be incubated.

Fulfilled corporate needs and supported the Invest Saudi initiative by widening international boundaries through incubating global startups.

e.g. launching a special track in cybersecurity with Sirar and creating collaborations between a subsidiary and international startups.

During the past calendar year we have provided unified training sessions to all incubated startups in different business areas through the InspireU academy training program. This is intended to ensure full understandability of the business environment which includes six academies: Readiness, Market, Technology, Commercial, Business, and Launch. We also ran full analyses of business needs to offer consultations, individualized coaching sessions, and dedicated workshops with SMEs in specific areas from internal departments, stc partners, and subsidiaries.

Looking ahead, we plan to:

Emphasize an integrated approach for internal and external value creation throughout stc.

Expand the regional and global exposure of InspireU in the entrepreneurial ecosystem.

Accelerate high-potential local and international startups with disruptive innovative solutions to maximize corporate value by launching two new strategic programs.

Enrich stc’s Corporate Fund and the Saudi investment pipeline with strategically placed, best-in-class startups through InspireU’s new programsincubating global startups.

Embrace and encompass the game development landscape by developing a strategic tripartite program international startups.

Uplift internal and external stakeholder experience through a comprehensive, innovative platform.

InspireU	2020	2021	2022
Number of incubated startups	27	10	17
Investment to support digital innovation (SAR)	> 1 billion since 2015 to date		
Jobs created through the start-ups	> 600,000 jobs created since 2015 to date		
Percentage of women owned start-up or investees	18%		
Startup survival rate	100%	100%	100%
Number of companies still operating after they've left the accelerator	17	10	16
Mentorship opportunities	17	10	17

Case study: InspireU and Sirar’s cybersecurity track

Due to the highly specialized nature of advanced cybersecurity technologies, a dedicated track was developed to ensure optimal utilization of SME expertise in Sirar by stc.

In 2022, Sirar worked closely with selected startups to conduct high-level analyses set execution plans, perform consultation sessions, and create a mentorship program for all incubated startups. Specialized workshops were also conducted to highlight emerging trends in cybersecurity helping to strengthen market positions for the involved startups, as well as increasing their cybersecurity awareness and illuminating potential integration areas within selected startups to better utilize creative solutions.

■ Driving innovation

Continuous creativity is a key element of stc’s digital transformation strategy. We utilize research and development (R&D) and “experiment by doing” methodology to test the latest ideas and technologies before bringing them to life and getting them to market. We are committed to growing and evolving our R&D practices to improve efficiencies, enable innovative products and services, and instill a culture of innovation.

In 2022, we established the state-of-the-art FWD Innovation Lab, which has become the epicenter of innovative ideation and co-creation for stc and beyond. In addition to hosting innovative events, the lab has also been used to organized extensive ideation sessions and, hackathons for use case development. As of December 2022, we made more than SAR 42 million investments into R&D across stc Group.

Our catalyst project “Wholesale roaming settlements using block chain” at stc KSA innovation lab was declared a finalist in the 2022 TM Forum catalyst program.

At TAWAL, we have developed several innovative use cases using AI including Arif and Yamama AI agents. The Arif AI Agent ensures that TAWAL sites are in optimal conditions in terms of design, usage, cost, and profit. Arif aims at minimizing the misuse of TAWAL towers by eliminating unauthorized site activities. The Yamama AI Agent closely monitors the performance of TAWAL’s assets and provides predictive and early warnings of any anticipated faults or malfunctioning. It also optimizes the scheduling of preventive maintenance by prioritizing sites with predicted outages.

Innovation	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Investment in R&D and Innovation (million SAR)	17.05	23.11	29.85	25.1	29.01	42.15
Number of users of entrepreneurship and innovation platform	60	140	435	110	190	735



Empowering our people



As an equal opportunity employer, we aim to provide an equal and inclusive work environment that attracts, develops, and retains the best individual talents. In addition to securing the safety and well-being of our workforce, we seek to create a work environment that enables people to thrive at stc.

Diversity, equality and inclusiveness

Diversity, equality and inclusion are placed at the heart of stc’s People strategy initiatives. The high value we place on diversity help us to continue making a difference in improving the inclusion balance amongst stc Group employees. At stc, diversity drives progress. It strengthens our ability to innovate and contributes to our success in digital technology. We encourage employees to be their individual, curious and unique selves. We embrace diversity and recognize that the success of our group depends on our ability foster an environment that promotes equity and cultivates inclusion.

To this end, we will be further embedding diversity and inclusion into our broader human resources strategy at the Group level. Our leaders will continue to raise the bar on accountability towards diversity and inclusion. We are committed to leveling the playing field for all males and females in areas such as recruitment, promotion, leadership development and equal pay.

As a group, we span 3 different countries with more than 22,000 employees and together we seek to build one culture in which we care about one another and solidify a sense of belonging for also that all voices are heard to drive better business outcomes. To reflect our diversity and inclusion (D&I) commitment, we focus on three critical priority areas: [women in leadership](#); [culture and ethnicity](#); and [inclusion of people with disability](#).

We strive to make decisions based on unbiased considerations. This is particularly relevant in HR processes such as recruitment, promotions, development, compensation and layoffs. To ensure no one holds implicit or unconscious biases, we aim to raise awareness of these biases and challenge them and thereby aim for equal treatment in our decision-making and design of processes.

The benefits of adapting a culture of inclusion cannot be overemphasized as stc continuously strives to create an environment where everyone feels a sense of belonging. Each year, we undertake initiatives to build a more inclusive work environment that will allow us to strengthen the grassroots of inclusion. Our GCEO and stc executives at the Group level are active counterparts to meeting our diversity and inclusion objectives.

As such, we are working hand in hand with our counterparts to blend our collective efforts with actionable commitments, which will enrich our Employee Value Propositions across the Group to:

- Build a “Sustained People Advantage” in the market, whereby stc will be distinguished as a company that attracts and keeps diverse talents irrespective of their culture, gender nationality etc.
- Build a culture of inclusion through creating an environment where we all feel a sense of belonging.
- Drive “Cultural Accountability” amongst our employees to encourage them to demonstrate high levels of ownership to think and act in the manner necessary to achieve stc results.
- Work together to ensure that stc diversified employees at all levels feel valued, respected and included.

- International standards certifying quality of workplace
- ISO 9001 Quality Management system
 - ISO 10667 Assessment
 - ISO 29993 Learning services outside formal education
 - ISO 40180 Digital Learningoup.

stc strives to attract the best talents with inclusivity in mind, bringing valuable talents with various backgrounds and expertise to meet its expanding scope and future ambitions. In 2022, the total number of stc Group employees reached more than 22,000. In 2022, no major layoffs took place.

Workforce profile	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Number of employees (excluding trainees, students and outsourced staff)	13,704	12,900	13,237	15,967	20,725	22,759
Employees on a fixed term or temporary contract	1,739	1,255	1,882	1,793	6,015	7,270
Employees on an indefinite or permanent contract	11,965	11,645	11,355	13,708	14,256	14,340
Total Full-Time Equivalent (FTE) Employees	13,704	12,900	13,237	15,967	20,725	22,759
By age						
<30	13%	13%	15%	14%	27%	28%
31-50	78%	77%	74%	77%	66%	65%
>50	9%	10%	11%	8%	7%	7%
By gender:						
Women	5%	7%	9%	6%	17%	19%
Men	95%	93%	91%	94%	83%	81%
By employment Level:						
Senior management	0.3%	1%	1%	1%	1%	1%
Middle management	12%	12%	14%	13%	11%	13%
Staff	88%	87%	86%	86%	87%	86%

* Group column includes stc KSA, stc Bahrain, stc Kuwait, Solutions, ccc, Sirar, Aqalat, Channels, Intigral, and TAWAL. However, breakdown by job category is not available for Aqalat.

Award winning work environment

stc Group and its subsidiaries, channels by stc and Solutions by stc attained 4 awards within the nationalization and work environment categories, during the second edition of the labor awards the Saudi the Ministry of Human Resources and Social Development, after competing with 10,000 other private organizations.

In 2022, stc Group was recognized by the Saudi Ministry of Human Resources and Social Development (HRSD) for our efforts to promote nationalization and an excellent work environment. stc KSA received the working environment award for people with disabilities within the large and vast enterprises category, in addition to the Saudization award for nationalizing the communications and information technology sector. channels by stc won the nationalization award in the wholesale and retail trade sector, while Solutions by stc won the distinguished working environment award, within the large and oversize enterprises’ division.

Solutions by stc, Sirar by stc and TAWAL were recognized as part of the Best Workplaces in KSA 2022 by the Global Authority on Workplace Culture for large and small and medium enterprises categories. stc Group was also listed as one of the Most Attractive Employers of 2022 for business and commerce based on Universum survey. We also received the “Best HR Analytics Strategy” award in the MENA region at the Future Workplace Awards 2022 by Informa Connect.

We’re proud to be one of the top graduate employers of choice awarded by Universum. In 2022 and for the second year in a row, stc has been recognized as one of the Most Attractive Employers in Saudi Arabia. Every year, university students vote for their ideal employers in the country’s largest, most comprehensive and independent career related study – the Universum Talent Survey. Universum surveyes over 12,000 students in Saudi Arabia to provide insight on company characteristics they find most attractive in a potential employer as well as who they perceive to be their ideal employer. In 2021, stc was listed as one of the Top of Industry within Telecommunication and Networks by the Engineering/IT students, as Saudi Arabia’s Most Attractive Employers ranking. In 2022 Universum ranked stc as #9 amongst Engineering/IT students, as Saudi Arabia’s Most Attractive Employer.

This was achieved due to many initiatives the group worked on, aiming to improve and develop the work environment, to become more flexible and attractive for professional talents.

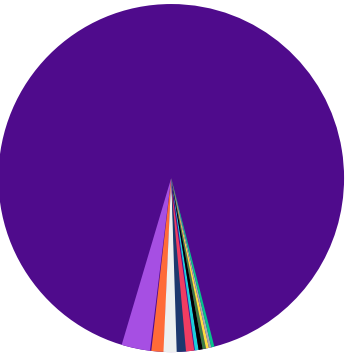
Culture and ethnicity

Even though our nationalization rates are high, our workforce includes people from different ethnicity backgrounds and cultures. We pursue self-identification efforts to help us further understand our organizational structure as regards culture and ethnic representation. We seek to continuously listen and learn from our colleagues to ensure we solidify a welcoming and nurturing work environment.

In 2022, we recorded 43 nationalities working together to achieve common goals.

Nationalities and regions

- African 0.05%
- Asian 1.73%
- Australian 0.01%
- European 0.33%
- North American 0.26%
- Arab (non Saudi) 2.26%
- South African 0.02%
- South Asian 2.32%
- Turkish 0.03%
- Euro Asian 0.01%
- Saudi 92.95%
- Other 0.04%



Women in leadership

Women at stc form an integral part of our business, and we not only value what they bring to the company, but we also seek to foster an environment that creates meaningful careers for women.

One of the main challenges that stc faces is a shortage of available women to fill technical positions. With this in mind, stc developed a women council alongside several talent development programs with competitive compensation. One such programs is the “Emerging leaders program” by stc Academy that aims to accelerate and transform the role of women in leadership positions at stc. Through a 10-weeks intensive training and hands-on experience in leadership that takes future leaders throughout several stages provided by renown local and international providers.



	stc KSA			stc Bahrain			Solutions by stc			ccc			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Women employment															
Number of new women employees	167	215	287	3	5	3	36	82	111	2,262	1,676	1,785	7	12	12
Women employment rate	34%	37%	38%	26%	26%	24%	19%	28%	32%	36%	36%	37%	25%	38%	38%
Percentage of women in middle management	3%	4%	6%	16%	17%	17%	6%	7%	9%	31%	33%	35.70%	10%	10%	10%
Percentage of women in senior management	0%	3%	2%	9%	9%	9%	0%	0%	0%	14%	11%	0.00%	11%	12%	11%

In 2022, stc recorded the following in Saudi Arabia:
Total women headcount in 2022 is 4,414 (10% increase from 2021)
General Manager roles filled by women increased by 25% from 2021

Case study: The women council

The women council established in 2019 is one of the programs that aim to empower women and reinforce female participation in the workforce through creating the enabling environment and providing them with opportunities to develop their skills and capabilities. The council was established as an output of the hi-stc survey result.

The council is chaired by the Group CEO, and meets regularly to discuss ways to improve women employees’ experience through increasing the numbers of women hiring, ensure a supportive physical environment as well as develop women capabilities through different programs.

Case study: Women in STEM (WiSTEM)

In efforts to prepare more women for career opportunities in STEM and close the digital divide between men and women in STEM fields, stc Academy partnered with Udacity to offer 150 women in STEM scholarships to earn a business analytics nanodegree certificate. The program links STEM learning with sustainability, and is designed based on stc’s strategic learning requirements, to further equip women with the basic, yet essential knowledge and skills to make more data driven decisions.

Inclusion of people with disability

As part of our commitment to fair employment and integrity in the workplace, we strive to create an inclusive culture that values all employees. Our Diversity and Inclusion (D&I) efforts integrate all employee segments to ensure they are included, respected, and empowered.

We collaborate with Qaderoon, the Business Disability Network, to assess how to best integrate persons with disabilities as equal and effective members of the workforce, which qualifies our facilities to obtain a harmonization certificate approved by the Ministry of Labor and Social Development, which helps us obtain Mowaamah certification declaring the adoption of best practices and standards in creating work environments suitable for people with disability. At stc KSA, we have further equipped with disabled friendly featured such as accessible parking, wide-doors, ramps, grab rails, etc.

In 2022, we launched the Employment Mapping initiative aimed to identify and specify all jobs that are suitable for each type of disability to ensure we hire people in appropriate areas. By the end of the year, all jobs have been clearly identifies and all existing people with disability have been mapped accordingly. The mapping process included an assessments of the physical environment, technologies needed for the job, communication required and HR practices. We commit ourselves to work together to ensure that employees – at all levels and locations – feel valued, respected and included.

Inclusion and diversity	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Number of employees with disability	68	70	67	70	78	75

Case study: International day of people with disability

In accordance with the International Day of People with Disabilities, we have conducted the second major event in 2022 and was the digital enabler for the 6th international conference on disability and rehabilitation hosted under the patronage of King Salman Bin Abdulaziz the event was attended by several high-profile figures and experts, with the participation of an inspiring number of people with disabilities.

Protecting labor rights

Protecting labor rights is at the heart of our core values and principles. Putting mechanisms, procedures, and policies in place that align with Saudi Arabia’s labor law that specifically and strictly prohibits violations of Labor laws as stated by the International Labor Organization (ILO) whom Saudi Arabia is a proud and active member.

Through our Labor Committee, we seek to ensure labor rights are protected across stc and that people’s voices are heard on critical labor issues such as wages and working hours. The Labor Committee members, nominated by their colleagues, engage in negotiations with management to ensure good working relationships and protect labor rights. In 2022, stc had 18 nominated representatives from 5 different regions.

Objective of labor committee

	Develop better working conditions and environments		Enhance socio-cultural awareness in the labor market
	Enhance training programs in both technical and administrative tracks		Develop better health and safety regulations in the working environments
	Enhance productivity and labor output to achieve a balance in the curve between employers and employees that strengthens the working relationship		

























stc's Labor Committee chaired the national workers committee representing Saudi workers in the G20 and international and Arab labor conferences and received recognition from the Minister of Human Resources and Social Development in the Kingdom of Saudi Arabia on the committee's efforts.

Summary of labor committee achievements in 2022

1	Patient staff support initiative (cancer and kidney)	2	Promoting loyalty and labor culture through direct communication with employees	3	Contribute to the success of the group's strategies
4	Rolled out an initiative to improve the contract terms of operational employee	5	Adding many initiatives regarding medical insurance for employees	6	An initiative to improve the work environment for employees with disabilities

In 2022, the labor committee rolled out a training program to TiP staff to raise awareness on labor culture. By the end of the year, the labor committee conducted 12 training courses delivered to 201 employees.

Historical statistics stc workers committee elections

2004 1st session	2008 2nd session	2011 3rd session	2014 4th session	2018 5th session	2022 6th session
 Number of employees eligible to vote	 20670	 18757	 16750	 14544	 11628
 Number of candidates	 112	 117	 116	 257	 80
 Number of votes	 7015	 6854	 7567	 6102	 5659
 Participation rate	 33.94%	 36.54%	 45.23%	 41.96%	 48.67%

Internal grievance reporting

We are committed to protecting the rights of our people by providing them with effective internal control mechanisms. We have given our employees the confidence to speak up to ensure we are living our corporate values. All stc employees are mandated to abide by the stc Code of Ethics highlighting stc's Fair Employment Policy and respect of workplace diversity, prohibiting harassment, bullying and unfair employment practices in all their forms. Violations of these policies are strictly dealt with, and all employees are to report such violations through SPEAK-UP (whistleblowing) channel.

stc aims to build a trusted and safe environment for different employee segments and established the formal process and procedures to maintain the best culture for all employees. Thus, stc established the harassment committee and promote the Speak Up channel to encourage all the employees reporting any related incidents.

