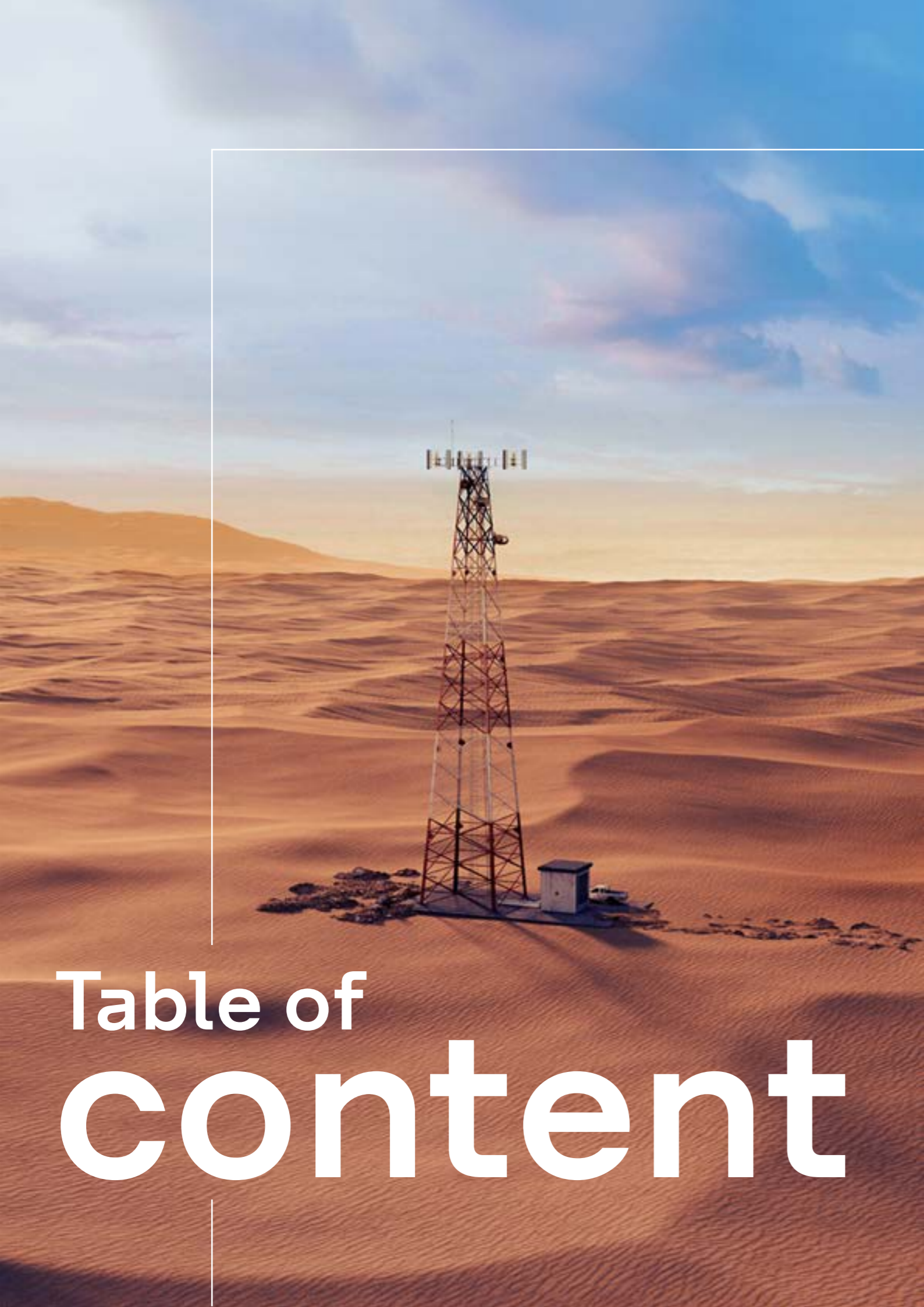




EXECUTIVE SUMMARY

# Sustainability Report 2023

Building a Better Tomorrow,  
Advancing Sustainability Today



# Table of content

## Table of Content

About this report	5
A welcome from our leadership	7
stc at a glance	8
Sustainability at stc	13
Sustainability strategy and policies	13
Sustainability governing structure	14
Materiality and stakeholder engagement	16
Policies, positions and statements	20
Environmental performance and climate	24
Energy and climate change	24
Water management	25
Waste management	25
Development of human capital through digital innovation	26
Customer relations and satisfaction	26
Data privacy, security and protection	27
Accessibility, connectivity and digital inclusion	27
Digital innovation and experience	28
Diversity equity and inclusion	28
Talent management	29
Health, safety and wellbeing	30
Community contribution and development	30
Strong governance and ethical behavior	33
Business ethics, governance and transparency	33
Human rights	34
Responsible and sustainable procurement	34



## About this report

This executive summary sets out highlights of our sustainability performance over the reporting period, January 1, 2023 until December 31, 2023.

stc Group prepared a standalone sustainability report prepared in accordance with the GRI Standards. The purpose of our 2023 Sustainability Report is to explain how we approach our obligation to operate in a sustainable manner, and how we plan to ensure our future performance will meet high standards of sustainability in the communities in which we operate.

To learn more about our sustainable performance visit:

[https://www.stc.com/content/dam/groupsites/common/generic/stc\\_cc\\_GRI\\_report\\_2023\\_english.pdf](https://www.stc.com/content/dam/groupsites/common/generic/stc_cc_GRI_report_2023_english.pdf)



# A welcome

from our leadership



"The essence of our sustainability efforts are built upon our commitment to creating positive environmental, social, governance, and economic impacts. Our ambition to minimize environmental degradation, nurture human capital, set new benchmarks for ethical governance, and earn unprecedented profits illustrates our commitment to not just meeting but exceeding the expectations of our stakeholders and the communities that we serve."

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



"Our strategic endeavor towards greater sustainability, embodied by the dare 2.0 strategy, has been a cornerstone in not only propelling stc towards remarkable financial achievements but also in solidifying our commitment to driving a meaningful, sustainable digital transformation throughout the MENA region. This strategy has enabled us to contribute significantly to the Saudi Vision 2030, fostering digital advancements in Bahrain and Kuwait, and setting a precedent for the integration of sustainable practices within our industry."

**Olayan Mohammed Alwetaid**  
Group Chief Executive Officer (GCEO)



"Our sustainability framework is anchored by our dare 2.0 strategy, emphasizing a balance between achieving our short- and long-term objectives. This year, we've refreshed our sustainability corporate strategy and focused on three core sustainability priority areas: Environmental Performance and Climate, Development of Human Capital through Technological Innovation, and Solid Governance and Ethical Excellence. These areas are crucial not only for the success of our business but also for the benefit of our stakeholders and the communities we serve."

