Business Integrity Manual Summary

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1. Introduction

stc is committed to conducting business in accordance with the highest ethical standards and prohibits all forms of fraud, bribery, and corruption. The Business Integrity Manual is designed to help stc in achieving its objectives, by managing and responding to fraud risks and limiting stc's exposure to potential fraud and corruption.

The main aim of the manual is to set the key controls/ guidance that will assist in the prevention, detection and response to fraud in the company, enhancing organizational efforts against this behavior and its indicators, strengthening corporate governance and internal controls.

2. Purpose and Objective

The Business Integrity Manual is a guidance document to protect the brand, reputation, and assets of the company from losses or damages caused by suspected fraud incidents. To prevent, detect, and respond to fraud instances, the manual establish a fraud management manual. Manual document is provide guidance to:

- Establish a set of co-ordinated measures for safeguarding stc's businesses from potential fraud and corruption.
- Assess the ethical culture, the attitude of its employees towards fraud, their awareness to fraud -related policies and willingness to report fraud.
- Set out end-to-end process to detect, investigate and mitigate fraud across business functions.
- Spread awareness and conduct training session to educate employees on fraud threats that the organization is exposed to.
- Promote zero tolerance to fraud. Encourage all employees / associates of stc to report cases of fraud.
- Establish a continuous monitoring mechanism for managing fraud effectively.
- Proactive approach to monitor abnormalities and outliers in transactions through tools and technology.
- Reducing the risks arising from non-compliance with fair and ethical practices, which may harm the company.
- Provide guidance on internal and external communication protocols pertaining to fraud.
- Set up an effective reporting mechanism to relevant stakeholders within stc.

The Manual set out clear roles and responsibilities among different teams and different lines of defense (LOD's) to help prevent, detect, investigate, and remediate any potential acts of fraud that could be perpetrated as part of the company activities.

It also provides guidance on the methodology for proactive identification, assessment, and management of fraud risks applicable to stc businesses.

3. Scope

The scope of the manual shall apply to all aspects of stc's operations, and shall cover all stakeholders, including but not limited to stc's customers, employees, temporary workers, and suppliers. stc's subsidiaries & entities may choose to leverage this document, it is always recommended to align it to their respective organization structure, businesses, and regulatory requirements.

4. Roles & Responsibilities

stc employees are expected to maintain a culture of ethical behavior and possess a thorough understanding of the Business Integrity Manual, relevant policies and process documents. They must adhere to the values and guidelines outlined in stc's Code of Ethics policy including BOD, Executive Committee, Business Integrity Committee, Audit Committee, Internal Audit Unit, Legal Affairs Sector, Employees, Contractors, and Suppliers all Subsidiaries and Contracting Companies, Enterprise Risk Management team and e Compliance.

5. stc Fraud Context and Typologies

stc operates in a dynamic and expansive business environment providing a wide range of telecom and digital services to retail, wholesale, and enterprise customers across multiple regions, including Saudi Arabia, the Middle East, and North Africa and Europe. This extensive operation makes stc vulnerable to various fraud typologies categorized as internal and external fraud. External fraud involve unethical activities by customers or external parties, causing financial losses and requiring sophisticated detection techniques, such as analyzing large volume of data from operational and business support system. Advanced technology platforms and defined results help identify and mitigate fraud types like subscription fraud, SIM card swapping, and roaming fraud.

Internal fraud, on the other hand, involve employees exploiting their access to sensitive information or abusing their position or personal gain, leading to financial, reputational,

and legal consequences, detecting and preventing internal fraud rely on strong internal controls, regular audits, reporting mechanisms, and continuous monitoring to address conflict of interest and suspicious activities, preserving stc's integrity and stakeholders trust.

6. Reporting Protocols

All parties falling under the scope of this document must be made aware of the existent channels and must have access to training materials to understand how to report any suspicious activity. At stc, Business Integrity team created channels to communicate a potential fraud/ corruption/ bribery case. Any person (employee or associates of the Company) with knowledge of suspected incident of fraud or who is personally being coerced by others to participate in a fraudulent activity must report the case immediately.

All cases of suspected fraud can be reported through speak up channels, such as

- Reporting to their Manager/ any other Manager within the stc group
- The Human Resource team
- The Business Integrity team
- The dedicated Speak Up email address.

The Company shall strive to maintain anonymity of requests. stc respects the right of all individuals to remain anonymous in the speak up process.

7. Fraud Risk Management

To maintain consistency and to support successful management of anti-fraud activities there is a requirement of a continuous monitoring approach. The manual document empowers the Business Integrity team to implement continuous monitoring by implementing prevent, detect and respond methodology.

Key objectives of Fraud risk management

- **Prevent** instances of fraud and misconduct from occurring in the first place. stc focuses on proactively identifying, assessing, monitoring, and reporting fraud risks and taking steps to address those risks. Developing a sound ethical culture, with the introduction of approved policies, procedures, controls effective system of internal control, and training and awareness activities are key to fraud prevention.
- **Detect** instances of fraud and misconduct when they do occur.

- **Respond** appropriately and take corrective action when integrity breakdowns arise. Fraud response management manuals outline stc's processes and procedures for dealing with and responding to fraud incidents. It provides a structured approach to detection, investigating, resolving, and preventing future fraud incidents.

8. Reporting

8.1 Internal Reporting

Reporting by Data Analytics : Each team under BI shall be responsible for maintaining quality of the reports and documents it maintains such as tracking of WB cases in case management, incident tracker, recommendation tracker maintained by Anti-fraud team, and so on.

8.2 External Reporting

If any incident needs to be settled in a court/ judicial body, the investigation team shall communicate the same to the litigation and local laws team along with the investigation report and all evidence gathered. Litigation and local laws team shall report the case to the court/ judicial bodies/ law enforcement bodies for prosecution.

9. References

- Anti-Fraud and Corruption Policy
- Gift Policy
- Whistleblowing Policy
- Enterprise Risk Management (ERM) Manual
- Code of Ethics