All grievances are handled in a professional and discrete manner with external supervision. The Business Partner leads the investigations in alignment with a Legal Representative.

In addition to having a solid framework in place for grievances, we aim to reduce the total number of grievances that arise in the first place. We have dedicated two channels to answer all employee inquiries related to HR policies and procedures as well as issue tickets on our services. Tickets are issued to monitor and ensure closure of issues raised. We also continuously increase employees' awareness on updated policies and procedures through emails and SMS notifications.

Incidents reported through internal incidents reporting – stc Group	2020	2021	2022
Number of incidents reported (internal grievance system)	1,263	1,276	1,116
Percentage of these incidents addressed or resolved (internal grievance system)	100%	100%	100%



■ Talent management



We focus on talent development and training of our people through designing, defining, and meeting training paths, development plans, and various training needs. We set annual and semi-annual plans to implement these training needs according to each individual employee-training track, which is implemented by specialists with competence and knowledge in this area. We do all this through stc Academy and contracted qualified training companies in the fields of learning and development according to the highest technical specifications and efficiency.

Learning and development activities are carried out using different methods, such as classroom and digital training, which are monitored and evaluated according to specific standards, methods, goals, and performance indicators that are followed to ensure effectiveness. Learning and development programs are implemented in accordance to the approved policy and procedures and learning and development are managed through the Learning Management System (LMS). In addition, the stc People sector is ISO- 29990 certified for “Learning services for non-formal education and training - Basic requirements for service providers” – a renowned international standard designed to enhance transparency and allow comparison with learning services worldwide.

Training and development - stc Academy

stc is at the forefront of the fourth industrial revolution and we’re right at the cutting edge of innovation. Our purpose is to prepare the next generation for a completely different technological reality. Our [Training and Development Policy Statement](#) sets our commitment to investing in both personal and professional development of our employees while maintaining equal opportunities.

stc Academy provides world-class digital leadership and digital technology environment to enable the transformation of stc toward being a digital company. The trajectory of stc Academy is to become uniquely placed as a Centre of Excellence in the digital learning space and also to provide thought leadership to our group companies and external organizations within the Saudi Kingdom and GCC.

Through stc Academy, we:

- Follow a customized learning approach and adopt best practices
- Design customized learning solutions to build targeted employee’s capabilities based on business needs
- Deliver tailored level learning solutions to uplift the capabilities on sector level based on top common competencies, Jadara gaps, business customized need and business vendor engagement
- Partner with top training providers to support in delivering best learning solutions

stc Academy offerings:

Leadership schools

- Corporate leadership program
- Strategic growth acceleration
- Digital Excellence Program (DEX)
- Continuous learning program

Professional schools

- Sectoral program
- TiP
- Strategic professional program
- Certificate based program

stc Academy in numbers:

	111 Programs		163 Cohorts
	12K+ Attendance		127K+ Learning Hours
	4.6 Satisfaction		

Training programs to drive innovation:

Corporate Leadership Program: Customized leadership program provided in partnership with IE Business School and targeting 3 levels: pre-section managers, section managers, and directors. The program aims to provide participants with needed managerial and leadership skills to excel in their careers and lead their teams efficiently.
Digital Excellence Program (DEX): Unique and customized journey of hybrid learning activities that focuses on trending technologies like AI, Robotics, Data, IoT, and smart city. This program is targeting mid-management and provided in partnership with global academic service providers.
Sectorial Programs: tailored level learning solutions aligned with business uplifting employees capabilities on sector level.
Knowledge Transfer Program (KTP): A program based on stc Group experts to transfer their knowledge & skills in specific domains through design efforts or by delivering learning solutions.
STRIVE: This technology program had been designed due to aggressive demand for new skills driven by stc dare2.0 and T&Ops raqami2.0 .The program had been customized and designed by the support of vendors who are the top in their fields. The program had been split into 5 tracks, which starts with training, being certified, then having the opportunity to be have real work experience (OJT).
SEED: SEED is a laser focused program as part of Operation Sector building capabilities initiative to attract national talents into the Infrastructure sector, enable mentality shift into more technical career opportunities, provide on hands-on experience and technology reflection.

Summer Training: Providing summer training for students covering different domains including data analytics, digital marketing, and artificial intelligence.
Innovation Hub: This project target stc existing employee, the training contents contains: infrastructure to be the foundation of innovation, AL/Cloud/ Network infrastructure, talent to be the land of cultivation, provider of innovative solution use cases like 5G in vertical industries, AR/VR for smart campus, AL for smart cities.
5G Lab: A program to cultivate 5G and ICT talents and uplift their skills through systematic specialized learning paths based on stc Data Center. Through the 5G lab, students are trained to be certified in 5G technology and able to build innovative projects using 5G technology.
Virtual Skills Experience: Misk’s virtual work experiences platform provides realistic and unique opportunities for young individuals. Through this innovative platform, we offer the Cybersecurity Incident Response Analysis simulated virtual work experience. The virtual work experience program enables newly graduated Saudi youth to acquire labor market experiences and skills by completing short virtual tasks within programs presented in Arabic language that simulate the work environment. Through this experiences, applicants perform network process analysis, email analysis and policy development and complete n awareness campaign on cyber security.

Training	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Total hours of training for employees	298,458	449,160	470,398	342,629	558,024	616,010
Training by type:						
In Class	37,728	4,904	213,459	70,285	54,264	299,301
eLearning	260,730	444,256	256,939	269,466	500,958	316,709
Total hours of training for employees by gender						
Women	40,799	120,337	10,331	46,171	134,422	119,607
Men	257,659	328,823	382,675	293,580	420,801	502,318
Total hours of training for employees by job category:						
Senior management	762	697	6905	3,775	2,342	12,931
Middle management	24,870	60,150	78,980	37,537	91,726	123,806
Staff	272,826	388,313	384,513	298,440	461,154	487,230
Total hours of training for employees by nationality:						
National employees	276,908	427,548	445,260	299,229	483,071	541,906
Non-National employees	21,550	21,612	25,139	40,522	72,152	77,480
Total hours of training for employees by age:						
<30	46,338	201,435	143,733	49,123	215,897	173,123
31-50	39,270	219,579	297,051	76,305	309,162	392,174
>50	212,850	28,146	29,615	214,322	30,160	33,208
Average training hours						
Average hours of training / employee	79	38	40.3	22.0	27.5	27.1

Training	stc KSA		
	2020	2021	2022
Average training hours by gender:			
Women	65.5	10	85.7
Men	22.8	28	37
Average training hours by job category:			
Senior management	0.2	28	43
Middle management	7	42	58
Staff	72	38	38
Average training hours by age:			
<30	12	134	91
31-50	10	26	35
>50	56.28	18	19
Average training hours by nationality:			
National employees	73.2	40	42
Non-National employees	5.7	22	26

* Training average hours are only available for stc KSA due to different categorization across some entities - we are in the process of consolidating all system across group.

Professional development at stc KSA

We seek to help employees improve their present job performance and prepares them for their next step in their future career path. To that end we provide professional development courses to increase employees skill sets to open up opportunities and career progression. We seek to accelerate advancement in the workplace by improving competencies and skills.

Professional development courses are offered through stc Academy, digital libraries, and partnerships with prestigious institutions both in class and virtual. In 2022, more than 233,500 professional development training hours were provided to employees.

Professional development – stc KSA	Total number of training hours		Average number of training hours	
	Women	Men	Women	Men
Professional Development courses	59,291	174,286	56	16

Youth development programs

Through an attractive and an award winning work environment with unique incentives, and through internal youth empowerment programs, stc is making a stride in empowering the youth and increasingly including them within its workforce mix.

With a growing population of young individuals graduating every year, there is an urgent need to integrate them into the job market to strike the right balance in representing young talent in the workforce. Our flagship talent development programs help youth achieve their full potential by improving their knowledge, skills, and abilities.

Talent development flagship programs:



Talent Incubation Program (TiP)

Aims to provide new graduates with a variety of job tasks, wide professional exposure and the opportunity to work at stc. TiP offers 11 different development tracks.



Specialized Development Program (SDP)

Uses mentoring, guidance, and facilitation to help talented stc staff learn. It focuses on developing participants in three areas: consultancy, innovation, and workforce performance.



High Potential Leadership Development Program (HiPo)

Targets an exclusive group of employees to accelerate their development and growth thereby ensuring a robust leadership pipeline in stc and its subsidiaries.

Youth talent development programs – stc KSA	2020	2021	2022
Specialist Development Program (SDP)	42	68	179
Talent Incubation Program (TiP)	217	300	899
High Potential (HiPo) Leadership Development Program	-	57	100
Cyber Security	-	17	17
Data Analytics	-	28	26
KFUPM Scholarship	-	16	15

Data for 2020 is not available for HiPo is not available. The cybersecurity, data analytics and KFUPM programs initiated in 2021 so no back data is available.

Digitally empowering youth in Bahrain

Through stc Bahrain's flagship program "Jeel ICT" program, we offer cutting-edge digital training to Bahraini youth to enrich their digital capabilities as well as enhancing the digital labor market for the Kingdom. The program is a one-year highly intensive blended program offering six areas of focused development in ICT skills.

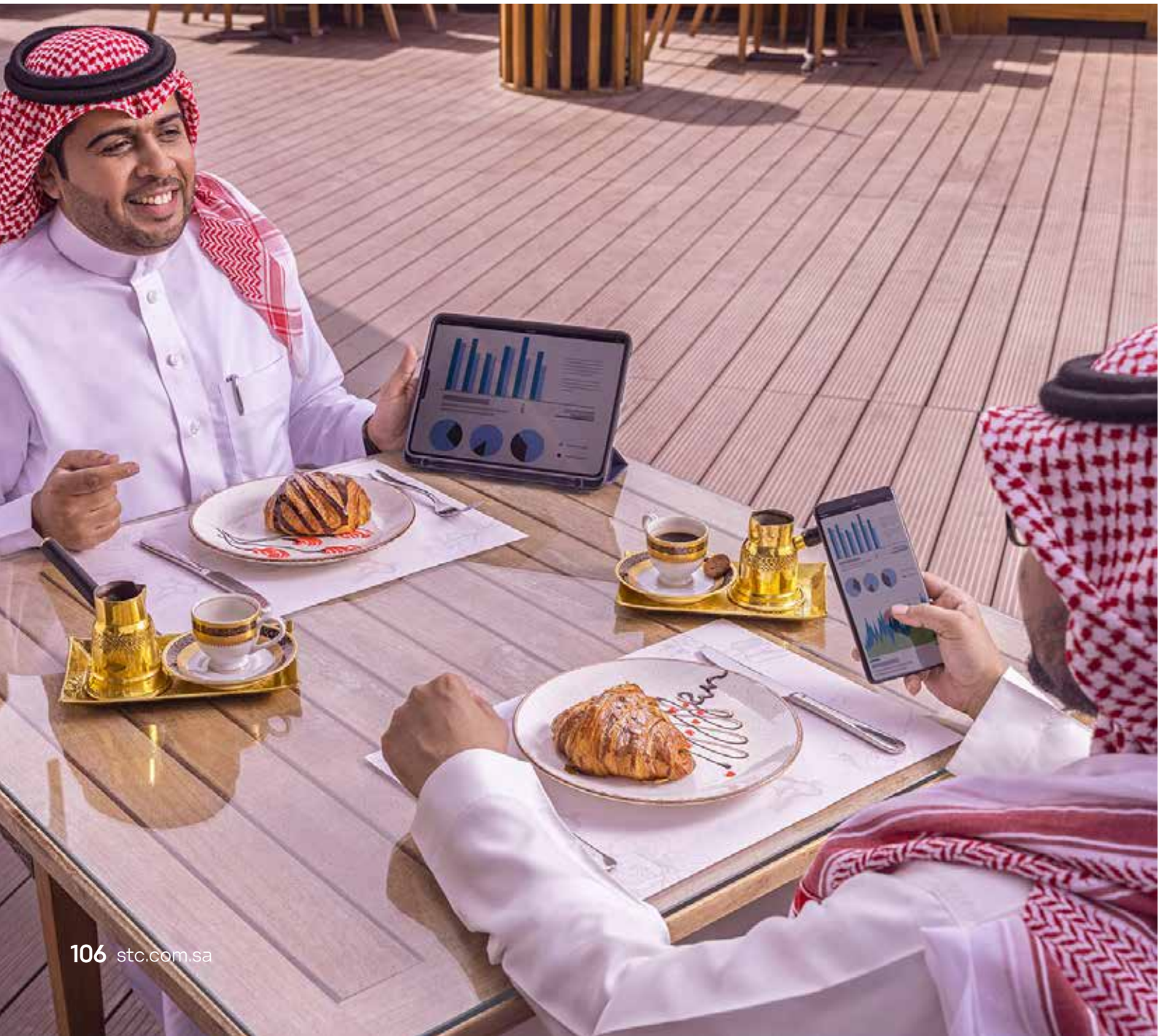
By the end of the program's third edition in 2022, ten Bahraini graduates between the ages of 20 and 23 joined stc Bahrain as a full-time employee. The past 2 editions of the program witnessed over 10,000 registrations, 19 graduates trained, and 15 employed full time at stc Bahrain. The program has accepted students across universities in Bahrain such as the University of Bahrain, Royal University for Women, Bahrain Polytechnic, Ahlia University, and more.

Nationalization

Reducing the number of unemployed national is a key and common element across the national visions of the countries we operate. We are committed to nationalization as part of our effort to improve economic empowerment of local communities.

Our initiatives and programs that aid in supporting the recruitment and retention of national employees include nationalization targets for specific areas (such as enterprise architecture or strategy), a three-year strategic workforce plan program (with mandates to hire, develop and retain nationals in key roles), and talent programs for national employees, which cater to people with different goals.

Nationalization	stc KSA			stc Bahrain			stc Kuwait		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Nationalization rate of senior management (%)	92.6	93.5	97.7	29	31	34	60	60	67
Nationalization rate among total workforce (%)	90.7	91.78	92.98	51	53	51	64	64	65
Number of women national employees	674	827	1,020	55	52	53	6	66	68
Total number of national employees	10,856	10,688	10,558	128	129	133	273	268	261



Performance review

Through our competency framework “JADARA”, we define the shared expectations of skills and performance across core leadership and functional competencies required by roles at stc. Following the competency assessments, we develop individual development plans tailored to each employee to bridge any competency gaps.

We then manage and track the performance of our people through regular check-ins, annual performance reviews for each employee, and annual career development sessions for targeted, talented employees. Work performance of each stc employee is evaluated based on specific KPIs set at the beginning of each year.

Performance review	stc KSA			stc Kuwait			stc Bahrain		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
% of employees who received a performance development review	100%	100%	100%	100%	100%	100%	100%	100%	100%
% of employees who received a career development review	10%	11%	100%	15%	20%	20%	-	-	-

Employee engagement

We continue to enhance organizational health and culture within the Group. The “Good to Great” program features three main domains: culture, living values, and increasing stc Health.

Our method involves using soft power to change minds and influence behaviors, with improvements monitored through the Hi-stc survey carried out by the Denison institute, which will benchmark stc Health to the top global 1,000 organizations. This will lead to increasing stc Group performance measures such as profitability, growth, quality, and innovation. The scope for this program covers the entire group.

The hi-stc (stc’s health index) is one of the principal tools used to measure employee engagement, motivation, affiliation and commitment to stc. The survey is carried out by Denison Institute to offer a global benchmark against 1,000 global organizations. The scope of this program covers stc Group. It provides insights into employees’ views and has had a consistently high response rate.

The surveys are anonymous. The outcomes of the survey are shared with leaders to identify strengths and areas of improvement in the work culture. We then develop waves of “waves of initiatives”, each focused on promoting the desired culture at stc, one that creates a healthy and attractive environment for all employees.