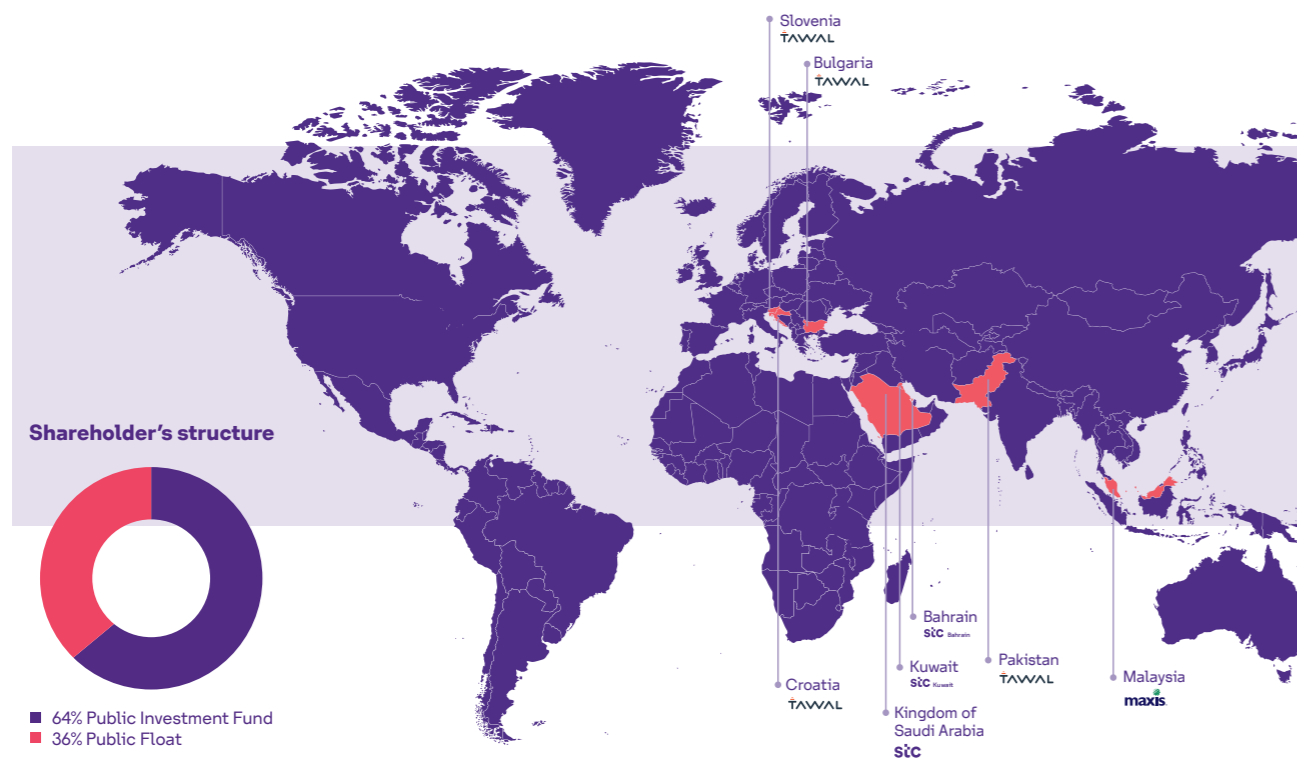
**Abdullah Abdulrahman Alkanhl**  
Group Chief Strategy Officer

# stc at a glance



stc Group has become well established as the digital transformation engine in the region, offering advanced solutions and driving a role in the digitization process. We provide a comprehensive suite of services encompassing digital infrastructure, cloud computing, cybersecurity, Internet of Things (IoT), artificial intelligence (AI), digital payments, digital media, and digital entertainment. The Group is comprised of over 14 subsidiaries across the Kingdom of Saudi Arabia, the Middle East and North Africa (MENA) region, and Europe.

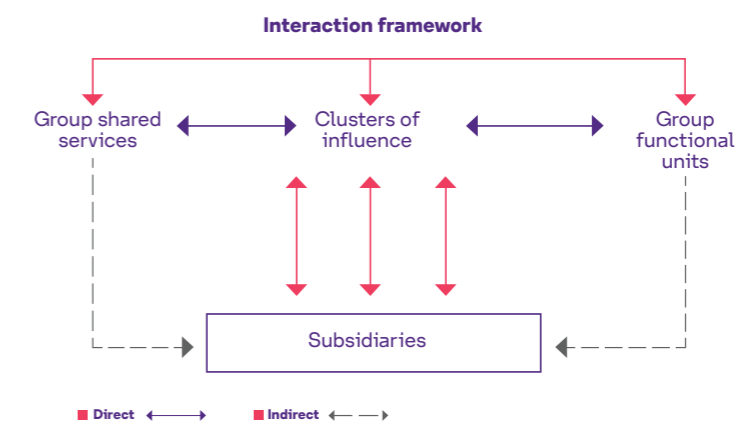
## Our business in 2023:



Direct Economic Value	2021	2022	2023	2022-2023 Trend
Total revenue (thousand SAR)	63,007,986	67,431,546	72,336,611	7%
Gross profit (thousand SAR)	33,794,029	37,393,255	37,803,690	1%
Net operating profits (thousand SAR)	13,127,755	15,088,441	14,200,434	-6%
Zakat and taxes (thousand SAR)	1,040,366	1,083,175	1,375,498	27%
Net profit for the year (thousand SAR)	11,311,342	12,170,537	13,295,381	9%
Dividends declared (thousand SAR)	9,985,483	7,984,024	7,975,133	0%
EBITDA (thousand SAR)	22,840,600	25,078,667	24,683,011	-2%

## Our operating model

Our Group Operating Model (GOM) is enabled by clusters of influence, strategic group functions, shared services, and centers of excellence to ensure both agility and efficiency. All of these are guided by group-wide processes, including governance mechanisms and extensive training to ensure our most recent operating model successfully delivers on its bold ambitions.







## Entities included in our ESG disclosure and reporting:




## How we create value:

### We depend on:

- 
**Skills and expertise**  
 Our talented team of 22,751 employees
- 
**Our brand**  
 Recognized as one of the most valuable brands due to major diversification in our offerings.
- 
**Relationships and partnerships**  
 We rely on constructive relationships with our stakeholders including customers, suppliers, investors, peers and regulatory authorities.
- 
**Natural resources**  
 We rely on natural resources such as fuel and we also operate in water scarce areas.
- 
**Financial capital**  
 Our financial performance is strong with y-o-y break record improvements.

 **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.
- 
**Our people**  
 We provide an equal and inclusive work environment that attracts, develops, and retains the best individual talents.
- 
**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.
- 
**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.
- 
**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.





