

**stc**



**forward.  
together.**

sustainability  
report 2025

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We are pleased to present our seventh Sustainability Report, highlighting our progress in 2025, key milestones achieved and performance against our sustainability goals and focus areas. The report demonstrates how sustainability continues to be embedded across our culture, operations and strategic decision-making as we move forward, together, toward a more sustainable future.

# Introduction and overview

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# 01



Saudi Vision  
2030



UNGC



UNSDGs

# About this report

## Reporting period

stc's 2025 sustainability report covers the calendar year from 1 January to 31 December 2025 and focuses exclusively on activities undertaken during this period. Where relevant, information from previous years is included to provide context.

## Reporting standards

stc's 2025 sustainability report is prepared in alignment with internationally recognized standards and frameworks, including:

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- GSMA ESG Framework

In addition, this report references the IFRS S1 and S2 sustainability disclosure standards, reflecting stc's ongoing efforts to monitor these evolving requirements and to enhance internal readiness with the aim of fully aligning with these requirements and disclosing against them in future reporting cycles.

stc is a signatory to the United Nations Global Compact (UNGC), and this report serves as stc group's [Communication on Progress \(CoP\)](#) on implementing the UNGC 10 Principles. We also report on the CDP requirements for emissions disclosure.

In addition, this report reflects stc's strong alignment with Saudi Vision 2030 and national regulatory requirements. Beyond compliance in Saudi Arabia, stc applies robust sustainability practices across its operations in Bahrain, Kuwait and other markets, enabling the company to meet both local and global sustainability requirements.

Framework mappings across different standards and frameworks are provided in the Appendices.

## Reporting boundaries and methodology

This report covers stc group's operations in Saudi Arabia, Bahrain, Kuwait and related subsidiaries within the Kingdom. For a list of included entities, please refer to [our Operating Model](#).

The reporting boundaries and materiality assessment cover core operating subsidiaries with direct operational activities and established ESG data and processes that are considered material. The GHG emissions included in this report are in alignment with GHG protocol and SBTi requirements.

The reporting scope is reviewed periodically to reflect organizational developments and changes. Where applicable, changes in reporting scope may influence the comparability of data with previous reporting periods. For more information about the disclosure boundary, please refer to the Appendices on page 216.

Entities classified under "Other Operating Segments" in the consolidated financial statements are excluded from quantitative sustainability metrics where their operational footprint and environmental and social impacts are immaterial.

Data from clients are not included unless they are subsidiaries. Select information on contractors and suppliers is reported in line with GRI requirements. Acquisitions completed in 2025 will be reportable following their first full year of operation. Non-operational sites and infrastructure are excluded.

All monetary values are presented in Saudi Riyals unless otherwise stated. Data is collected through standardized processes to ensure accuracy and reliability.

Further governance and financial disclosures are available in our [Annual Report](#).

## Material topics and strategic alignment

The disclosures in this report are guided by stc's material topics identified in the double materiality assessment (DMA).

These are organized under the three pillars of stc's sustainability framework, which features a dedicated chapter:

- Environmental performance and climate
- Human capital development through digital innovation
- Strong governance and ethical excellence

Within these chapters, stc explores various material topics that are identified as the most significant to its stakeholders and business activity.

## Governance and verification

Data is reviewed by sustainability champions and their managers, to ensure accuracy and alignment with our sustainability goals. The final draft undergoes verification by chiefs and the Sustainability Executive Management Committee, providing an additional layer of validation. Ultimately, the stc Sustainability Management Committee, chaired by the group CEO (GCEO), reviews and approves the report.

## Feedback

stc group welcomes stakeholder feedback at: [sustainability@stc.com.sa](mailto:sustainability@stc.com.sa), [x.com/stc](https://x.com/stc), [facebook.com/stc/](https://facebook.com/stc/), [linkedin.com/company/stc](https://linkedin.com/company/stc)

## Cautionary message

This report includes statements that may be considered "forward-looking," reflecting stc's intentions and expectations regarding its future activities. Such statements can often be recognized by terms like "plans," "targets," "expects," "intends," "believes" or similar expressions, as well as words indicating potential outcomes such as "may," "could," "should," "might," "will" or "would." While stc has made every effort to ensure the accuracy and reliability of the information presented, forward-looking statements are inherently subject to risks and uncertainties. Actual results may differ materially from those anticipated owing to factors outside stc's control. Therefore, these statements should not be interpreted as guarantees of future performance or events.



## Chairman's message

# A glimpse into the promising future ahead

On behalf of the Board of Directors, I am pleased to present stc's 2025 Sustainability Report, outlining our continued commitment to creating long-term value for our stakeholders.

In a rapidly evolving environment shaped by technological advancement and evolving sustainability expectations, stc remains focused on balancing growth with resilience, while proactively addressing emerging risks and opportunities.

At the Board level, our priority remains to guide the group's strategic direction to deliver sustainable long-term value. We recognize that sustainability integration is essential to maintaining stakeholder trust and navigating an increasingly complex global landscape. Guided by our vision to be a digital and telecommunications leader while enabling society and the economy to thrive, we continue to reinforce sustainability as a core element of our strategic oversight.

Strong governance is our compass. Through rigorous oversight, enhanced transparency, risk management, and ethical leadership, we ensure that our decisions uphold the highest standards of integrity.

As Saudi Arabia advances its ambitions, stc remains committed to supporting national transformation through resilient digital infrastructure, responsible growth, and long-term value creation. Our sustainability approach is anchored in global principles, including the UN Sustainable Development Goals (UN SDGs) and the UN Global Compact (UNGC), while ensuring alignment with national priorities and development visions of the countries in which we operate.

We extend our gratitude to all who have played a part in this successful year. With the continued trust of our investors and dedication of our people, stc will sustain its momentum and deliver lasting impact for our stakeholders, investors, and the communities we serve.

**// In a rapidly evolving environment shaped by technological advancement and evolving sustainability expectations, stc remains focused on balancing growth with resilience, while proactively addressing emerging risks and opportunities. //**

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



## GCEO's message

# Shaping a future through transformative impact

2025 was another landmark year for stc – a year of record growth, transformative impact and unwavering commitment to our purpose.

We delivered solid performance across our core business areas, underpinned by disciplined execution and the dedication of our people. Together, we have grown into the market leading digital enabler and positioned stc as the most valuable and strongest telecommunications brand in the MENA region.

While our financial achievements are significant, our success is equally defined by how effectively we embed strong governance, social advancement and environmental stewardship, into our operations to drive innovation and long-term sustainable growth.

Strong governance is the force that shapes our future. By embracing transparency, forward-looking risk management, and principled leadership, we create an environment where integrity is not just protected — it becomes a catalyst for innovation, resilience, and long-term value. This is how we earn trust today and build a legacy that endures.

As digital transformation accelerates across the Kingdom and the region, stc continued to lead with purpose by providing reliable connectivity and enabling economic diversification through advanced

infrastructure and digital services. While innovation remains central to our strategy, we are actively integrating AI across our operations with strong focus on responsible and secure infrastructure aligned with national and international ethical guidelines, including the development of AI-powered solutions for high-impact sectors such as smart cities and health fields.

I extend my thanks to our employees for their dedication, our board for their vision, our strategic partners for their support, and our customers, investors and stakeholders for their trust. Together, we are moving forward towards a connected, resilient, and sustainable future for all.



**By embracing transparency, forward-looking risk management, and principled leadership, we create an environment where integrity is not just protected — it becomes a catalyst for innovation, resilience, and long-term value. This is how we earn trust today and build a legacy that endures. //**

**Olayan M. Alwetaid**  
CEO of stc group



## GCSO's message

# Empowering sustainable growth through digital innovation and responsible transformation

At stc, sustainability is integral to our strategy, guiding how we create long-term value, enhance efficiency, and strengthen resilience. Our technology leadership enables sustainable digital transformation across the Kingdom, the GCC, and beyond.

Our refreshed sustainability strategy reinforces our role as an economic catalyst by supporting digital growth, infrastructure expansion, and portfolio transformation. Throughout the year, we advanced our Environmental, Social, and Governance (ESG) priorities, embedding sustainability into operations, decision-making, and stakeholder engagement.

We continued progressing toward our net-zero ambition through energy-efficiency initiatives, circular-economy programs, and targeted infrastructure upgrades. These efforts delivered a 3.9% reduction in Scope 1 and 2 emissions and a 10.6% improvement in energy intensity across stc KSA.

Collaboration remains essential to achieving lasting impact. Through strategic partnerships and open innovation, including the inaugural GCC Sustainability Hackathon, we fostered new ideas in AI, circularity, and renewable energy. We also expanded digital inclusion by supporting underserved communities.

Strong governance underpins our progress. In 2025, we enhanced our approach by establishing the Climate Action Task Force and Working Group. Our achievements were recognized with an MSCI ESG AA rating and the King Khalid Sustainability Award Gold Trophy.

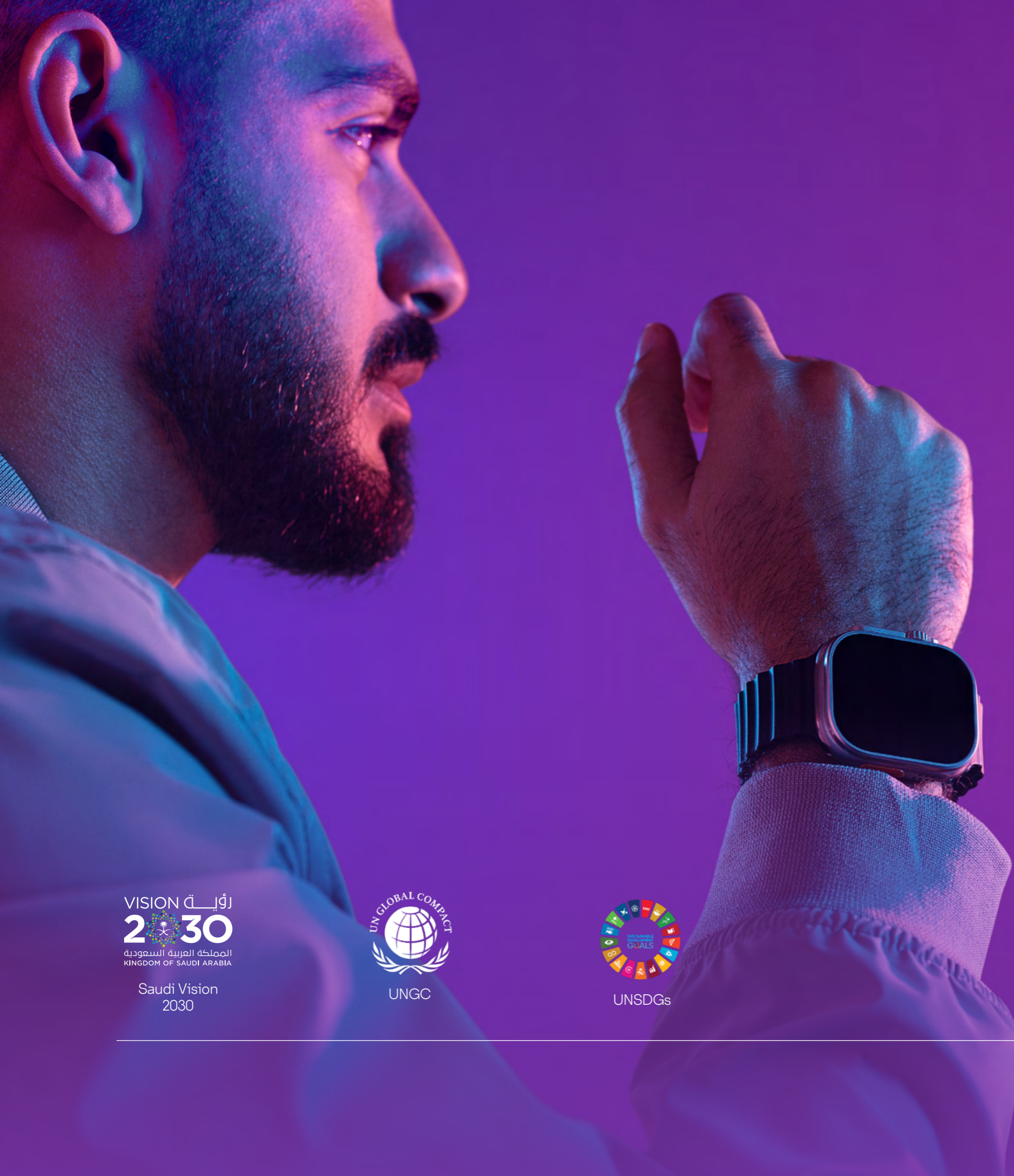
We will continue building on this momentum, ensuring sustainability remains a core driver of long-term value for our customers, communities, employees, and shareholders.



**Strong governance underpins our progress. In 2025, we enhanced our approach by establishing the Climate Action Task Force and Working Group. Our achievements were recognized with an MSCI ESG AA rating and the King Khalid Sustainability Award Gold Trophy.** 

**Abdullah Abdulrahman Alkanhl**  
Group Chief Strategy Officer





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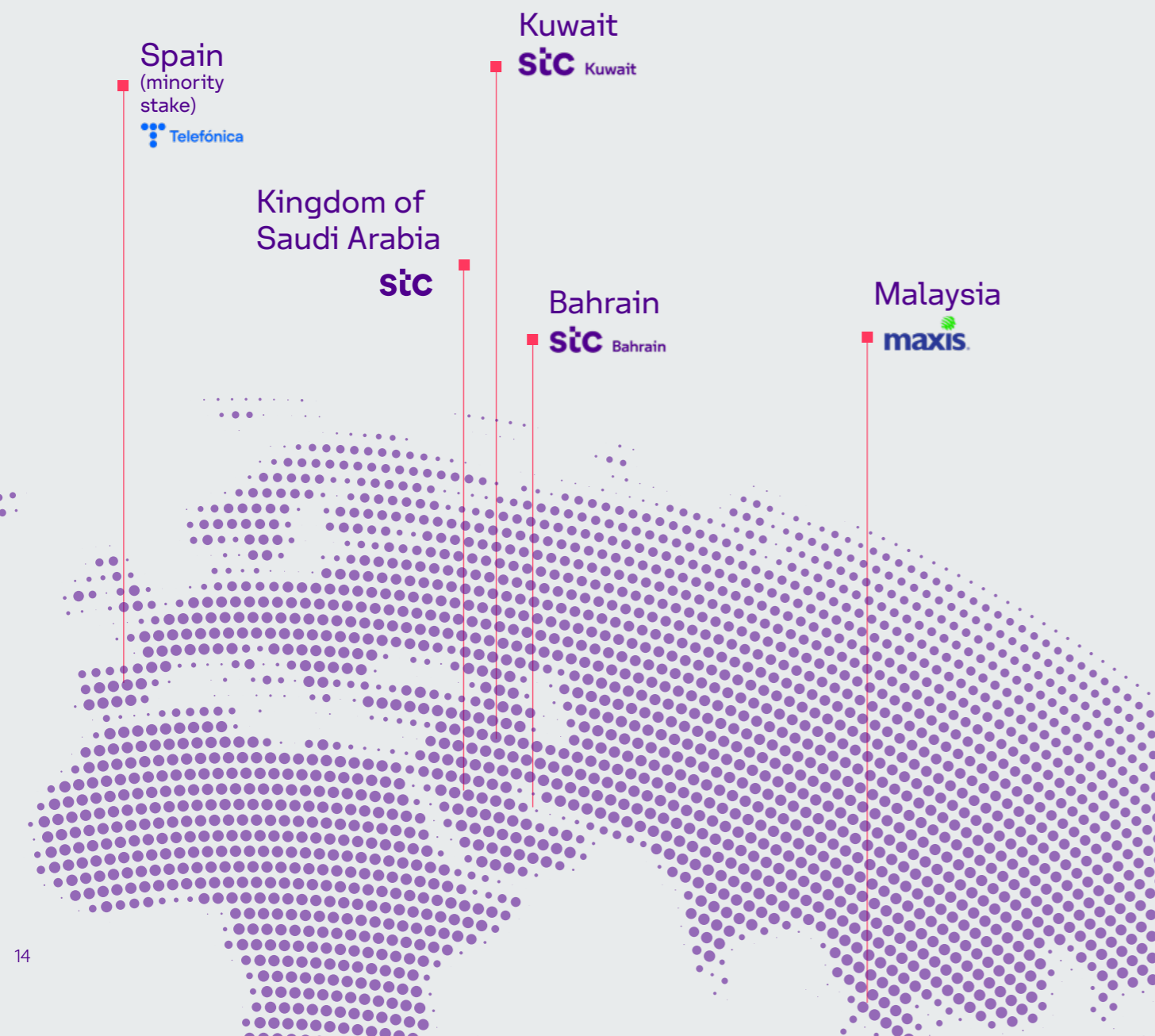


# stc at a glance

Saudi Telecom Company (stc) was established in 1998 as a Saudi joint stock company and is headquartered in Riyadh, Saudi Arabia. Today, stc group is a leading digital enabler operating across Saudi Arabia and key international markets, including Bahrain and Kuwait. The stc group provides integrated telecommunications, digital, cloud, cybersecurity and ICT solutions to consumers, enterprises and governments.

Through sustained investment in infrastructure, innovation and advanced technologies, stc plays a central role in advancing digital transformation and supporting Saudi Vision 2030. Further details on the company's history, legal structure and corporate profile are available in the Annual Report and on stc's [website](#).

## Our business in 2025

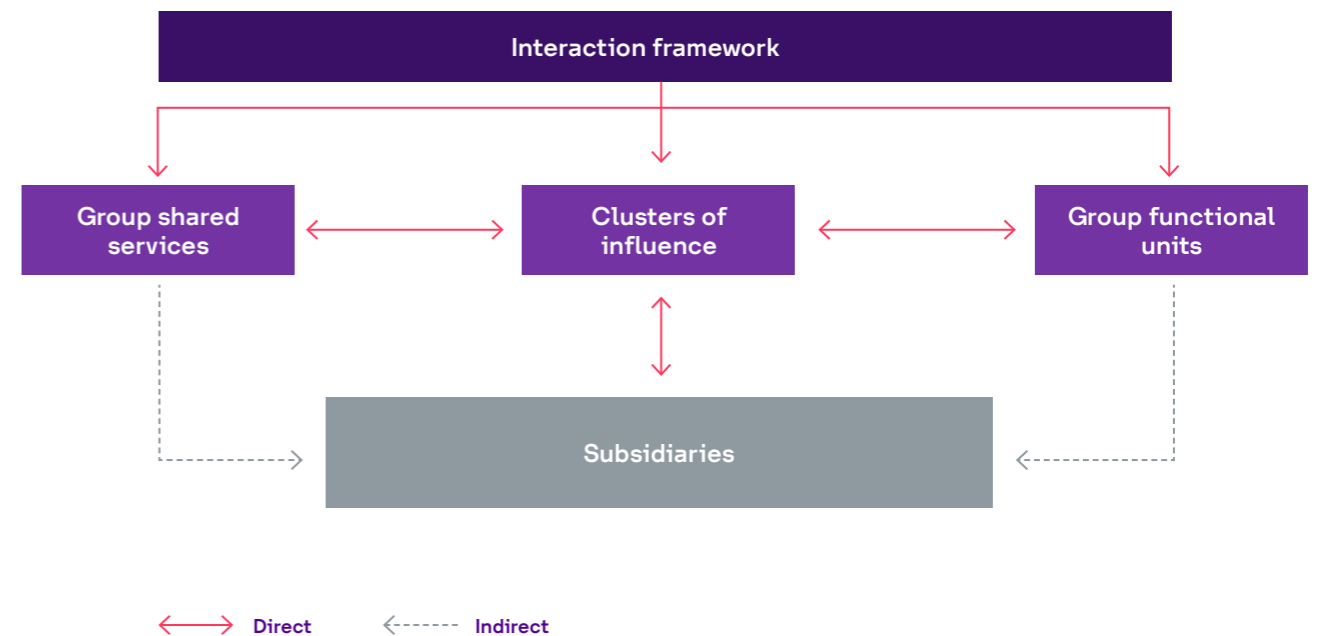


Direct economic value (Thousand ٬)	2022	2023	2024	2025
Total revenue	67,431,546	71,777,161	75,893,413	77,818,675
Gross profit	37,393,255	34,740,066	37,325,924	37,699,689
Net operating profits	15,088,441	13,161,291	14,425,638	14,438,264
Zakat and taxes	(1,083,175)	(1,326,610)	(1,191,564)	466,436
Net profit for the year	12,170,537	13,295,381	24,688,652	14,828,030
Dividends declared	7,984,024	7,975,133	13,711,661	20,955,305
EBITDA	25,078,667	22,445,389	23,951,115	24,469,435

## Our operating model

stc group operates a cluster-based model with specialized business units supported by shared services to ensure consistency, operational efficiency and effective resource allocation across the organization.

This unified structure simplifies and streamlines operations across telecommunications and digital services, enabling coordinated execution, faster decision-making and sustainable long-term growth across the stc group.