Employee engagement – stc Group	2020	2021	2022
stc health index (%)	82	82	82
Employee engagement (%)	89	89	89
Employees response rate (%)	83	87	88

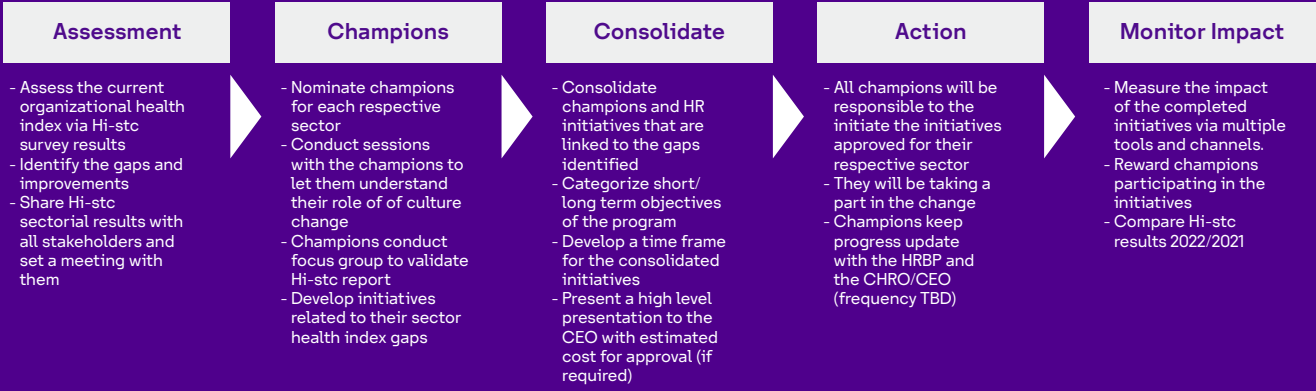
Case study: Cultural Champions Program at stc Kuwait

The Cultural Champions Program involves all stc Kuwait operations aiming to drive cultural change, help cultivate a positive work environment and introduce new ways to bring culture to life. The cultural champions receive the detailed report of the health index, and they will be working on the outcome of the information to provide initiative for the next year that focuses on enhancing the culture.

As a result of having cultural champions, in 2022 stc Kuwait recorded its highest ever engagement rate in the Hi-stc survey with remarkable increase in the health index score.

Roadmap of stc Champions Program

Key next steps towards organizational health index enhancement



Employee compensation and benefits

We strive to provide competitive compensation and benefits. We aim to ensure that men and women are paid similarly on average for the same job. We provide our employees with many monetary and non-monetary benefits.

Our long-term incentive program is a stock-based program offered to executives and is tied to performance. Currently this program applies to 1.3% of the total workforce. We also provide performance-based incentive pay scheme for all employees who exhibit high performance at work through excellence reward that aims to encourage achievement, disseminate the spirit of competition, and cement this culture among employees of the company.

Non-sales employees receive annual bonus that is based on individual performance. Employees working in sales positions receive sales commissions on a quarterly basis. Employees receive an annual merit increase based on performance, market movement and inflation rates.

We offer our employees a wide range of benefits including car loans, home loans, child education support, childcare support, free mobile plans for employees and their families, thrift saving plans and many more.

Performance-based pay and benefits – stc KSA	2020	2021	2022
Number of benefited employees from performance-based pay	11,353	11,162	10,827

Employee attraction and retention

Our goal is to attract, develop, and retain the best talent to fill stc positions. We also aim to ensure that the next generation of leaders are equipped with the tools, skills, and confidence to perform at the highest level. We aim to hire the right people for the right jobs, with succession plans in place to retain key employees.

Employee Hires	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
New employee hires by gender						
Women	167	215	287	213	1,990	2,275
Men	323	330	475	509	3,319	3,491
New employees by age						
<30	313	370	522	433	3,608	4,190
31-50	173	170	231	289	1,383	1,542
>50	4	5	9	7	28	34
Total new employee hires	490	545	762	729	5,309	5,766

* Other companies include Channels, Intigral, Aqalat, Tawal, and Specialized.
** 2020 and 2021 data for stc Kuwait and other companies are not available, whereas 2020 data for ccc is not available.
* Data for ccc for 2020 are not available. Group figures include stc KSA, stc Bahrain, stc Kuwait Channels, Intigral, Aqalat, TAWAL, and Specialized.

Employee Turnover	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Employee turnover						
Turnover rate (%)	2.5	2.9	3.54%	-	-	-
Number of employees who left the company	311	352	413	445	4,678	4,371
Turnover by gender						
Women	18	62	89	33	1,689	1,630
Men	293	290	324	412	2,989	2,854
Turnover by age						
<30	74	149	211	114	3,229	2,967
31-50	230	180	193	323	1,406	1,384
>50	7	23	9	8	43	20

* Group column includes stc KSA, Channels, Intigral, Aqalat, Tawal, and Specialized.
 ** total turnover rate at a group level is not available but we are in the process of unifying our internal systems to accurately measure performance.

Parental leave

We want to make it easier for our employees to return to work after parental leave, which is why we support employees through generous parental leave options, childcare options, and assistance in finding nursing care for family members.

Our paid parental leave policy aligns with local labor laws of the countries we operate. Through our parental leave policy, women employees are entitled to maternity leave with full paid salary for 10 weeks to be distributed as desired beginning at maximum 4 weeks prior the probable due date as determined and approved by a licensed medical authority. Men employees are able to take leave with full salary for three business days to enjoy within fifteen business days of the delivery date for their newborn child.

In any instance, where a child is born with special needs, women employees are entitled to extend maternity leave for one month from expiry of the delivery leave period, with full salary, and are entitled to extend the leave for another additional month without salary. Women with kids in pre-school receive a childcare allowance on an annual basis to support in raising their child. Financial support is also offered for men and women with a newborn baby.

Entity	2022							
	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	55	684	55	684	100%	100%	100%	100%
stc Bahrain	4	8	4	8	100%	75%	100%	75%
stc Kuwait	3	12	3	12	100%	100%	100%	100%
ccc	101	90	101	90	100%	100%	72%	78%
Intigral	1	14	1	14	100%	100%	100%	86%
Solutions	12	68	12	68	100%	100%	100%	100%
Sirar	3	18	3	18	100%	100%	100%	100%
Intigral	1	14	1	14	100%	100%	100%	86%

* Data not available for Channels, Aqalat, and Specialized.

Health, safety and wellbeing



We prioritize a safe and healthy work environment. This is not only intended to protect employees and contractors from injury and illness, but also to increase productivity, work quality, and raise employee and contractors morale.

In protecting our people and providing a best practice environment that fosters innovation and loyalty, we focus on five main pillars: Occupational health and safety, financial wellbeing, health wellbeing, social wellbeing and work environment wellbeing.

Occupational health and safety

Our primary workplace focus is on creating a positive safety culture based on principles of awareness, prevention, and care. [The Management Commitment to Occupational Health and Safety policy](#) statement affirms that stc's top management commitment to occupational health and safety and outlines the safety responsibilities to ensure individual and organizational compliance with relevant health and safety laws, regulations, policies, and procedures.

In 2022, we successfully obtained the ISO certification 45001: 2018 which is the highest accreditation for management systems of occupational health and safety. This accomplishment is a testament for our commitment to protect lives and assets. To ensure we instill a safety culture through the following:

<p>Safety induction program: Raise awareness of safety policy and procedure to establish and familiarize the workplace with a safety culture across employees and contractors.</p>
<p>Regular emergency evacuation drills: Held to improve staff response to emergencies and guarantee system effectiveness (fire drill) and ensures preparedness of the Emergency Response Team (ERT) and available systems in place.</p>
<p>Work permits: Before starting work, work permits must be approved based on the evaluation and compliance with submitted requirements from contractors.</p>
<p>Safety Awareness Campaigns: Conduct toolbox meetings with contractors on topics pertinent to safe work systems, and disseminate workplace safety instructions and guidelines through accessible stc media platforms.</p>

Risk assessment: Risk assessments, fire drills, inspections, and other proactive tasks and services are provided by the Rapid Response Team (RRT) (i.e. any emergency situations).
Online safety awareness: is published through the stc messaging center.
Fire Safety Risk Assessment: To reduce the dangers of fire and workplace safety by determining the risks and those who are at risk. Assess, get rid of, lessen, and safeguard against such dangers. The effectiveness and efficiency of the fire alarm and firefighting systems is periodically tested.
Safety Inspection: Conduct regular site visits to identify any potential risks to staff and occupants and to present strategies for mitigating such risks.
Safety Wardens and Safety Champions Safety workshops and training: To equip our employees with the knowledge and abilities necessary to carry out their duties in a manner that is both safe for them and their coworkers.
Safety Inspection: Conduct regular site visits to identify any potential risks to staff and occupants and to present strategies for mitigating such risks.
Safety projects and space planning: Review project designs, approving them, and supervising projects to ensure that all drawings adhere to safety standards such as the Saudi Building Code (SBC) and the National Fire Protection Author (NFPA). When an employee or contractor violates a specific workplace safety standard, regulation, policy, or rule, they are subjected to fines and penalties. International and national standards and accreditation entities include: <ul style="list-style-type: none">• National Examination Board in Occupational Safety and Health (NEBOSH)• Saudi Building Code (SBC)• International Standards Organization (ISO)• National Fire Protection Association (NFPA)• High Commission for Industrial Security (HCIS) Directives• Adherence to all civil defense requirements

Workplace-related fatalities/injuries	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022
Employee work-related fatalities	0	0	0	0	0	0
Contractors work-related fatalities	0	0	0	0	0	0
Employee total recordable injuries	3	0	1	0	0	1
Employee occupational illnesses	0	0	0	0	0	0

Heat stress events	0	0	0	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0	0	0	0
Incident rate of recordable work-related injuries	3	0	1	3	0	1

Hazard identification, risk assessments and incidents investigation

We constantly identify and assess any kind of hazard, including physical, chemical, biological, or of human factors, arising from materials, machinery and equipment, working environment, or personnel operation involved in the operations or services of stc Group.

We carry out control measures that are reasonable, effective, and viable to reduce impacts to the safety and health of the personnel of the Group, contractors, and the relevant third parties.

Our safety policies manual was stipulated specifically for the ongoing risk identification, assessment, and management as well as the reduction of hazards, risks and incidents to the minimum. By policy, all workers are required to receive a copy of the policies manual, become familiar with its contents, and to outline how work activities will be completed safely. Contractors must create and submit all dedicated drawings that show the scope of work and risks with location of all equipment’s, systems and devices being used in the required location, Risk Assessments Control (RAC), Method of Procedure (MOP), “Risk Assessments & Method of Statement (RAMS)”.

Before workers are allowed on site, the safety and security teams must provide clearance. The safety and security team conducts regular inspections as well as routine testing, measurement, and calibration of finished installations for all active systems, health and safety environment and passive systems. We identify risks, mitigation measures and clarify potential outcomes, and keep records of all suggestions and risk assessments for top management on the Risk Management Monitoring and Reporting Dashboard.

We have processes in place for workers to report work-related hazards and hazardous situations. All workers can submit loss-incident reporting form to our Corporate Safety and Security Command Center (SSCC). The Incident Management Team (IMT) filters these forms and, if need be, escalates to the Incident/ Emergency Manager in accordance with the safety and security escalation matrix.

All stc employees, vendors, suppliers, contractors, subcontractors, and visitors are required to follow our Safety and Security Policy and Procedures and make sure that all accidents, incidents, dangerous occurrences, potential hazards, and near misses are immediately reported to Safety Services so that necessary steps can be taken to reduce risks and protect people.

We investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, and determine corrective actions using the hierarchy of control*, and determine improvements needed in the occupational health and safety management system. We minimize risks to as low as reasonably practically possible (ALARP).

We also conduct routine inspections at all corporate locations, produce safety reports, and record any infractions for all facilities. Every year, we conduct a risk analysis of all stc installations through Saudi Arabia. Additionally, we create safety and evacuation plans for all sites, record, track and take action on non-compliance reports using the Safety and Security Management System and provide safety training in accordance with stc’s specifications.

Emergency preparedness and safety indicants	stc KSA			stc Bahrain			stc Kuwait			TAWAL			Aqalat			Solutions			channels		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of emergency response drills conducted	211	220	139	-	-	3	1	1	1	-	1	2	1	1	1	10	11	11	-	-	234
Safety incident investigations initiated	0	1	0	-	-	0	-	1	0	20	14	25	0	0	0	0	0	4	-	-	0
Safety incident investigations completed	0	1	1	-	-	0	-	1	0	20	14	25	0	0	0	0	0	4	-	-	0

Working at heights

At TAWAL, we outsource critical tower infrastructure through managed services providers. Our Managed Service Provider (MSP) has developed a Climbing and Working at Heights policy and all MSP employees have been well trained on the standards within that policy. These policies are binding on all persons working on height on our towers.

Part of our Health, Safety and Security Policy specifically ensures that only subcontractors with the require certifications and expertise are allowed to climb TAWAL sites and work at heights. We make sure our key contractors have obtained official governmentally approved certification on “Working and Rescue at Height”. The scope of this certification includes fall hazard evaluation, elements and components of a fall, positioning and suspension system, rescue and retrieval system, fall arrest system, horizontal and vertical lifelines, body weight calculation, developing an emergency response plan.

In 2022, a total of 755 hours were completed for employees who participated in various safety, security, health and sustainability campaigns, awareness and training sessions. Safety gears were purchased for use by our field staff and Health and Safety instructions including who and how to work at Tower heights have been pasted in our sites for our contractors compliance.

Exposure to Electro Magnetic Field

We ensure that all stc sites comply with all governmental regulations and requirements pertaining to electro-magnetic field exposure. We implement stringent measures to protect our employees from adverse illnesses associated with teleworking and the exposure to electro-magnetic fields (EMFs) through available medical assistance and first aid kits on-site, as well as ensuring that all teleworkers are provided with PPE and an occupational health and safety toolbox for EMFs.

Health and safety training

stc takes health and safety training very seriously, and dedicated courses are provided through stc Academy, our e-learning platform, to ensure that all employees are properly and adequately trained in these areas.

In 2022, the following major health and safety training and awareness campaigns were delivered to both stc employees and contractors:

- Safety training workshops: Equipped our staff with the skills as well as safety knowledge they need to carry out their duties in a manner that is both safe for them and their colleagues.
- Safety awareness campaigns: Toolbox meetings with contractors on workplace safety delivered through accessible stc media channels.
- Employee and contractor safety induction programs: Raised awareness of safety policies and procedures to improve workplace safety culture.
- Regular emergency and fire drills: Instructed employees and residents on how to respond in an emergency, as well as ensured the Emergency Response Team stc takes health and safety training very seriously, and dedicated courses are provided through stc Academy, our e-learning platform, to ensure that all employees are properly and adequately trained in these areas.

Health and safety courses provided through stc Academy LMS– stc KSA	2022			
	Employees		Contractors	
	Women	Men	Women	Men

Attendees	762	4,276	195	1,797
Total training hours	728	3,900	195	1,800

Health and safety training	stc KSA			stc Group		
	2020	2021	2022	2020	2021	2022

Total hours of H&S training provided to employees	1,200	9,734	28,000*	4,370	10,531	34,244
Average hours of health and safety training per employee	0.10	0.78	2.45	-	-	-

* Training increased tremendously for stc KSA in 2022 due to expanded training scope to include TSO, fire drills training and safety awareness.
 ** Group-wide data does not include stc Bahrain, Channels, ccc, Sirar, Specialized.

Promoting employee health wellbeing

We are always searching for new methods to help us motivate our employees and increase company loyalty at stc. Currently, stc provides different services not covered by typical insurance policies, such as infertility treatments, obesity programs, special needs education allowances, and more. All these services are available through stc HUB.

Furthermore, stc also provides other broader services such as seasonal influenza vaccines, blood drive campaigns, diabetes awareness campaigns, breast cancer awareness campaigns, and obesity competitions, all in an effort to promote prevention of illnesses and to put employee health first.

Employee wellbeing

Our wellbeing program covers four main pillars: environmental/physical; health; social; and financial wellbeing. We raise awareness on these topics through several channels including lectures, SMS notifications, emails, and social activities.

We promote a healthy lifestyle and a healthy environment through offering a selection of healthy restaurants and supermarkets inside the stc HQ complex, providing vending machines with salads and pharmaceutical supplies, raising awareness around physical activities such as marathons and social games for employees, and promoting ways to encourage an environmentally conscious and green workplace. To ensure our employees are in good health, we continuously offer flu vaccine campaigns; Mental Health Awareness and blood drives, awareness sessions to explain medical insurance policies and conduct health days.

We also make sure our employees enjoy healthy work-life balance to improve their social wellbeing. In 2022, we revamped our HQ offices spaces and incorporated additional lounges, cafes, gaming areas so that employees can take brain breaks, collaborate and communicate together during break times.

stc currently provides different non-occupational medical and healthcare services and coverages under “special need fund service” where we cover several medical conditions not covered by the insurance policy such as infertility treatments, obesity treatments, special need educations allowance and 8 more conditions.

We take action to promote and support employees’ financial wellbeing not just by offering competitive compensation and benefits; we also provide lectures and awareness around managing finances.



05

Governance and Economic

We firmly believe that good corporate governance and ethical business conduct are essential for lasting and sustainable success. stc constantly strives for best governance practices that revolve around irreproachable business ethics, respecting human rights, and creating a sustainable supply chain.