# Sustainability

at stc



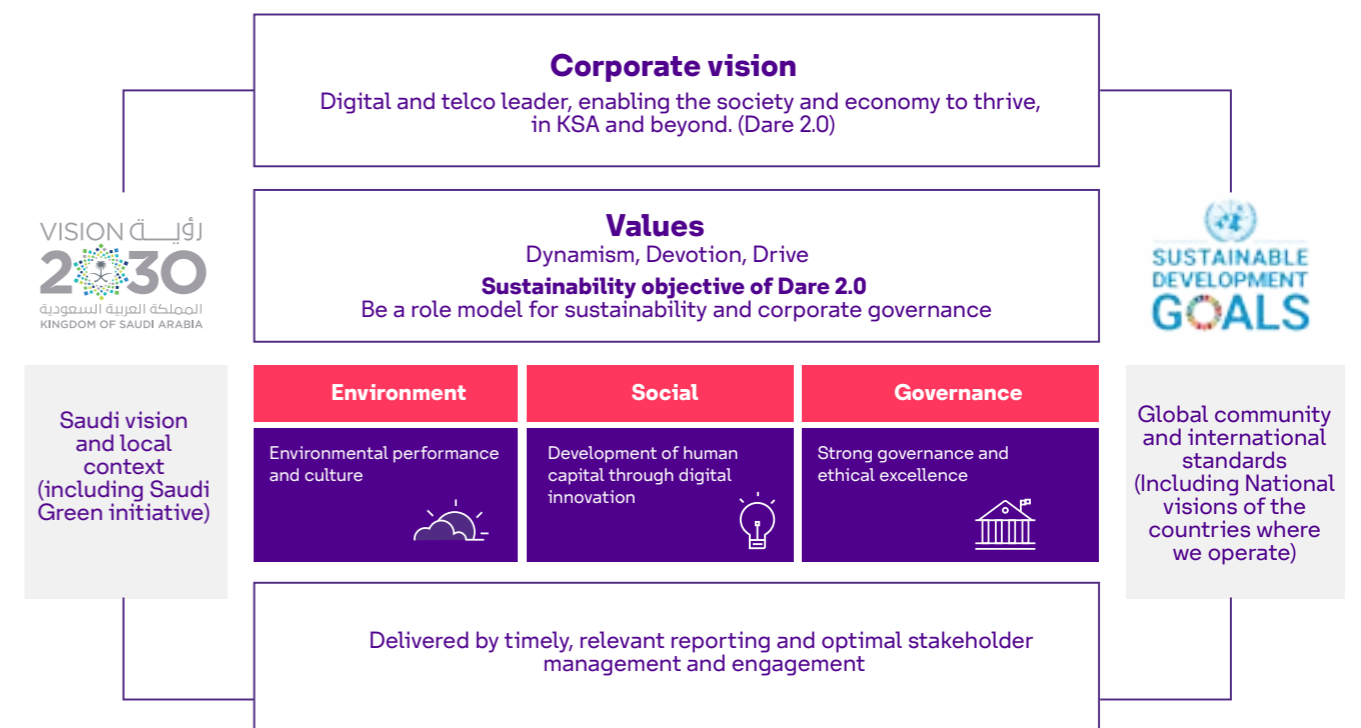
“At stc, we do more than adapt to industry shifts; our mission is to lead the ICT sector into a future where sustainability is at the forefront, underscored by our comprehensive strategy that encompasses innovation, community engagement, and ethical governance.”

**Maha Alnuhait**  
Sustainability GM

## Sustainability strategy and policies

stc’s commitment to sustainability is built on the pillars of environmental, social, and governance (ESG) excellence.

In 2023, we refreshed our sustainability strategy and roadmap after conducting thorough assessments and utilizing external benchmarking. As a result, three core sustainability focus areas emerged, all of which have been deemed vital for the success of our business and for the benefit of our stakeholders.

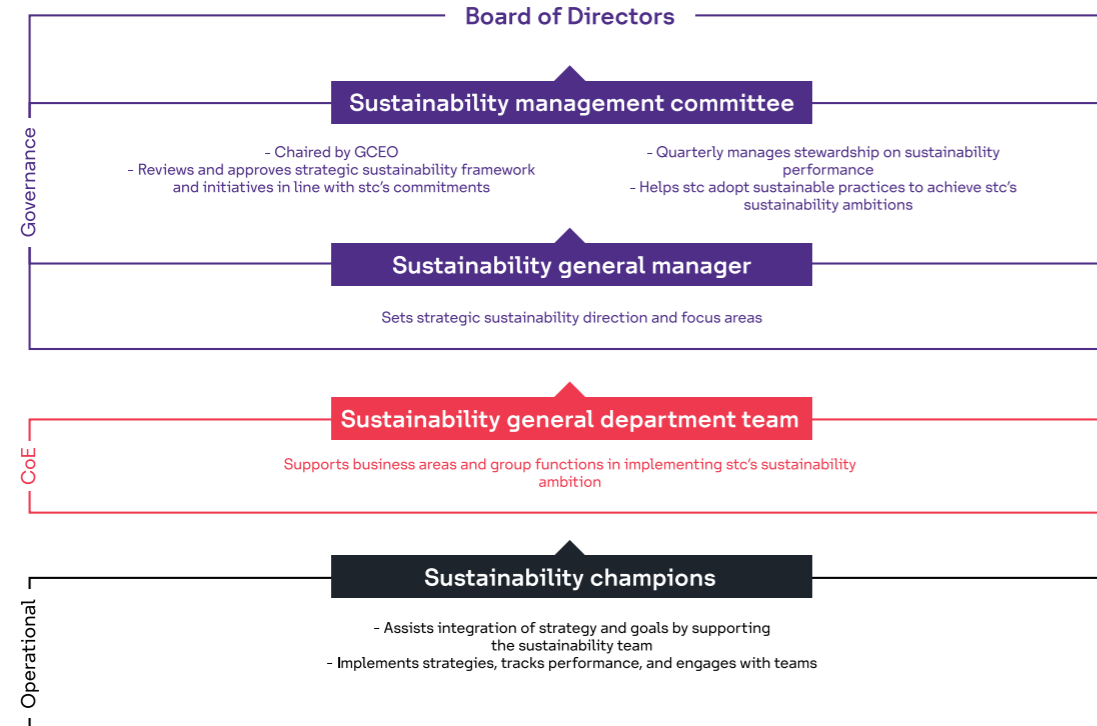


## Sustainability governing structure

The Group's sustainability executive management committee acts as an important vehicle for informing the board on sustainability issues and helping demonstrate corporate commitment to sustainability at the highest levels. The stc Group Board of Directors is charged with the vital oversight role for sustainability within the Group through the dedicated Sustainability Committee. This specialized committee receives regular and comprehensive updates from all relevant management positions regarding the company's sustainability framework and performance across a wide spectrum of KPIs and goals.