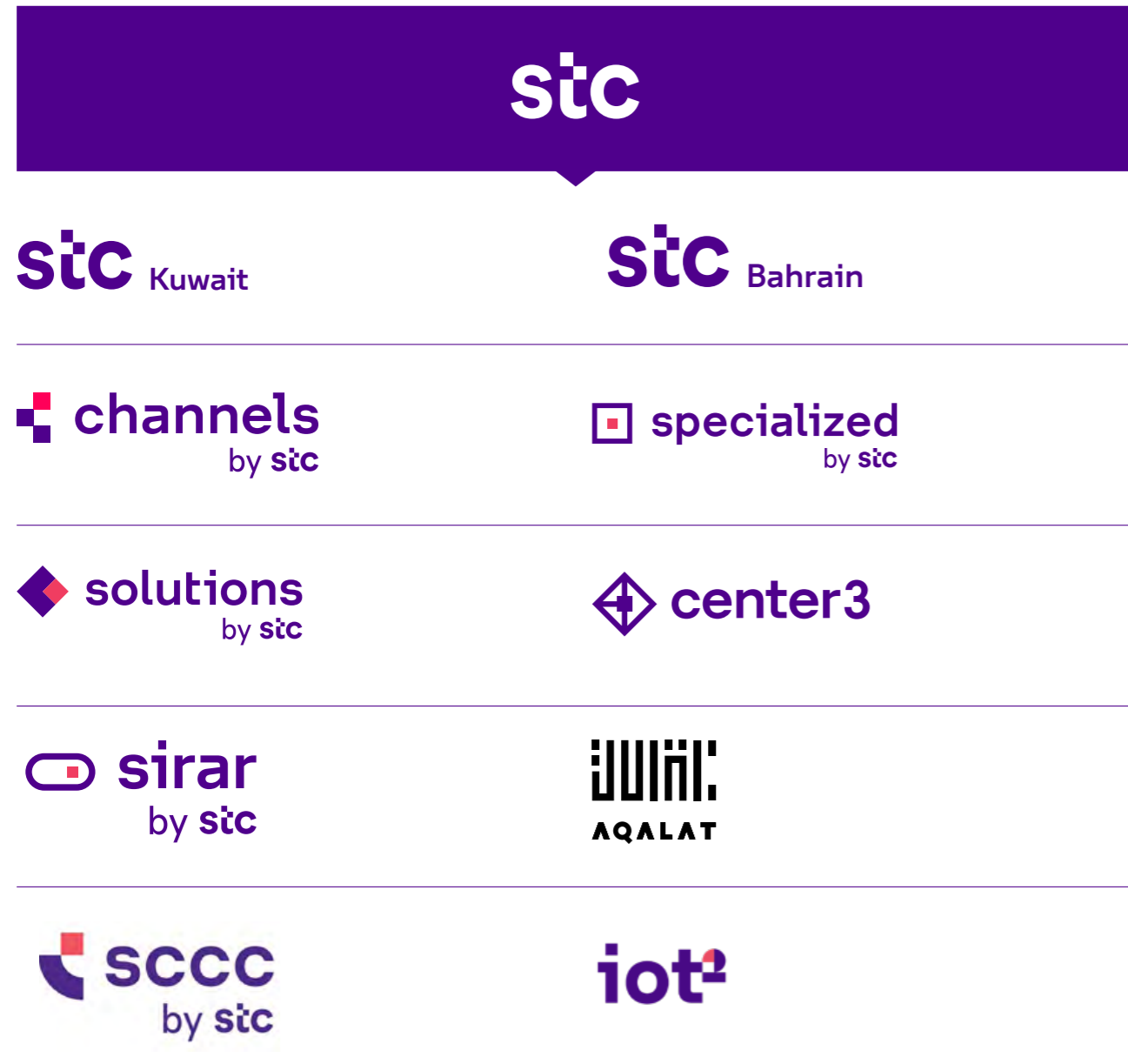


stc at a glance continued

## Our subsidiaries

This report encompasses stc group subsidiaries that fall under its direct oversight and strategic management. Their inclusion reflects stc's commitment to transparency and accountability in reporting on entities within its control.

For stc headquarters, all data presented includes stc KSA and its headquarters-based subsidiaries: channels by stc, sirar by stc, and center3. This ensures a comprehensive view of stc group's environmental footprint and performance across these core operations.



For more information about stc subsidiaries, please refer to the [2025 Annual Report](#) or the company's [website](#).



stc at a glance continued

# How we create value

**stc designs, operates and maintains telecommunications networks and services, as well as digital communication services. Alongside its core operations, stc offers a diverse range of innovative digital products that meet the evolving needs of its customers.**

## Inputs

stc group creates value for the company – as well as for customers, investors and other stakeholders – by leveraging its extensive telecommunications infrastructure, such as fiber optics, data centers and physical facilities. On the intangible side, the company draws upon advanced IT platforms, innovative software solutions and a highly skilled workforce. Its financial strength and strategic partnerships enable stc to invest in new technologies and expand market reach, ensuring high-quality services and sustainable growth.

## Outputs

stc operations deliver a broad range of products and services, including mobile and fixed-line connectivity, internet packages and enterprise digital solutions. stc group also offers proprietary services such as cloud computing, cybersecurity, IoT and AI platforms. stc group responsibly manages waste, including electronic waste, through recycling and disposal, and is committed to reducing its carbon footprint, while providing reliable, innovative and sustainable digital services.

## Outcomes

stc business activities promote a more connected and inclusive society, supporting economic growth, job creation and innovation. By managing its operations responsibly and sustainably, the company reduces environmental impact, fosters social well-being and builds trust with stakeholders. stc also addresses challenges like electronic waste and the digital divide, aiming to create a resilient, sustainable digital ecosystem that benefits both current and future generations.



stc at a glance continued

## To create value in the short, medium and long term, stc depends on various factors.

### Skills and expertise

stc group's talented workforce of 18,921 employees represents a vital source of intellectual and human capital. Their diverse skills and expertise drive innovation, operational excellence and the development of new digital solutions, enabling stc to adapt to evolving market needs and sustain competitive advantage.



### Brand trust

stc's strong brand reputation is a vital component of its social and relationship capital. It fosters trust among customers, partners and stakeholders, underpinning the company's ability to expand into new markets and digital domains. In 2025, stc was ranked as the region's most valuable telecom brand for the sixth consecutive year, with a brand value of USD 17.6 billion. This long-standing trust supports its growth and positions stc as a leader in the regional digital economy.



### Relationships and partnerships

The company invests in building collaborative relationships with customers, suppliers, regulators, investors and industry peers.



### Natural resources

While stc operations depend on natural resources such as water and energy, the stc group recognizes the environmental and social challenges involved, especially in water-scarce regions. stc is committed to implementing sustainable practices that reduce its environmental footprint and contribute to resource conservation.



### Financial capital

stc's strong financial position provides the foundation for ongoing investment in infrastructure, technology and innovation. Reinvesting profits enables the company to expand its service portfolio, improve network quality and support long-term growth, ultimately creating value for all stakeholders. In 2025, stc recorded a 2.5% year-on-year increase in total revenue, reflecting the strength of expanding digital services and telecommunications offerings and the continued trust of its customers and partners.



### Values and vision

Our core values are Dynamism, Devotion, and Drive. stc group aims to lead in digital and telecom, supporting society and economic growth through innovation, customer focus and operational excellence.



### Underpinned by our values

Dynamism, Devotion, Drive



### Assets and technology

Our tangible assets, such as network infrastructure, and intangible assets, including cutting-edge technologies, are essential for connecting people and driving digital transformation.



### Business activities

Delivering innovative solutions in telecommunications, IT, fintech, digital media, cybersecurity and advanced digital services, leading digital transformation on a national and regional scale.

## stc group creates value in the short, medium and long term for stakeholders

### Our customers

Our customers are at the heart of our operations. We recognize their expectations for reliable connectivity, innovative digital solutions and a seamless experience. We actively listen to their needs and feedback, ensuring our actions foster trust and mutual value, bridging digital gaps and enabling societal progress.



**89% customer satisfaction score**

### Our people

Our employees are essential partners in stc's success. We are committed to creating an inclusive, engaging and rewarding work environment that attracts, develops and retains diverse talent. By fostering their growth and well-being, we strengthen our capacity to innovate and deliver value to all stakeholders.



**17.3% female participation in the workforce**

### Our planet

As a responsible company, we recognise how our activities affect global greenhouse gas emissions and environmental resources. We are dedicated to reaching net zero emissions by 2050 as part of our ongoing efforts to lower our environmental impact, address climate change and support sustainable practices that help society now and in the future.



**10.6% reduction in energy intensity at stc KSA**

### Local communities

We see ourselves as a vital part of the communities we serve. We drive community engagement through targeted social investments, digital inclusion and transformative technologies that foster development and empowerment, going beyond standard corporate philanthropy.



**87+ community development partnerships**

### Our shareholders

Shareholders play an essential role in driving our progress by investing in our future. We focus on building long-term value through smart investments, innovation and sustainable methods. By being transparent and prioritising their interests, we aim to earn their trust as we strive to lead the region in digital transformation.



**ﷲ 42.98 per share as of 31 December 2025**



stc at a glance continued

## Our blueprint for success

Guided by its core values, Dynamism, Devotion and Drive, stc fosters continuous improvement, customer centricity and excellence, enabling the stc group to adapt to change, innovate responsibly and deliver sustainable long-term performance. This ambition reflects the company's commitment to driving regional digital growth while supporting the Kingdom's transition toward a dynamic and diversified digital economy.

The group's strategy reflects their purpose as an economic catalyst, accelerating growth across the Kingdom and the region through technology-led innovation, while enabling all members of society through inclusive digital and community engagement. The strategy is structured around three themes that strengthen market leadership, capture infrastructure growth and strengthen the group's digital portfolio. Transforming bold visions into tangible results and creating a connected, sustainable future powered by innovation and excellence.

### stc group's strategy

#### Vision

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

#### Strategic themes

Reinforce leadership in telco

Capture the infrastructure opportunity

Strengthen the digital portfolio

stc group's strategy is supported by two strategic enablers that are essential to driving the successful execution of its ambitions.

#### Strategic enablers

Accelerate investments and maximize operational and capital management efficiency

Build a resilient and agile organization

### Driving ESG excellence through strategic direction

Within stc's strategic framework, sustainability is embedded as a fundamental strategic consideration, reflecting evolving regulatory requirements and stakeholder expectations. It is systematically integrated into stc's strategic pillars and priorities to support responsible growth, enhance operational performance, manage risk and deliver long-term value for shareholders and society.

A strong focus on operational efficiency underpins the optimization of resource allocation and capital deployment, while organizational dynamism fosters a culture of sustainability, robust governance and adaptive practices across the organization. Supported by advanced technology focus, stc strengthens data integration, reporting capabilities and the scalability of sustainability initiatives. Collectively, these efforts reinforce stc's growth trajectory by enhancing resilience and strengthening stakeholder trust.















stc at a glance continued

## Industry leadership

stc is involved in the wider ICT community, takes a proactive role in advancing the industry and works with partners and stakeholders to improve technology for customers and communities alike. stc group's goal is to positively impact peers and stakeholders while remaining receptive to the valuable insight they offer. This ongoing engagement helps the company to raise its standards and contribute to the development of a more robust and innovative ICT ecosystem. stc's commitment includes active membership in leading industry associations and advocacy groups, such as the following.



<p>Global Leaders Forum (GLF)</p> 	<p>GCC Board Directors Institute (GCC BDI)</p> 	<p>United Nations Global Compact (UNGC)</p> 
<p>International Telecommunication Union (ITU)</p> 	<p>World Economic Forum Cyber Security and Digital Trust Platform</p> 	<p>World Economic Forum – Partnering Against Corruption Initiative (PACI)</p> 
<p>Member of Jubail Industrial City Leadership Council headed by The Royal Commission in Jubail</p> 	<p>Global System for Mobile Communication (GSMA), Climate Action Taskforce and Sustainability Network Group</p> 	<p>Local Content Leadership Council (LCLC)</p>
	<p>Pearl Initiative</p> 	<p>Global Forum of Incident Response and Security Teams (first.org)</p> 
	<p>Business Ethics Leadership Alliance™ (BELA)</p> 	<p>Saudi Human Rights Commission</p> 

# Awards and certification

## Awards

stc's industry contributions have received much recognition and acknowledgment over the years. These accolades highlight its ongoing commitment to innovation, exceptional customer service and investment in local communities.

Below is an illustrative, non-exhaustive list:

### Sustainability-related awards and recognition



**King Khalid Sustainability Award (Gold Trophy):** recognized for sustainability excellence

King Khalid Foundation  
- stc group

**2025 World Summit on the Information Society (WSIS) prizes:** recognized as a top five entrant for Technical Enablement Program

International Telecommunication Union (ITU), held in Geneva  
- stc group

**Economic Empowerment Award:** recognized for initiatives advancing economic empowerment and inclusive growth

ESG Business Awards 2025  
- stc group

**Social Inclusion and Equal Opportunities Award:** recognized for promoting diversity, equity and inclusive practices

ESG Business Awards 2025  
- stc group

### Human resources management awards



**Best learning and development initiative**

HRM Awards and Summit 2025  
- stc group

**Best reward and recognition strategies**

HRM Awards and Summit 2025  
- stc group

**Best use of technology links**

HRM Awards and Summit 2025  
- stc group

**Best executive and leadership development program**

HRSE KSA  
- channels by stc

**Best Employee Benefits and Wellbeing Strategy**

GCC GOV Awards  
- solutions by stc

**Best Employee Wellbeing Program**

HRSE KSA  
- solutions by stc

**Brilliance in Internal Communications Strategy**

International Brilliance Awards  
- solutions by stc

### Leadership and excellence awards and recognition



**Silver Award in Internal Audit**

The Saudi Authority of Internal Auditors  
- stc group

**Best Corporate Governance System Award – 2025**

World Finance  
- stc group

**Sustainable Performance: 5-star recognition certificate**

European Foundation for Quality Management (EFQM)  
- stc group

**"Excellent" tier in the 2025 GLF Anti-Fraud Assessment**

Global Leaders Forum (GLF)  
- stc group

**Sustainability Assessment Award for RDC102**

Uptime Institute  
- center3

### Technology and innovation related awards and recognition



**Water resource management solution leveraging LEO satellite technology**

Gartner Eye on Innovation Award  
- stc group

**Best strategic partner award (optical innovation center)**

Huawei  
- stc group

**OOKLA Awards: Fastest Mobile Network & Best Mobile Coverage**

OOKLA  
- stc group

**OTF (Operations Transformation Forum) – Outstanding Contributor Award**

OTF / TM Forum Ignite  
- stc group

**OTF / TM Forum Ignite**

Open Innovation Catalysts / TM Forum  
- stc group

**Using GenAI to Transform Operations (Phase III) – Finalist**

Open Innovation Catalysts / TM Forum  
- stc group

**GameX Catalyst – Enhancing Cloud Gaming with Autonomous Networks – Finalist**

Moonshot Catalysts / TM Forum  
- stc group

**Leading Lights 2025 Award**

Leading Lights Awards  
- stc group

**Leading Lights Awards**

Saudi CX Awards  
- stc group

**Saudi CX Awards**

Bronze Award – ICXA 2025  
- stc group

**North Star Program – Silver Winner, IPMA Global Project Excellence Award 2025**

IPMA  
- stc group

**Cloudera Data Impact Awards 2025 – Open Data Lakehouse & Iceberg Innovation**

Cloudera  
- stc group

**Excellence in Logistics Operations in the Telecommunication Sector**

Middle East National Business Awards  
- channels by stc

**AI – Telecommunications**

Middle East Technology Excellence Awards  
- channels by stc

**Data Governance Best Use Case and Data Governance Innovator**

Middle East Technology Excellence Awards  
- stc group

**Smart Gigacity Excellence Award**

World Broadband Association  
- stc group

**Cross-LoB Self-Service AI & Data Analytics Empowerment (stc x Dataiku)**

Middle East Enterprise AI & Analytics Summit / Dataiku  
- stc group

**stc B2B Digital Transformation – LMS**

Global Stevie Awards  
- stc group

**Best Regional Operator of the Year Award**

Global Carrier Community – Berlin  
- stc group

**Most Innovative B2B Telecommunications Solutions Provider – Saudi Arabia 2024**

Global Business Outlook Awards  
- channels by stc

**Best Fiber Infrastructure Deployment in the Middle East**

Telecom Review Awards  
- stc group

**Borderless Connectivity Award**

Connected World Awards  
- stc group

**Operator Excellence**

Glotel Awards  
- stc group

**Best Telecom Sales & Distribution network Ecosystem – Saudi Arabia 2024**

International Finance Awards  
- channels by stc

**AI – Telecommunications**

Middle East Technology Excellence Awards  
- channels by stc

**Best retail company in Saudi Arabia 2025**

International Business Magazine Awards  
- channels by stc

Awards and certification continued

# Certifications

stc consistently evaluates and enhances its business practices to ensure full compliance with regulatory requirements, industry standards and best practices. Its operations are aligned to key frameworks, whereby stc commits to uphold excellence in both business and sustainability. More than 90% of owned operations are certified to internationally recognized standards, including ISO 9001 for quality management, ISO 14001 for environmental management, ISO 45001 for occupational health and safety, and ISO 27001 for information security. These certifications vary across entities, reflecting stc group’s commitment to industry best practices and regulatory obligations.

### stc KSA

**Quality management and innovation**

- ISO 9001
- ISO 10002
- ISO 56002

**Risk, business continuity and security management**

- ISO 22301
- ISO 31000
- ISO 27001

**Health, safety and environmental management**

- ISO 45001

**Compliance and governance**

- ISO 37301:2021
- ISO 37001:2025

**Cybersecurity and privacy**

- ISO 27017
- ISO 27018: 2019

**Information security management system**

- ISO/IEC 27001:2022
- ISO/IEC 27031:2025

**Information technology/Other**

- ISO 38500
- Test Maturity Model integration (TMMi) Level 5

### stc Bahrain

**Quality management and innovation**

- ISO 9001
- ISO 10002

**Risk, business continuity and security management**

- ISO 27001

### stc Kuwait

**Quality management and innovation**

- ISO 9001
- ISO 10002

**Risk, business continuity and security management**

- ISO 22301
- ISO 31000
- ISO 27001

**Health, safety and environmental management**

- ISO 14001

**Sustainable procurement**

- ISO 20400:2017

**Cybersecurity and privacy**

- ISO/IEC 20000-1:2018
- PCI – DSS Certification

**Information security management system**

- ISO/IEC 27001:2022

### sirar by stc

**Quality management and innovation**

- ISO 9001

**Risk, business continuity and security management**

- ISO 22301
- ISO 31000
- ISO 27001

**Compliance and governance**

- ISO 37301

**Sustainable procurement**

- Local Content Certification: sirar obtained a score of 40.27%

**Data center and cloud certifications**

- Aramco CCC certificate

**Cybersecurity and privacy**

- ISO/IEC 27001:2022
- ISO 20000
- CREST (Incident Response)
- Saudi Aramco Third party cybersecurity standard (SACS-002)

**Information security management system**

- ISO/IEC 27001:2022

### solutions by stc

**Quality management and innovation**

- ISO 9001
- COPC Customer Experience Standard for Outsource Service Providers

**Risk, business continuity and security management**

- ISO 22301
- ISO 31000
- ISO 27001
- ISO 22320

**Health, safety and environmental management**

- ISO 14001
- ISO 45001
- Certificate in Protected Health Information (PHI) and e-PHI

**Compliance and governance**

- ISO 37301
- ISO 37000
- PCI DSS certification audits (2023)
- ISO 41001
- Infoblox Certification: Authorized Service Partner

**Sustainable procurement**

- ISO 20400:2017
- CIPS: Corporate Ethical Procurement and Supply

**Data center and cloud certifications**

- ISO/IEC 27017:2015 – Cloud Security
- ISO/IEC 27018:2019 – Cloud Privacy
- CSA STAR Level 2 – Cloud Security Alliance

**Cybersecurity and privacy**

- ISO/IEC 27001:2022 – Information Security Management
- ISO/IEC 27701:2019 – Privacy Information Management
- SOC-CMM certification

### center3

**Quality management and innovation**

- ISO 9001

**Data center and cloud certifications**

- Certified Tier IV Design (TCCD)
- Certified Tier IV Facility (TCCF)
- Uptime Tier IV Design (TCCD)
- Uptime Tier IV Facility (TCCF)
- Operational Sustainability
- Uptime Tier III Design (TCDD)
- Uptime Management and Operations (M&O)
- CEEDA Silver GSMA Accreditation
- ISO 14644-1 Class 8

**Information security management system**

- ISO 27001

### iot squared

**Quality management and innovation**

- ISO 9001
- Tasneef Certificate

**Risk, business continuity and security management**

- ISO 27001

**Health, safety and environmental management**

- ISO 14001
- ISO 45001
- ISO 50001

**Compliance and governance**

- ISO 37301

**Sustainable procurement**

- Local Content Certificate: Local Content and Government Procurement Authority

**Cybersecurity and privacy**

- Cybersecurity compliance certificate

### sccc by stc

**Risk, business continuity and security management**

- ISO 27001
- ISO 27017
- ISO 27018

**Compliance and governance**

- Payment Card Industry (PCI) Data Security Standard (DSS) Certificate CST CLASS C License

**Data center and cloud certifications**

- CSA STAR Level Two

**Cybersecurity and privacy**

- ISO 27001
- ISO 27017
- ISO 27018
- Cloud Security Alliance (CSA) Security, Trust, Assurance and Risk (STAR) Level Two
- NCA ECC (National Cybersecurity Authority Essential Cybersecurity Controls)
- NCA CCC (National Cybersecurity Authority Cloud Cybersecurity Controls)

### specialized by stc

**Quality management and innovation**

- ISO 9001

**Risk, business continuity and security management**

- ISO 22301
- ISO 27001

### channels by stc

**Sustainable procurement**

- Local Content Certificate: Local Content and Government Procurement Authority

**Information security management system**

- ISO/IEC 27001:2022

## 2025 sustainability highlights

**18,921**

Total workforce

**12.31%**

Employees aged 18 - 30

**4.18%**

Employee turnover rate

**60+**

Nationalities across workforce

**89.40%**

Employee engagement rate

**303,303**

Training hours provided by stc Academy

**6,000+**

Volunteering hours

**30.18%**

Women hiring rate

**18%**

Board seats occupied by women

**19,611**

Number of recovered devices through trade-in program

**2,626**

Elderly beneficiaries from Smart truck

**50.69%**

Local content score

**1.76**

Average PUE of new data centers in stc KSA

**3.96%**

Reduction in Scope 2 emissions at stc KSA

**4.96%**

Reduction in energy intensity

**100%**

Business units analyzed for corruption risks

**100%**

Employees and contractors signed code of conduct

**Zero**

Employee and contractor fatalities

**Zero**

Incidents of non-compliance with environmental laws and regulations

**Zero**

Monetary losses related to anti-competitive practices

**98%**

Local procurement spend across stc KSA



**SR 109**

Billion spent on local suppliers

**11**

Awarded intellectual properties

**125,000**

New fiber-to-the-home connections

**16+**

Million mystc users

**63%**

5G coverage

**85,000+**

Trees planted in KSA

**SR 4.1**

Million revenue per employee

**AA**

MSCI rating

# Advancing sustainability, together

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03

## Sustainability General Manager message

### Continuity, resilience and progress

In 2025, stc demonstrated continuity, resilience and meaningful progress toward our sustainability goals. Our strategy this year remained focused on three core pillars: environmental performance and climate action, the development of human capital through digital innovation, and the maintenance of strong, ethical governance. We are proud to report significant achievements that reflect this focus, including winning the prestigious King Khalid Award, launching the GCC Sustainability Hackathon, completing the fifth phase of our smart truck project, spreading digital literacy across the entire Kingdom and strengthening our climate-related governance with the establishment of a new Climate Action Working Group (CAWG).

stc is committed to finding the right balance between rapid digital growth and environmental responsibility. We believe that responsible business practices are essential for long-term success and creating lasting value for our stakeholders.