We also continue to deliver value to our stakeholders and contribute to the national vision of the countries we operate within by enhancing positive economic impacts through innovative products and services, as well as good governance practices.

Doing business with integrity

Conducting business with integrity has always been at the heart of our company. We aim to exceed regional standards by utilizing the very best practices for transparency, integrity, accountability, and good governance. It is our aspiration to be the top industry leader in the region in terms of sustainability strategy and performance.

■ Business ethics, governance, and transparency

We pledge transparency, integrity, and accountability, with good governance permeating all aspects of our operations and business decisions. Ensuring that our stakeholders are treated with respect is one of our top priorities, and we strive to always protect their rights and interests.

stc is committed as a whole to complying with all relevant laws and regulations to guide our robust corporate governance ecosystem, culture of compliance, and continuous improvement. This also applies to our risk management processes, which are in place to prevent corruption and ensure ethical operations throughout all of stc.

Corporate governance

Our corporate governance framework consists of a clear strategy with well-defined goals and allocation of responsibilities to ensure stc governance systems are efficient and highly effective.

stc Group is managed by a Board of Directors, which is composed of 11 members appointed by Shareholders General Assembly for a term not exceeding 3 years. Any shareholder is entitled to nominate themselves and/or one or more persons to be a member of the Board of Directors.

At the Board level, which is the highest governance body within the company several activities were conducted after the group operating model was launched in Q2 2022, including a review of the mandated Board activities, the delegation of strategic and financial authorities, and development of a decision rights framework to ensure a solid governance ecosystem across stc Group.

The Board of Directors is responsible for reviewing the ESG awareness, trends, risks, importance to the ICT sector, motives for adopting sustainability in its three main dimensions, and the growing interest in sustainability, as well as which major international companies have adopted ESG standards to achieve comprehensive management of performance and non-financial impacts. In addition, we also conducted a Board-level governance assessment for all governance practices affected by the KSA new companies law to ensure that stc is complying with the law and following the relevant governance best practices. Moreover, our Executive Management Sustainability Committee was formed in 2021 and was further empowered by the new group operating model in 2022 led by the group CEO.

Board of Directors – stc Group

	2020	2021	2022
Number of women on the board			
Percentage of Board seats occupied by women	0	18%	18%
Percentage of Board seats occupied by independent directors	33%	36%	36%
Executive members of the Board of Directors	0	0	0
Non-executive members of the Board of Directors	9	11	11
Independent members of the Board of Directors	3	4	4
Non-independent members of the Board of Directors	6	7	7

National and international recognition

stc Group was honored locally and internationally with several awards in 2022, including the “ Best Corporate Governance System” award in KSA from World Finance Magazine, and “Best Corporate Governance System in the Telecommunication Sector – Middle East” from Ethical Boardroom Magazine. These awards reflect stc’s excellence and commitment in achieving sustainability through developing best-in-class governance practices, which is one of the strategic pillars of the company.

Claw back

The short-term incentives (STI) and Long-Term Incentives Program (LTIP) are designed to set the direction and motivate executives to drive short-term and long-term results in key areas of the business in accordance with stc values and behaviors.

The Claw-back provision has been expanded to cover situations of misconduct and errors leading to financial re-statement. Enforcement of the provision is subject to local law.

Below is a summary of stc internal Long-Term Incentives Program (LTIP) policy aspects related to claw-back:

- Claw-back: Refers to the right of the company to retrieve/recover the invested or vested incentive.
 - The LTI program shall have claw-back elements.
 - The Long-Term Incentives Program (LTIP) will be subject to the application of the elements contained in the principle known as (Claw-backs), which relates to the terms of recovery or forfeiture.
 - Claw-backs include work controls authorizing NRC in stc to forfeit or cancel invested or outstanding shares for any of the below reasons: The principle known as (Claw-backs) work guideline that allows stc’s NRC to recover or cancel shares that are not eligible or that have been disbursed to the participant in the event that any of the following reasons exist:
- Received an award based on materially inaccurate publicly reported financial statements,
- Received a reward based on publicly announced inaccurate financial statements,
- Knowingly engaged in providing materially inaccurate information,
- Materially violated any risk limits established or revised by senior management and/or risk management,
- Engaged in gross misconduct,
- Committing any act that violates the rules and regulations of behavior specified in the company,
- Any act by which the NRC determines not to pay.

Board diversity

Our Board and Standing Committees are diverse, with members coming from a wide variety of industry and professional backgrounds, as well as with varied areas of expertise that are aligned with the needs of our business. stc’s Board actively promotes diversity and encourages developmental initiatives within senior management roles. In 2022, women made up 18% of our Board.

ESG Board oversight

The Executive Management Sustainability Committee chaired by the group CEO develops, approves, and updates stc’s statement of purpose, values and mission, strategies, policies, and goals related to sustainability, with oversight from the Board of Directors.

Performance evaluation and remuneration

The Board Nomination and Remuneration Committee regularly reviews the Board’s composition with a focus on ensuring a diverse mix of backgrounds, skills, knowledge, and experience, as well as deep-rooted expertise in technology and telecommunications. Each year, the Board monitors and aims to improve its performance by conducting an annual performance review. The last annual performance review took place in October 2022.

Our executive long-term incentive plan policy addresses stock ownership guidelines and non-executive shareholder data, and the Performance Assessment Policy of the Board of Directors and Committees defines the rules and regulations associated with assessing performance to enhance objectives, fulfill requirements, apply best governance practices, and strengthen the Board’s effectiveness.

stc is committed to ensuring the highest levels of transparency by publishing all legally required Corporate Governance documents and annual reports on its website (www.stc.com.sa), including the company’s Corporate Governance Charter, the Board of Directors and Committees’ charters, strategic policies, board and executive remuneration, financial statements, and general assembly meeting minutes.

To evaluate performance across subsidiary boards, the “stc Subsidiaries Board Annual Assessment” is circulated for assessment. The objective behind this is to enhance performance across different aspects of each respective subsidiary board, including mandate and charter, delivery of mandate, and committee composition.

Board diversity – stc Group		2020	2021	2022
By gender	Women members of the Board of Directors	0	2	2
	Men members of the Board of Directors	9	9	9
By nationality	Number of Board members that are Saudi	7	9	9
	Number of Board members that are non-Saudi	2	2	2
By age	Age less than 30	0	0	0
	Age 30-50	0	5	5
	Age over 50	9	6	6

Group-wide compliance program:

stc’s Compliance Program reports to the Board Audit Committee and, as part of regular reporting practices, the committee has oversight on ethical misconduct cases within the company.

In line with our new operating model, stc is currently in the process of unifying the Compliance program across all group subsidiaries. As part of the activation of the Compliance Program across subsidiaries, the Compliance team organizes a half-day ethical leadership workshop for subsidiary leaders, including C-Suite Officers, General Managers, and Directors. This workshop not only covers the important role leaders play in impacting ethical culture, but it also touches on important risk areas such as anti-corruption and gifts and hospitality.

Our activation plan for 2022 required the entire Group to begin adoption of the stc code of ethics and align with stc Academy to ensure company employees have access to required integrity training. The Compliance Program activation has commenced in four subsidiaries in 2022, with the intent of eventually engaging the remaining subsidiaries in the same manner in 2023.

Business ethics

Integrity is at the heart of everything we do at stc. This is true for every transaction and every stakeholder interaction in every location that we do business.

Our [code of business ethics](#) – entitled “Integrity takes us forward” – is aligned with stc’s core values of Dynamism, Devotion, and Drive, and ensures we hold ourselves and the way we do business to the highest ethical standards. It covers 16 specific integrity areas of risk, with each providing clear guidance and practical advice for our employees, customers, business partners, suppliers, and other stakeholders on stc and its representatives.

stc Group’s Code, Anti-Corruption, and Fraud policies clearly prohibit facilitation of payments. These policies cover the entire group including its subsidiaries.

Every employee at every level of stc, including suppliers, is bound by our code of business ethics. Our code of ethics training program is managed by stc Group for all subsidiaries across all areas of operation, and is being rolled out along with the [new operating model](#) to be finalized by 2023.



stc Group	2020	2021	2022
Percentage of employees who signed a code of conduct declaration	100%	100%	100%

Business ethics training

Ethical issues affect how we do business with integrity, including how we treat others, use information, engage with employees, manage resources, approach sustainability, and impact the world around us. All stc employees, including senior management and new staff members, are required to undergo a mandatory Basic Online Integrity course that introduces the stc code of ethics and stc’s commitment to integrity. This course includes a module on Anti-Corruption and outlines the expectations stc has from employees and employee responsibilities regarding the subject. All employees are also required to attend mandatory in depth Advanced Online Integrity courses on Anti-Corruption and Gifts and Hospitality.

The training series covers 21 course modules, nine of which are mandatory for all stc employees, with the remaining modules assigned to employees based on their job profile and the level of risk exposure.

Mandatory courses for all new employees to take during onboarding sessions and for all existing employees to take on annual basis or every 2-3 years

1. Basic online integrity training

2. Advance online integrity training

(21 course modules: 9 are mandatory for all employees and 12 are assigned to employees based on their job profile and risk exposure)

9 mandatory course modules:

- Anti-Corruption
- Communication
- Conflict of Interest
- Controllership
- Fair Employment
- Gifts and Hospitality
- Health and Safety
- Regulatory Excellence
- Speak Up Culture

12 assigned course modules depending on job profile and risk exposure:

- Anti-Money Laundering
- Supplier Relations
- Sponsorship and Donations
- Insider Trading
- Fair Competition: Avoiding Improper Agreements
- Fair Competition: Competitive Intelligence
- Fair Competition: Interacting with Competitors
- Fair Competition: Market Dominance and Abusive Conduct
- Intellectual Property: Copyrights
- Intellectual Property: Patents
- Intellectual Property: Trademarks
- Intellectual Property: Trade Secrets

All stc Group employees completed the Basic Online Integrity Training course, and 1,671 contractors completed both the basic and advanced online integrity training. All (100%) of employees and contractors signed the Code of Ethics Acknowledgment, stating that they have read, understood, and will abide by the code.

[GRI 2-4]

Business ethics – stc Group	2020	2021	2022
Number of full-time employees attend- ed basic code of conduct training	11,361	10,941*	12,131
Number of contractors who attended the ethical conduct trainings	-	665	1,671
Percentage of employees who signed a code of conduct declaration	100%	100%	100%

* Restated figure due to improved calculation methodology.
** Contractors training was not tracked in 2020.
*** Cumulative figures - The Basic Online training was launched in 2020 and is required to be completed by all employees including new staff.

The table below shows all ethical training courses provided to employees including part-time employees and contractors:

All ethical training courses (anti bribery, human rights, anti-corruption and business ethics, etc..) for 2022 – stc KSA									
			Number of Total seats		Number of Total seats		Average number of training		
Location	Training Entity	Total number of seats	Women	Men	Women	Men	Women	Men	
Employees (including part-time)	Online/ Physical	Academy LMS	115,466	13,241	102,225	19,139	140,877	19,139	140,877
Contractors	Online	Online Academy LMS	30,414	3,030	27,384	4,649	42,882	-	-

Raising the ethical bar

Our Corporate Compliance sector ensures that compliance and ethical behaviors are continuously maintained across stc.

As mandated by our audit committee and as per the Institute of Internal Audit (IIA) our Internal Audit sector audits all stc functions within three years cycle as mandated by the audit committee. Additionally, as per the standard of IIA ‘Institute of Internal Audit’, Internal audit sector considers and evaluates the potential for the occurrence of unethical behavior and fraud during the audit engagements and report it, if any.

The internal audit sector provides reasonable assurance through carrying out an independent validation and evaluation of the efficiency and effectiveness of the risk management and internal control systems. Control functions (ERM, Compliance) are mainly responsible to monitor the risk and control environment in stc on continuous basis.

Our Compliance sector is responsible, as mandated in the Corporate Compliance Manual, to assist, support and facilitate Executive Management in effectively carrying out their responsibilities under the Code. Such responsibilities include:

- **Compliance program:** Prepare a comprehensive compliance program for all planned activities, implement policies and reviews, assess the key compliance risks, and train stc employees on the Code.
- **Compliance assessment:** Conduct compliance assessment to identify key compliance risks.
- **Training:** Train and educate employees on compliance policies and risks and act as a focal point for answering employee inquiries regarding compliance and ethical issues.
- **Compliance Monitoring:** Follow up, evaluate and report the effectiveness of the compliance implementation program and report to the Executive Management.
- Advisory, Risk Mitigation, Monitoring, and more.

Internal compliance monitoring, reporting and whistleblowing

stc is committed to establishing a work culture in which employees feel comfortable raising integrity concerns.

Employees and stakeholders are encouraged to report all integrity concerns through the designated Speak Up channels. These channels include respective employee managers, interdepartmental managers, the stc HR team, the Legal Affairs team, and the Speak Up email (speak-up@stc.com.sa). Employees, suppliers or any external stakeholders’ integrity concerns can be raised anonymously by messaging the Speak Up email without disclosing personal information, allowing reporting without fear of reprisal. All concerns are treated seriously and dealt with in a professional manner.

stc regularly communicates with employees, through the available internal channels, to increase their awareness of the designated Speak Up channels. The importance of speaking up is also covered in detail in all Compliance and Ethics related training.

The Business Integrity team reviews each allegation to ensure it is being raised in good faith and a preliminary assessment is undertaken to determine how each concern will be processed. If the concern is not one that fits the integrity criteria that the team has outlined, it will be redirected to the appropriate business unit or corporate function for resolution.

Regardless of how the concern is defined, stc enforces a strict policy prohibiting retaliation against any person who makes a report in good faith or participates in a compliance investigation. Once investigations are completed, depending on the severity of their offense, employees may face repercussions ranging from a formal warning to termination. Disciplinary action is determined by considering all factors surrounding an incident and its consequences. If an employee is accused of wrongful conduct, they will have a fair and impartial opportunity to respond to the allegations before any determination is made with respect to the alleged wrongdoing.

stc has strict policies in place to prevent incidents of workplace discrimination and harassment. All employees across the company are required to abide by the stc code of ethics and, as per the code and Fair Employment Policy, stc respects the diversity of its workplace and prohibits harassment and bullying in any form. Violations of these policies are taken very seriously, and all employees are encouraged to report such violations through the aforementioned Speak Up process.

Our Diversity and Inclusion team communicates regularly with employees using all available channels to increase awareness about harassment, bullying, and other similar topics. Leaders also visibly support a culture of inclusion; for example, the head of stc’s People sector, which essentially functions as the company’s HR department, was present during an important webinar organized by the Diversity and Inclusion team in 2022, where the topic of harassment was openly discussed.

Our compliance councils provide senior-level leaders direct visibility related to compliance investigations, training, communication, and other compliance program elements within their respective sectors. These councils consist of each organization’s Chief Executive, their direct reports, representatives of other relevant departments, and members of the Corporate Ethics and Compliance team.

Council sessions were conducted by the Corporate Ethics team with unit/sectors leadership (Chief, VP and GM levels) in Q3 and Q4 of 2022.

Internal compliance monitoring, reporting and whistleblowing - stc KSA

	2020	2021	2022
Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system	523	405	532
Percentage of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system that were substantiated	89%	60%	95%
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Percentage of incidents raised related to human rights	0%	0%	-

* The group wide figures will be captured by 2024 once the compliance program is rolled out in full to all subsidiaries.

Anti-corruption



Our code of ethics, as along with stc’s anti-corruption and anti-fraud policies, clearly prohibit facilitation payments in all areas pertaining to the company, including all subsidiaries. These policies are aligned with Transparency International principles and business guidelines on anti-corruption, and they are subject to periodic reviews to ensure continuous alignment with global efforts to mitigate bribery, fraud, and corruption.

Our [anti-corruption policy](#) statement affirms our commitment to conduct all business operations in an honest and ethical manner. We take a zero tolerance approach to bribery and corruption and are committed to acting fairly, honorably, with integrity and honesty in all business dealings and relationships, wherever we operate.

Our anti-corruption policy is aligned with Transparency International principles and business guidelines on anti-corruption, and is subject to periodic reviews and will be further enhanced to align with global trends that effectively counter bribery, fraud and corruption challenges.

In 2022, stc KSA recorded zero public legal cases regarding corruption brought against the organization or any employees.

All employees, including senior management, are required to undergo mandatory integrity training that covers anti-corruption principles and outlines stc’s expectations for employee responsibilities relating to this topic. Every employee is also required to undergo mandatory, in-depth advanced online integrity training courses on anti-corruption and gifts and hospitality. Refer to [business ethics training](#) section for more details.