It is chaired by the GCEO, with eight members, 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:





In 2023, quantitative ESG and sustainability metrics have been introduced in the Short-Term Incentive Plan, with sustainability metrics representing 5% of the total performance score.

Annual variable remuneration scheme:

Perspectives	Default KPIs	Weight%
Financials	P&L related KPIs	60%
Strategic	Strategic programs	30%
Corporate Priorities	Sustainability GRC KPIs Diversity & Inclusion Score Attrition Score	10%

















Scorecard

### Materiality and stakeholder engagement

Engagement with stakeholders is a key aspect of stc’s sustainability strategy, as it leads to a better understanding of important stakeholder needs and allows us to respond appropriately. Feedback and insights from these stakeholders are extremely valued, and they are essential for guiding the continuous refinement of our business practices and strategy in the right direction.

Our approach to sustainability includes first understanding the organizational context. We then identified the current and potential impacts and assessed the significance of impacts. Finally, we prioritized the most significant impacts. The final list of prioritized material topics was approved by the GCSO.

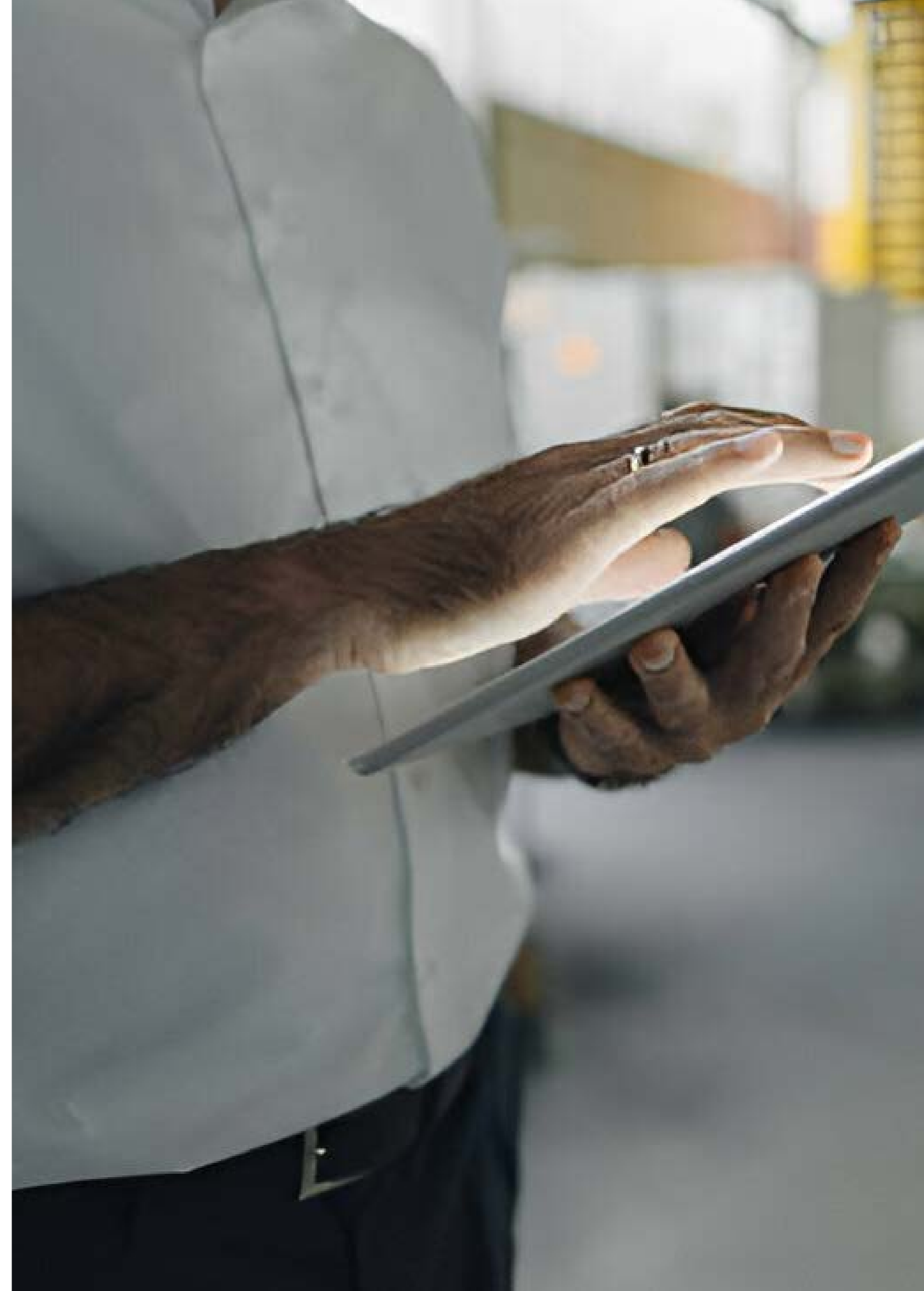


Pillar	Material	SDGs	UNGC	Saudi Vision 2030	Initiatives
 Environmental performance and climate	Energy and climate change	 	Principles 7 and 9	 Ensure environmental sustainability	<ul style="list-style-type: none"> <li>Solar pilot project</li> <li>Renewable energy across facilities</li> <li>Launch of GCC innovation hub</li> </ul>
	Waste water, e-waste and water management	 	Principle 8	 Ensure environmental sustainability	<ul style="list-style-type: none"> <li>Take- back program</li> <li>Water recycling facility plan</li> </ul>
 Development of human capital through digital innovation	Data privacy, security and protection	 	Principles 1 and 2	 Enable social contribution of businesses	<ul style="list-style-type: none"> <li>Data privacy and security employee and contractors training</li> </ul>
	Accessibility and digital inclusion	 	Principle 6	 Enable social contribution of businesses	<ul style="list-style-type: none"> <li>5G coverage expansion</li> </ul>
	Health, safety and wellness	 	Principles 3 and 4	 Promote a healthy lifestyle	<ul style="list-style-type: none"> <li>Health and safety training Blood donation drive</li> <li>Your doctor on site</li> </ul>
	Diversity, equality and inclusivity	 	Principle 6	 Ensuring equal access to job opportunities	<ul style="list-style-type: none"> <li>Qaderoon and Mowamaah programs for inclusion of people with disability</li> <li>Diversity and inclusion training and women empowerment analysis report</li> </ul>
	Digital innovation and experience		Principles 9 and 10	 Unlock potential of non-oil sectors	<ul style="list-style-type: none"> <li>Emergency response products such as Tari'</li> <li>Sustainable products and services through stc Cloud, lot squared, Solutions, and Specialized</li> </ul>
	Customer relations and satisfaction		Principle 1	 Grow contribution of the Private Sector to the economy	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer complaints resolution</li> </ul>
	Talent management	 	Principle 6	 Develop Human Capital in line with labor market needs	<ul style="list-style-type: none"> <li>Women emerging leaders</li> <li>Youth development programs including TiP, SDP and HiPo</li> </ul>
	Community contribution and development	 	Principle 1	 Enable social contribution of businesses	<ul style="list-style-type: none"> <li>Flagship programs including Technical enablement program, Smart Truck for elderly digital literacy, Employee volunteering, and many more</li> </ul>
 Strong governance and ethical excellence	Business ethics and governance		Principle 10	 Enable social contribution of businesses	<ul style="list-style-type: none"> <li>Mandatory employee and contractor business conduct training</li> </ul>
	Human rights	 	Principle 1	 Enable social contribution of businesses	<ul style="list-style-type: none"> <li>Online child safety guidebook</li> <li>Training on human rights policies and procedures</li> </ul>
	Supply chain management	 	Principle 2 and 8	 Enable social contribution of businesses	<ul style="list-style-type: none"> <li>rawafed</li> <li>Local procurement spending</li> <li>SME support</li> </ul>