On the environmental front, we reaffirm our commitment to achieving net zero emissions by 2050. The ICT sector is now vital for climate resilience across the GCC, and stc is leading this transformation. By leveraging digital technologies, we are reducing risks and specialising in adaptive solutions. This year, we utilised AI and big data to deploy predictive analytics for anticipating extreme weather events and we continued the rollout of renewable-powered data centers. Furthermore, through digital communication, cloud-based platforms, drones and robotics, stc supports disaster response and recovery, ensuring our infrastructure is as resilient as it is smart.

In terms of social progress and human capital, we successfully continued the implementation of our flagship initiatives. The smart truck project was crucial for bridging the digital divide and empowering underserved communities with essential digital skills. Our launch of the GCC Sustainability Hackathon underscored our dedication to fostering a regional ecosystem of creativity. These efforts, alongside our focus on STEM education, directly contribute to reducing inequality and improving quality of life.

Governance remains the bedrock of our strategy. In 2025, we elevated our governance maturity to reinforce accountability and decision-making across the stc group. The establishment of the CAWG was a significant milestone, enabling us to uphold the highest standards of transparency and ethical conduct while driving our climate agenda forward.

Our sustainability strategy is closely aligned with Saudi Vision 2030 and the UN Sustainable Development Goals (SDG). We view sustainability not as a cost, but as a catalyst for growth and innovation. By integrating these values into our corporate strategy, we are turning global risks into competitive opportunities. Whether through cross-sector collaboration, global alliances or strategic partnerships, stc continues to share knowledge and scale solutions that empower communities.

Looking ahead, we remain dedicated to embedding sustainability into our operations, innovation and partnerships. We are proud of our employees' enthusiasm for these initiatives, supported by strong management commitment. Together, we are establishing stc as a regional leader in sustainability, delivering ethical value to our customers, shareholders and the wider community.

**// Together, we are establishing stc as a regional leader in sustainability, delivering ethical value to our customers, shareholders and the wider community. //**

**Maha Alnuhait**  
Sustainability General Manager



# stc's sustainability strategy

Sustainability is embedded within stc group's corporate strategy and is central to its role as a leading digital enabler. In 2025, stc refreshed its sustainability strategy, transitioning to a new three-year cycle that builds on the previous roadmap, while responding to evolving regulatory requirements, stakeholder expectations and emerging sustainability priorities. The refreshed strategy maintains its three core pillars, with refined objectives, updated targets and clearer performance indicators.

The strategy is designed to ensure structured implementation across stc group, with defined roles and responsibilities aligned with the governance architecture and enterprise risk management framework. It supports a disciplined approach to identifying, managing and monitoring material impacts in line with national priorities and international standards.

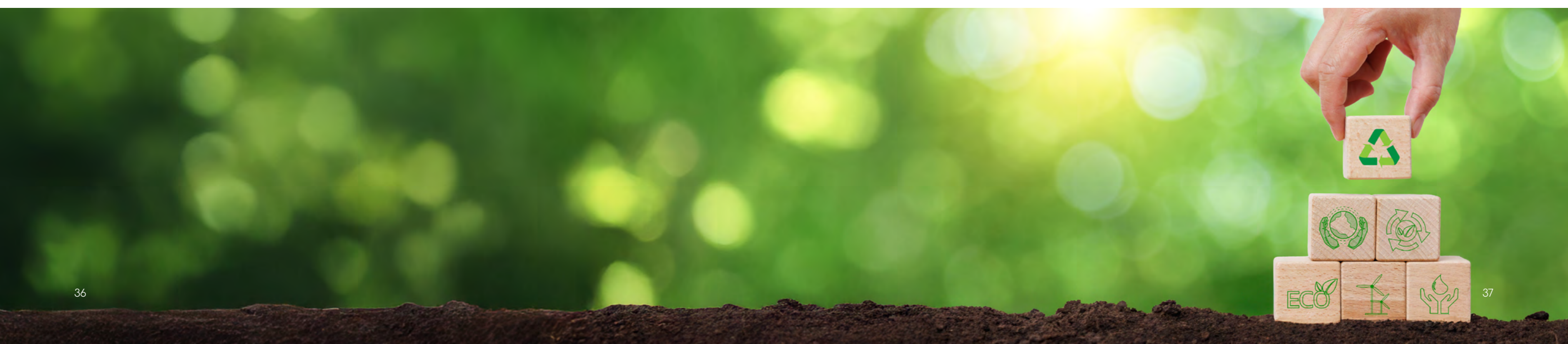
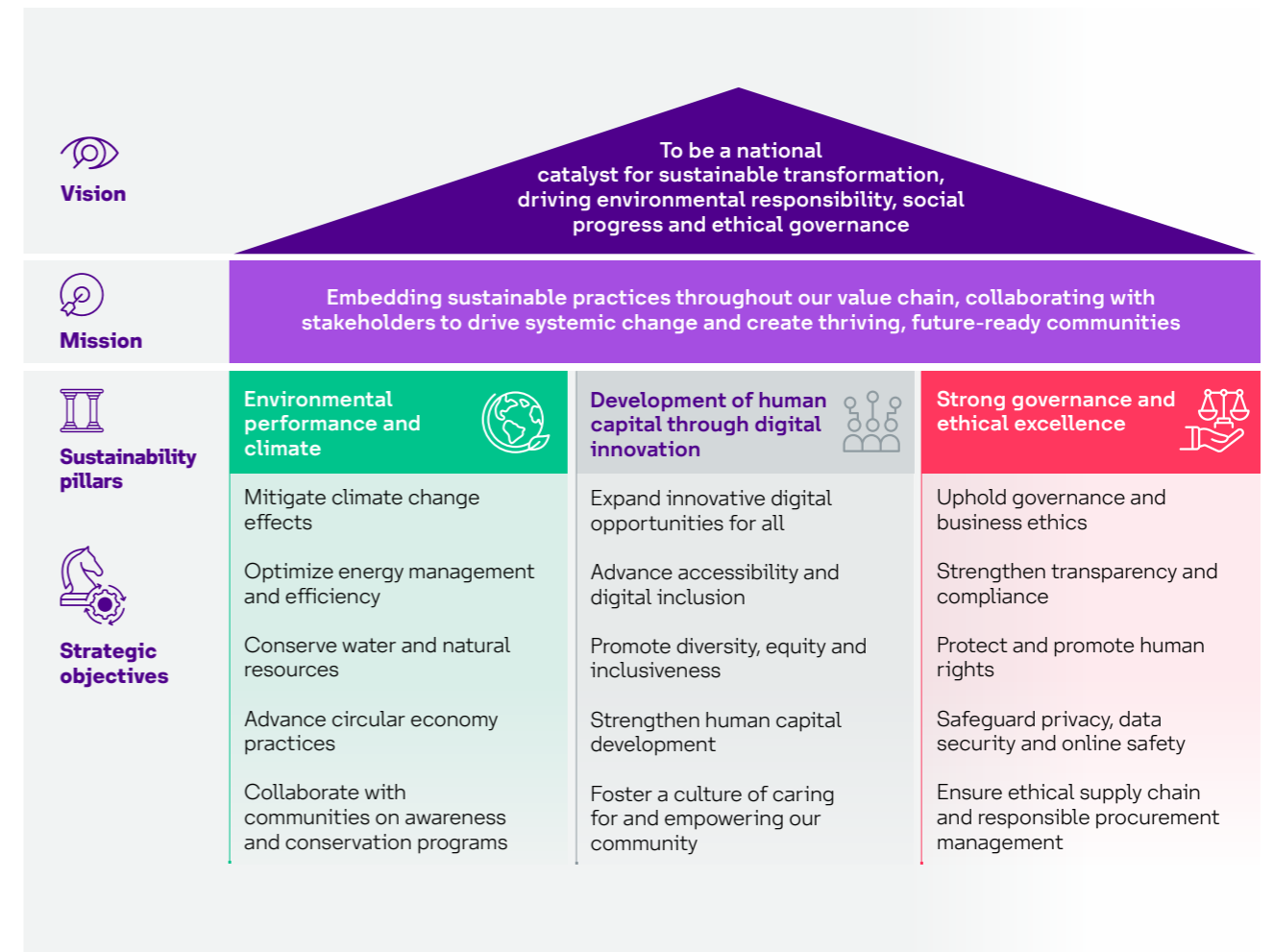
Aligned with Saudi Vision 2030 and UN sustainable development goals, stc group's sustainability strategy reinforces its commitment to environmental performance, digital empowerment and strong governance, supporting long-term value creation across its markets.

## Sustainability strategic framework

stc group's strategic framework translates its corporate ambition into a structured and measurable roadmap for responsible growth, integrating business priorities with sustainability imperatives to drive long-term value creation, operational excellence and resilience across markets.

reinforcing environmental responsibility, digital empowerment and strong governance while enhancing competitive advantage and stakeholder trust. This integrated approach ensures that strategic decisions, capital allocation and operational priorities consistently align business performance with sustainable impact outcomes, enabling stc to deliver sustained value to shareholders, customers, employees and society.

Anchored in a clear vision and mission and supported by defined strategic pillars and objectives, sustainability is embedded across the framework,



# Double materiality assessment

As stc advances its sustainability integration journey, it requires deeper and more sophisticated insights to inform decision-making. In 2025, stc conducted a detailed and comprehensive double materiality assessment (DMA) to provide deeper insight into its sustainability performance from both financial and impact perspectives, supporting decision-making and aligning with the company's updated sustainability strategy and ambition. The assessment responds to evolving reporting landscapes and aims to refine focus beyond compliance by integrating sustainability with risk management and long-term business performance.

## Approach

The assessment followed a structured and robust process designed to ensure transparency, consistency and methodological defensibility. It focused on identifying a comprehensive set of sustainability topics, prioritizing and engaging key stakeholders, and evaluating impacts, risks and opportunities (IRO).

The analysis applied a double materiality perspective through two complementary lenses. Impact materiality was assessed using an inside-out approach, examining stc's actual and potential impacts on people and the environment. Financial materiality was assessed using an outside-in approach, evaluating how sustainability-related factors could affect stc's financial performance, position and future prospects.

## Framework alignment

The DMA is aligned with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD), reflecting enhanced expectations for transparency and governance. The assessment also considered internationally recognized frameworks, including the IFRS Sustainability Disclosure Standards and the Global Reporting Initiative (GRI), to support global comparability and coherence. While the European Financial Reporting Advisory Group (EFRAG) is not referenced explicitly, its guidance on the DMA has been fully integrated into the process.

Stakeholder identification and prioritization were conducted in accordance with the AA1000 Stakeholder Engagement Standards, ensuring inclusivity, materiality, responsiveness and accountability.

## Methodology, criteria and evaluation

The DMA methodology consisted of several interrelated phases designed to ensure a comprehensive and defensible outcome.



\* A single quantitative threshold of 12 (out of 25) was applied to determine and prioritize material impacts. This threshold was defined based on the analysis of the collected stakeholder inputs, stc's risk register, business mandate, peer analysis and industry guidelines.



## Double materiality assessment continued

### Results

The selection of final material topics is grounded in the principle of double materiality under ESRS. Both lenses were assessed independently where a topic was considered material if it meets the defined threshold under either lens. There is no offsetting between impact and risks or between positive and negative effects. Final topic selection was made at a topic level, based on the highest associated score, ensuring objectivity and consistency.

While the ESRS provide structured topic classifications (e.g. E1 Climate Change, S1 Own Workforce, etc.), they are not a regulatory requirement

for the stc group. Nevertheless, ESRS was systematically applied as a best-practice benchmark within the materiality assessment methodology to enhance robustness, comparability and alignment with leading international reporting frameworks.

To enhance clarity and communication effectiveness, the technical ESRS topic codes were mapped to reader-friendly themes that better reflect business realities and stakeholder language, while maintaining full traceability to the underlying classifications.

The process along with the final list of material topics identified were approved by stc group Chief of Strategy.

## Material topics and matrix

stc's 13 identified material topics were mapped using both financial and impact materiality assessments across all relevant ESRS-aligned topics. The following matrix illustrates the relative significance of each topic from both impact and financial materiality perspectives.




stc material topics	ESRS topics mapping*
<b>Data privacy, security and protection</b>	● ESRS G1 – Business conduct ● ESRS S4 – Consumer and end user
<b>Customer relations and satisfaction</b>	● ESRS S4 – Consumer and end user
<b>Health, safety and well-being</b>	● ESRS S1 – Own workforce
<b>Governance and business ethics</b>	● ESRS G1 – Business conduct
<b>Accessibility and digital inclusion</b>	● ESRS S4 – Consumer and end user
<b>Digital innovation and experience</b>	● ESRS G1 – Business conduct
<b>Diversity, equity and inclusion</b>	● ESRS S1 – Own workforce
<b>Energy and climate change</b>	● ESRS E1 – Climate change
<b>Human rights</b>	● ESRS S1 – Own workforce ● ESRS S2 – Workers in the value chain
<b>Talent management</b>	● ESRS S1 – Own workforce
<b>Community contribution and development</b>	● ESRS S3 – Affected communities ● ESRS S4 – Consumer and end user
<b>Waste and circular economy</b>	● ESRS E5 – Circular economy ● ESRS G1 – Business conduct
<b>Supply chain management</b>	● ESRS E5 – Circular economy ● ESRS S2 – Workers in the value chain


\* stc has identified and assessed actual and potential IROs for all additional topics under ESRS, but since none has met the materiality thresholds, they are not included as part of final list of material topics.


Double materiality assessment continued


Impact materiality


ESRS topic	Impact	Positive/negative	Actual/potential	Significance	Value chain impact	Time horizon
E1 Climate change	Increased resilience of networks and services to climate hazards	+	Potential	Medium	Own operations (down)	Medium term
	Reduction of GHG emissions through energy efficiency, renewable energy and network optimisation	+	Actual and potential	High	Own operations (up)	Medium term
	Enhanced operational efficiency through optimized energy and resource utilization	+	Actual and potential	High	Own operations	Medium term
	High energy consumption from network expansion and new technologies	-	Actual and potential	High	Own operations	Medium term
E5 Circular economy	Design of products enabling lower resource use	+	Potential	High	Upstream operations (up), Downstream operations (down)	Medium term
	Waste reduction through recycling and reuse	+	Actual and potential	High	Own operations (down)	Medium term
S1 Own workforce	Provision of safe and fair working conditions	+	Actual	High	Own operations	Ongoing (actual)
	Promotion of diversity, equity and inclusion	+	Actual and potential	High	Own operations (up)	Medium term
	Respect for labor rights	+	Actual and potential	High	Own operations (up)	Medium term
S2 Workers in the value chain	Improved supplier labour practices	+	Potential	High	Upstream operations (up)	Medium term
S3 Affected communities	Contribution to community connectivity and inclusion	+	Actual and potential	High	Downstream operations (down)	Medium term
S4 Consumer and end user	Access to reliable and transparent information	+	Actual	High	Downstream operations (down)	Ongoing (actual)
	Misinformation or lack of transparency	-	Potential	High	Downstream operations (down)	Medium term
	Enhanced safety through reliable connectivity	+	Actual and potential	High	Downstream operations (down)	Medium term
	Personal safety linked to service misuse	-	Potential	High	Own operations (down), Downstream operations (down)	Medium term
	Digital inclusion through accessible services	+	Actual and potential	High	Downstream operations (down)	Medium term
	Improved customer experience and satisfaction	+	Actual	High	Own operations (down), Downstream operations (down)	Ongoing (actual)
G1 Business conduct	Ethical and responsible corporate culture	+	Actual	High	Upstream operations (up), Own operations (down), Downstream operations (down)	Ongoing (actual)
	Encouragement of reporting wrongdoing	+	Actual	High	Upstream operations (up), Own operations	Ongoing (actual)
	Effective governance and oversight	+	Actual	High	Own operations	Ongoing (actual)
	Protection of personal data	+	Actual	High	Own operations (down), Downstream operations (down)	Ongoing (actual)
	Data breaches or cyber incidents	-	Potential	High	Own operations (down), Downstream operations (down)	Medium term
	Responsible supplier management	+	Actual and potential	High	Upstream operations (up)	Medium term
	Prevention of corruption and unethical conduct	+	Actual	High	Upstream operations (up), Own operations	Ongoing (actual)
	Incidents of corruption or bribery	-	Potential	High	Upstream operations (up), Own operations	Medium term
Digital solutions enabling societal benefits	+	Actual and potential	High	Own operations (down), Downstream operations (down)	Medium term	


 Very high


 High


 Medium


 Short term


 Medium term

 Long term

 Ongoing (actual)

 Upstream operations










 Own operations

 Downstream operations

Double materiality assessment continued

Financial materiality

ESRS topic	Risk or opportunity	Risk or opportunity	Value chain impact	Reasonable time horizon
E1 Climate change	Physical damage to network infrastructure from extreme weather events			
	Competitive advantage through climateresilient infrastructure			
	Exposure to carbon pricing, energy price volatility and climate regulation			
	Cost savings and access to green finance from decarbonization			
	Rising energy costs impacting operating margins			
	Operational cost savings through energy efficiency			
E5 Circular economy	Supply chain disruption owing to resource scarcity			
	Value creation/recovery through reuse, refurbishment and recycling of network equipment and devices			
	Waste management and disposal costs			
S1 Own workforce	Improved productivity and retention from safe working environments			
	Legal and reputational risks from discrimination claims			
S2 Workers in the value chain	Operational and reputational risks from supplier labor practices			
S3 Affected communities	Community opposition delaying infrastructure deployment			
	Market expansion through community connectivity and inclusion			
S4 Consumer and end user	Regulatory sanctions related to misleading information			
	Liability and reputational risks linked to misuse of services			
	Market expansion through inclusive digital services			
	Revenue loss from customer churn			
	Revenue growth through superior customer experience			
G1 Business conduct	Operational and reputational risks from unethical behavior			
	Financial losses from cyber incidents			
	Operational disruptions owing to supplier failures			
	Legal penalties and exclusion from business opportunities			
	Revenue growth from new digital products and services			

-  Risk
-  Opportunity
-  Short term
-  Medium term
-  Long term
-  Ongoing (actual)
-  Upstream operations
-  Own operations
-  Downstream operations

# Stakeholder engagement

## Approach

stc's approach to stakeholder engagement is structured, proactive and outcome-focused. The stakeholder engagement function serves as the central interface between the sustainability organization and external stakeholders, managing partnerships, knowledge exchange and collaboration requests. It ensures all engagements are aligned with stc group's sustainability priorities while positioning the company as a trusted reference in sustainability strategy and governance.

In 2025, stc strengthened stakeholder engagement practices, focusing on targeted actions for employees, customers, suppliers, community and shareholders: strengthening internal communications and well-being for employees; improving customer experience and data privacy; raising supplier onboarding, compliance and responsible sourcing; directing community investment to high-impact programs and partnerships; engaging government on national priorities and responsible technology; and enhancing ESG disclosures for shareholders.

Externally, the company engages proactively with a broad range of stakeholders to support the

advancement of stc's sustainability agenda, including informing its materiality assessment through surveys, participation in the KSA Sustainability Champions Program, the establishment of strategic alliances and the delivery of targeted initiatives such as the Saudi youth upskilling program and broader social investment activities.

Internally, stc group mobilises a network of sustainability champions across the company, supported by dedicated awareness programs, guidance and training. This is further reinforced through an annual champions recognition day, embedding sustainability across stc group culture and operations.