In 2022, we conducted several additional anti-corruption training sessions, including:

- 5 Anti-Fraud and Corruption awareness sessions at stc Academy for 90 employees.
- 3 broad training courses for all stc employees, in cooperation with Nazaha.
- One major workshop out on by the anti-fraud department for 52 leaders, from GMs to directors, across 3 different sectors.
- Frequent live and WebEx training for external-facing employees to increase awareness on relevant risks areas in the stc code of ethics, particularly around anti-corruption and gifts and hospitality.

Public legal cases regarding corruption – stc Group	2020	2021	2022
Number of public legal cases regarding corruption brought against the organization or its employees	0	0	0

Anti-corruption training and communication – stc KSA	2020	2021	2022
Number of employees attended training on anti-corruption	11361	10,941	10,977
Percentage of employees attended training on anti-corruption	97%	94%	96%
Percentage of governance body members that stc’s anti-corruption policies and procedures have been communicated to	0%	100%	100%

Anti-corruption communication - stc KSA	2020	2021	2022
Total number of employees that stc’s anti-corruption policies and procedures have been communicated to	100%	100%	100%
Percentage of business partners that stc’s anti-corruption policies and procedures have been communicated to	100%	100%	100%

Entities excluded above (ccc, Channels, Sirar, Solution, Specialized and Tawal) are undergoing the Compliance Program and will have measurable KPIs by 2023.

Supply chain compliance:
At stc, we are committed to doing business with integrity; this includes conducting business with suppliers who share stc's commitment to integrity. We understand that the business practices and actions of a supplier may affect or reflect upon stc. Therefore, we require our suppliers to sign the [supplier code of conduct](#), acknowledging that they have read and will comply with the Code.

We also engage with suppliers on an annual basis to remind them of stc's zero gift policy and encourage them to hold stc accountable and report any misconduct through stc Speak Up email - speak-up@stc.com.sa. Refer to the [Supply Chain Management](#) section for more information.

Participation in anti-corruption initiatives:

As part of our approach to combat corruption, we work with the public and private sectors to support efforts to prevent corruption. We work closely with Nazaha, Saudi Arabia's National Anti-Corruption Authority, and work in partnership with other entities to work towards improving behaviors, norms, and standards needed to sustain anti-corruption efforts. We also participate in several external anti-corruption initiatives, including:

PACI	PEARL Initiative	BELA
Since 2019, stc has been a member of the World Economic Forum and Partnering against Corruption Initiative (PACI) ever since 2019 to undertake initiatives that address industry, regional, country or global issues tied to anti-corruption and compliance.	stc strives to promote the implementation of the highest standards in corporate governance practices and, with this in mind, has partnered with the PEARL Initiative, the region's leading business-led non-profit organization promoting a culture of corporate transparency and accountability.	stc has been a part of Ethisphere's Business Ethics Leadership Alliance (BELA), a 300+ member strong globally recognized organization of leading companies collaborating together to share best practices in governance, risk management, compliance and ethics, since 2020.

Case study: Leading Regional Anti-Corruption Awareness Efforts

In collaboration with Pearl initiative, stc Group is leading an Anti-Corruption working group, consisting of other organizations in the Middle East.

The working group has been set up to collectively address challenges in corporate governance and business integrity in the MENA region and will serve as a platform to build capacity in the region that drives effective practices in business integrity.

The working group is in the process of engaging with the business community in the region to identify key anti-corruption related deliverables that would help support the wider business community in the region to help drive collaborative engagement.

The deliverables include resources such as toolkits and guidebooks on Business Integrity, Whistleblowing, Anti-Corruption Training and other related topics, as well as face-to-face and online meetings, panel discussions and interactive sessions that will eventually benefit start-ups, SMEs and other companies in the region.

Cast study: 18-Month Anti-Corruption Best Practices Program

stc's zero-tolerance approach to bribery and corruption is firmly rooted on a comprehensive policy that is applicable to all employees, shareholders, consultants, vendors contractors and any other party having a business relationship with stc.

In order to strengthen our commitment to combatting corruption in the region, stc has entered into an agreement with the Pearl Initiative to develop an Anti-Corruption Best Practices program, to highlight corruption and the importance of accountability, and transparency in business operations.

Overall, the program would help to increase engagement and collaboration across industries in the Gulf region and facilitate knowledge sharing by 2023.

Youth in the region would also benefit, as stc would be engaging with university students across the region to educate them on anti-corruption, business ethics and integrity practices through case study competitions and interactive discussions.

Case study: Developing stc's future ethical leaders:

Leadership engagement is an important part of stc's ethics and compliance program. At stc, leaders of all levels, starting from the Group CEO and his executive team, make every effort to uphold the highest ethical standards, thereby setting an example for every other employee to follow.

stc's Compliance team and stc Academy have partnered together in developing stc's future leaders, so that ethics and integrity become an integral part of their DNA as they develop in the organization.

This partnership has resulted in a collaboration with Spain's IE university where teams spent a few months working together to develop training content on ethical leadership tailored to the needs of specific audience groups.

Participants included employees who will be taking up new section manager roles, managers who will be taking up director level roles and directors who will be moving to the next level of their career journey. The course content, adapted for each leader group, covered: Importance of ethics in business, International Corporate scandals, Reasons why people make bad ethical choices, Group discussion on ethical dilemmas, an interactive business simulation exercise, and the importance stc places on its commitment to integrity. From May to December 2022, we trained nearly over 330 future leaders through this program.

Participants	Women	Men
326	15%	85%

Compliance with laws and regulations

We rigorously comply with laws and regulations in the countries we operate. stc makes every effort to maintain positive and constructive relationships with all relevant regulators to ensure we can protect stc and shareholder rights, along with maintaining our competitive position and market share.

We monitor the recurrence of non-compliant cases and we aim to resolve root causes in instances of non-compliance. We routinely assess customer complaints to ensure proper resolutions and adherence to relevant regulatory complaint decisions.

In 2022, stc Group recorded zero non-compliance incidents with laws and regulations in countries of operation.



Risk management

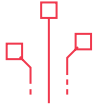
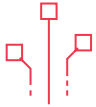
stc’s approach to risk involves taking a proactive and precautionary stance by being mindful of new trends, chal- lenges, and threats to avoid risk beyond stc’s Risk Appetite whenever possible – and to ensure the business remains resilient and adaptable when it cannot be avoided. We proactively mitigate any impacts from risks as effectively as possible with a combination of readiness and responsiveness, which are both vital for success in this area.

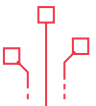



We have well-established risk management mechanisms in place, including stc’s ERM Policy, ERM Framework, Risk Appetite Guidelines, and Governance structures. Ongoing risks are identified across the organization through both the quarterly Risk Assessment and the ongoing Top Risks process. Stakeholder reporting leverages well-established structure such as the Risk Management Committee (RMC) and the Board Risk Committee (BRC), as well as the required Risk Management disclosures in stc’s Annual Report.

Risk assessment activities that could adversely affect the organization’s performance, information, and compliance objectives are identified by the risk management team. This process aims to cover all risks faced by stc, along with identifying business strategies to maximize trade-offs between risks and rewards from internal and external factors. stc’s approach to achieving these results is to address measurable and non-measurable aspects of risks, and then weigh the costs of controls against the benefits they may provide.

In 2022, stc KSA maintained our Business Continuity ISO22301:2019 certification and remained in compliance with ISO31000, as well as all related regulations issued by the the Ministry of Communications and Information Technology (MCIT), the Communications, Space & Technology Commission (CST), the National Risks Unit (NRU), the Cybersecurity Authority, and other relevant agencies.

stc Group	2020	2021	2022
Percentage of business units analyzed for risks related to corruption	100%	100%	100%

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 stc vendors and suppliers, and downstream, where vulnerabilities in stc may be leveraged by cyber-criminals to attack stc customers. Third-party access management is also a significant matter as we rely heavily on 3rd-party contractors with multiple incidents reported by stc.	<p>The Group 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.</p> <p>The Group has established robust Cyber Assurance practices adopted for information protection and asset management as well as installed advanced penetration testing and vulnerability management capabilities.</p>
 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 now more important than ever to be clear on the privacy risks we face 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.	<p>The Group has established a privacy framework containing policies and procedures relating to the privacy of personal information addressing data classification, record management, retention, and destruction 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.</p>

Category	Risks	Mitigation Measures
 Technology	Resilience following Disaster, Crisis or events impacting Business Continuity: Telcos have experienced significantly higher network demand globally during the crisis, with the initial lockdowns triggering reported traffic spikes. Partial or full-scale non-availability or quality degradation of ICT services was recorded due to telecom network failures or business support systems and other key systems. Key considerations were set including Disaster Preparedness Planning, Exchange equipment, undersea cable communications, and fibre-optic cable problems.	<p>The Group has established entity-wide written programs that address and validate the continuity of the institution's mission-critical operations. We have certified the organization against ISO 22301:2019 and taken all required steps to comply with any relevant regulatory requirements.</p> <p>The Group has proposed 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.</p>
 Compliance	Unfavorable Regulatory Changes Impacting our Current Business Model Regulations over our 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 and market position and include penalties or financial liabilities.	<p>The Group studies the regulatory legislation on an ongoing basis, coordinates efforts with sectors related to it inside and outside the Group, 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 organization is established for the regulatory affairs sector to contribute to enhancing the Group's capabilities in the regulatory field.</p>
 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 our ability to provide essential services and next-generation mobility as well as meet the demands of infrastructure projects upon which we have engaged.	<p>stc Group diversifies its supply chains so that it does not depend on limited numbers of suppliers, in addition to emphasizing 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 that their financial and operational suitability with the Group's requirements are aligned with technological development and the integrity of their business plans.</p>
 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, but also one with the agility to meet the demands of the markets in which we operate.	<p>The group Strategy is updated on a 3-yearly basis and refreshed annually to ensure that it remains current and relevant. The timing of the annual refresh and 3-yearly updates is flexible and in line with context, dynamics & stakeholders’ inputs inputs. We also have have conducted a 360-degree environmental scan (competition, industry trends, regulation, socio-economic and stc performance).</p>

Business continuity:
stc’s business continuity, data centers, mobile communications network, and other network infrastructure and facilities – as well as the safety of its employees and customers – are among the most important priorities of the company. All of these areas have immediate and appropriate responses to deal with disaster and emergency incidents.

We have long recognized the importance of having a solid business continuity strategy in place, particularly given our reach to customers. To that end, we carry out Business Continuity Plans (BCP) tests for critical operations systematically and periodically according to the business impact analysis (BIA) of all critical processes and systems in order to ensure the effectiveness of the plans developed.

Achieving the ISO2230:2019 certification is evidence of our commitment to our stakeholders, customers and our people. Such best in class certifications are a testament to the diligent approach taken by the Group to implement protocols and guidelines to maintain all business-related operations.

Anti-competitive behavior:

At stc, we compete fairly by following applicable competition laws and regulations, as we believe fair competition provides the basis for a healthy and prosperous economy.

Our policies enable us to avoid anti-competitive, monopolistic practices while managing the associated legal risks at the same time. Our [code of ethics](#) highlights key commitments that help safeguard fair and competitive practices, all of which are supported by senior management and applied across the organization. We support the principle of fair competition and believe that It is the foundation on which a healthy and prosperous economy is based. stc Group competes fairly and complies with all applicable laws and regulations. Our mandatory code of ethics training series covers a module on Fair Competition and is provided to all employees.

In 2022, we remained an active participant in government consultations and regulatory processes, engaging with stakeholders to raise sustainable industry practices and ensure fair competition. We directly support the ambitions of the government to create more economic competitiveness. No legal penalties were imposed on stc during 2022 regarding anti-competitive behavior or violations of anti-trust laws.

Anti-competitive behavior – stc Group	2020	2021	2022
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations or violations of anti-trust laws (SAR)	0	0	0

Quality management

With quality as one of its core objective, stc Group aims to achieve industry best quality in everything we deliver. To ensure our organization is adaptable, we deploy systems which enable us to remain competitive and grow in the evolving digital era such as the Quality Incident Report and Quality Audit System. Our systems are integrated for the purpose of process quality assurance across the organization.

To ensure everyone at stc shares the same level of commitment to quality, in 2022 we launched the Quality Culture initiative “known as Qommunity” to raise awareness and to recognize the efforts and contributions of quality professionals by creating value to our internal customers, being innovative and improving our products and services. This will helps us meet environmental and social standards.

In 2022, we also launched the stc process management system to align processes with our strategic goals, design and implement process architectures to help us manage processes effectively in line with customer journeys and experiences. The system was successfully launched and implemented and in 2023, we aim to onboard stc sectors and business units to fully utilize the system.

Human rights

Respect for human rights is essential for any business, or individual, to operate with integrity, and it is vital when building a culture of trust. Proper policies aimed at addressing human rights strengthens investor and shareholder relations while simultaneously protecting brand reputation. It is also a fundamental aspect of operational risk management.

Our [Human Rights policy](#) statement affirms our commitment to an inclusive and equitable workplace and is aligned to applicable laws and regulations in each jurisdiction we operate.

We follow national standards to ensure that our activities respect and promote human rights at all stc sites and facilities. In addition, we have extended our focus beyond stc’s internal operations to those of our suppliers, customers, and partners by encouraging them to make ethical decisions and choices regarding human rights.

Our [Supplier Code of Conduct](#) explicitly prohibits practices such as child and forced labor while also expressly addressing topics such as diversity, non-discrimination, and job localization. With this, consideration for human rights has become an integral part of stc’s procurement process; all of our new suppliers are screened for human rights practices and all significant contracts that are awarded include human rights clauses. More information can be found in the [Responsible and Sustainable Procurement](#) section.

Human rights training – stc KSA	2020	2021	2022
Total number of hours devoted to training on human rights-related policies or procedures that are relevant to operations	53,980	40,724	196,034
Percentage of employees trained in human rights-related policies or procedures that are relevant to operations	100%	100%	100%

Compliance with ILO labor standards

On the 7th of December 2020, the Government of Saudi Arabia deposited with the International Labor Office the instruments of ratification for the Protection of Wages Convention, 1949 (No. 95) and the Hygiene (Commerce and Offices) Convention, 1964 (No. 120) . Both conventions have a crucial role in shaping a human-centered response to the COVID crisis.

The ILO Protection of Wages Convention, 1949 (No. 95) sets out important protections for workers on one of the core aspects of their working conditions. In particular, the Convention aims at ensuring the regular payment of wages directly to the worker, without undue deductions, and the freedom of workers to dispose of their wages without limitations. They also lay down rules to protect the remuneration of workers in case of their employer’s insolvency.

The ratification of Convention No. 95 is thus an important step, representing a commitment to protect workers’ means of subsistence, which is of particular relevance in the current times of crisis, as recently again confirmed by the findings of the ILO Global Wage Report 2020-21.

The Hygiene (Commerce and Offices) Convention, 1964 (No. 120) sets out occupational safety and health protections for workers in shops and offices, including basic standards for workplace layout and work-station arrangements, hygiene and sanitary facilities, and the availability of first aid. Its ratification represents an important commitment to the safety and health of workers.

Conventions Source: ILO Both Conventions came into force on the 7th of December 2021, and thus, stc has assured full compliance throughout 2022 and and onward.

Enhancing economic impacts

Our business plays a major role in the Saudi economy, with a significant direct economic impact. This occurs through the taxes we pay, the jobs we create, the skills we develop in our workforce, and our purchasing power, which supports many local suppliers. We also have a significant indirect economic impact, with our digital infrastructure and platforms fostering broader economic growth for the communities in which we operate.

Over the past five years, the brand's value has increased by almost 100%, from USD 6.2 billion in 2017 to USD 12.3 billion in 2022. This achievement results from the brand's outstanding performance in maintaining its leadership position and enhancing its commercial strength in Saudi Arabia and the broader Gulf region.

In addition to being the most valuable, stc Group ranked among the fastest-growing brands in the region with a growth rate of 16.7%.

In 2022, stc topped the Kantar Brandz list of most valuable Saudi and Emirati brands for 2022 with \$16 billion value (an increase of 66% from previous year). The increase in brand valuation was due to both the rollout of 5G, as well as the major diversification in our offerings to include digital payments and entertainment services.

We are one of the highest credit rating entity globally underpinned by our robust business and financial strength. Moody's and S&P have assigned stc credit rating of "A1" (Positive Outlook) and "A" (Stable Outlook) respectively; whereas Tasneef, the Saudi credit rating agency has assigned stc highest local credit rating of "AAA".

Our financial performance remained strong over the course of 2022, with improvement in all key financial metrics from the previous year. With a progressive financial performance and sustainable operational commitment, we have exceeded a historical revenue of SAR 67 billion and a net profit of more than SAR 12 billion for the year 2022, an increase of 7% and 7.6%, respectively in comparison to 2021.