## Policies, positions and statements

We apply a range of policies throughout our operations and relationships with stakeholders to improve ESG performance. These are reviewed and updated periodically, with approval by the GCEO, to 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](#)
- [Anti-corruption position statement](#)
- [Environmental position statement](#)
- [Responsible Supply Chain position statement](#)
- [Training and Career Development position statement](#)
- [Sustainability policy](#)
- [Human Rights position statement](#)
- [Data Privacy and Security position statement](#)
- [Community Involvement position statement](#)
- [Access to Communication position statement](#)
- [Responsible Marketing position statement](#)
- [Management commitment to Occupational Health and Safety](#)



# 2023 ESG performance highlights

 <p><b>22,751</b> Total workforce</p>	 <p><b>Over SAR 72 Billion</b> total revenues</p>	 <p><b>527,000 training hours</b> provided to employees by stc academy</p>	 <p><b>50+ Nationalities</b> across workforce</p>	 <p><b>Ranked #1 sustainability leader</b> by Forbes 100 sustainability leaders list in the middle east</p>	 <p><b>99% stc KSA employees</b> completed data protection and privacy training</p>	 <p><b>More than SAR 1B</b> investment in digital innovation through InspireU since 2015</p>	 <p><b>100% of business units</b> analyzed for risk related to corruption</p>
 <p><b>Zero employees and contractors fatalities</b></p>	 <p><b>88% employee engagement rate</b></p>	 <p><b>22% Employees</b> aged 18-30</p>	 <p>Collected and refurbished <b>43,000 devices</b> through Trade-In program</p>	 <p><b>Recognized as a compliant carrier</b> with the Global Leader's Forum (GLF) Code of Conduct in the fight against voice fraud</p>	 <p><b>0 monetary losses</b> as a result of legal proceedings associated with anticompetitive behavior regulations or violations of anti-trust laws</p>	 <p><b>Zero incidents</b> of non-compliance with environmental laws and/or regulations</p>	 <p><b>100% of employees and contractors</b> signed the code of conduct declaration</p>
 <p>Through Ertiqa, <b>4,862 electronic devices</b> recycled and refurbished</p>	 <p><b>+2,003 elderly beneficiaries</b> of digital literacy awareness through the smart truck</p>	 <p><b>3.9% employee turnover</b></p>	 <p>Validated and approved stc's interim science-based 2030 targets by SBTi</p>	 <p><b>Connected 3.2 million+ households</b> with fiber and 4 Gbps FTTH traffic increase</p>	 <p><b>42.90% local content score</b></p>	 <p><b>6% reduction in waste generated</b> in KSA and 3% across stc Group</p>	 <p><b>Technically empowered 446 NGOs</b> through technical enablement program – offering 1,055 technical services to 8,000 users across 50 cities</p>
 <p><b>In collaboration</b> with GCC Telcos Alliance members, launched the GCC Innovation hub</p>	 <p><b>Economic Category</b> winner of the King Khalid Sustainability</p>	 <p><b>672 employee</b> volunteers with over 8,000 volunteering work hours</p>	 <p>stc Bahrain planted <b>35,000 trees</b> across 50 sites and governorates</p>	 <p><b>92.5%, 26%, and 53% nationalization rates</b> in senior management across KSA, Bahrain and Kuwait, respectively</p>	 <p><b>31.6% women</b> hiring rate and 14% women employees</p>	 <p><b>Increased the number of employees with disabilities</b> from 76 to 104 across stc Group</p>	 <p><b>18% board seats</b> occupied by women</p>
 <p><b>89% local procurement</b> across group and 94% across stc KSA</p>	 <p><b>72% recycled waste</b> generated from both network and operational maintenance waste was recycled</p>	 <p><b>6.6% reduction</b> in (Scope 1) emissions</p>	 <p><b>Deployed 19% more 5G sites</b> across KSA reaching &gt; 8,332 5G sites</p>	 <p><b>665 SME suppliers</b> engaged in procurement activities</p>	 <p><b>Invested +SAR 40 million</b> in R&amp;D and innovation</p>	 <p><b>SAR 14 million</b> total community investment</p>	 <p><b>13% reduction</b> in energy consumption across 4G and 5G networks</p>

# Environmental performance and climate

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.

## Energy and climate change

stc has committed to reach net-zero emissions across the company's entire value chain by 2050. We have incorporated this ultimate goal into our Group-wide climate change mitigation strategy, which is based on the Task Force for Climate-related Financial Disclosures (TCFD) and the Science-Based Targets initiative (SBTi) to ensure that we are accurately measuring our carbon reductions.

In 2023, we developed a climate action plan that lays out the roadmap for achieving our near-term targets of reducing our absolute Scope 1 and 2 emissions by 50% and Scope 3 emissions by 46.2% before 2030.