Stakeholder engagement continued

Stakeholder group	Employees	Customers	Suppliers	Community*	Government entities	Shareholders
<b>Key concerns</b>	<ul style="list-style-type: none"> <li>• Career advancement</li> <li>• Recognition</li> <li>• Preference for local communities</li> <li>• Rewards</li> <li>• Attractive benefits</li> <li>• Health, well-being and safety</li> <li>• Empowerment and equal opportunity</li> <li>• Open communication with management</li> </ul>	<ul style="list-style-type: none"> <li>• Friendly, personalized customer service</li> <li>• Clear, open communication</li> <li>• Competitive rates and fees</li> <li>• Convenient access points</li> <li>• Innovative products and services</li> <li>• Data and information security</li> </ul>	<ul style="list-style-type: none"> <li>• Timely payments</li> <li>• Open communication channels</li> <li>• Fair and transparent bidding procedures</li> <li>• Access information about stc</li> <li>• New opportunities for interaction and engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate citizenship and contributing to the welfare of communities where we operate</li> <li>• Socioeconomic upliftment for the region</li> <li>• Expectation to play a positive role in the telecommunications industry</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the industry follows ethical practices that improve lives and reduces risk to children and the vulnerable</li> <li>• Contributes to national priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Strong balance sheet and healthy cash flow</li> <li>• History of success and delivering growth in key metrics</li> <li>• Solid market positioning</li> <li>• Dynamic risk analysis and management</li> <li>• Strong brand</li> <li>• Good corporate governance</li> </ul>
<b>How stc engages</b>	<ul style="list-style-type: none"> <li>● Succession planning</li> <li>● Performance management and assessment</li> <li>● Newsletters ("this is stc" magazine) internal communication emails and WhatsApp channel)</li> <li>● Training and workshops</li> <li>● stc Academy</li> <li>● Website</li> <li>● Intranet (stc Hub)</li> <li>● Employee Experience Index (EEI)</li> <li>● Coffee break podcast</li> <li>● Townhall meetings</li> <li>● Health, safety and wellness campaigns</li> <li>● Employee recognition and long service awards</li> <li>● Employee engagement events</li> <li>● Open days</li> <li>● Speak Up</li> </ul>	<ul style="list-style-type: none"> <li>● Social media channels, including LinkedIn, X and Facebook</li> <li>● Customer feedback form: Your opinion matters</li> <li>● Customer satisfaction and customer experience surveys</li> <li>● Complaints handling unit, customer service offices, mystc app</li> <li>● stc live chat through: mystc.com.sa</li> <li>● Website</li> <li>● Speak Up</li> </ul>	<ul style="list-style-type: none"> <li>● Partner Hub mobile app</li> <li>● Vendor relationship management system (VRMS)</li> <li>● Vendor management team</li> <li>● Regular meetings and sessions</li> <li>● Rawafed program</li> <li>● Partners Day</li> <li>● Social media</li> <li>● Day-to-day interactions</li> <li>● Conferences and forums</li> <li>● Performance evaluation</li> <li>● Speak Up</li> </ul>	<ul style="list-style-type: none"> <li>● Social media awareness campaigns</li> <li>● Sponsorships, including bulk SMS support used by charities, NPOs and other entities</li> <li>● Community flagship outreach programs</li> <li>● inspireU/impactU</li> <li>● Employee volunteering platform</li> <li>● Sustainability platform/website</li> <li>● Public events, conferences and forums</li> <li>● Speak Up</li> </ul>	<ul style="list-style-type: none"> <li>● Partnerships and cooperation, including participation on their platforms</li> <li>● Regular reporting to relevant agencies/entities</li> <li>● Joint committees or working groups with specific governmental entities</li> <li>● Annual reporting</li> <li>● Public events</li> <li>● Speak Up</li> </ul>	<ul style="list-style-type: none"> <li>● stc group Annual Report</li> <li>● stc group sustainability report</li> <li>● Roadshows</li> <li>● Scheduled calls, meetings and email correspondence</li> <li>● Quarterly presentations</li> <li>● Governance, risk, compliance and corporate disclosure guidelines</li> <li>● Committee meetings</li> <li>● Website</li> <li>● Investor relations application</li> <li>● WhatsApp number</li> <li>● Speak Up</li> </ul>
<b>How stc creates value for this stakeholder group</b>	<ul style="list-style-type: none"> <li>• Provide a fair and inclusive work environment that attracts, develops and retains the best and most appropriate talent</li> <li>• Enhance employee well-being and satisfaction and ensure a safe work environment aligned with best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure timely and reliable connectivity and delivery of products and services to customers</li> <li>• Create new innovative products, services and solutions to enrich people's lives</li> <li>• Promptly address all complaints, inquiries and overall customer handling</li> </ul>	<ul style="list-style-type: none"> <li>• Manage risks and increase productivity and efficiency within the supply chain to maintain reliability and minimize disruptions</li> <li>• Ensure continuous supplier engagement</li> <li>• Ongoing supplier recognition and better sustainable procurement practices</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable development of the communities where we operate through unique services, digital innovation, connectivity, digital inclusion, transformative technologies and meaningful investments that go beyond regular corporate donations</li> <li>• Responsible environmental stewardship to minimize negative impacts and maximize positive impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Support government entities by ensuring regulatory compliance and collaborating on innovative e-government services; advancing digital transformation initiatives and infrastructure to enable digitization</li> <li>• Alignment on sustainability priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Grow shareholder value, keep shareholders well informed on stc group's business</li> <li>• Invest financial resources in growth initiatives</li> <li>• Take into consideration investors views in management decision-making</li> </ul>

\* Including private sector, international organization.

Engagement frequency legend

- Weekly engagement
- Occasional engagement
- Annual engagement
- Continuous engagement
- Quarterly engagement

Stakeholder engagement continued

## Stakeholder engagement in action

### GCC Sustainability Hackathon

The GCC Sustainability Hackathon, led and hosted by stc under the GCC Sustainability Telco Alliance – a regional coalition of telecom operators coordinating joint sustainability initiatives – empowered youth and innovators to develop digital and sustainable solutions addressing key ESG challenges.

The program encouraged collaboration across GCC countries, strengthened cooperation among GCC operators, fostered innovation, shared knowledge and delivered impactful ideas that support both regional and global sustainability goals.

The Hackathon focused on specific challenges in alignment with global causes adopted by international standards.



Participants included university students, startups and sustainability enthusiasts. Judging and mentorship were provided by experts from leading organizations and the alliance members.

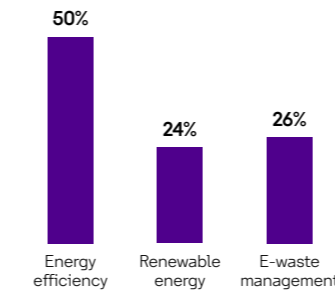
The three winning teams – represented by Saudi Arabia, UAE and Qatar – reflected the regional diversity of the GCC Sustainability Hackathon, highlighting cross-border collaboration in developing innovative sustainability solutions.

**Impact:**

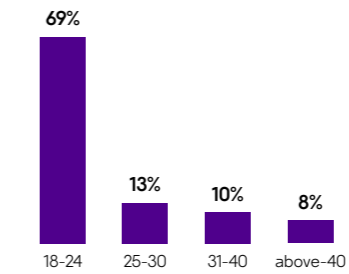
- Promoted youth-driven innovation in sustainability and digital transformation
- Strengthened collaboration among GCC countries under the GCC Sustainability Alliance
- Developed practical and scalable solutions addressing key sustainability challenges
- Enhanced stc's role as a regional leader in ESG and innovation initiatives



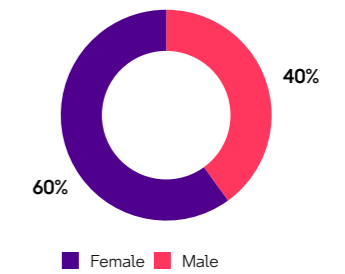
#### Applications per track



#### Participants by age



#### Participants by gender



**310**  
Applications



**677**  
Participants



**15**  
Shortlisted ideas



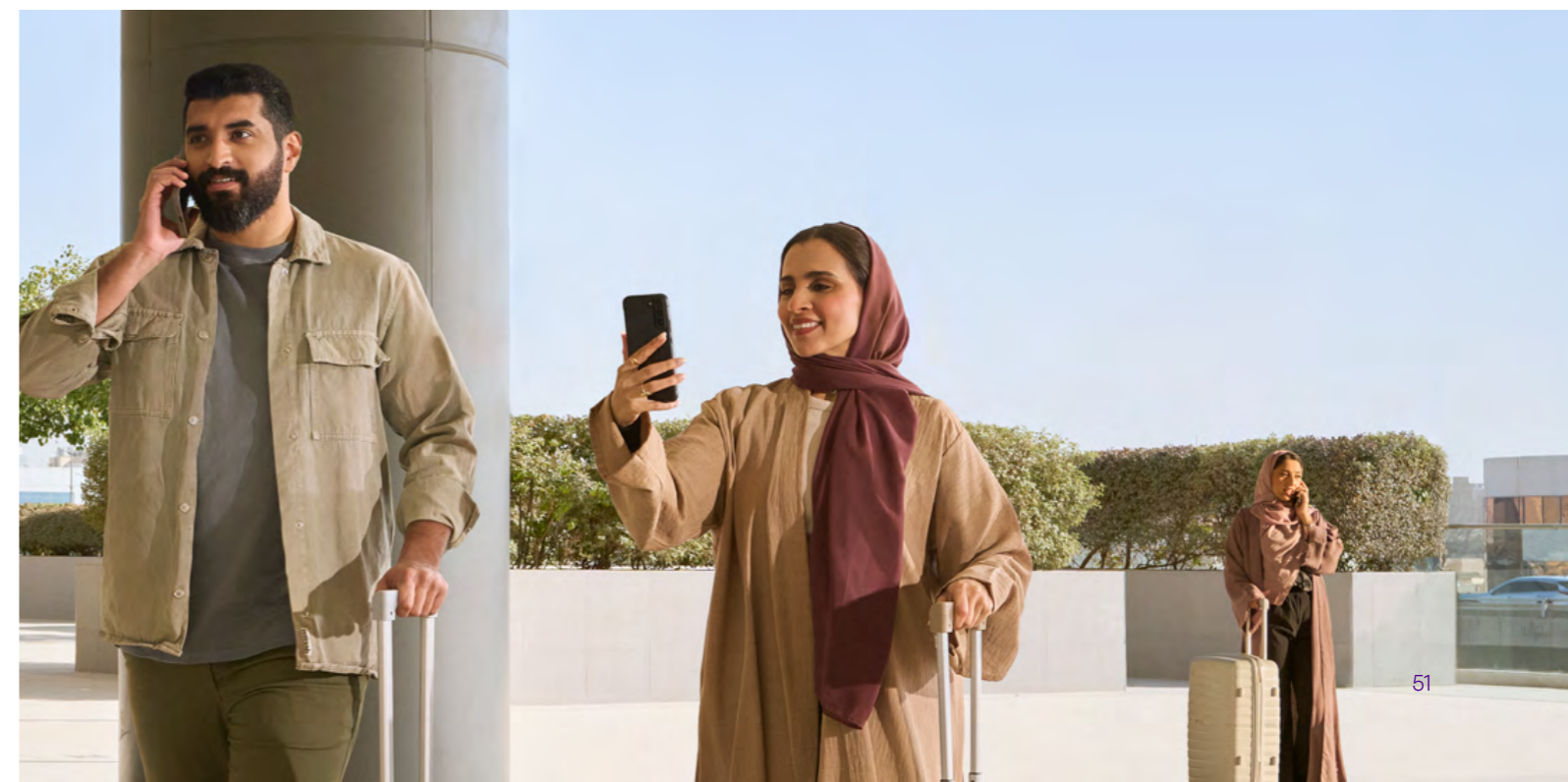
**28**  
Nationalities



**112,500**  
Prize funding  
(total paid out to three winners)



**3**  
Winners



Stakeholder engagement continued

Walking towards well-being

# Building a culture of active lifestyle

As part of stc group's ongoing commitment to employee well-being and enabling a healthy, dynamic workplace, stc piloted a walking challenge to encourage active mobility and healthy habits. The Ramadan Steps Challenge was launched for stc employees in collaboration with the Saudi Sports for All Federation (SFA) and channels by stc.

The initiative resulted in increased awareness of healthy lifestyles and greater adoption of daily physical activity among employees, while a recognition ceremony honoring all participants and the top five achievers reinforced motivation and a sense of accomplishment. Rewarding the leading performers with stc-supported prizes strengthened a culture that links personal well-being with sustainability values, contributing to a more vibrant and thriving workplace environment across stc group.

Following positive feedback and internal engagement, future plans include expanding upcoming editions to reach larger share of stc group employees.



Equivalent to

Walking around Earth  
**0.3 times**  
(average of 1 step ≈ 0.75 meters)



CO<sub>2</sub> avoidance assuming walking replaced short car travel  
**2.5 tons CO<sub>2</sub>**  
(~0.21 kg CO<sub>2</sub>/km)

Advancing national sustainability ambitions

# KSA Sustainability Champions Program

Building on its role as a Champion in the KSA Sustainability Champions Program, launched by the Ministry of Economy and Planning in April 2024, stc group continued to actively support and collaborate with three key organizations within the program's first cohort. In 2025, stc strengthened its engagement by supporting participating organizations in enhancing their sustainability reporting capabilities and accelerating measurable sustainability outcomes, enabling practical implementation of sustainability practices through cross-sector collaboration across the Kingdom.



Impact

**Participating organizations strengthened their sustainability frameworks, improved reporting practices and translated knowledge into practical sustainability outcomes**

Looking ahead, the program is expected to foster a cascading impact by enabling participating organizations to build on their experience and contribute to future cohorts as Champions in 2026.

Stakeholder engagement continued

# Sustainability training in cooperation with the UNGC

As part of its commitment to youth empowerment and sustainability capacity building, stc partnered with Ericsson to deliver the Saudi Youth Upskilling Program, a joint learning initiative engaging members of the Saudi Youth Council through the UN Global Compact (UNGC).

The program consisted of four virtual workshops delivered by Ericsson experts from 19 to 22 October, followed by a closing ceremony held on 28 October at stc Headquarters. A total of 10 participants from the Saudi Youth Council successfully completed the program and received a co-branded certificate from stc and Ericsson in recognition of their participation.

The closing ceremony featured the following interactive sessions:

**Pitch the Future Workshop,  
led by Ericsson**

**Sustainability Awareness and  
SDG Workshop, led by stc**

UNGC Academy sustainability training

**127 hours, 40 minutes**

**Aim**











































**The program aimed to equip Saudi youth with critical thinking, influencing skills and insight into AI trends, 5G impact and monetization strategies, while strengthening their understanding of sustainability principles and the SDGs. Through this initiative, stc reinforced its role in advancing youth development and embedding sustainability thinking into future innovation and leadership.**



Stakeholder engagement continued

stc's sustainability strategy aligns with national and international goals. It focuses on adopting recognized reporting standards, ensuring transparent ESG disclosures, enhancing governance practices and strengthening ESG performance, ultimately embedding sustainability across all functions to meet investor and overall stakeholder expectations.

## Alignment with national and international priorities

Pillar	Material topic	SDGs	UNGC	Saudi Vision 2030	2025 initiatives	Impact outcomes
<b>Environmental performance and climate</b> 	Energy and climate change	 	Principles 5, 7, 9	Ensure environmental sustainability 	<ul style="list-style-type: none"> <li>Renewable energy sourcing across facilities</li> <li>Energy efficiency initiatives across networks and data centers</li> <li>Participation in national climate initiatives</li> <li>Establishment of the Climate Action Working Group</li> </ul>	Total GHG emissions (Scopes 1 and 2) decreased by 3.9% for stc KSA, demonstrating steady progress in overall emissions reduction. This improvement is primarily driven by a 3.96% decrease in Scope 2 emissions.
	Waste and circular economy	 	Principle 8	Ensure environmental sustainability 	<ul style="list-style-type: none"> <li>E-waste recycling and refurbishment</li> <li>Waste reduction and segregation initiatives</li> </ul>	100% reuse achieved in Trade-In Program: 19,611 devices collected and recovered.
<b>Development of human capital through digital innovation</b> 	Health, safety and well-being		Principles 3, 4, 5, 6	Advance equity and fair work 	<ul style="list-style-type: none"> <li>Health, safety and well-being programs</li> <li>Employee engagement initiatives</li> </ul>	Delivered 5,175 hours of health and safety training to employees and contractors.
	Diversity, equity and inclusion	 	Principle 6	Advance equity and fair work 	<ul style="list-style-type: none"> <li>Diversity, equity and inclusion programs</li> <li>Leadership development for women</li> </ul>	Increased female representation in leadership roles to 14.5%, supporting workplace diversity and inclusion.
	Talent management	 	Principle 6	Enable social contribution of businesses 	<ul style="list-style-type: none"> <li>Emerging leadership by women</li> <li>Emerging talent initiatives, such as HiPO and SDP</li> </ul>	303,303 training hours provided through stc Academy.
	Accessibility and digital inclusion	 	Principle 6	Enable social contribution of businesses 	<ul style="list-style-type: none"> <li>5G network coverage and expansion</li> </ul>	Coverage expanded to 75 cities across KSA, supported by 1,261 new fifth generation sites, bringing the total number of enabled sites to 10,803. Average mobile broadband download speed in KSA increased from 142.97 Mbps in 2024 to 222.33 Mbps in 2025.
	Customer relations and satisfaction	 	Principle 6	Grow contribution of the private sector to the economy 	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Continuous service quality improvements</li> </ul>	Achieved a customer satisfaction score of 89%, reflecting improvements in service quality and customer experience.
Community contribution and development	   	Principles 1, 2, 6	Enable social contribution of businesses 	<ul style="list-style-type: none"> <li>Community contribution and development programs</li> <li>Digital literacy and inclusion initiatives</li> <li>Volunteerism and community partnerships</li> </ul>	Since the inception of Smart Ruck, we have supported over 12,500 elderly beneficiaries across 5 phases, with 880 awareness sessions conducted in 26 governorates in 2025 alone.	
<b>Strong governance and ethical excellence</b> 	Governance and business ethics	 	Principles 6, 10	<ol style="list-style-type: none"> <li>Justice and strong governance</li> <li>Enable social contribution of businesses</li> <li>Ensuring a healthy work environment</li> </ol> 	<ul style="list-style-type: none"> <li>Board oversight and governance frameworks</li> <li>Enterprise risk management</li> <li>Non-retaliation policies</li> <li>Mandatory ethics and anti-corruption training</li> <li>Compliance monitoring</li> <li>Whistleblower policy and reporting procedures</li> <li>Confidential and anonymous reporting channels</li> <li>Protection against retaliation for whistleblowers</li> <li>Awareness and ethics training for employees and contractors</li> <li>Governance awareness and capacity-building initiatives for internal and external stakeholders (including SMEs and community partners)</li> </ul>	Achieved 99.80% employee completion rate for anti-corruption training, reinforcing ethical business conduct. 839 incidents reported (internal grievance system)
	Data privacy, security and protection	 	Principles 1, 2	Enable social contribution of businesses 	<ul style="list-style-type: none"> <li>Cybersecurity controls and certifications</li> <li>Data privacy training programs</li> </ul>	Implemented robust cybersecurity and data privacy measures across systems and digital platforms (including mystc app), strengthening the protection of customers' personal data.
	Digital innovation and experience		Principles 9, 10	Unlock potential of non-oil sectors 	<ul style="list-style-type: none"> <li>Products for emergency response, such as Tari' sustainable goods and services offered by stc Cloud, iot squared, solutions, and specialized</li> </ul>	91% customer experience index in KSA.
	Supply chain management	 	Principles 2, 8	Enable social contribution of businesses 	<ul style="list-style-type: none"> <li>Supplier engagement and fair payment practices</li> <li>Local sourcing initiatives</li> </ul>	Through procurement activities, supported 211 local SMEs at stc group, and achieving a local procurement spending rate of 98% at stc KSA and 76% at stc group, underscoring our dedication to fostering local economic growth and development.
	Human rights	 	Principle 1	Enable social contribution of businesses 	<ul style="list-style-type: none"> <li>Data security and privacy training for contractors and staff</li> </ul>	15,154 hours of training for participants on human rights-related policies and procedures.

Stakeholder engagement continued

## Sustainability standards and frameworks

stc complies with recognised national and international reporting standards in line with the company's dedication to ESG excellence.

### GRI Sustainability Reporting Standards

stc group's non-financial reports follow the GRI Standards, providing a comprehensive, globally recognized framework for voluntary sustainability disclosure, focusing on material issues identified through a thorough assessment process.

### IFRS S1 and S2

To align with international best practices, stc is continuously integrating elements of IFRS S1 and S2 standards. As a sector leader, adopting these standards helps stakeholders better understand stc group's sustainability impacts, risks and opportunities.

### United Nations Global Compact (UNGC)

As a signatory since December 2021, stc commits to implementing UNGC's principles and addressing several UN SDGs. stc reports annually on progress through the UNGC Communication on Progress. stc's Sustainability General Manager also serves on the board of the Global Compact Network in Saudi Arabia.

### SASB Standards

stc aligns with the Sustainability Accounting Standards Board (SASB) to identify industry specific sustainability topics that may have financial relevance to the telecommunications sector.

### GSMA ESG Metrics for Mobile

Launched by the GSMA, the ESG Metrics for Mobile is a mobile sector ESG reporting framework that covers a range of key material topics for the sector, designed to harmonise ESG disclosures and complement universal reporting by adding a crucial industry-specific lens.

### Saudi Exchange ESG Guideline

In its ESG reporting, stc is guided by the Saudi Exchange's guidelines, supporting the development of regional ESG standards across Saudi Arabia and the MENA region.

## ESG ratings

In 2025, stc group strengthened its ESG performance, reflected in significant improvements across leading global ESG ratings.



MSCI ESG Rating

**AA**

Last update  
October 2025

Score range (highest to lowest)  
AAA to CCC

Relative positioning  
**Leadership positioning within the sector**

**S&P Global Ratings**

S&P Corporate Sustainability Assessment (CSA) ESG score

**55**

Last update  
October 2025

Score range (highest to lowest)  
100 to 0

Relative positioning  
**Above sector average, third highest scoring Telecommunications Service Company in the Middle East**



Sustainalytics ESG Risk

**21.8**

Last update  
October 2025

Score range (highest to lowest)  
0 to 100

Relative positioning  
**Above sector average ESG risk profile**



ISS ESG

**53.68 C+prime**

Last update  
December 2025

Score range (highest to lowest)  
A+ to D-

Relative positioning  
**Prime status – best in industry**



CDP

**C**

Last update  
December 2025

Score range (highest to lowest)  
A to D-

Relative positioning  
**In line with regional reporting benchmarks**

Effective sustainability governance is critical to ensuring accountability, informed decision-making and consistent oversight of environmental, social and governance priorities. At stc, sustainability governance provides the structure through which sustainability and climate-related risks and opportunities are identified, managed and integrated into strategic and operational decision-making, supporting long-term value creation and regulatory compliance.