With the new operating model, we ensure the group's financial sectors fully comply with International Financial Reporting Standards (IFRS) endorsed by SOCPA in accordance with Capital Market Authority (CMA) regulations.

Annual financial results for the year 2022

Total revenue	Gross profit	Operating profit
67.43 SAR billion ↑ 7.02%	37.39 SAR billion ↑ 10.65%	15.09 SAR billion ↑ 14.93%
EBITDA	Net profit	EPS
25.01 SAR billion ↑ 9.80%	12.17 SAR billion ↑ 7.60%	2.44 SAR billion

*Results compared to the comparable period last year

In 2022, stc topped the Kantar Brandz list of most valuable Saudi and Emirati brands for 2022 with \$16 billion value (an increase of 66% from the previous year). The increase in brand valuation was due to both the rollout of 5G, as well as the major diversification in our offerings to include digital payments and entertainment services.

Direct economic value (thousand SAR) – stc Group	2020	2021	2022	2021-2022 Trend
Total revenue	58,953,318	63,007,986	67,431,546	↑ 7.02%
Gross profit	33,954,395	33,794,029	37,393,255	↑ 10.65%
Net operating profits	12,731,125	13,127,755	15,088,441	↑ 14.94%
Zakat and taxes	1,170,446	1,040,366	1,083,175	↑ 4.11%
Net profit for the year	10,994,875	11,311,342	12,170,537	↑ 7.60%
EBITDA	22,090,000	22,840,600	25,078,667	↑ 9.80%

Engagement with investment community

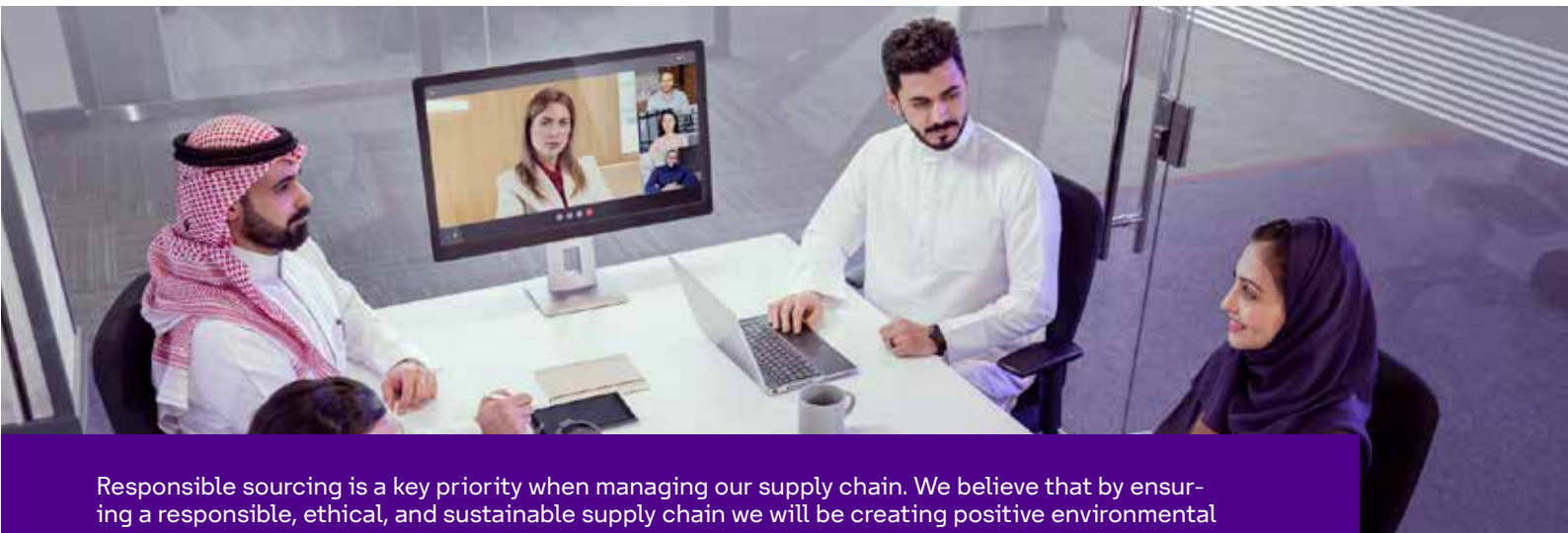
stc actively engages with the investors, which has led total foreign ownership to reach to 8.40% and reflects 17% growth in foreign ownership by the end of December 2022 compared to December 2021. Furthermore, we made new improvements regarding the stc Investor Relations application and the [Investors](#) page on the stc website, which were both modified based on international standards and best practices for IR.

We keep stc's shareholders informed on the company's business by participating in various events, including individual meetings, update calls, conferences, and official earnings calls. Moreover, the IR sector managed to increase the analysts' coverage by 3 new coverages to reach 20 investment banks covering stc in 2022, with an increase of 18%

Business efficiency program (BEP)

Through the BEP, we actively manage cost efficiencies (both Capex and Opex) across stc to maximize Group's total return on capital employed (ROCE). Since its inception in 2015, the BEP has generated multibillion dollar savings through several cost optimization initiatives, which led to notable improvement in company's bottom-line, while it also helped to redirect some of the savings to reinvest in new technologies

■ Supply chain management



Responsible sourcing is a key priority when managing our supply chain. We believe that by ensuring a responsible, ethical, and sustainable supply chain we will be creating positive environmental impacts and enhancing our overall economic performance.

Responsible and sustainable procurement

We expect our suppliers and business partners to conduct themselves in a manner that is consistent with our sustainability requirements and adhere to our principles on issues that we deem of the utmost importance, including safety, human rights, and environmental responsibility.

Our [Responsible Supply Chain policy](#) statement affirms our commitment to maintaining and promoting responsible business practices with suppliers while advocating integrity and transparency in all our business dealings.

Our [supplier code of conduct](#) is part of the contractual obligations for all suppliers that work with stc. This code mandates that each supplier must utilize or implement fair employment practices for their respective workforces by respecting the dignity, privacy, and rights of their employees and associated contractors, as well as refraining from unlawful discrimination, use of child or forced labor, exceeding applicable working time hours, and unfairly or inadequately compensating employees for their work.

Each supplier and contractor is individually screened by stc with regard to environmental and social issues as part of our broader supplier evaluation. We ensure suppliers with access to customer data comply with legally binding contractual terms and conditions, as well as commitments outlined in the [Supplier Code of Conduct](#). All significant investment agreements and contracts include human rights clauses that have undergone intensive human rights screening.

Supplier screening – stc KSA	2020	2021	2022
Percentage of new suppliers that were screened for environmental, labor, and human rights practices *	100%	100%	100%
New suppliers screened for social standards	690	1197	221
Number of suppliers subject to assessments for sustainability impacts (supplier evaluations)	122	173	158

* All new suppliers are screened for environmental, labor and human rights standards.

Human rights in procurement processes – stc KSA	2020	2021	2022
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	100%	100%	100%

Supplier qualification and monitoring

Accountability starts with pre-qualification for bidding, checks are then made on performance. We conduct regular screening to verify conformance with the [supplier code](#), assess environmental and social performance, and check supplier mechanisms for protecting workforce health and safety.

Any non-compliance with ethical aspects, such as breach of confidentiality, unauthorized disclosure of intellectual property, or unauthorized disclosure of proprietary information, are taken very seriously as grounds for disqualification or termination of the supplier relationship.

Supplier audits and monitoring – stc KSA	2020	2021	2022
Number of suppliers identified as having significant actual and potential negative impacts	34	41	52
Suppliers with which improvements were agreed upon after audit	6	7	9
Suppliers with which relationships were terminated after audit	0	2	5
Number of suppliers blocked for non-compliance with ethical aspects	0	2	5

Supplier engagement

We continue to improve our business practices and operations to manage risk while increasing productivity and efficiency within the supply chain. This is achieved through greater supplier engagement, ongoing supplier recognition, and better sustainable procurement practices.

There are two major annual events held by stc to remind suppliers of the importance they have in helping us achieve our strategy, which also details ESG requirements and key challenges within the ICT sector, as well as how partners can help address these challenges.

Suppliers that positively influence our business are honored biennially in our Partner Day event. Sustainability considerations are taken into account for these recognitions.

stc Group 10th partner day

In 2022, stc Group celebrated the 10th Partners Awards ceremony to celebrate the success achieved by the Group and its partners towards achieving stc’s strategy to develop the local content.

During the event, stc Group honored its international and local partners with several awards, based on their commitment to developing local content, achieving a strong and sustainable economy, and localizing the ICT industry, by bringing international expertise and signing partnerships.

In recognition of our partners’ efforts who have effectively contributed to the company’s strategic goals, we honored distinguished partners in the following categories: Partnership Awards in Digital Transformation Program, Award for Renewing Customer Experience, Award for International Digital Transformation, International Operational Excellence, International Customer Experience Renewal Award, and International Growth Contribution. Other awards were handed out under the “Rawafed Partner” category to recognize good efforts towards Local Industry Localization, Innovation, Small Medium Enterprises and Workforce Development.

Local procurement spending

Our focus on local procurement spending has had a direct positive impact on the economies of the countries that we operate within, helping to create employment and develop infrastructure – both physical and digital – that benefits everyone in countries we operate.

Procurement		2020	2021	2022
stc KSA	Total procurement spending (Billion SAR)	22.6	22.5	22.1
	Amount spent on local suppliers (Billion SAR)	194	19	21
	Number of total suppliers	1,579	1,556	2,227
	Number of tier-1 suppliers	78	106	171
	Percentage of total procurement spending on local suppliers	86%	84%	93%
	Number of local suppliers	1,169	1,191	1,787
	Number of foreign suppliers	410	365	440
stc Bahrain	Total procurement spending (Billion SAR)	704.7	828.2	1571.58
	Amount spent on local suppliers (SAR)	562.5	688	1,485.92
	Number of total suppliers	268	385	637
	Number of tier-1 suppliers	11	8	11
	Percentage of total procurement spending on local suppliers	80%	83%	95%
	Number of SME suppliers engaged	153	150	163
	Number of local suppliers	189	275	363
	Number of foreign suppliers	79	110	274
Aqalat	Total procurement spending (Billion SAR)	-	4	13
	Amount spent on local suppliers (Billion SAR)	-	4,2	9,3

Integral	Number of total suppliers	39	170	196
	Number of tier-1 suppliers	-	-	-
	Percentage of total procurement spending on local suppliers	-	99%	72%
	Number of local suppliers	99	127	147
	Number of foreign suppliers	40	43	49
Integral	Total procurement spending (Billion SAR)	0.569	0.292	0.429
	Amount spent on local suppliers (Billion SAR)	0.165	0.089	0.137
	Number of total suppliers	287	239	256
	Number of tier-1 suppliers	24	13	20
	Percentage of total procurement spending on local suppliers	29%	31%	32%
	Number of local suppliers	-	27	57
	Number of foreign suppliers	-	212	199
Specialized	Total procurement spending (Billion SAR)	149	129	140
	Amount spent on local suppliers (Billion SAR)	130	149	112
	Number of total suppliers	169	146	140
	Number of tier-1 suppliers	-	-	-
	Percentage of total procurement spending on local suppliers	87%	116%	80%
	Number of local suppliers	116	109	109
	Number of foreign suppliers	53	37	31

	Procurement	2020	2021	2022
Sirar	Total procurement spending (Billion SAR)	-	-	-
	Amount spent on local suppliers (Billion SAR)	-	-	-
	Number of total suppliers	-	-	199
	Percentage of total procurement spending on local suppliers	-	-	-
	Number of local suppliers	-	-	154
	Number of foreign suppliers	-	-	45
Solutions	Total procurement spending (Billion SAR)	-	-	4.55
	Amount spent on local suppliers (Billion SAR)	-	-	3.17
	Number of total suppliers	-	-	668
	Number of foreign suppliers	-	-	249
	Percentage of total procurement spending on local suppliers	-	-	70%
	Number of local suppliers	-	-	419
TAWAL	Total procurement spending (Billion SAR)	-	-	0.86
	Amount spent on local suppliers (Billion SAR)	-	-	0.843
	Number of total suppliers	-	-	196
	Number of tier-1 suppliers	-	-	-
	Percentage of total procurement spending on local suppliers	-	-	98.%
	Number of local suppliers	-	-	588
	Number of foreign suppliers	-	-	116

* Data for ccc, stc Kuwait, and Channels are not available
 ** Procurement spending and local procurement are confidential for Sirar; Sirar was launched in 2021 so there is no data available for years 2020 and 2021.

Supporting SMEs

In line with the national visions of the countries that we operate within, we support the participation of small and medium enterprises (SMEs) in our own procurement activities wherever we see fit. We contribute to the development of local content by raising and developing standards for this sector’s role in the continued growth and diversification of the economy, including an agreement with the General Authority for Small and Medium Enterprises “Monshaat” to empower SMEs in the market. In 2022, we engaged with more than 200 Saudi SMEs.

Number of SME suppliers engaged	2020	2021	2022
stc Group	219	185	213
* Includes stc KSA, Specialized and Aqalat.			

Digitization of procurement processes

At stc’s main office, we have completely transitioned into a paperless environment in all areas. We use our internal stc system “HUB” in conjunction with the Oracle Procurement System to streamline and digitize procurement processes, resulting in 100% of biddings, work orders, and letter of awards now being paper-less and the complete elimination of paper consumption related to procurement.

Reduction of paper-based documents with the electronic procurement process																										
stc KSA			Specialized			TAWAL			Aqalat			Solutions			Intigral			Sirar			stc Kuwait			stc Bahrain		
2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
100%	100%	100%	15%	15%	15%	-	-	80%	-	-	90%	-	-	90%	100%	100%	100%	-	100%	100%	95%	100%	100%	50%	80%	95%

* Data for stc Bahrain, Channels, and ccc are not available.
 ** Tawal, Aqalat, and Solutions automated procurement processes in 2022.
 *** Sirar was officially established in 2021 – no previous data is available.

Maximizing local content – Rawafed
Rawafed is an ambitious stc program that was launched in 2018 to maximize local content within the Saudi ICT sector by increasing overall contributions to the national economy. This program is built on four strategic pillars: Workforce Development, Digitization and Innovation, SME Support, and Industry Localization.




To learn more about our Rawafed program, visit: https://www.stc.com.sa/content/dam/corporatesite/en/generic/pdf/40740_stcc_rawafed_program_annual_report_2022_v3_eng.pdf

Rawafed strategy:

Pillar	Objective
 Workforce development	<ul style="list-style-type: none">- Increase Saudization rate at key positions- Empower women participation in ICT sector- Drive suppliers to increase Saudization through targets, KPIs and tracking
 SMEs support	<ul style="list-style-type: none">- Grow direct and indirect spend with SMEs through SME development plans- Establish direct partnerships with SMEs
 Digitalization and innovation	<ul style="list-style-type: none">- Develop local innovation plans with strategic suppliers- Foster innovation through sector focused training and learning
 Industry localization	<ul style="list-style-type: none">- Support localizing manufactures & create new industries within KSA- Attract suppliers to localize supply chain and operations

- Some of the 2022 highlights include:
- stc KSA Local Content score reached over 40%, which is 10% higher than the Local Content and Government Procurement Authority (LCGPA) benchmark for Telecom and IT services
 - Leading more than 75 suppliers to perform a local content audit at company level, which resulted in baselining local content for the entire industry
 - Promoting localization of important telecom equipment, such as fiber cables and towers

Major 2022 achievements towards maximizing local content in KSA

		
Launched Rawafed digital platform and launched second Rawafed report	Latest local content score is 40.75% in 2022 an increase from 39.28% in 2021*	Mega projects awarded through local content valued at 5 billion SAR

* Local Content Score is based on 2021 financial statement as per Local Content and Procurement Authority LCGPA instruction. For year 2022, the score will be available on Q3,2023.

Local content	2020	2021	2022
stc KSA local content score at entity level	-	39.28%	40.75%
stc Group - local content score at entity level	-	36.56%	38.21%

* Local Content Score is based on 2021 financial statement as per Local Content and Procurement Authority LCGPA instruction. For year 2022, the score will be available on Q3,2023.
** stc has appointed approved auditors by Local Content and Governmental Procurement Authority to identify local content score for the company.

Industry localization opportunities

As part of our efforts to localize industry development, most of stc’s subscriber identity module (SIM) cards and fiber optics production now take place within the Gulf region. Alongside these efforts, we have created 10 strategic partnerships to further develop local content.

Our Industry Localization Opportunities Catalogue proposes 27 types of products to be localized, which will help investors and other stakeholders in better understanding available investment opportunities, among other benefits. The expected five-year demand for these products will exceed SAR 6.5 billion.