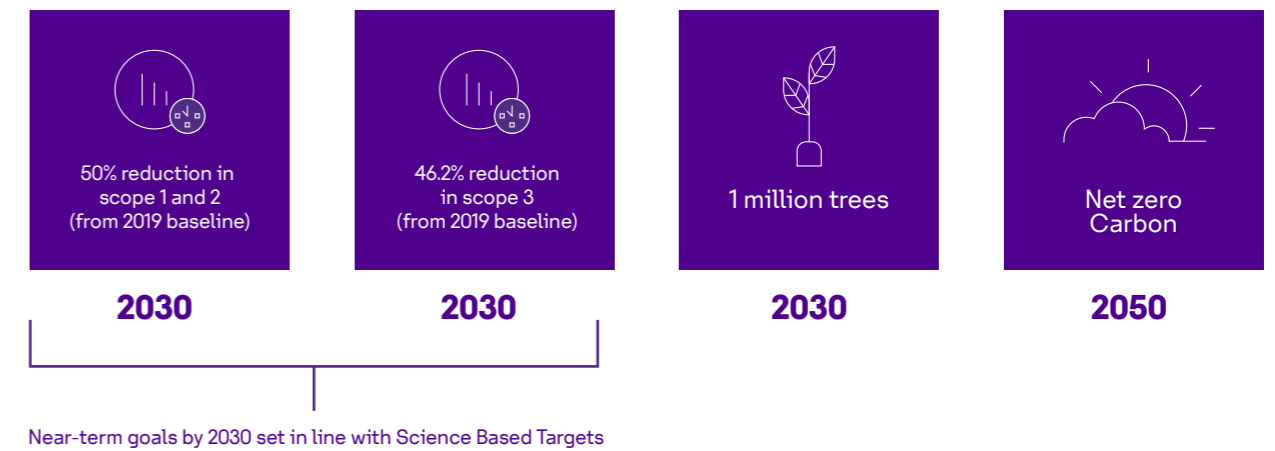
## Our climate strategy

stc's climate strategy establishes a clear, ambitious vision and measurable objectives for all Group departments and subsidiaries to consider as part of implementing all business practices going forward.

## Our targets

### Long-term targets and commitments

Overview of stc Group's long-term public commitments and validated targets



Pillars	Objective	Programs	2023 Initiatives
Optimizing stc's performance	Promote continuity & quality of information, ensure carbon reduction commitments are achieved, and provide a foundation for improvement & system analysis	- GHG emissions governance - Manage Scope 1 emissions - Manage Scope 2 emissions	- Improved energy efficiency of data centers - Solar pilot project - Solar installation in parking areas, buildings, and outlets - Improved energy efficiency at tower sites - Recycling program for network devices - Implementation of "take back program"
Developing eco-friendly products and solutions	Reduce the climate impact from materials, products, and services used by stc and across the company's value chain	- Carbon enablement - Sustainable customers - Engaged supply chain	- Sustainable products and services through stc Cloud, lot squared, Solutions, and Specialized Emergency response products such as Tari'
Managing climate-related risks & financial impacts	Assess & manage climate-related risks in a manner that future-proofs stc Group's operations and ensures alignment with stakeholder expectations	- Climate risk evaluation - Climate resilient assets and services	- Rigorous risk assessments guided by TCFD recommendations - Developing Group-wide policies and processes
Demonstrating climate leadership	Empower stc's colleagues and supply chain to influence climate action at both the local and global scale	- Internal and external empowerment - Implement circular economy considerations across supply chain	- Recycling program - ESG training program - Internal capacity building - GCC telco alliance and launch of GCC innovation hub

## Water management

Water is a scarce and valuable resource, especially in the greater MENA region, and stc is particularly committed to increasing the efficiency of water use throughout all business operations. Overall, our consumption principally comes in the form of sanitation and air-conditioning usage, as well as tankers for backup use. In 2023, we recorded 6% and 12% water consumption reductions across stc KSA and stc Group, respectively.

## Waste management

stc has implemented several policies to manage and optimize the use of materials throughout their respective life cycles. One of the initiatives implemented is a recycling program across all stc buildings and sites, which empowers individuals to actively contribute to waste reduction.

Through our recycling program across supply chain, we collected 7,131 tons of waste. Of the total, almost 74% was reused, and 16% recycled, and the remaining portion was responsibly disposed of. Across our warehouse and inventory management processes in stc KSA, we have reused and recycled 90% of materials and for those to be disposed we ensure 100% safe disposal. Across our office buildings, recorded 6% reduction in waste generation in KSA and 3% across the Group.

# Development of human capital through digital innovation

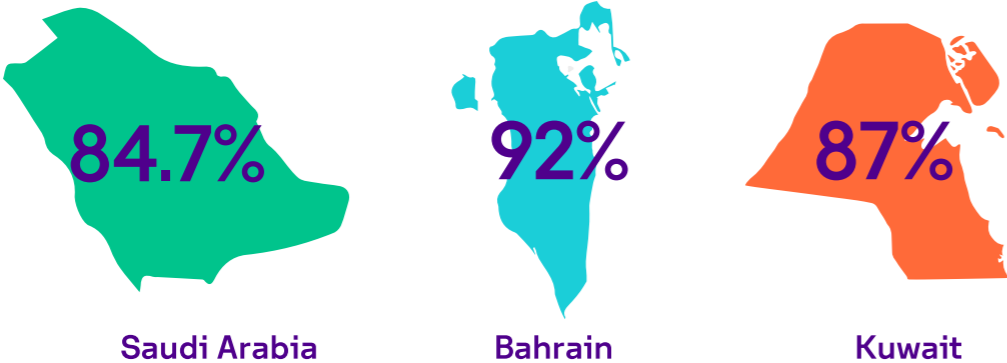
stc is strongly committed to empowering individuals and communities through inclusive practices, diversity and inclusion initiatives, and social investment programs. Our goal is to create opportunities for growth, bridge societal gaps through technological innovation, and foster a sense of belonging and well-being.

Addressing the social pillar within our sustainability strategy has consisted of launching an array of initiatives and programs designed to enrich the lives of our customers, empower our people, and contribute to the development of our broader communities.

## Customer relations and satisfaction

We place a tremendous value on customer satisfaction and loyalty, and we believe that providing an excellent customer experience is the bedrock for ensuring this and while also attracting new customers.

Customer Satisfaction Scores in 2023 by country (scores out of 100)



## Data privacy, security and protection

Ensuring data security and respecting privacy regulations are two of 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 that we take extremely seriously. In 2023, we continued to provide mandatory data privacy and protection training for our employees at stc KSA, and in Q4 we also extended the mandatory training to our subsidiaries and contractors, building on successful training sessions that were implemented in previous years.

### Data privacy and protection mandatory training:



## 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.

In 2023, stc saw significant progress in developing digital infrastructure, particularly through the expansion of the 5G network, with 3 billion SAR of added investment in this area. This has enabled stc to deploy 5G network capabilities in more than 75 cities throughout the Kingdom, equipping over 90% of major cities with 5G technology. Throughout the past year, 21% more 5G sites were deployed across the KSA compared with 2022, bringing the total amount of 5G sites to 8,470, with a 7% increase in 5G subscribers compared to the previous year. In Kuwait and Bahrain, stc achieved 100% 5G coverage, a feat accomplished largely due to the relatively smaller sizes and populations of these two countries compared to the KSA.