# Sustainability governance and risk

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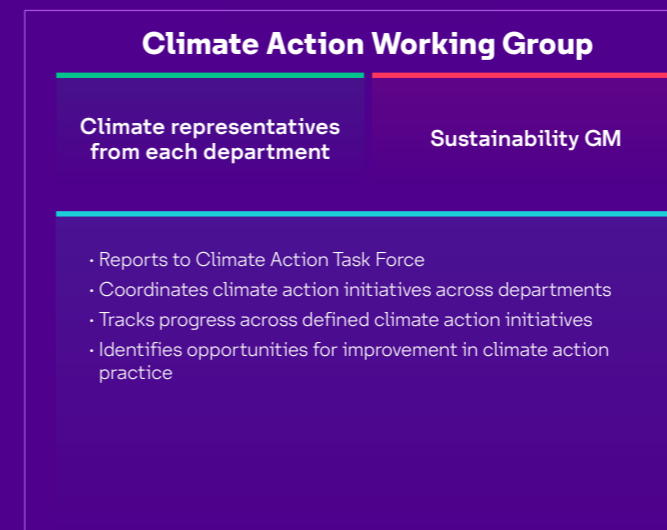
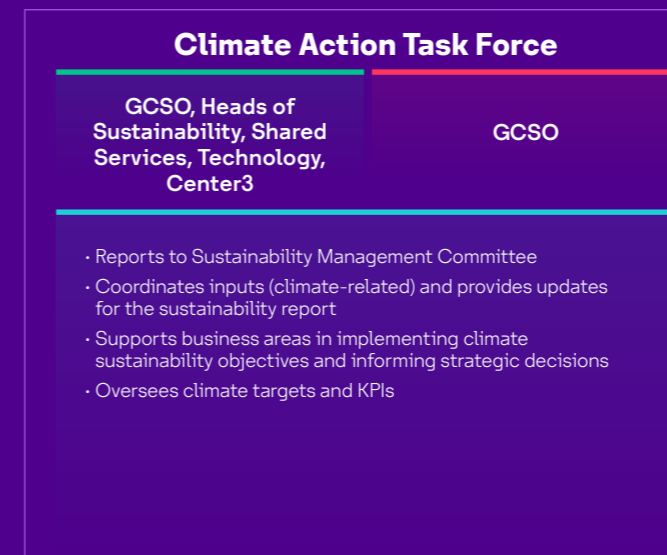
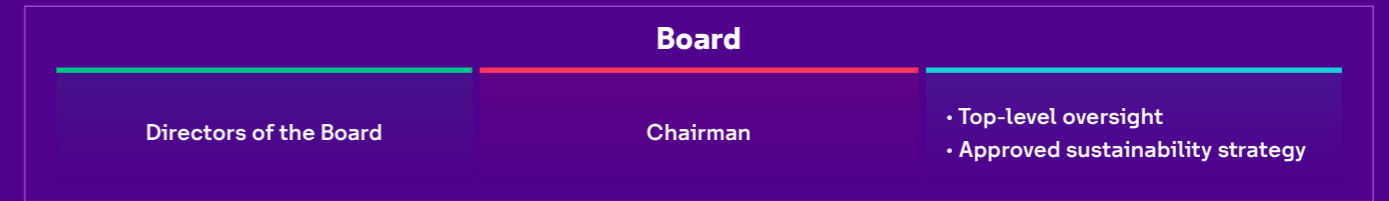
# Sustainability governance framework

stc's sustainability governance framework embeds sustainability across the organization through clearly defined roles, responsibilities and escalation mechanisms at Board, executive and management levels. Oversight of sustainability strategy is approved by the Board, ensuring alignment with the stc group's strategic priorities, risk appetite and regulatory obligations.

At the executive level, the stc Sustainability Management Committee, chaired by the GCEO, oversees the implementation of the sustainability strategy, reviews progress and escalates key sustainability and climate-related matters to the Board as required.

Climate related action is primarily driven through the CAWG, which serves as the main operational body responsible for coordinating climate initiatives across the organization. The CAWG supports the implementation of climate-related actions, monitors progress against defined objectives and ensures alignment with the stc's overall sustainability and climate priorities.

To strengthen coordination across functions and support reliability and integrity of sustainability related activities, stc embeds sustainability responsibilities within established governance mechanisms. Sustainability reporting and strategy development are governed through the stc group's formal Delegation of Authority (DOA) and Decisions Rights Framework (DRF), which define clear accountability roles and approval pathways for sustainability-related activities. These frameworks help ensure a structured approach to sustainability oversight, management of ownership and consistency in how sustainability initiatives are implemented; the disclosures are then approved and reported.



■ Composition  
 ■ Chair/lead  
 ■ Duties/authority level  
 ▲ Direct reporting line  
 ⋯ Indirect reporting line

Sustainability governance framework continued

## Sustainability Champions: Catalysts for impact across operations

At stc, employee engagement is viewed as a vital driver for embedding sustainability into daily operations and achieving strategic goals. Building on past successes, stc Sustainability Champions continue to empower dedicated employees from each cluster and functional unit. These Champions, supported by their teams, go beyond their regular responsibilities to enable ongoing improvements in sustainability within their areas.

Sustainability Champions focus areas



In recognition of the sustainability champions contributions, stc hosted the Sustainability Champions Recognition Ceremony during the reporting year. More than 180 colleagues, including champions and supporting teams, were celebrated for their commitment to advancing sustainability objectives.

### Climate Action Working Group

The Climate Action Working Group (CAWG) is a newly established formal governance mechanism designed to strengthen stc’s climate-related oversight, align with best practices and advance its decarbonization goals. It addresses the need for cross-functional coordination beyond existing sustainability structures, ensuring efficient implementation of climate initiatives across departments that record significant emissions, including Data Centers, Technology, Shared Services and Sustainability.

The governance structure comprises a Climate Action Task Force, chaired by the GCSO – which provides strategic oversight – and the CAWG, led

by the Sustainability General Manager, which meets quarterly to coordinate actions, track progress, identify risks and support decision-making. Clear roles and responsibilities are assigned to initiative owners within relevant departments, supported by integrated tracking and reporting systems to enhance data accuracy and KPI monitoring.

This governance structure is aligned with stc’s decarbonization plan and Science Based Targets initiative (SBTi) commitments, facilitating progress tracking and escalation of risks, enhancing transparency and stakeholder trust. It is intended to improve operational coordination, strengthen climate risk management and support the effective delivery of climate-related initiatives across stc group.

### Climate action governance structure

Climate Action Task Force				
Role/purpose	Reporting line	Key responsibilities	Composition	Reporting frequency
Oversees overall strategy, targets, KPIs and cross-functional alignment for climate action initiatives	Reports to Sustainability Management Committee	<ul style="list-style-type: none"> <li>Strategic direction</li> <li>Oversight and governance</li> <li>Monitor risks and compliance</li> <li>Facilitate reporting to senior management and relevant stakeholders</li> </ul>	GCSO, Heads and VPs of Shared Services, Technology, center3, and relevant teams	Bi-annually

Climate Action Working Group				
Role/purpose	Reporting line	Key responsibilities	Composition	Reporting frequency
Drives day-to-day tracking and implementation of climate-related initiatives	Reports to Climate Action Task Force	<ul style="list-style-type: none"> <li>Coordinate initiatives</li> <li>Track progress</li> <li>Identify improvement opportunities</li> <li>Raise awareness</li> <li>Provide implementation input</li> </ul>	Sustainability GM, representatives from Shared Services, Technology, center3, Sustainability and designated initiative owners	Quarterly

Sustainability governance framework continued

## Sustainability policies and position statements

stc has set in place a range of policies covering its operations, as well as stakeholder engagement, to enhance sustainability performance. These policies are regularly reviewed and updated, as approved by the GCEO, to ensure stc operations remain transparent, responsible and aligned with best practices. The following is a non-exhaustive list of stc policies that are publicly accessible online.



### Environment

- Environmental position statement



### Social

- Community Involvement Position Statement
- Human Rights Policy Statement
- Management Commitment to Occupational Health and Safety
- Customer's Rights and Responsibilities Policy
- Responsible Supply Chain Position Statement
- Responsible Marketing Position Statement
- Training and Career Development Position Statement



### Governance

- Access to Communication Position Statement
- Anti-Corruption Position Statement
- Anti-Fraud and Corruption Policy
- Code of Ethics and Business Conduct
- Supplier Code of Conduct
- Conflict of Interests Policy
- Nomination and Remuneration Policy
- Data Privacy and Security Position Statement
- Privacy Statement
- Quality Policy
- Whistleblowing Policy (Speak Up)
- Data Breach/Incident Response Plan
- Sustainability Policy

## Target setting and progress monitoring

At stc group, the Group Corporate Performance Management (GCPM) function establishes and operationalizes the group-wide performance architecture, encompassing frameworks, models, scorecards, and reporting mechanisms.

Sustainability-focused objectives, initiatives, and metrics are systematically embedded within the GCPM ecosystem, with direct linkage to executive-level performance and remuneration. These are cascaded across multiple organizational layers, including applicable direct subsidiaries, to ensure clear accountability and alignment with performance-based outcomes.

Performance is monitored on a quarterly basis, supported by rigorous validation protocols and evidence-based assurance, enabling informed decision-making and timely interventions that drive meaningful actions and create long-term value.

In addition, the group Sustainability function conducts an annual sustainability governance maturity assessment across subsidiaries. This assessment evaluates entity-level maturity, identifies capability gaps, and informs targeted improvement plans to strengthen the consistent adoption of sustainability practices across the group.



# Sustainability and climate risks

Sustainability and climate-related risks are increasingly central to stc’s long-term resilience and value creation. As regulatory expectations, stakeholder scrutiny and environmental and social challenges continue to evolve, stc adopts a structured and forward-looking approach to identifying, assessing and managing these risks across stc group. Sustainability considerations are embedded within risk governance processes to ensure alignment with strategic objectives and responsible business practices.

## Sustainability risks integrated approach

stc manages sustainability and climate-related risks through an integrated approach that embeds sustainability considerations within enterprise-wide risk management and strategic decision-making. Sustainability risks are identified, assessed and managed in alignment with the company’s sustainability priorities, regulatory requirements and long-term value creation objectives.

The Enterprise Risk Management (ERM) Framework provides the overarching governance structure and risk management processes through which sustainability and climate risks are assessed, monitored and mitigated alongside other corporate, technology, operational, financial and legal and compliance risks.

The Double Materiality Assessment (DMA) complements this process by systematically identifying material sustainability topics and associated impacts, risks and opportunities, ensuring sustainability risks reflect both stakeholder expectations and potential financial implications.

Through this integrated model, sustainability and climate risks are treated as core business risks, enabling stc to strengthen resilience and enhance its ability to respond to emerging environmental and social challenges.

### Integration into ERM Framework

In 2025, we further integrated a sustainability approach into stc’s Enterprise Risk Management (ERM) Framework to help reduce the risks associated with sustainability issues and discover new opportunities. stc’s ERM lifecycle covers all sectors and addresses all areas of risks related to each sector, including climate change, natural resource constraints, human rights concerns and other sustainability risks.

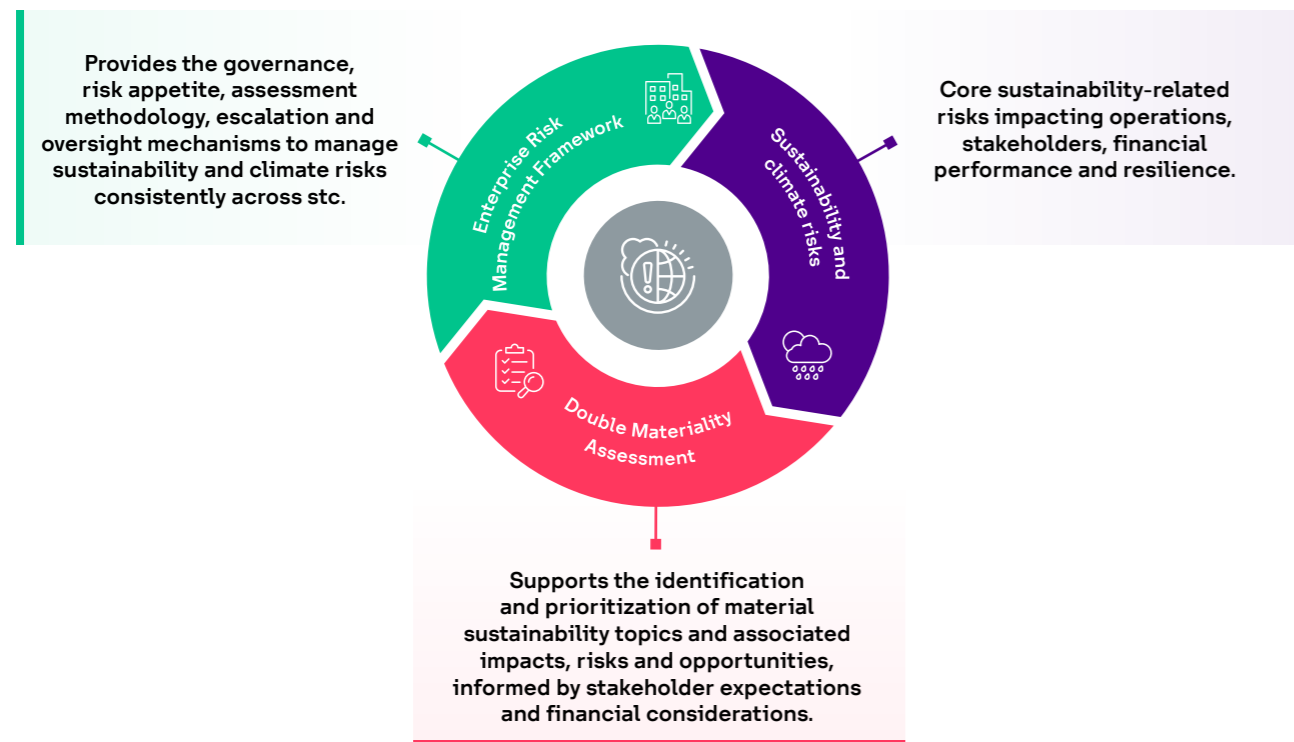
This integration is underpinned by stc’s Risk Appetite statement “Corporate, Governance No.1,” which states “stc has an averse appetite for governance risks that could undermine our steadfast commitment to ethical behavior, transparency and accountability. We recognize the critical importance of maintaining robust internal controls, ensuring timely and accurate disclosures to stakeholders, and adhering to environmental, social and governance (ESG) principles. We proactively identify and mitigate potential risks to our governance framework, including those related to Board conflicts of interest, regulatory compliance and corporate social responsibility.”

### Forward thinking on global regulations

stc group understands that evolving global regulations are significantly shaping sustainability disclosures and risk management practices. Stricter requirements – including rigorous audits of sustainability reports, validation of environmental claims and mandatory disclosures – which are becoming common. In response, stc is actively embedding international sustainability standards into its processes and systems.

While sustainability reporting remains voluntary in its jurisdiction, stc is progressing toward alignment with IFRS S1 and S2 to strengthen transparency, enhance risk management practices and ensure readiness for future regulatory developments.

stc group’s approach involves integrating sustainability considerations into its overall risk management framework through data-driven insight and scenario analysis. This enables stc to identify, assess and mitigate risks more effectively, while capitalizing on emerging opportunities. The company prioritizes sustainability factors alongside operational risks, ensuring a balanced and forward-looking risk strategy.



Sustainability and climate risks continued

## Climate risk and scenario analysis (physical and transition risks)

stc's climate risk and scenario analysis is informed by its 2023 climate risk assessment, which was developed to strengthen the integration of climate-related risks into business strategy and risk management processes. The assessment considers both physical and transition risks across short, medium and long-term horizons and provides a basis for understanding how climate-related factors may affect stc group's operations and resilience.

The company's approach draws from stc's established risk management practices, incorporating structured





























evaluations of potential risks, financial materiality and impact prioritization. stc examines how climate change could physically and financially affect operations by leveraging internal data, industry insight and scenario modeling to assess risk likelihood and severity.

This assessment is guided by three global climate scenario analyses aligned with publicly available forecasts from the IPCC, IEA and NGFS. These scenarios provide valuable strategic foresight, helping stc to proactively adapt and enhance resilience to emerging climate challenges.

Scenario	<b>Business as usual</b>
<b>1</b>	GHG emissions continue rising at current rates with limited mitigation efforts, leading to significant global warming and increased physical risks.
Scenario	<b>Delayed transition (2.0°C)</b>
<b>2</b>	Emissions stabilize until 2030, followed by the implementation of strong policies to keep warming below 2°C.
Scenario	<b>Net zero carbon transition (1.5°C)</b>
<b>3</b>	The most ambitious pathway, aiming for aggressive climate policies and innovation to limit warming to 1.5°C and achieve net zero emissions by 2050.



Sustainability and climate risks continued

Category	Nature	Risk	Description	Assets	Financial impact	Time horizon
Physical	Acute	Extreme weather	Severe storms, hurricanes or flooding impacts the infrastructure and disrupts services	 Marine cables		 <2 years (short term)
Physical	Acute	Changes in temperature and precipitation patterns	Changes in temperature and precipitation patterns impact telecommunication towers	 Towers		 5-10 years (medium/long term)
Physical	Chronic	Water scarcity and quality	Inefficient cooling systems in data centers, leading to increased energy consumption and reduced cooling efficiency	 Data centers		 >10 years (long term)
Physical	Chronic	Rising sea levels and storm surges	Damage from rising sea levels on coastal area infrastructure, leading to service disruptions and costly repairs	 Towers		 <2 years (short term)
Transitional	Policy and regulation	Policy and regulatory changes related to climate change	Increase of electricity price owing to requirements for emission reductions, renewable energy adoption and energy efficiency standards	 Buildings		 2-6 years (medium term)
Transitional	Policy and regulation	Liability risks associated with the transition to a low-carbon economy	Requirements for minimum energy performance of buildings to ensure transition to net zero	 Buildings		 >10 years (long term)
Transitional	Technology	Technological innovation and disruption	Market moves away from reliance on fossil fuels for logistics and emergence of less carbon-intensive practices	 Logistics/ supply chain		 <2 years (short term)
Transitional	Market	Shifts in consumer preferences and behavior toward sustainable products and services	Consumers adopt more sustainable behavior and switch to lower carbon products and services	 Channels		 >10 years (long term)
Transitional	Policy and regulation	GHG emission cost	Introduction of carbon pricing in Saudi on direct emissions to incentivize emission reductions	 Finance		 2-6 years (medium term)
Transitional	Policy and regulation	GHG emission cost	Introduction of carbon tax in suppliers' countries, resulting in higher cost of operations for supplier companies	 Logistics/ supply chain		 2-6 years (medium term)
Transitional	Market	Supply chain disruption and increasing material costs	Extreme weather events disrupt supply chain and procurement of materials	 Logistics/ supply chain		 2-6 years (medium term)
Transitional	Technology	Renewable energy adoption	Late adoption of renewable energy leads to higher energy cost for business activities	 Buildings		 >10 years (long term)

# Environmental performance and climate

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# 05



Saudi Vision 2030



UNGC



UNSDGs

A Thriving Economy  
An Ambitious Nation

principles 7, 8, 9




# Climate change

stc group supports Saudi Vision 2030 and the Saudi Green Initiative (SGI), and is dedicated to a sustainable and resilient future for the Kingdom and for the region. With its Science Based Targets initiative (SBTi) validated target of achieving net-zero emissions by 2050, stc is at the forefront of environmental innovation leveraging renewable energy, enhancing operational efficiency and implementing energy saving technologies.

This approach is supported by alignment with recognized international frameworks including the recommendations of IFRS S2, regional commitments such as the Middle East Green Initiative (MGI) and related strategic environmental programs. Through these efforts, stc continues to improve energy efficiency, reduce emissions and advance circular economy practices while supporting community awareness and environmental stewardship.

## Our journey toward net-zero emissions


 <p>Established the baseline for greenhouse gas (GHG) emissions</p> <hr/> <p>Began aligning climate ambitions with the Paris Agreement</p>	 <p>Signed renewable energy pilot agreements for telecommunication sites</p> <hr/> <p>Developed a comprehensive GHG inventory</p>	<p>Expanded renewable energy integration and energy efficiency initiatives across network infrastructure</p> <hr/> <p>Continued progress in reducing operational emissions</p>
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Identified carbon footprint and emission sources across operations

---


Explored renewable energy opportunities across the network



Climate targets validated by the SBTi

---

Strengthened climate governance and emissions monitoring across operations




Achieved

**5.6% reduction** in Scope 1 emissions and

**3.6% reduction** in Scope 2 emissions

---

Continued energy efficiency improvements across network infrastructure and data centers




Reduce Scope 1 and Scope 2 emissions by

**50%** vs 2019 baseline

---


Reduce Scope 3 emissions by

**46.2%** vs 2019 baseline



Achieve

**net-zero** carbon emissions



Achieved

**3.9% reduction** in total Scope 1 and 2 emissions for stc KSA

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Enhance cooling efficiency at stc headquarters, through the replacement of outdated chillers and air conditioning systems with high-efficiency equipment

Established Climate Action Task Force and Working Group

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Improved building energy performance, through infrastructure upgrades including double-glazed windows and Smart Building Management Systems (BMS) for better energy control and monitoring

Climate change continued

## Climate strategy and transition planning

Global concern about climate change continues to increase expectations for companies to reduce emissions and strengthen climate resilience. stc is committed to achieving net-zero emissions by 2050, which requires a long-term transformation in how the group powers its networks, designs infrastructure and delivers digital services.

stc's climate strategy focuses on reducing GHG emissions across its operations and value chain while integrating sustainability considerations into infrastructure development and digital solutions. The strategy prioritizes managing operational emissions, optimizing energy consumption across network infrastructure and data centers, engaging suppliers and partners to address value-chain emissions and enabling customers through digital solutions that support lower-carbon outcomes.

In parallel, stc continues to strengthen its climate risk management approach in line with emerging global standards. stc group assesses both physical and transition climate risks that could affect its operations and long-term strategy.

Through its climate strategy and sustainability governance structure, stc integrates climate considerations into operational planning and long-term investment decisions while supporting the transition to a lower-carbon digital economy.