As an ICT leader and a major representative of the sector, stc’s Local Content Leadership Coordination Council conducted several workshops and sessions with investors, governmental entities, funds, and other councils to better align on strategic approaches, share expertise, and integrate efforts to bolster local content development and maintain sustainable growth.

We also worked collaboratively with the LCGPA to issue the Mandatory List of National products, which is helping to lead the development of more local content and better position our supply chain for future success.

Industry localization – stc KSA	2020	2021	2022
Industry localization opportunities	-	27	27

Case study: Supporting local manufacturing in Saudi Arabia
Through Rawafed, we seek to support the local manufacturing of mobile SIM cards and recharge cards. For the past ten years, the number of mobile SIM cards reached more than 45 million, and the number of recharge cards manufactured locally reached 3.6 billion.

Supply chain optimization
Our warehouse consolidation project initiated in 2018 has been one of our most effective supply chain optimization initiatives. The project was inspired by discussions with stakeholders on how to optimize logistics while simultaneously cutting costs and reducing our carbon footprint. We reviewed and redesigned our storage capacity, planning, distribution, processes and systems and then designed and initiated an implementation plan.

Decisions on where to close and open warehouses took into consideration workload, warehouse infrastructure and geographical distribution and proximity. In 2022, we achieved our target of 7 warehouses by closing warehouses in Najran and Tabuk. In our warehouses, we are applying the 5S approach to “clean and organize” the workplace.



06

Appendices

Appendix A

Detailed stakeholder map

Stakeholders	Stakeholder expectations	Nature of engagement
Employees	Career advancement. Recognition and rewards. Attractive benefits. Safe and healthy working environment. Empowerment and equal opportunity. Open communication channels with management.	<ul style="list-style-type: none"> • Succession planning • Performance management and assessment • Newsletters • Training sessions and workshops • stc Academy • Website • Intranet (stc Hub)
Suppliers & Business Partners	Timely payments. Open communication channels. Fair and transparent bidding procedures. Access information about stc. New opportunities for interaction and engagement.	<ul style="list-style-type: none"> • Vendor Relationship Management System (VRMS) • Vendor management team • Annual meetings and sessions • Rawafed program
Investors & Shareholders	Strong balance sheet and healthy cash flow. Consistent history of success and delivering growth in key metrics. Solid market positioning. Dynamic risk analysis and management. Strong brand image. Reliable corporate governance.	<ul style="list-style-type: none"> • stc annual report • Open transparent channels of communication with shareholders • Quarterly presentations • Governance, risk, and compliance • Committee meetings • Website
Customers	Friendly, personalized customer service. Clear, open and simplified communication. Competitive rates and fees. Convenient access points. Innovative products and services. Data and information security.	<ul style="list-style-type: none"> • Social media channels including Twitter and Facebook • Customer feedback from: Your opinion matters • Complaints handling unit, Customer service offices, mystc app • stc live chat: mystc.com.sa • Website
Regulators and governmental entities	Alignment to national strategies and visions. Compliance with legal and regulatory requirements. Protecting the consumer.	<ul style="list-style-type: none"> • Internal audit • Risk and compliance committee • Compliance unit • External audit • stc annual report

Stakeholders	Stakeholder expectations	Nature of engagement
Local communities	Employment opportunities. Advancing social development. Enriching local human resources. Partnerships on common social and environmental issues. Addressing environmental risks and opportunities, including climate change. Environmental stewardship.	<ul style="list-style-type: none"> • Awareness social media campaigns • Donations and sponsorships, including 'Donating via SMS' • Community outreach programs • Empowering entrepreneurs and digital innovation: inspireU • Employee volunteering • Partnerships and cooperation
Private sector	Partnerships for innovative products' development. Collaborations for sustainable development. Partnerships for efficiency, productivity, and cost savings.	<ul style="list-style-type: none"> • Impactful partnerships • Knowledge sharing • Training opportunities • Joint sponsorships • Sustainable products' development
International organizations	Representation of stc's sustainability efforts in international events. Partnerships for maximum positive impact. MOUs to solidify our commitments.	<ul style="list-style-type: none"> • Partnerships on the SDGs • International representation • Events and sponsorships
Academic	Inclusion of the academic sector in stc's social investments efforts. Provision of tools and means for faculty and students to use technological advances in education, and utilize such technologies for good. Raise the awareness. Raise awareness of students and faculty on various topics including sustainability, technology, and communications.	<ul style="list-style-type: none"> • Research & development • Case studies • Awareness raising and capability building • Events and sponsorships

Appendix B

GRI content Index



stc has reported in accordance with the GRI Standards for the period January 1st to December 31st, 2022.

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI 1 used: GRI 1: Foundation 2021

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	10			
	2-2 Entities included in the organization's sustainability reporting	12			
	2-3 Reporting period, frequency and contact point	4, 5, 6			
	2-4 Restatements of information	40, 42, 47, 78, 123			
	2-5 External assurance	No external assurance			
	2-6 Activities, value chain and other business relationships	10,11, 12			
	2-7 Employees	95			
	2-8 Workers who are not employees	95			
	2-9 Governance structure and composition	25, 118-120			

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	120			
	2-11 Chair of the highest governance body	161			
	2-12 Role of the highest governance body in overseeing the management of impacts	24, 117-119			
	2-13 Delegation of responsibility for managing impacts	24, 25, 117-119			
	2-14 Role of the highest governance body in sustainability reporting	6			
	2-15 Conflicts of interest	23 Conflict of interest policy https://www.stc.com.sa/ content/dam/groupsites/en/pdf/ ConflictInterestPolicy-en.pdf			
	2-16 Communication of critical concerns	100, 124			
	2-17 Collective knowledge of the highest governance body	26			
	2-18 Evaluation of the performance of the highest governance body	120			
	2-19 Remuneration policies	120 more information on Remuneration policies can be found in the Board Nomination and Remuneration Committee Charter document: https://www.stc.com.sa/content/ dam/groupsites/en/pdf/BoardNomi nationRemunerationCommitteeCh arter-en.pdf			
	2-20 Process to determine remuneration	Board Nomination and Remuneration Committee Charter document: Page 2, 5 in https://www.stc.com.sa/content/dam/ groupsites/en/pdf/BoardNominationRe munerationCommitteeCharter-en.pdf			

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio			Confidentiality constraints	stc does not publicly disclose this information
	2-22 Statement on sustainable development strategy	7-9, 21, 22 34			
	2-23 Policy commitments	23			
	2-24 Embedding policy commitments	23			
	2-25 Processes to remediate negative impacts	30, 31, 100, 124, 129, 130			
	2-26 Mechanisms for seeking advice and raising concerns	100, 124			
	2-27 Compliance with laws and regulations	128			
	2-28 Membership associations	15			
	2-29 Approach to stakeholder engagement	29, 145, 146			
	2-30 Collective bar- gaining agreements	98-99			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	28-31			
	3-2 List of material topics	30,31			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	133, 133			Not part of top 13 material topics but addressed as part of stc's efforts in sustainability and ESG including enhancement of stc's ESG ratings and management
Customer relations and satisfaction					
GRI 3: Material topics 2021	3-3 Management of material topics	54, 55			

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
Talent management					
GRI 3: Material Topics 2021	3-3 Management of material topics	106			
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	106			
Accessibility and digital inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	14, 64-93, 137-142			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	64, 73-93			
	203-2 Significant indirect economic impacts	14, 64-72 ,89-93, 137-142			
Supply chain management					
GRI 3: Material Topics 2021	3-3 Management of material topics	137-142			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	137-142			
Business ethics and governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 30, 123-127			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	29, 30			
	205-2 Communication and training about anti-corruption policies and procedures	123-127			
	205-3 Confirmed incidents of corruption and actions taken	125			
Business ethics and governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	131			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	131			

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
Energy and climate change					
GRI 3: Material Topics 2021	3-3 Management of material topics	39-44			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	39, 40			
	302-2 Energy consumption outside of the organization	39, 40			
	302-3 Energy intensity	40			
	302-4 Reduction of energy consumption	39-44			
	302-5 Reductions in energy requirements of products and services	39-44			
Resource management					
GRI 3: Material Topics 2021	3-3 Management of material topics	31-46			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	31, 46			
	303-2 Management of water discharge-related impacts	-	Information unavailable/incomplete		This is work in prgress, we will consider including this in the upcoming sustainability reports.
	303-3 Water withdrawal	-	Information unavailable/incomplete		This is work in prgress, we will consider including this in the upcoming sustainability reports.
	303-4 Water discharge	-	Information unavailable/incomplete		This is work in prgress, we will consider including this in the upcoming sustainability reports.
	303-5 Water consumption	49			
Energy and climate change					
GRI 3: Material Topics 2021	3-3 Management of material topics	39-46			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	45			
	305-2 Energy indirect (Scope 2) GHG emissions	45			
	305-3 Other indirect (Scope 3) GHG emissions	-	Information unavailable/incomplete		This is work in prgress, we will consider including this in the upcoming sustainability reports.
	305-4 GHG emissions intensity	45			
	305-5 Reduction of GHG emissions	39-46			
	305-6 Emissions of ozone-depleting substances (ODS)		Information unavailable/incomplete		This is work in prgress, we will consider including this in the upcoming sustainability reports.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Information unavailable/incomplete		This is work in prgress, we will consider including this in the upcoming sustainability reports.

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
Resource management					
GRI 3: Material Topics 2021	3-3 Management of material topics	47, 48			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	47			
	306-2 Management of significant waste-related impacts	48			
	306-3 Waste generated	47			
	306-4 Waste diverted from disposal	-		Information unavailable/incomplete	This is work in prgress, we will consider including this in the upcoming sustainability reports.
	306-5 Waste directed to disposal	48			
Supply chain management					
GRI 3: Material Topics 2021	3-3 Management of material topics	135			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	135			
	308-2 Negative environmental impacts in the supply chain and actions taken	-		Information unavailable/incomplete	This is work in prgress, we will consider including this in the upcoming sustainability reports.
Talent management					
GRI 3: Material Topics 2021	3-3 Management of material topics	108, 109			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	108, 109			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	108			
	401-3 Parental leave	109			
Talent management					
GRI 3: Material Topics 2021	3-3 Management of material topics	159			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	159			

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
Health, safety and wellness					
GRI 3: Material Topics 2021	3-3 Management of material topics	110-114			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	110-114 for more information on our commitment to Occupational health and safety, please visit our policy statement on Management commitment to Occupational Health and Safety position statement https://www.stc.com.sa/content/dam/groups/tes/common/generic/pdfs/Management%20commitment%20to%20Occupational%20Health%20and%20Safety%20-%2002%202023.pdf			
	403-2 Hazard identification, risk assessment, and incident investigation	112, 113			
	403-3 Occupational health services	110-114			
	403-4 Worker participation, consultation, and communication on occupational health and safety	112			
	403-5 Worker training on occupational health and safety	113, 114			
	403-6 Promotion of worker health	114			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	112, 113			
	403-8 Workers covered by an occupational health and safety management system	110, 111 For more information on our commitment to cover all workers an occupational health and safety management system, please visit policy statement on Management commitment to Occupational Health and Safety: https://www.stc.com.sa/content/dam/groups/tes/common/generic/pdfs/Management%20commitment%20to%20Occupational%20Health%20and%20Safety%20-%2002%202023.pdf			
	403-9 Work-related injuries	111, 112			
	403-10 Work-related ill health	111			
Talent management					
GRI 3: Material Topics 2021	3-3 Management of material topics	102-107			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	103, 104			
	404-2 Programs for upgrading employee skills and transition assistance programs	102, 104, 105, 107			
	404-3 Percentage of employees receiving regular performance and career development reviews	107			

GRI standard/ other source	Disclosure	Page number(s), links and/or direct answer	Omission		
			Requirement(s) omitted	Reason	Notes/ Explanation
Diversity, equality and inclusivity					
GRI 3: Material Topics 2021	3-3 Management of material topics	95, 120			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	95, 120			
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	-		Confidentiality constraints	stc does not publicly disclose this information
Human rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	124, 132			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	124, 132			
Community contribution and development					
GRI 3: Material Topics 2021	3-3 Management of material topics	30, 31			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Involvement policy statement https://www.stc.com.sa/content/dam/groups/tes/common/generic/pdfs/Community%20Involvement%20Position%20Statement.pdf			
	413-2 Operations with significant actual and potential negative impacts on local communities	30, 31			
Supply chain management					
GRI 3: Material Topics 2021	3-3 Management of material topics	135, 136			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	135			
	414-2 Negative social impacts in the supply chain and actions taken	136		Information unavailable/incomplete	
Data privacy, security and protection					
GRI 3: Material Topics 2021	3-3 Management of material topics	56-63			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		Information unavailable/incomplete	This is work in prgress, we will consider including this in the upcoming sustainability reports.v

Appendix C

GSMA ESG Metrics for Mobile Industry



Reporting framework compliance table:

Topic	Core Metric	KPI code	Page number	Details and direct response
Environment KPIs				
Emissions	Science-based targets	GSMA-ENV-01	Page 38	11 stc is committed to adopting science based targets in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C and to achieve net-zero emissions by 2050.
	Scope 1, 2 and 3 emissions	GSMA-ENV-02	Page 46	1.2.a Scope 1 carbon emissions in 2022: 187,217 Scope 2 carbon emissions in 2022: 1,174,589 1.2.b we are currently tracking our scope 3 GHG emissions, and we will start disclosing our Scope 3 GHG emissions by 2024
Energy	Energy consumption	GSMA-ENV-03	Pages 39–43	1.3a Group total energy consumed (MWh) 2022: 9,443,359 GJ 1.3b Group total network energy consumed (MWh) 2022: 1,289,386 GJ
	Materials repaired or used	GSMA-ENV-04	Page 47, 48, 70	1.4a 1,250 metric tons of waste generated from both network activities and operational maintenance, of which 61% was recycled. TAWAL by stc plans to fully launch a comprehensive recycling program in 2023. 1.4b Over 7,400 electronic devices recycled and refurbished for reuse.
Waste reduction	Waste generated	GSMA-ENV-05	Page 47, 48	1.5a 750 tonnes in 2022 1.5b 1,250 metric tons of waste generated from both network activities and operational maintenance 1.5c 7,400 electronic devices to be recycled and refurbished for reuse. 1.5d All other waste (tonnes) per 1GB of data (not calculated per 1GB of data) - 750 tonnes in 2022
	Materials recycled	GSMA-ENV-06	Page 47, 48	1.6a 984.5 metric tons were generated from more than 19,000 network assets, with more than 15,000 of these being recycled. Also, 1,250 metric tons of waste generated from both network activities and operational maintenance, of which 61% was recycled. 1.6b 7,400 e-waste recycled 1.6c All other waste recycled - In 2022, stc KSA recycled 7,400 e-waste recycled. - 984.5 metric tons were generated from more than 19,000 network assets

Digital inclusion KPIs				
Network coverage	Population covered by mobile network	GSMA-INC-01	Page 76	2.1 3G coverage: In KSA, we shut down our 3G network to pave the way for more developed systems networks. In 2021 3G coverage was at 98%. 4G coverage (KSA): 98% 5G coverage (KSA): 40.8% In Kuwait and Bahrain, stc recorded 100% 5G coverage
Affordability	Device and subscription affordability	GSMA-INC-02		2.2a Information not disclosed as per metric guideline. However, stc provide stc's interest free installments, offers, discounts and other affordability inducing services. Also, stc has a policy statement stating that stc commits to offer affordable rates and services. Link to policy statement: (https://www.stc.com.sa/content/dam/groupsites/common/generic/pdfs/Access%20to%20Communication%20Position%20Statement.pdf)
Digital skills	Digital skills program	GSMA-INC-03	Page 69, 70, 103-104	
Digital protection KPIs				
Data protection	Customer data incidents	GSMA-INT-01	Pages: 15, 56-63	stc does not disclose these metrics but carefully measure, monitor, track our performance and also maintains robust data security strategies. https://www.stc.com.sa/content/dam/groupsites/common/generic/pdfs/Data%20Privacy%20and%20Security%20Position%20Statement.pdf
Digital rights	Digital rights policy	GSMA-INT-02	Page 23, 56	https://www.stc.com.sa/content/stc/sa/en/content-page/privacy.html
Online safety	Online safety measures	GSMA-INT-03	Page 63	
Supply chain KPIs				
Sustainable supply chain	Sustainable procurement policy	GSMA-SUP-01	Page 23, 135, 136	https://www.stc.com.sa/content/dam/groupsites/common/generic/pdfs/Responsible%20Supply%20Chain%20Position%20Statement.pdf https://www.stc.com.sa/content/stcgroupwebsite/sa/en/terms-and-policies/vendors.html
	Supplier assessments	GSMA-SUP-02	Page 135, 136	100% of suppliers screened against the sustainable procurement policy in 2022

Appendix D

ESG supplement

We have an ongoing interaction with ESG rating agencies, also supporting the increasing requests by investors for greater transparency, more stakeholder engagement and stronger sustainability management. The primary goal of the 2022 ESG Supplement is to provide additional supporting information about stc's ESG approach and performance on specific ESG material topics.