## Digital innovation and experience

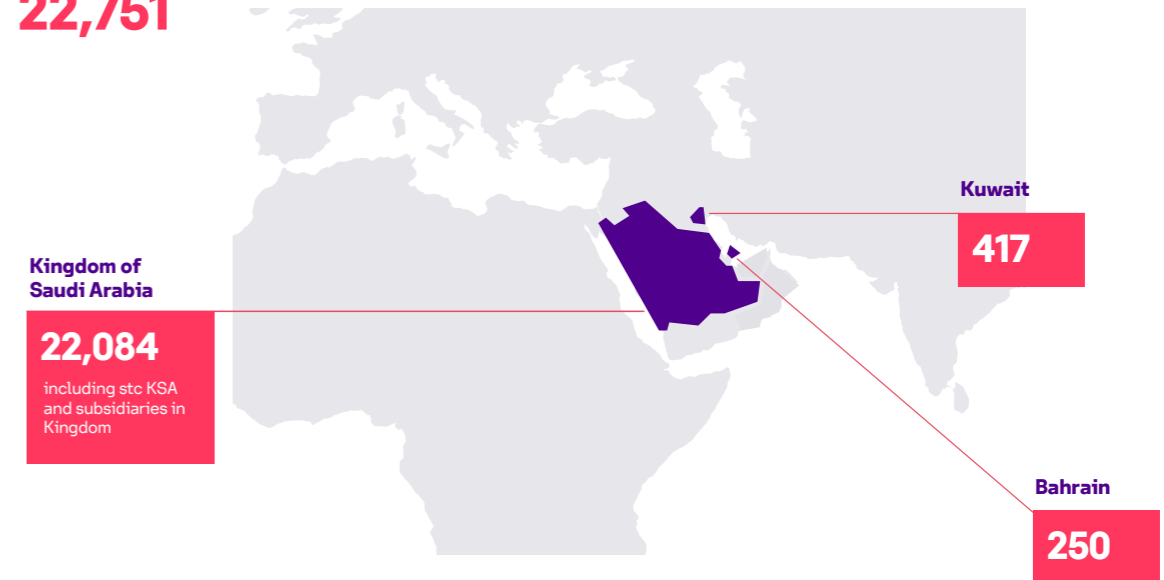
We are a pioneering digital champion in the greater Gulf region. Our efforts in the areas of innovation and digital transformation have helped lift stc to become a truly meaningful and purposeful organization. We offer a variety of innovative services in the areas of communications, information technology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

- **e-health products and services:** The Holo Doctor service offers remote medical consultations by linking patients to doctors in the virtual Seha hospital. Our Tele-Medicine Virtual clinic solution addresses pain points in the patient experience, enabling better healthcare services while providing significant cost savings. Other solutions include Tarj Smart Hospital Stimulation, Tele Ultrasound, to name a few.
- **e-sports and gaming platform:** stcplay, our e-sports and gaming platform, provides casual and professional gamers access to online tournaments, content, and gaming merchants all in one platform. In 2023, stc play recorded more than 3 million registered users, representing a significant increase from a registered user base of just over 1.2 million in 2022.
- **Entertainment platform:** We offer world-class entertainment, with best-in class content, including premium TV services, and an unforgettable consumer experience. Capitalizing on our technological capabilities, stc tv –our entertainment-streaming platform – warrants an uninterrupted viewing experience with availability across all devices. In 2023, stc tv recorded 3.6 million authorized subscribers.
- **Leading Fintech:** We aim to reduce dependence on cash as the economy becomes increasingly digital. In 2023, stc pay initiated the transformation from being one of the first electronic wallets originating from the KSA to becoming STC Bank, one of the first digital banks in the Kingdom licensed by the Saudi Central Bank (SAMA) to carry out digital banking activities. STC Bank's active user base grew 23.2% in 2023.

## Diversity equity and inclusion

With a workforce spanning three countries and comprising over 22,751 employees, we are unified in our mission to foster a culture of care and belonging. To uphold our commitment to diversity and inclusion (D&I), we prioritize three key areas: women in leadership; culture and ethnicity; and inclusion of people with disability.

## stc group workforce total workforce 22,751



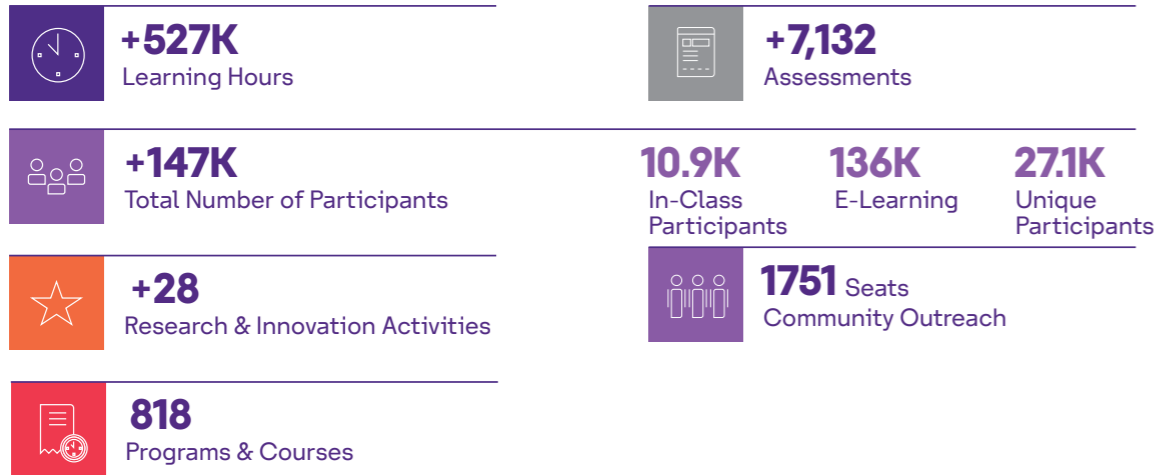
## How we manage diversity and inclusion of our human capital across stc Group:



## Talent management

We focus on talent development and training of our people. This involves designing, defining, and meeting specific training paths, development plans, and various training needs for each employee. We set annual and semi-annual targets to implement these training needs according to each employee's individual development plan, which is in turn implemented by specialists with competence and knowledge in each specific area. All of this is done through stc Academy in line with the highest technical specifications and efficiency.

## stc Academy in numbers:



## 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 2023, we maintained the ISO45001 certification reaffirming our commitment to comply with national and international OSHMS standards. Additionally, we take health and safety training very seriously, and provided several over 45,162 hours of health and safety training to employees and contractors.