During 2025, stc continued to make progress toward this goal through reductions in GHG emissions, expanded renewable energy sourcing and enhanced energy efficiency across its operations and network infrastructure.

Pillars	Objectives	Programs	2025 initiatives	Key metrics
<b>Optimizing stc's performance</b>	To deliver progress toward stc's net-zero target by 2050 by reducing GHG emissions across Scopes 1-3 and improving operational energy efficiency across network infrastructure and operations.	<ul style="list-style-type: none"> <li>Decarbonization roadmap</li> <li>Scope 1 emissions management</li> <li>Scope 2 emissions management</li> </ul>	<ul style="list-style-type: none"> <li>Established a Climate Action Working Group (CAWG) to ensure proper implementation and tracking of decarbonization initiatives</li> <li>Expanded energy efficiency initiatives across network infrastructure, data centers and facilities</li> <li>Expanded the trade-in program to promote device reuse and recycling, encouraging customers to return used devices for refurbishment, resale or responsible recycling</li> </ul>	<ul style="list-style-type: none"> <li>3.9% reduction in total scope 1 and 2 for stc KSA</li> <li>3.96% reduction in Scope 2 emissions for stc KSA</li> <li>4.96% reduction in energy intensity across stc group</li> </ul>
<b>Developing eco-friendly products and solutions</b>	To reduce the climate impact of materials, products and services across the value chain while promoting circular economy practices and enabling customers to lower their environmental footprint through sustainable digital solutions.	<ul style="list-style-type: none"> <li>Carbon enablement solutions</li> <li>Engaged supply chain</li> <li>Sustainable customer solutions</li> </ul>	<ul style="list-style-type: none"> <li>Scaled sustainable products and services through stc Cloud and digital solutions</li> <li>Expanded device takeback and trade-in initiatives</li> <li>Strengthened end-of-life asset recycling</li> <li>Advanced supply chain engagement on sustainability</li> <li>Supported low-carbon mobility through the Jahez e-bike delivery project</li> </ul>	<ul style="list-style-type: none"> <li>Revenue from sustainable products and services</li> <li>97% greater efficiency of e-bikes compared to motorcycles, approximately 0.23 kgCO2e avoided per delivery</li> </ul>
<b>Managing climate-related risks and financial impacts</b>	To identify and manage climate-related risks and opportunities while strengthening the resilience of operations and infrastructure and aligning risk management with evolving climate disclosure frameworks.	<ul style="list-style-type: none"> <li>Climate risk evaluation</li> <li>Climate-resilient assets and services</li> </ul>	<ul style="list-style-type: none"> <li>Conducted a double materiality assessment covering identification of climate-related risks and opportunities</li> <li>Enhanced efforts to align with IFRS S2 recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Updated stc ESG material topics focusing on material and financial impacts</li> <li>Progress toward alignment with IFRS S2 recommendations</li> </ul>
<b>Demonstrating climate leadership</b>	To empower employees and partners to support climate action while strengthening sustainability culture and enabling collaboration across the telecommunication ecosystem.	<ul style="list-style-type: none"> <li>Internal and external empowerment programs</li> <li>ESG training and awareness initiatives</li> <li>Circular economy considerations across supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Delivered ESG training and internal capacity-building programs</li> <li>Strengthened employee engagement in climate initiatives</li> <li>Expanded collaboration through regional platforms such as the GCC Sustainability Telco Alliance and GCC Innovation Hub</li> </ul>	<ul style="list-style-type: none"> <li>Number of materials recycled</li> <li>Number of collaborations through GCC initiatives</li> </ul>

Climate change continued

## Climate governance

stc continues to strengthen its climate governance approach to ensure effective oversight, coordination and accountability in addressing climate-related challenges and opportunities across stc group.

Through its governance structure, climate considerations are integrated into strategic decision-making and operational planning, supporting the group's efforts to reduce emissions, manage climate-related risks and advance its sustainability priorities.

In 2025, stc further strengthened its climate governance through the establishment of a Climate Action Task Force and a CAWG, creating a coordinated mechanism to oversee and implement climate initiatives across the organization.

The Climate Action Task Force, chaired by the GCSO, provides strategic oversight of climate action initiatives and reports to the Sustainability Management Committee, which is chaired by the GCEO. It is responsible for overseeing climate strategy implementation, monitoring climate targets and key performance indicators KPI, coordinating climate-related inputs for sustainability reporting and informing strategic decisions.

Supporting the task force is the CAWG, led by the Sustainability General Manager and comprising climate representatives from relevant departments across stc. The working group is responsible for coordinating climate action initiatives across departments, tracking progress against defined initiatives, identifying improvement opportunities and supporting the implementation of stc's decarbonization priorities. For more information about the CAWG, please refer to page 65.

To support the implementation of its climate and sustainability priorities, stc maintains a number of policies and position statements that guide responsible environmental management and reinforce accountability across the organization.

These policies include the following:

- [Environmental Position Statement](#)
- [Sustainability Policy](#)
- [Responsible Supply Chain Positioning Statement](#)
- [Supplier Code of Conduct](#)

## Metrics and targets


stc group has established a long-term ambition to achieve net-zero emissions by 2050, covering Scope 1, 2 and relevant Scope 3 emissions as part of its comprehensive climate strategy. The company's near-term emissions reduction targets are aligned with science-based methodologies, reinforcing its commitment to credible, measurable and transparent climate action.

### stc's climate-related targets

## By 2030

-  **Reduce Scope 1 and Scope 2 emissions by 50% compared to the 2019 baseline**
-  **Reduce Scope 3 emissions by 46.2% compared to the 2019 baseline**
-  **Contribute to the planting of one million trees in support of national environmental initiatives**

## By 2050

-  **Achieve net-zero carbon emissions**

Through these clearly defined milestones, stc continues to align its operational strategy with national climate commitments and global sustainability frameworks, supporting the Kingdom's transition toward a low-carbon economy.

## GHG emissions data

stc KSA continues to advance its climate strategy by focusing on operational optimization and emissions reduction across its activities. The year-on-year performance reflects ongoing efforts to decouple emissions from operational growth.

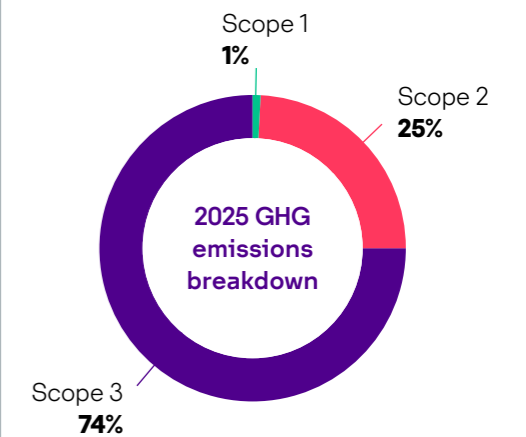
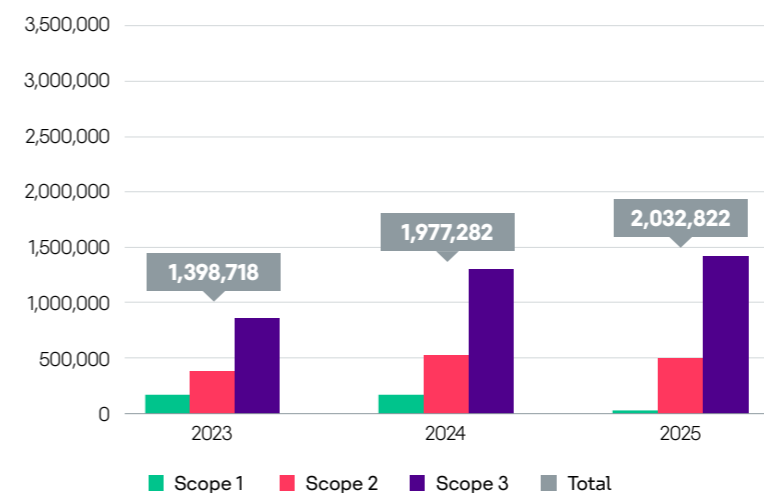
At the group level, changes in reported emissions in 2025 are influenced by a revision in organizational boundaries, aligned with 2025 financial disclosures boundaries, which limits direct comparability with prior years.

In 2025, the total GHG emissions (Scopes 1 and 2) decreased by 3.9% for stc KSA, demonstrating

steady progress in overall emissions reduction. This improvement is primarily driven by a 3.9% decrease in Scope 2 emissions, reflecting stc's efforts in enhancing energy efficiency and optimization of energy consumption across its network.

In addition, total Scope 3 emissions maintained similar levels with slight increase due to business expansion compared to 2024, reflecting continued progress in emissions intensity management across the value chain. Purchased goods and services remained the largest contributor, accounting for the majority of Scope 3 emissions, with a slight increase during the year highlighting the importance of ongoing supplier engagement and sustainable procurement initiatives.

### stc group total GHG emissions\*

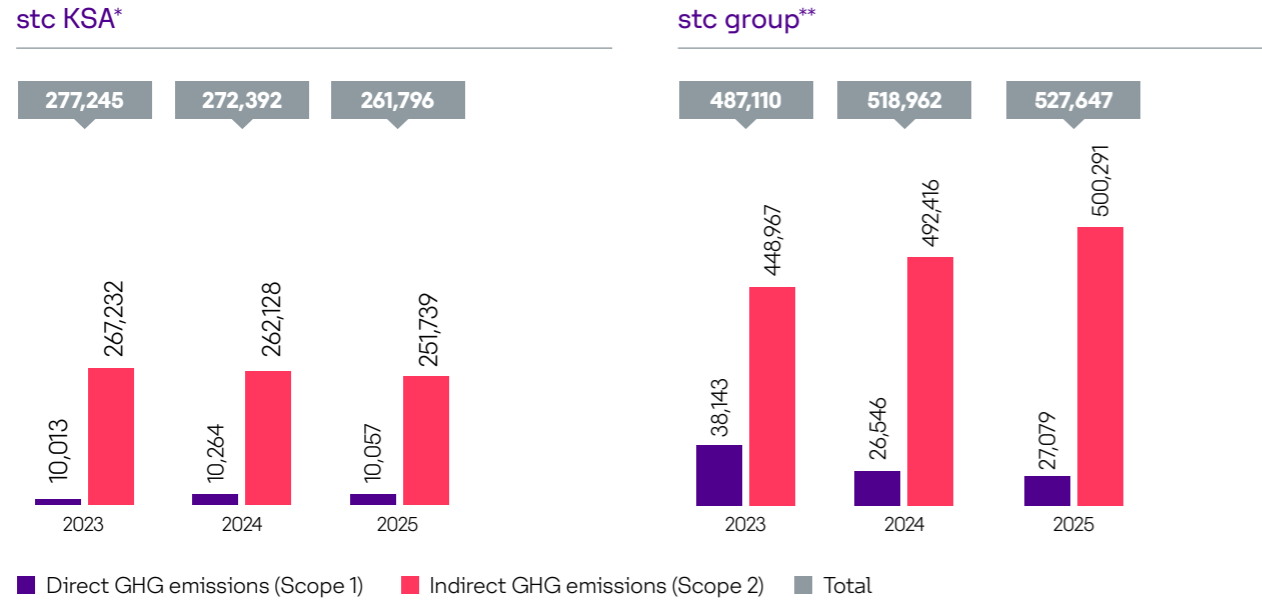


\* 2023 and 2024 numbers have been restated in alignment with stc's organizational change.



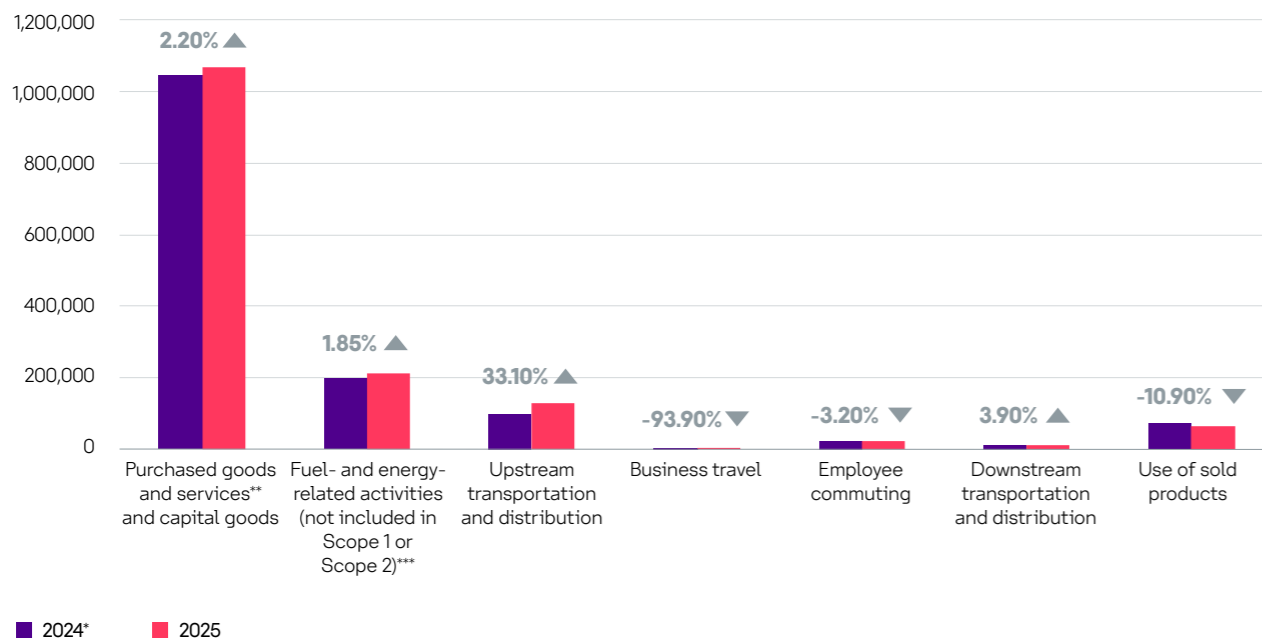
Climate change continued

Scope 1 and 2 emissions



\* KSA refers to stc KSA and its headquarters-based subsidiaries.  
 \*\* 2023 and 2024 numbers have been restated in alignment with stc's organizational change.

Breakdown of scope 3 emissions



\* The 2024 Scope 3 emissions have been restated following the adoption of a refined methodology aligned with the GHG protocol.  
 \*\* Excludes procurement activities conducted through stc Bahrain and Kuwait procurement departments.  
 \*\*\* 2024 numbers have been restated in alignment with stc's organizational change.

Tree planting and regional greening initiatives

As part of its broader environmental commitments to biodiversity, stc supports tree-planting initiatives that contribute to expanding green spaces, improving air quality and strengthening environmental awareness across the region. These initiatives align with the SGI and the MGI, which promote large-scale greening and climate resilience across the region.

Smart Trees initiative by stc KSA

stc contributes to national greening efforts through its one million Smart Trees initiative, implemented in collaboration with NetZero, a Saudi environmental technology company specializing in smart afforestation and AI-driven sustainability solutions. The initiative aims to plant one million trees by 2030 to support carbon sequestration, improve air quality and raise environmental awareness.

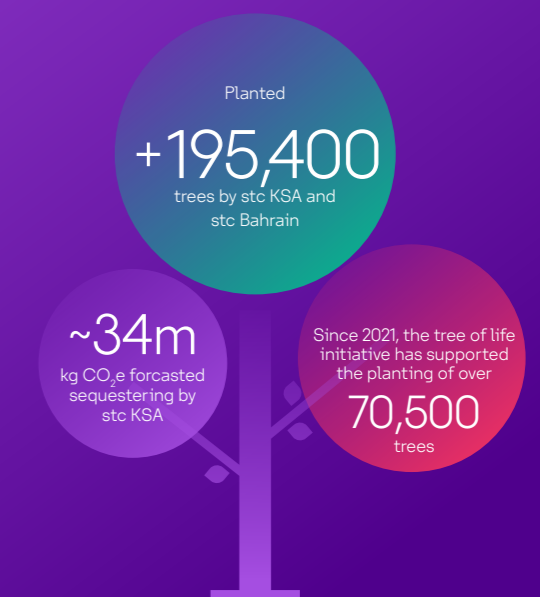
stc continued to advance its tree-planting efforts in 2025 as part of its broader environmental stewardship and climate action agenda. To date, 124,900 trees have been planted across more than 26 locations in the Kingdom, including over 85,000 planted in 2025. Focusing on a diverse range of species, including native trees and mangroves supporting ecosystem restoration, biodiversity enhancement, and nature-based carbon sequestration. Over a 10-year period, the planted trees are forecast to sequester approximately 34 million kg CO<sub>2</sub>e, reinforcing stc's contribution to long-term environmental resilience and national greening efforts.

Trees for Life by stc Bahrain

stc Bahrain contributes to national greening efforts through participation in the Trees for Life initiative, a program launched to expand vegetation cover and increase green spaces across the Kingdom.

Since 2021, the initiative has supported the planting of more than 70,500 trees, including over 15,500 trees planted in 2025 across locations such as schools, parks and public areas to strengthen national afforestation efforts.

The initiative supports Bahrain's national plan to double the number of trees in the Kingdom by 2035, contributing to improved air quality, expanded green spaces and increased community engagement in environmental sustainability.



SDGs alignment

- 13 Climate Action:** Supports climate mitigation through large-scale tree planting and carbon sequestration.
- 15 Life on Land:** Contributes to biodiversity conservation and restoration of terrestrial ecosystems.
- 11 Sustainable Cities and Communities:** Enhances green spaces and environmental quality in urban areas.
- 17 Partnerships for the Goals:** Advances sustainability through collaboration with environmental technology partners and national greening programs.

Climate change continued

Case study

# Digital carbon footprint tracker

Strategic context

The surge in digital communications (SMS, emails, calls, streaming) creates a hidden environmental impact, but organizations lacked tools to measure these emissions. To address this gap, stc developed a carbon emissions calculator to quantify digital footprints, enhance sustainability reporting and drive responsible usage.

Integrated approach

- Emissions calculator: Estimated CO<sub>2</sub>e emissions from SMS, emails (with attachments), voice/video calls, and streaming, using standard emission factors
- Aggregation: Provided daily estimates and categorized results for sustainability tracking

Outcomes

- Quantifiable metrics: Enabled measurement of digital emissions for ESG reporting
- Awareness: Increased understanding of digital activities' environmental impact
- Scalability: Offered a model for broader organizational adoption

SDGs alignment

	<p><b>SDG 9: Innovation for sustainable infrastructure</b></p>
	<p><b>SDG 12: Responsible consumption by tracking digital waste</b></p>
	<p><b>SDG 13: Climate action through emission quantification</b></p>

stc square

# Pioneering sustainable urban living in Riyadh

**75%**  
Construction waste recycled

**38%**  
Reduction in indoor water consumption

**40%**  
Of the development dedicated to open and outdoor spaces

stc square, a landmark 120,000 m<sup>2</sup> mixed-use development at the headquarters, is a flagship achievement in sustainable urban excellence. Developed by AQALAT, stc group's real estate arm, the project integrates advanced smart technologies with rigorous environmental design to deliver a high-quality, low-impact community that includes residential, office, commercial, mixed-use spaces and a mosque.

The development was guided by a strong commitment to sustainability, targeting LEED v4 certification. This internationally recognized framework integrates planning, design and implementation to achieve consistent environmental performance, reduced resource consumption and enhanced well-being for residents.



Climate change continued

**Energy efficiency and renewable integration**

The project incorporates photovoltaic (PV) solar panels that generate 1-3% of total energy needs, supporting stc's broader renewable energy ambitions.

Advanced energy-saving HVAC systems are designed to improve overall energy efficiency and are expected to reduce energy consumption based on design-stage estimates, supporting lower carbon emissions and improved operational efficiency once the building becomes operational.

**Sustainable sites and green spaces**

Over 40% of the site is dedicated to open and outdoor areas, with 29% landscaped to create interconnected green spaces, including a continuous "green spine" with shaded pathways that encourage walking, cycling and community interaction. These features enhance biodiversity, provide natural cooling and promote physical activity while aligning with urban greening goals.

**Innovative waste management**

stc square deploys an advanced waste collection system, in partnership with the Envac Group, the inventor of the pneumatic waste collection system, which makes use of underground pipes and air pressure to send waste from the building, or from an outdoor waste disposal point, directly to a central collection station for sorting. This eliminates traditional truck collections, reduces odors/pests, minimizes vehicle emissions and supports high recycling rates.

During construction, the project achieved ~75% recycling of waste through segregated collection of materials like paper, glass and plastics, advancing circular economy principles.



**Water efficiency**

Through innovative plumbing fixtures and efficient systems, indoor water demand was reduced by approximately 38% compared to baseline levels. Using drought-resistant landscaping and smart irrigation, the development cut outdoor water use by 44%.

**Transportation and low-impact mobility**

Smart parking solutions, including puzzle parking systems, have enabled a 60% reduction in parking footprint. Electric vehicle supply equipment (EVSE) is installed in 2% of all parking spaces, facilitating the shift to cleaner transport and reducing reliance on fossil fuel vehicles.

These integrated measures are powered by stc's ICT expertise and Internet of Things (IoT)/artificial intelligence (AI) platforms for optimization and positions stc square as a model for smart, sustainable development in Saudi Arabia. By embedding energy efficiency, water conservation, waste innovation and extensive green infrastructure, the project not only minimizes environmental footprint, but also sets a replicable benchmark for future urban initiatives in the region. stc square exemplifies how strategic actions in sustainable design and technology can create thriving, resilient communities, contributing directly to stc's environmental commitments, net-zero aspirations by 2050 and the Kingdom's vision for greener, smarter cities.

# Energy efficiency

As demand for connectivity, data services and network expansion rises, energy use increases alongside business growth. Still, stc is focused on managing this growth through responsible energy practices, targeted efficiency improvements and transitioning to cleaner energy sources. These efforts are supported by stc's Environmental Management System (EMS), which helps monitor environmental performance, identify improvement opportunities and ensure compliance with relevant environmental requirements across operations.