Topic	ESG Metric	Page #	Response
Data Privacy and Security	Disclosure of a policy that governs all relevant business lines/subsidiaries in data privacy and security	-	https://www.stc.com.sa/content/dam/groupsites/common/generic/pdfs/Data%20Privacy%20and%20Security%20Position%20Statement.pdf
Data Privacy and Security	Disclosure of a statement that covers the rights provided to individuals regarding the control of their data, such as the right of access, rectification and deletion of data	-	https://www.stc.com.sa/content/dam/groupsites/common/generic/pdfs/Data%20Privacy%20and%20Security%20Position%20Statement.pdf
Data Privacy and Security	Disclosure of external independent audits on data privacy and security	59	stc is regularly audited by external party on data privacy and security. The audits take place annually and are conducted by CST. The latest audit was completed in May 2022. CST commission was established to regulate, monitor and empower the communications & IT sector as it is one of the most prominent sectors that support the development and prosperity of the Kingdom of Saudi Arabia.
Data Privacy and Security	Introduction of an executive or board-level committee for data privacy and security	57	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 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. Data Privacy Council reports at board level via BAC. Reporting is conducted quarterly to all board members. Detailed disclosure can be found in our Sustainability pages: https://sustainability.stc.com.sa/#/
Data Privacy and Security	Disclosure of training scope on data privacy and security provided to all stc employees including contractors	58	Cyber Security training and Data Protection & Privacy training are mandatory courses for all new employees and are taken during onboarding sessions. These courses are also mandatory courses for all existing employees to take on an annual basis. Detailed disclosure can be found in our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Disclosure of actions taken to include elderly people in accessibility programs such as special applications to enhance their access to communication services	70, 61	In 2022, we evolved our community investment methodologies and policies to maximize our positive impact on the societies in which we are operate. In doing so, we aim to leverage our key strengths including technologies, broad reach, the incredible talent of our people and financial resources. The best way to complement our strengths in achieving a positive impact is to join hands and leverage our dedicated, specialized resources and partners in key priority areas including education, health, accessibility, climate change, and empowering youth, women, early stage entrepreneurs, and people at risk such as elderly people and low income households. In 2021 stc reached 1 million elderly people. Detailed disclosure can be found in our Sustainability pages: https://sustainability.stc.com.sa/#/

Topic	ESG Metric	Page #	Response
Corporate Governance	Disclosure of actions taken to include low-income households in access to communication programs such as free WiFi access in public places	73, 74	stc has renovated and provided connectivity to low income households in 22 provinces. Detailed disclosure can be found in our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Disclosure of targets to implement access to communication and digital divide in emerging markets beyond current operations.	76	stc is committed to providing a modern, sophisticated network with maximum accessibility and digital inclusion for urban and remote areas across the entire Kingdom by utilizing wireless broadband to serve rural and desert areas and a fixed/ wireless combination to cover urban areas. Detailed disclosure can be found in our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Disclosure of the voting results including the percentage of approvals, rejections and abstentions	-	Disclosure of the voting results including the percentage of approvals, rejections and abstentions (AR) can be found here: https://www.stc.com.sa/content/dam/groupsites/common/generic/investors/investor-pdf/general-assembly-meeting-2022.pdf
Corporate Governance	Disclosure of proxy access that gives shareholders the power to nominate a number of director candidates for inclusion in stc's proxy materials	117	For this indicator we use the boundary as relevant for the jurisdiction in which stc is active. stc is fully compliant with regulations issued by the capital market authority (Article 13 in the implementing regulation of the companies law). Moreover, we are capturing the shareholders voting by the Local Market platform (Edaa) for this matter, and this platform is owned by Saudi Tad-awul Group, and mandatory to be used by all listed companies.
Corporate Governance	Disclosure of audit committee members who meet MSCI's standards for industrial expertise	161-164	Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Disclosure of board members who meet MSCI standards for risk management expertise	161-164	Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Pay committee independent of management	-	For this indicator, we use the boundary relevant to jurisdiction in which stc is active. We are complying with corporate governance regulations issued by capital market authority (article 48-B) with 3 out of 4 independent members and will consider it in the next board cycle.
Corporate Governance	Disclosure of how sustainability performance is incorporated in incentive payment structure	108	stc LTIP Policy states that sustainability performance is incorporated in its current incentive pay policies.
Corporate Governance	Disclosure of overall links between executive pay data links and economic/financial performance	108	Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/

Topic	ESG Metric	Page #	Response
Corporate Governance	Disclosure on the number of years the external audit firm has served the company	160	Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Disclosure of audit and non-audit fees	160	Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Human Resources	Disclosure of future-expected collective bargaining negotiations	98, 99	For this indicator, we use the boundary relevant to the jurisdiction in which stc is active. At stc, we have labor committee that reports directly to GCEO. Their role is to be the advocate of employees' issues and they have direct access to the GCEO. The communication between the committee and the company is monitored by the HRSD.
Human Resources	Disclosure of major layoffs events	95	For this indicator, we use 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.
Human Resources	Disclosure of statement that covers stc's position on collective agreements	98, 99	For this indicator, we use the boundary relevant to the jurisdiction in which stc is active. At stc, we have labor committee that reports directly to GCEO. Their role is to be the advocate of employees' issues and they have direct access to the GCEO. The communication between the committee and the company is monitored by the HRSD.
Human Resources	Disclosure of the percentage of variable incentive pay that covers stc employees	108	Variable pay is linked to EBITDA and Revenue and any other business metrics - subject to management approval.
Human Resources	Disclosure of employee productivity (Profit/Employee)	108, 109	Gross profit 37,39SAR billion / Total workforce 22,759
Human Resources	External recognition as employer of choice (last three years)	96	https://stevieawards.com/mena/solutions-stc-most-exemplary-employer https://greatplacetowork.me/certified-organization/solutions-by-stc/ https://www.tahawultech.com/enterprise/stc-bahrain-wins-big-at-gcc-best-employer-brand-awards/ https://www.arabnews.com/node/2199096/corporate-news
Environment	Disclose science-based quantitative targets in its sustainability report	38	Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Environment	Disclosure of actions taken to mitigate greenhouse gases	38-45	In 2021, stc initiated a new pilot project that aims to install an interconnected solar photonic network with the existing infrastructure of the Kingdom. Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Environment	Disclosure of actions taken to use clean sources of energy such as solar energy	40-45	We have two solar energy sites at stc HQ. In 2021 we generated 303.17 MWh of energy saved 302 tCO2. Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Environment	Disclosure of actions taken towards energy consumption management and operational efficiency enhancement such as efficient cooling systems	41-34	In 2021, we achieved a 27% reduction in our total electricity consumption in all stc buildings, largely due to the energy efficiency initiatives implemented throughout the previous year. We also achieved a 22% decrease in total energy consumption. Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Conduction of audits of all operations on ethical standards and anti-corruption at least once every three years	120, 123	Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Evidence of a board-level committee or C-suite or executive committee to oversee ethics issues	119, 120, 123	In order to provide senior level leaders direct visibility about compliance investigations, training, communication and other compliance program elements in their sector, compliance councils were set up within 4 sectors in Q4 last year. In 2022, the intention is to do this for all C-level executives. These councils consist of each organization's Chief, their direct reports, representatives of other departments like Human Resources and members of the Corporate Ethics and Compliance team. The councils meet on a frequent basis and help leaders drive engagement around Ethics and Compliance and thereby impact the integrity culture. Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Provision of evidence of having a formal anonymous whistleblower system that includes legal protection	119, 124, 125	Employees and stakeholders are encouraged to report all integrity concerns through the designated speak up channel. Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/

Topic	ESG Metric	Page #	Response
Corporate Governance	Training programs on ethical standards that covers all employees including part-time and contractors	122, 123	Every employee at stc, at every level of the company (including suppliers), is bound by the code of ethics. All new employees who join stc are required to complete a Basic Online Integrity Training course, and 100% of employees and contractors have signed a Code of Ethics with acknowledgement, stating that they have read, understood, and will abide by the code. In late 2021, all stc contractors were provided with access to the company's online learning management system and are required to complete the basic online integrity training by mid-2022. Detailed disclosure can be found in our Sustainability report and our Sustainability pages: https://sustainability.stc.com.sa/#/
Corporate Governance	Say on Pay & Remuneration of the Executive Management Policy	-	https://www.stc.com.sa/content/dam/groupsites/en/pdf/nomination-and-remuneration-policy-new-10-en.pdf
Corporate Governance	Minutes of the General Assembly	-	https://www.stc.com.sa/content/stcgroupwebsite/sa/en/investors/general-assembly.html
Corporate Governance	Disclosure on non-executive shareholding data	-	https://www.saudiexchange.sa/wps/portal/saudiexchange/hidden/company-profile-main!/ut/p/z1/04_Sj9CPyksy0xPLMnMz0vMAfl-jo8ziTR3NDlw8LAz83d2MXA0C3SydA1lc3Q0Nve30I4EKzBEKDM-KcIQzMDPxN3H19LAzdTU3Iw8syU8vIwwkpK8hOMgUA-oskdgl!/?-companySymbol=7010
<div><div>External Auditor (Incl. audit and non-audit fees)</div><div>Ernst & Young (EY) is a network of firms with more than 300,000 people providing the context and meaning for the work they do every day. They help digital pioneers fight data piracy, guide governments through cash-flow crises, unlock new medical treatments with data analytics, and pursue high quality audits to build trust in financial markets and business. In other words, working with entrepreneurs, companies, and entire countries to solve their most pressing challenges. Through their four integrated service lines:</div><div>Assurance, Consulting, Strategy and Transactions, and Tax. With their deep sector knowledge, they help their clients capitalize on new opportunities, asses, and manage risks to deliver responsible growth. Their high-performing and multidisciplinary teams help them fulfill regulatory requirements, keep investors informed and meet stakeholder needs.</div><div>Following is a statement of the audit fees and expenses related to services provided by the company's external auditor, in addition to any other services provided by audit firms other than the Company's external auditor during the year 2022.</div><div>Name of Audit Firm and Partner Auditor: Ernst and Young, Saad M. AlKhathlan Number of Years Spent as the Auditor of the company: 8 years Total Audit Fees for the Year 2022 (SAR): 12,185,000</div></div>			

Fees and costs of services provided to the company by its external auditors, EY, other than for the audit of the financial statements of the company for the year 2022:

Audit firm	Service Type	Fees and Expenses (SAR)
EY	Net telecommunication revenue base report	339,000
EY	Local content report	840,000
EY	Zakat and tax services	260,000
EY	Compliance with Article 71 from companies Law	132,000
EY	Solvency report	60,000
EY	Capital increase	40,000
EY	AUP Report on bad debt write off	21,000
TOTAL		1,697,500

Board and Committees members and their membership classification

No	Name	Membership	Academic Qualifications	Vocational Experience	Current Occupation	Previous Occupation	Membership
1	HRH Prince Muhammad bin Khaled Al-Abdullah Al-Faisal Al Saud	Chairs the Board of Directors, the Executive Committee, and the Investment Committee.	MBA	Banking and administrative experience.	Chairman, Al Faisaliah Holding Group	Vice President, Al Faisaliah Holding Group	Independent
2	H.E. Dr. Khaled H. Biyari	Member of the Board of Directors and the Executive Committee	PhD. Electrical Engineering	Associate Professor, King Fahd University of Petroleum and Minerals for 13 years. Experience in business.	Assistant Secretary of Defense for Executive Affairs - Ministry of Defense	stc CEO	Non- executive / non- independent
3	H.E. Mohammed Talal Al-Nahas	Member of the Board of Directors and the Executive Committee	Bachelor of Accounting	Banking, business development, and administration experience.	Governor of the General Organization for Social Insurance	Governor of the Public Pension Agency	Non- executive / non- independent
4	Mr. Yazeed A. Al Humied	Vice Chairman of the Board of Directors and a Member of the Executive Committee	MBA	Experience in finance and administration.	PIF, Deputy Governor, Head of MENA Investments	Chief of Staff and Advisor to PIF Governor	Non- executive / non- independent
5	Ms. Rania M. Nashar	Member of the Board of Directors and Chairs the Risk Committee	Master of Science in Information Technology	Experience in banking and administration.	PIF, Head of Compliance and Governance Division	Advisor to PIF Governor	Non- executive / non- independent
6	Mr. Arndt Rautenberg	Member of the Board of Directors and the Investment Committee	MBA	Administrative experience.	Founder and Managing partner of several companies	Managing Partner, OC&C Strategy Consultants.	Non- executive / non- independent
7	Mr. Sanjay Kapoor	Member of the Board of Directors and the Executive Committee	MBA	Administrative experience.	Consultant	Executive President of Micromax	Non- executive
8	Ms. Sarah J. AL-Suhaimi	Member of the Board of Directors and the Investment Committee	Bachelor of Accounting	Finance and Investment experience.	Chairperson of Tadawul	CEO NCB Capital	Independent

No	Name	Membership	Academic Qualifications	Vocational Experience	Current Occupation	Previous Occupation	Membership
9	Mr. Jameel A. AlMulhem	Member of the Board of Directors and Chairs the Nomination and Remuneration Committee	Bachelor in science marketing	Administrative experience.	Managing Director of Takween Group	Board Member, Shaker Group	Independent
10	Mr. Walid Ibrahim Shukri	Member of the Board of Directors and the Risk Committee and Chairs the Audit Committee	Bachelor of Accounting	Administrative experience.	Member of several Boards and Committees	Principal Partner in Price Waterhouse, Saudi Arabia	Independent

11	Mr. Ahmed Mohammed Al-Omran	Member of the Board of Directors and the Risk Committee	Master of Computer Science	Administrative and information technology experience.	GOSI Governor Assistant for IT Affairs	GM, IT Infrastructure, GOSI	Non- executive / non- independent
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External Members of the Board Committees

No	Name	Membership	Academic Qualifications	Vocational Experience	Current Occupation	Previous Occupation	Membership
1	Mr. Khalid bin Abdullah Al Ankari	Audit Committee	Bachelor of Accounting	Technical and managerial experience in auditing	General Manager, Babel Al Khair Trading & Real Estate Est	Head of Private Banking and Lending Products, Samba Financial Group	External Member
2	Mr. Medhat F. Tawfik	Audit Committee	Master Program Citibank Asia Pacific	Professional and managerial experience in auditing, risk management	Founder of IRSAA, Business Solutions an outsourcing company of Responsible for risk management and internal audit	Account Manager, Samba Financial Group	External Member
3	Dr. Ammr K. Kurdi	Audit Committee	PhD. in Accounting	Accounting experience	CFO, Tawuniya	Executive Vice President of Business for DUSSUR	External Member
4	Eng. Tarek Abdulaziz Alrikhaimi	Risk Committee	Master of Science	Experience in financial, banking services, risks management, operations, strategic planning and projects management.	Independent Financial Advisor, Investment and Risk Management Advisor	CEO, Saudi Kuwaiti Finance House	External Member
5	Mr. Rashid I. Sharif	Investment Committee	MBA	Experience in finance and a member in several listed companies	CEO, SNB Capital and an Executive Member of the Board	Head of the General Administration, Saudi Investments Public Investment Fund	External Member
6	Mr. Johan Brand	Nomination and Remuneration Committee	Master of Business Economics Master of Business Law Master of Private Law	Experience in leadership advisory	Independent consultant in a leadership advisory company	Key Partner, Egon Zehnder	External Member
7	Ms. Hoda M. Al- Ghoson	Nomination and Remuneration Committee	MBA	Experience in Human Resources	Executive Director of Human Staff Resources and Training, Aramco	General manager of Training and Development, Aramco	External Member

Audit Committee Skills and Competences Matrix

Skills / Characteristics	Waleed bin Ibrahim Shukri	Ammr Bin Khaled Kurdi	Khaled Bin Abdullah AlAngery	Medhat Bin Fared Tawfeq
Business leadership	✓	✓		
Commercial			✓	
Financial markets		✓	✓	✓
Finance, Audit & Risk	✓	✓	✓	✓
Financial experts		✓		✓
International experience	✓	✓		✓
(Full time) Executive position at other company		✓	✓	✓
Mainly non-executive role	✓			
Male	✓	✓	✓	✓
Female				

Inquiries and feedback

Inquiries, feedback or suggestions
are welcome at:

- ✉ Sustainability@stc.com.sa
- 🐦 <https://twitter.com/stc>
- 🌐 <https://www.linkedin.com/company/stc>
- 📘 <https://www.facebook.com/stc/>