## Community contribution and development

We are committed to delivering the most positive community development impacts possible by leveraging our key strengths as the leading telecom and ICT service provider in the Gulf and greater MENA region.

theme	target	flagship initiatives	2023 social impact
Digital Inclusion and Digital Capabilities Promotion	Aiming to bridge the divides that exist in our operating markets, focusing on the inclusion of people with disabilities, underserved areas, low-income households and elderly	Smart Truck Technical enablement	Provided 150 awareness session to 2,003 elderly people across 11 governorates Offered 1,055 technical services to 446 NPOs across 50 cities serving 8,000 users
Education, Health and Environmental Protection	Aiming to spread awareness on educational, health and environmental issues and help solve them through our support and innovative solutions.	Sharing knowledge E-health smart cameras Electronic waste recycling	Conducted 2 workshops with 40 participants from 14 different partners (NPO & government) to build capacity on social return on investment and social value Installed two smart cameras worth 160,213.48 SAR in health centers within an underserved area to help early diabetes detection Through Eritqa, recycled and refurbished 4,862 devices, with 100 NGO beneficiaries
Embedding a Culture of Purpose and Entrepreneurship	Aiming to generate sustainable change while supporting entrepreneurship and empowering the next generation of young entrepreneurs through education, training and a supportive ecosystem.	Educational grant support ImpactU	Invested 3 million SAR in support of 15 students to continue their university education in the field of technology 100,000 SAR seed investment for each of the 10 incubated startups since 2021 - no intake in 2023 100,000 SAR seed investment for each of the 10 incubated startups since 2021 - no intake in 2023
Welfare and Quality of Life	Aiming to bridge the divides that exist in our operating markets, focusing on the inclusion of people with disabilities, underserved areas, low-income households and elderly	Volunteering program Furniture donation Jood Eleskan initiative support Home renovation	Completed 672 volunteering opportunities requested by 30 NPOS across 13 regions while recording 8,064 volunteering hours Donated 343 furniture pieces to 10 NPOS Renovated 4 houses by raising 456,429 SAR from stc employees and benefitting 26 people, and utilized stc's digital communication channels to raise awareness and donations by sending 144,571,023 SMS across KSA Renovated 40 homes across 8 governorates with 2 million SAR investment aiding vulnerable groups like widows, divorced, people with disability, and children of martyrs





# Strong governance and ethical behavior

stc stands with the firm belief that good corporate governance and ethical business conduct are essential for lasting and sustainable success. We constantly strive for best governance practices that focus on ensuring irreproachable business ethics, respecting human rights, and creating a truly sustainable supply chain.

## Business ethics, governance and transparency

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 initiatives to improve this in senior management roles and throughout other areas of the company. In 2023, women made up 18% of our Board.



**11**  
board members

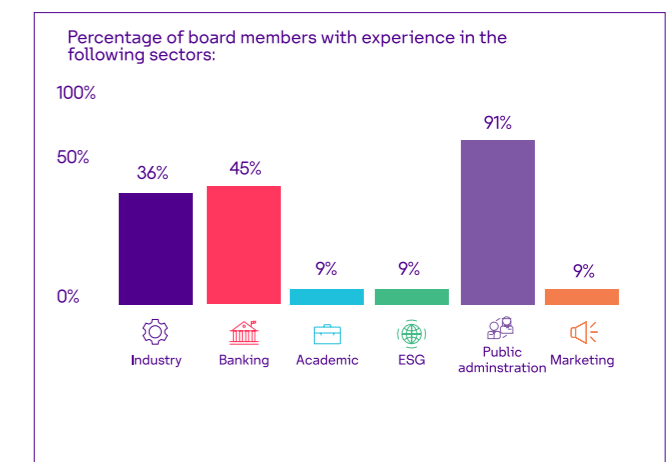
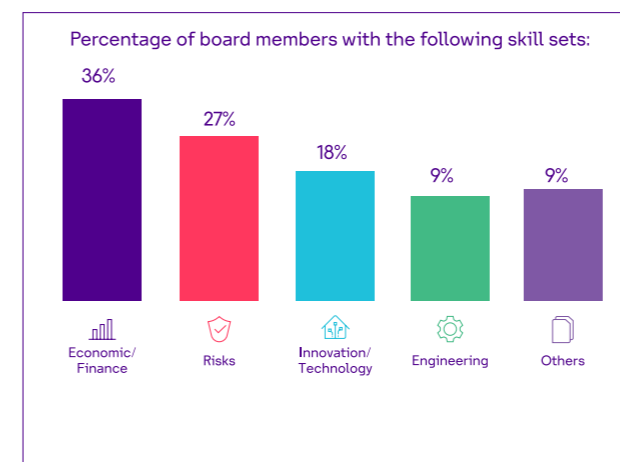


**18%**  
woman representation



**3 Years**  
Average Tenure

Our 11 members of the Board have a diverse skill sets and backgrounds, including:



All stc employees, including senior management and subsidiary staff, are required to undergo a mandatory 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 employee expectations and responsibilities surrounding the subject. All employees are also required to attend mandatory Advanced Online Integrity courses on Anti-Corruption and Gifts and Hospitality.

## 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.

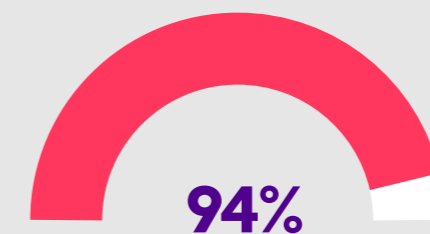
Awareness and training are core elements of addressing human rights policies and are central to building a company culture that views human rights as being of the utmost importance. In 2023, we recorded 151,559 hours devoted to human rights-related policies and procedures relevant to our operations.

## Responsible and sustainable procurement

Our approach to sustainable procurement is to ensure we source sustainable goods and services whenever possible, and encourage sustainable practices throughout the entire supply chain. We expect our suppliers and business partners to conduct themselves in a manner 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.

All significant investment agreements and contracts include human rights-specific clauses that have undergone intensive human rights screening. In 2023, 100% of new suppliers were screened for environmental, labor, and human rights standards.

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



### 2023 Local procurement spending - stc KSA

% of total local procurement spending on local suppliers



### 2023 Local procurement spending - stc Group

% of total local procurement spending on local suppliers

We actively support participation of small and medium enterprises (SMEs) through our own procurement activities, wherever possible, in line with the respective national visions of the countries that we operate within. In 2023, we engaged with more than 665 SMEs.



## For more information

Our full sustainability report is available on stc's sustainability platform. The full report includes a comprehensive GRI content index, against the core reporting standards.

For more information on stc's financial performance, please refer to our 2023 annual report, available here: <https://www.stc.com.sa/content/dam/groupsites/en/pdf/stc2023-annual-report-en-v7.pdf>

Inquiries, feedback or suggestions are welcome at:

- ✉ [Sustainability@stc.com.sa](mailto:Sustainability@stc.com.sa)
- ✕ <https://x.com/stc>
- <https://www.linkedin.com/company/stc>
- f <https://www.facebook.com/stc/>