With continuous investments in energy optimization, technology upgrades and sustainable strategies, stc remains committed to reducing its environmental impact while ensuring reliable, high-quality services. stc's commitment to energy efficiency is reinforced by internal policies that promote conservation practices. stc raises awareness among employees about energy-saving behaviors through targeted programs and ensures the proper operation of systems to minimize energy waste, particularly during off-peak hours.



## Enhancing the network's energy efficiency

Enhancing energy efficiency is a key focus of stc's sustainability strategy. stc prioritizes responsible energy management, tracking energy usage at each site. By integrating advanced energy-saving features, stc ensures the effective operation of its 5G and 4G networks while maintaining a reliable user experience.

stc's energy-saving practices are employed at the cell level during off-peak hours, typically from midnight to early morning. This enables stc to power down carriers, shut down radio frequency channels and activate sleep modes, significantly reducing unnecessary energy consumption. The addition of eco-modes and intelligent sleep functionalities further enhances overall network energy efficiency.

These measures contribute to reducing overall electricity consumption across the network, supporting more efficient use of energy resources. By lowering energy demand, stc also reduces associated GHG emissions, contributing to the group's broader efforts to decrease its operational carbon footprint.

### Energy optimization for data centers

stc continues to optimize energy use across its operations, with a strong focus on data centers and network infrastructure. Data centers built after 2018 are required to achieve an average annual power usage effectiveness (PUE) of no more than 1.6 at full IT load. In 2025, stc recorded a PUE of 1.5 at full load.

stc continues to enhance the environmental performance of its data centers by improving energy efficiency, optimizing cooling systems and integrating smart monitoring technologies to reduce energy consumption and operational emissions. These efforts focus on improving infrastructure efficiency while supporting reliable digital services and scalable network operations.

Key initiatives include:

- Advanced cooling systems with hot/cold aisle separation
- Optimized mechanical equipment using variable frequency drives (VFDs) on chilled water networks
- Smart monitoring and energy-efficient design targeting a PUE of 1.5
- Local sourcing of materials to cut transport-related emissions

These measures, combined with strict energy policies and TCOS certification, minimize environmental impact while ensuring high performance.

### New data centers

stc is developing advanced new data centers across its countries of operation, integrating sustainability from design and procurement through to construction. These facilities are designed to improve energy efficiency and optimize resource use while supporting the growing demand for digital infrastructure across the region.

Key efficiency features include:

- Improved PUE through energy conservation measures
- Higher server efficiency and optimized chiller plants
- Advanced thermal management with effective airflow and humidity control
- Energy-efficient power supply systems and lighting
- Low-water cooling systems

The data centers also hold TIER-III uptime certification (99.982% availability, ~1.6 hours of annual downtime) and TCOS Gold certification for rigorous standards.

A highlight is the state-of-the-art data center under construction in Bahrain, in partnership with center3, which is planned to operate fully on solar power. This represents a significant advancement in renewable-powered infrastructure, directly supporting stc's net-zero emissions goal by 2050 and contributing to sustainable digital expansion across the region.

Energy efficiency continued

Number of exchanges

stc KSA	stc Bahrain	stc Kuwait
222	2	13

Number of data centers\*

stc KSA	stc Bahrain	stc Kuwait
16	2	2

Performance metrics

Power usage effectiveness	stc KSA			stc Bahrain			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Power usage effectiveness (average PUE) of existing data centers	2.27	1.95	1.86	1.80	1.79	1.87	1.90	1.41	1.23
Power usage effectiveness (average PUE) of new data centers**	2.12	2.10	1.76	-	-	-	-	-	-

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

## Optimizing energy efficiency at stc's headquarters

stc continues to enhance energy performance across its headquarters and operational facilities through a combination of technology upgrades, operational optimization and strengthened climate governance. Building on the Smart Campus centralized Building Management System (BMS) and earlier efficiency measures, the focus is increasingly shifting toward deeper system optimization, digital monitoring and infrastructure improvements that support the group's broader decarbonization roadmap.

The established Climate Action Working Group (CAWG) will strengthen oversight and accelerate implementation of climate initiatives across departments with significant emissions, to enable cross-functional coordination across Shared Services, Technology, center3 and the Sustainability department, ensuring that energy efficiency and emissions reduction initiatives are effectively tracked, prioritized and implemented across operations.

In line with this approach, stc is implementing and continuing to advance several high-priority initiatives aimed at improving energy efficiency and reducing emissions across its facilities and operational activities. Key initiatives include:

- **Optimizing building energy use through automated controls**, including the installation of timer-based systems to shut down exhaust fans and

internal and external lighting outside of operational hours, reducing unnecessary electricity consumption.

- **Upgrading cooling infrastructure**, through the replacement of outdated chillers and air conditioning systems with high-efficiency chillers and pumps, significantly lowering energy consumption associated with cooling operations.
- **Enhancing building envelope efficiency**, through the installation of double-glazed windows in existing buildings to reduce heat transfer and improve overall energy performance.
- **Transitioning to energy-efficient lighting systems**, by replacing conventional halogen and fluorescent lighting with LED technology across facilities, with implementation completed across key sites.
- **Deploying smart lighting controls**, including motion sensors to automatically regulate lighting usage based on occupancy, minimizing energy waste in low-utilization areas.
- **Strengthening centralized energy management**, through the ongoing and planned implementation of a Smart BMS to enable real-time monitoring, control and optimization of energy consumption across facilities.

Together, these initiatives reflect stc's evolving approach to climate action, combining infrastructure upgrades, operational improvements and technology-driven solutions to reduce emissions across the group's value chain. Through continued coordination under the CAWG and ongoing investment in energy efficiency and decarbonization initiatives, stc aims to enhance operational performance while progressing toward its long-term emissions reduction targets.



**Energy efficiency continued**

**Performance metrics**

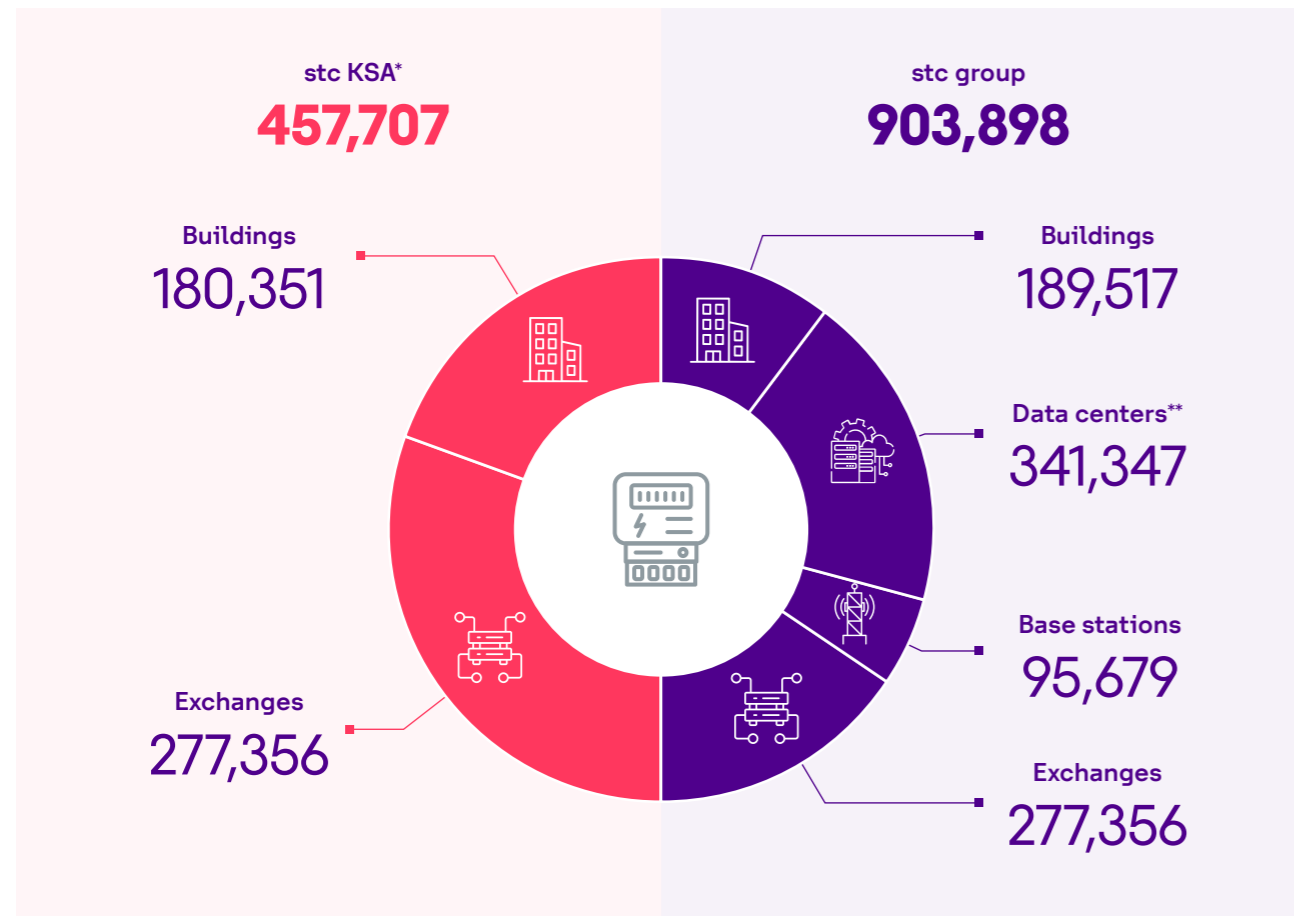
In 2025, total electricity consumption declined across both stc KSA and the wider stc group, reflecting efficiency improvements and boundary changes in reporting.

For stc KSA, the total electricity consumption decreased by approximately 4% primarily driven by enhanced energy efficiency measures across the offices and facilities operation in addition to network operations and efficiency optimization efforts. Similarly, for stc group the total electricity consumption has dropped substantially largely attributable to the change in reporting boundaries. Overall, the 2025 results demonstrate operational efficiency gains in core infrastructure, partially offset by growth in energy-intensive digital services.

In addition, stc KSA made measurable progress in reducing fuel use, underscoring its commitment to lowering dependence on fossil fuels. Petrol consumption declined by 7.2% in 2025 demonstrating positive efficiency gains in mobility-related operations.

Adjusting for data traffic growth, energy intensity per petabyte (PB) of data has improved significantly, with energy consumption (in gigajoules (GJ)) reducing for both stc KSA and stc group. At stc group, energy intensity improved from 112.07 GJ/PB in 2024 to 106.52 in 2025, underscoring stc's dedication to enhancing energy efficiency in data processing and network operations, reinforcing stc's commitment to delivering more with less energy.

**Electricity consumption by infrastructure (MWh)**



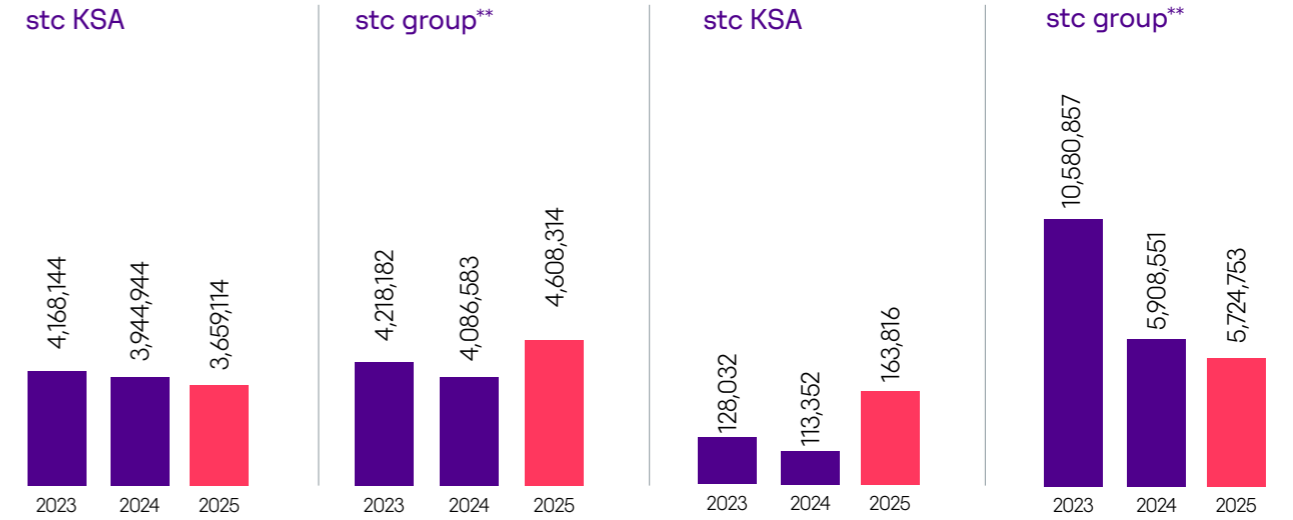
\* KSA refers to stc KSA and its headquarters-based subsidiaries.

\*\* The increase in data center electricity consumption is primarily driven by the growing demand for digital services and the expansion of data center capacity. Despite this increase, operational efficiency improved, resulting in lower energy consumption per unit of compute.

**Fuel consumption (liters)**

**Petrol Consumption**

**Diesel consumption**



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

\*\* 2023 and 2024 numbers have been restated in alignment with stc's organizational change.

Energy consumption	stc KSA*			stc group**		
	2023	2024	2025	2023	2024	2025
Direct energy consumption (GJ)	147,441	139,009	131,056	548,451	353,066	364,274
Indirect energy consumption (GJ)	1,676,021	1,715,746	1,647,745	2,765,238	3,196,324	3,254,034
Total energy consumption (GJ)	1,823,462	1,854,755	1,778,801	3,313,689	3,549,390	3,618,308
Energy intensity (GJ/petabytes)	74.77	63.45	56.70	123.99	112.07	106.52

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

\*\* 2023 and 2024 numbers have been restated in alignment with stc's organizational change.



Energy efficiency continued

Case study

# AI-driven energy efficiency at stc

To enhance energy efficiency in its telecommunication infrastructure, stc launched the Energy Saving Management Machine Learning (ML) Threshold Tuning (TT) initiative. This project addressed limitations of traditional ESM practices by leveraging AI/ML to optimize energy savings in real-time, reducing environmental impact and operational costs.

ESM practices faced challenges due to their reliance on fixed threshold metrics that operated solely within the limited network maintenance windows. This often led to unintended energy savings activations, resulting in potential KPI degradation.

Through ML, the project continuously adapts to traffic patterns and optimizes energy-saving operations based on real-time network conditions and historical data spanning 15 days.

Integrated approach

- **Activation tuning (ESM\_ML):** Identified low-traffic hours for energy-saving actions outside maintenance windows, ensuring service quality
- **Threshold tuning (ESM\_ML\_TT):** Used AI/ML to dynamically adjust thresholds based on historical (14 days) and real-time data, optimizing energy. The ML model continuously learns and adapts, ensuring optimal energy-saving measures align with network demand

Outcomes

- **Enhanced efficiency:** Precise load TT for each activation window, improving energy savings
- **Scalability:** Configured multiple activation periods daily, maximizing conservation
- **Service reliability:** Maintained Quality of Service (QoS) for subscribers
- **Performance:** Achieved a 13.36% improvement in metrics, surpassing global benchmarks

SDGs alignment



SDG 7: Affordable and clean energy through optimized consumption



SDG 9: Sustainable infrastructure via AI-driven innovation



SDG 13: Climate action by reducing carbon footprint

Case study

# Smart energy transition at stc

Energy wastage (inefficient utilization leading to environmental harm and higher costs) and fossil fuel dependency (reliance on non-renewables causing emissions and market vulnerability) pose critical sustainability challenges. To address these, stc launched a technology-driven initiative to reduce environmental impact, lower costs, and enhance sustainability by optimizing energy use and integrating renewables.

Integrated approach:

- **Smart monitoring:** Installed smart meters and connected appliances to track real-time energy usage
- **Renewable integration:** Established automated interfaces between the grid and distributed renewables (solar/wind) for seamless power distribution
- **Demand-response systems:** Implemented load balancing to match supply with real-time demand, optimizing efficiency

Outcomes

- **Reduced consumption:** Smart monitoring decreased overall power usage
- **Autonomous distribution:** Enhanced efficiency through automated renewable integration
- **Optimized load:** Real-time balancing ensured supply-demand alignment

SDGs alignment



SDG 7: Affordable and clean energy via renewables and efficiency



SDG 9: Sustainable infrastructure through smart technology



SDG 13: Climate action by reducing fossil fuel reliance

# Waste and circular economy

Effective waste management and resource circularity remain key priorities within stc’s environmental strategy. As a telecommunications provider with significant reliance on electronic equipment and network infrastructure, responsible management of materials throughout their lifecycle is essential to minimizing environmental impact and supporting circular economy principles.

stc continues to strengthen its approach to waste management by focusing on waste prevention, increased recycling, responsible end-of-life treatment of electronic equipment and the promotion of circular business practices across its operations and value chain. These efforts are supported by stc group’s EMS, which helps monitor waste management practices, ensure compliance with applicable waste handling and disposal requirements, and support continuous improvement in recycling and waste reduction across operations.

Corrective and preventive action processes and employee training programs further reinforce responsible waste management practices across the organization.

In addition to operational waste management, stc continues to advance circular economy initiatives. These include device takeback programs, recycling initiatives for network-related electronic components

and collaboration with electronic recycling treatment companies to manage end-of-life assets responsibly. Through these programs, stc aims to reduce e-waste volumes and increase the recovery of valuable materials while promoting responsible consumption practices across its operations and customer base.

Digital innovation also plays an important role in enabling circularity. stc is developing a digital ecosystem for asset lifecycle and circularity management that integrates IoT technologies, cloud platforms and AI-driven analytics. These solutions support improved tracking of high-value equipment and infrastructure, enabling more efficient asset utilization, refurbishment and recycling while supporting customer sustainability goals and the objectives of the SGI.

stc also continues to promote initiatives that help customers reduce their environmental footprint, including digital services that support paperless transactions and more efficient resource use.

## Waste management

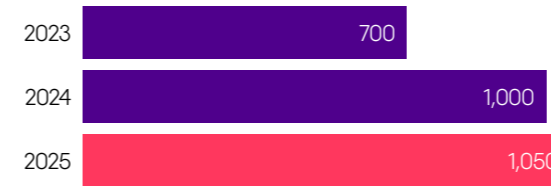
stc is committed to enhance waste management practices across its operations. In 2025, stc group advanced waste reduction through initiatives focused on increasing the recycling of operational waste streams, improving the recovery of valuable materials from electronic equipment and raising awareness of responsible consumption among employees, customers and partners.

To support these efforts, stc has introduced an improved operating model for scrap recycling across its logistics and inventory operations. The initiative enhances material tracking, sorting and segregation of recyclable waste before collection, supported by the introduction of weight-scale verification and improved inventory records. These improvements enable more accurate valuation of scrap materials, increase transparency in recycling processes and support more efficient recovery of recyclable materials while helping maintain cleaner operational yards.

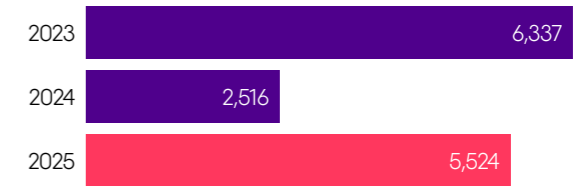
### Performance metrics

#### General waste (t)

##### stc KSA \*



##### stc Group



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



Waste and circular economy continued

## Towards a paperless operation

Digital transformation plays a key role in reducing stc's environmental footprint by enabling a transition towards paperless operations, improving efficiency while minimizing resource use. Since transitioning to a paperless office approach in 2023, stc has monitored implementation through a quarterly reporting system that tracks paper consumption metrics and supports continuous improvement.

### stc KSA

As part of its digitization and automation strategy, stc KSA continues to expand digital processes across the organization, with the number of group-wide processes and services available through the internal intranet platform stc Hub reaching over 4,000, enabling employees to complete administrative, operational and support functions digitally.

These efforts have contributed to a significant reduction in paper usage across operations. A key enabler of this transition is Sayen, a digital authentication service licensed by the Communications and Information Technology Commission and approved by the National Digital Certification Center, which supports secure digital document processing and electronic signatures across operations to ensure improvement of operational efficiency. By Q3 2025, Sayen facilitated:

**1,778**  
documents



**2,055**  
digital signatures



**255**  
registered users



Additionally, stc KSA printed 203,705 pages in 2025, compared to 212,438 pages in 2024, representing a 4% year-on-year reduction in printed paper. Through these digitalization efforts and the implementation of the paperless office policy introduced in 2023, stc KSA (including headquarters-based subsidiaries) achieved a 92% reduction in paper consumption compared to the 2019 baseline.

#### Financial impact

~ **SR 78,177**

Saved versus 2019



#### Environmental impact

~ **13.4tCO<sub>2</sub>e**

Reduced versus 2019



#### Operational impact

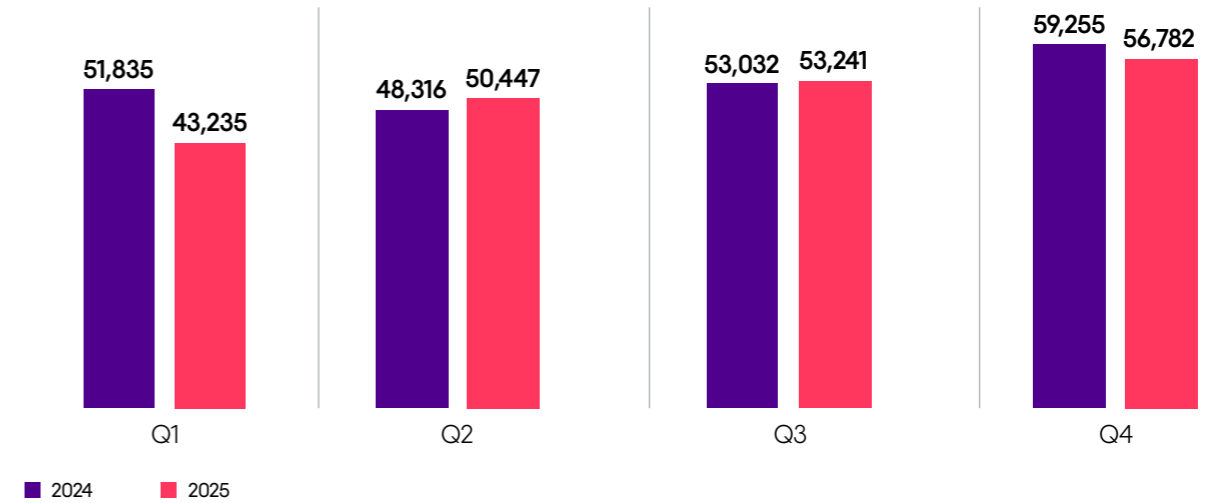
**Secure digital authentication and e-signatures through Sayen**



Furthermore, the procurement processes across stc KSA are now fully digitized, eliminating paper-based documentation across procurement activities and improving efficiency, transparency and governance. Further details are provided in the Supply Chain Management section.

### Performance metrics

#### Quarterly Papers Printed: 2024 vs 2025\*



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

stc KSA*	2023	2024	2025
<b>Paper consumption</b>			
Paper consumption (t)	1.25	1.05	0.77
Papers printed	252,525	212,438	203,705

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



Waste and circular economy continued

Case study

# Paperless digital transformation: Streamlining customer processes

The traditional SIM ownership transfer process is typically cumbersome, requiring in-person visits, manual paperwork and travel-related emissions. To streamline this, stc introduced a paperless digital solution via the mystc app to enhance customer experience, reduce environmental impact and drive operational efficiency through seamless digital transformation.

Integrated approach

- **Online transfer journey:** Introduced a fully digital process, integrating digital verification and automation to eliminate physical visits and paperwork

Outcomes

- **High adoption:** 90% of transfers completed online, demonstrating strong customer acceptance
- **Emission reduction:** Minimized customer travel and associated carbon emissions
- **Operational efficiency:** Eliminated paper inefficiencies and improved data accuracy

SDGs alignment



SDG 9: Sustainable infrastructure via digital innovation



SDG 12: Responsible consumption and production by reducing paper waste



SDG 13: Climate action through lower emissions

stc also continued to support digital onboarding and service activation through eSIM functionality across its customer offerings. As of 2025, a cumulative total of 3,422,083 eSIMs had been activated across relevant product categories since the launch of the service. While eSIM is now increasingly embedded in newer mobile devices and customer journeys, it continues to support stc's broader digitalization efforts by reducing reliance on physical SIM distribution and enabling a more seamless digital customer experience.

## End-of-life assets treatment

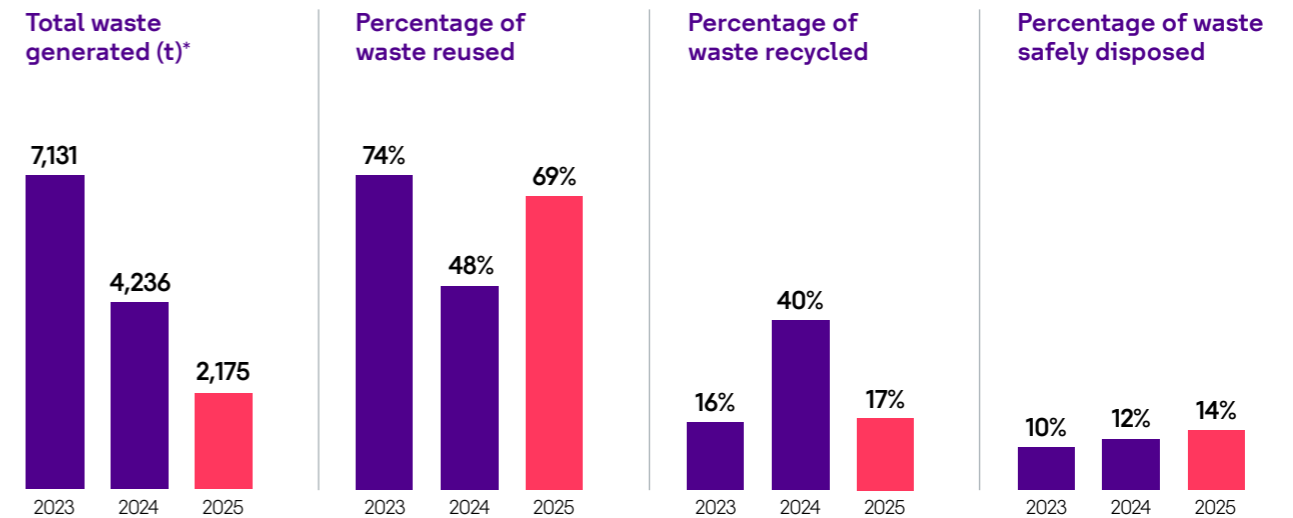
To advance its waste management practices, stc has partnered with Holoul e-waste recycling, a Saudi company that specializes in sustainable waste management. The collaboration focuses on handling stc's end-of-life assets through collection, processing, reuse, recycling and safe disposal.

The partnership has improved stc's adherence to circular economy principles: maximizing reuse and recycling to minimize the disposal of electrical and electronic equipment, furniture, vehicles, paper/plastics and hazardous materials into landfills.

In 2025, the total end-of-life asset waste decreased significantly, falling from 4,236 tons in 2024 to 2,175 tons. Waste management performance continued to improve, with the reuse rate increasing from 48% to 69%, reflecting stronger circular economy practices and improved asset recovery processes. Recycling accounted for 17% of total waste, while 14% was safely disposed of in accordance with environmental requirements.

Overall, collaborating with Holoul enables stc to transform end-of-life waste management from a potential liability into a driver of environmental responsibility and long-term sustainability.

Performance metrics



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

End-of-life assets waste breakdown	Total quantity	Reused quantity (ton/unit)	Recycled quantity (ton/unit)	Safe disposal
Furniture and related items	794	786	0	8
Electrical and electronic materials	988	589	367	32
Vehicles and spare parts (reusable)	3	3	0	0
Paper, cardboard and plastics	23	3	1	19
Hazardous materials	367	124	0	243

Waste and circular economy continued

## Trade-in program

stc's trade-in program promotes circular economy principles in the ICT sector by enabling customers to recycle or exchange old devices for a credit toward new purchases. Through this initiative, used electronics are collected, refurbished where possible and resold or responsibly recycled, diverting significant e-waste from landfills, extending device lifecycles and supporting resource efficiency.

In 2025, stc recovered 19,611 devices through its trade-in program, with 100% of recovered devices reused, exceeding the program's internal reuse target. This

reflects strong circular efficiency, with a higher share of collected devices successfully refurbished and returned to use, helping extend device lifecycles and reduce electronic waste. This achievement reinforces stc's dedication to sustainability, aligning with Saudi Vision 2030's circular economy goals, reducing electronic waste and contributing to broader net-zero ambitions by promoting reuse over disposal in the telecommunication and digital ecosystem. The program also partners with NGOs (e.g. via Ertiqa initiative) to donate refurbished devices to underserved communities, contributing to social and environmental benefits.

Number of recovered devices through trade-in program in 2025

**19,611**



Percentage of recovered devices reused through the trade-in program

**100%**



# Water management

Operating in a water scarce region, stc recognizes the importance of responsible water management as part of its broader environmental stewardship. stc group prioritizes improving water efficiency across its facilities and operations to support sustainable resource use, operational resilience and long-term environmental protection.

Aligned with Saudi Vision 2030 and the SGI, which emphasize sustainable water management, stc continues to implement technology and operational improvements aimed at reducing water consumption and improving monitoring of water use across its facilities. Water consumption within stc operations primarily relates to sanitation and cooling systems, with additional supply sourced through tanker delivery where required.

In 2025, stc enhanced its water management practices by introducing IoT-enabled monitoring systems across key facilities. Smart flow meters connected to NB IoT terminals automatically collect and transmit water usage data in real time, enabling more accurate monitoring of water consumption and quicker detection of leaks or inefficient usage patterns.

The collected data is integrated into centralized digital dashboards, providing facility managers with real time insights that support more informed decision-making and improved water management. These systems also expanded monitoring coverage to previously inaccessible areas of the headquarters, ensuring more comprehensive visibility of water flows across the site.

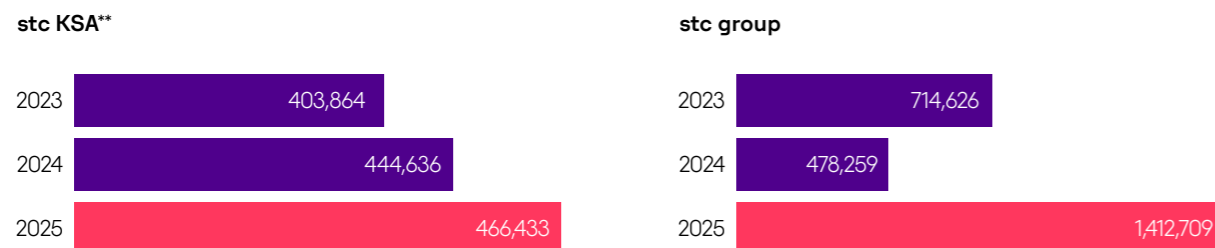
stc continues to complement these monitoring capabilities with water efficiency measures across its facilities, including sensor-based faucets, flow optimization technology and initiatives aimed at improving operational water management.

Looking ahead, stc is progressing with the installation of gray water recycling systems across its facilities, beginning with its headquarters. These systems will collect water from non-potable sources such as sinks and showers, treat it through filtration and purification processes and reuse it for non-drinking purposes such as toilet flushing. Infrastructure upgrades include new water piping networks to separate gray water from potable water, as well as monitoring systems to ensure the safe and efficient operation of wastewater reuse systems.

These initiatives form part of stc's broader sustainability strategy, which places resource efficiency including water conservation at the center of its environmental performance objectives.

## Performance metrics

### Water consumption (m³)



\* The increase in water consumption at stc KSA in 2025 is primarily attributed to the expansion of the built-up area and construction activities.  
 \*\* KSA refers to stc KSA and its headquarters-based subsidiaries.

## Digital innovation supporting water resource management

stc's innovation strategy, aligned with Saudi Vision 2030, promotes an innovation-driven culture through strategic partnerships, the adoption of advanced technologies and strengthened research and development (R&D) capabilities.

Through its Research, Development and Innovation (RDI) & Emerging Technologies team, stc develops digital solutions that address operational challenges while supporting sustainable resource management. The team oversees innovation initiatives across the organization, ensuring structured governance and alignment with stc's broader sustainability priorities.

In 2025, stc received the Gartner Eye on Innovation Award for the Middle East and Africa (MEA) region, recognizing the company's Integrated Water Resource Management Solution. The solution leverages IoT technology and advanced data analytics to address water scarcity challenges and improve water monitoring and management, supporting the objectives of Saudi Vision 2030. This recognition highlights stc's role in developing digital solutions that contribute to more efficient and sustainable resource management.



# Development of human capital through digital innovation

Our customers	110
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Community contribution and development	154

# 06



Saudi Vision 2030



UNGC



UNSDGs

A Vibrant Society

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



Human capital at stc covers 3 main stakeholders: our customers, employees and community. For each group, we identify risks and strategies aligned with Saudi Vision 2030's goals for human capital development. Our approach emphasizes digital accessibility, inclusion and adherence to top global standards in data privacy and security.

We prioritize health, safety and wellness initiatives for employees and the community and leverage technology to promote e-health. Diversity, equity and inclusion are central to building an innovative workforce, while our focus on digital innovation and customer experience supports a dynamic economy. We also maintain strong customer relations, manage talent effectively and contribute to community development to nurture human capital for a sustainable future, aligning with best sustainability practices and international standards.



# Our customers

## Cultivating connections that matter

stc is committed to responsible product design, transparent communication, fair pricing and digital inclusion across its postpaid and prepaid offerings, in alignment with regulatory frameworks and Saudi Vision 2030 objectives. This approach ensures equitable access to high-quality connectivity, empowers informed customer choices and supports sustainable network performance and social inclusion.

### Customer relations and satisfaction

We are committed to enhancing our services through data-driven insights and customer feedback. Using advanced analytics and targeted engagement strategies, we align with evolving customer expectations. In 2025, stc KSA achieved a customer satisfaction rate of 89%, based on surveys covering 5,726 of customers, while stc Bahrain and stc Kuwait recorded satisfaction rates of 90% and 90.4%, respectively. Analytics form a core component of stc's strategy to optimize sales channels and elevate the customer experience. Our Customer Value Management (CVM) team employs big data to develop targeted campaigns for upselling and cross-selling, thereby strengthening customer relationships. To further improve the customer experience, stc implemented several initiatives designed to directly enhance customer satisfaction, including:

**Smart home services:** Delivering easy-to-use automation, security and energy management to enhance customer convenience and control. 

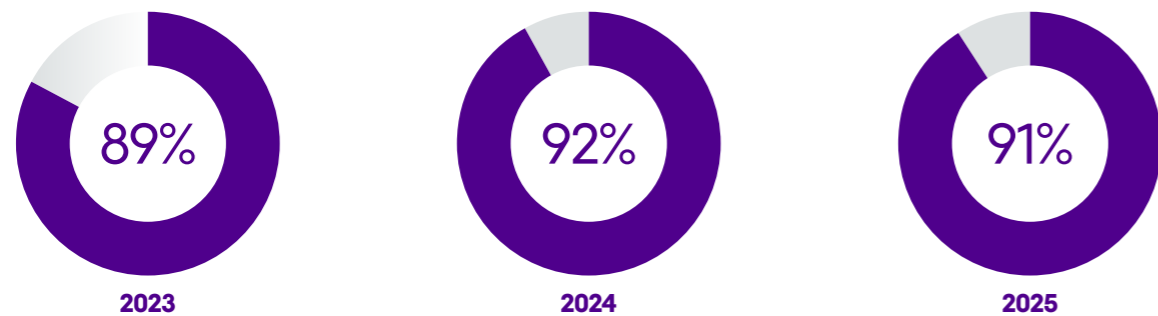
**Sayen digital signatures:** Providing secure, seamless documentation for faster transactions in banking, procurement and HR. 

**Automated ticket dispatch for incident management:** This system minimizes service delays and enhances response times for technical issues, ensuring a more efficient and seamless customer support experience. 

**Smart meter initiative:** Enhances billing accuracy and tracks energy use at telecom towers, boosting transparency and trust. 

Through our emphasis on advanced technologies, automation and tailored customer engagement, stc consistently enhances service quality, convenience and satisfaction. These initiatives further strengthen the company's position as a leader in digital experience.

### Customer experience index (CEI) for stc KSA



Customer satisfaction	stc KSA			stc Bahrain**			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Customer satisfaction rate	84.70%	83%	89%	92%	93.3%	90%	87%	90.1%	90.4%
NPS Response rate (%)	14%	83%	89%	-	-	-	100%	100%	100%
<b>Call center productivity</b>									
% of first call resolution (FCR)	78%	82%	88%	96%	96%	96%	91%	91%	95%

\*2024 data is not comparable year-on-year due to a new methodology (CATI, condensed questionnaire, stratified base and 5-point NPS scale).  
\*\*stc Bahrain percentages on response rates are not available.

### Customer complaints

We manage customer complaints efficiently through multiple channels, including call centers, apps, social media, our website and retail outlets. We track complaint trends and resolution times to improve our process. A core to our Customer Complaints Handling policy is the right of our customers to voice their concerns and receive proper and timely resolution.

Our complaint resolution process enables quick troubleshooting, often responding in less than 5 days. In 2025, we reduced complaints and resolved issues promptly.

Customers can raise their complaints across multiple channels:



### Performance metrics

Customer complaints handling	stc KSA			stc Bahrain			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Percentage of customer complaints resolved	100%	100%	100%	100%	100%	100%	73%	80%	84%
Complaint resolution average time (days)	1.3	1.08	1.07	2.7	3.2	3.7	0.70	0.75	1.5

## Our customers continued

Through ongoing feedback mechanisms, including our Voice of Customer (VoC) program, we identify customer issues and enhance our offerings. In the mobility sector, regular customer engagement via surveys allows us to detect challenges such as unexpected charges and coverage gaps, while continuous analysis of service data and social media monitoring informs risk management. Compliance audits ensure conformity with telecom regulations and collaboration with industry organizations keeps us aligned with best practices.

Initiatives such as e-SIM card provision help reduce electronic waste, while transparent data privacy policies ensure the protection of customer rights. For fixed services, targeted surveys conducted during product launches, along with continuous feedback gathering, drive enhancements in customer experience. These efforts are further supported by sentiment analysis and competitive benchmarking.

Within our Devices and IoT segment, detailed compatibility information enables customers to select products wisely, reducing potential dissatisfaction. We prioritize the safety of our customers and communities by implementing thorough risk management strategies and following stc's policies. Additionally, we fully comply with all regulations concerning electromagnetic field (EMF) standards at stc sites.

### Responsible marketing and sales

stc is committed to responsible marketing and ethical sales that prioritize transparency, fairness and genuine customer benefit. All product information, pricing, features and terms are clearly and fully disclosed across all sales channels to help customers make confident, informed decisions. We adhere strictly to consumer protection regulations and ethical sales

policies, avoiding any misleading claims and ensuring advice is always customer-need focused rather than driven by upselling. For example, our customer support teams and smart home consultation services recommend solutions based on actual usage and requirements. To support sustainable device ownership and informed choices, stc offers trade-in programs for upgrades and protection options that extend device lifespan. Robust processes safeguard customers at every stage: pre-launch, cross-functional teams (including Technology and Pricing) review products to prevent potential issues such as billing errors or activation problems.

Post-launch, we actively monitor customer feedback, complaints and refund requests. Postpaid issues are systematically analyzed through VoC reports, while social media channels are tracked via tools like the Said On Social weekly report, enabling prompt escalation and resolution. These practices build trust, reduce customer frustration and ensure a consistently positive experience aligned with stc's values and regulatory commitments.

### Transparency in communication

stc prioritizes clarity across the customer journey to ensure a consistent experience for all products and services. Customer feedback is collected systematically through the VoC program and other channels; surveys and focus groups on mobility and fixed services inform issue resolution and product improvements. Support-data analysis and social-media monitoring strengthen risk management, while regular compliance audits ensure regulatory adherence. Clear data-privacy policies and straightforward opt-out options for marketing are maintained. Devices and IoT provide detailed compatibility information so customers can make informed choices.

## Case study

# Sustainable customer engagement – WhatsApp 900

Traditional customer support relies heavily on call centers (high energy use) and physical store visits (customer travel emissions) creating sustainability and efficiency challenges. To address these, stc launched a verified WhatsApp 900 channel to reduce environmental impact, enhance customer experience, and drive operational efficiency through digital engagement.

### Integrated approach

- **Real-Time digital support:** Provided automated service responses via WhatsApp, reducing the need for traditional support methods

### Outcomes

- **High adoption:** Significant volume of inquiries managed through WhatsApp
- **Energy reduction:** Lowered energy consumption in contact centers and stores
- **Emission cuts:** Reduced customer travel and associated carbon emissions
- **Improved satisfaction:** Enhanced accessibility and customer experience

### SDGs Alignment



SDG 9: Sustainable infrastructure via digital innovation



SDG 12: Responsible consumption by optimizing resource use



SDG 13: Climate action through emission reduction

Our customers continued

## Bridging gaps, building futures

stc continues to strengthen its position as the region's leading digital enabler by advancing connectivity, reinforcing enterprise foundations and elevating customer experience across all markets. As digital ecosystems grow more complex and expectations accelerate, the focus has expanded beyond infrastructure deployment toward orchestrating an integrated environment that connects network performance, intelligent systems and human centered experiences.

Through sustained investment in next generation connectivity, unified enterprise platforms and data driven governance, stc is ensuring that digital access remains inclusive, resilient and future ready while enabling long-term sustainable growth.

### Advancing 5G and network coverage

In 2025, stc sustained its focus on expanding coverage, enhancing capacity and improving service quality across Saudi Arabia, Bahrain and Kuwait. Investments in fifth generation technology and fiber infrastructure reinforced the commitment that geographic location should never limit digital opportunity.

Coverage expanded to 75 cities across Saudi Arabia, supported by the commissioning of 1,261 new fifth generation sites, bringing the total number of enabled sites to 10,803. The expansion also extended fifth-generation coverage to more than 2,000 additional locations across the Kingdom, with a particular focus on underserved and less densely populated areas. The network was further strengthened through the establishment of 8,858 fiber backhaul connections and over 3,800 upgrades to fourth-generation layers following third generation shutdown activities. Indoor connectivity was enhanced through the addition of 4,500 fifth generation indoor antennas and approximately 16,000 fourth generation indoor antennas.

These upgrades significantly improved network performance. In Saudi Arabia, average mobile broadband download speed increased from 142.97 Mbps in 2024 to 222.33 Mbps in 2025, surpassing the network target originally set for 2027. This progress contributed to Saudi Arabia ranking 9th globally in the Ookla Global Index as of October 2025.

Network traffic continued to rise across all markets, reflecting growing digital adoption and increased demand for high bandwidth services. At the same time, stc advanced its transition from copper to fiber infrastructure, enhancing capacity while improving energy efficiency. In 2025, the rollout also included the activation of 125,000 new Fiber-to-the-Home connections and the deployment of more than 1,100 km of additional fiber-optic cables, further strengthening nationwide broadband coverage and network resilience. In collaboration with partners, legacy copper cables are being removed and recycled, supporting national sustainability objectives and responsible resource management.

International connectivity was also strengthened through continued investments in subsea infrastructure, including the Saudi Vision Cable, which enhances low-latency connectivity between the Kingdom and major global hubs while supporting the expansion of international data traffic and digital services.

During the year, stc also fulfilled 616 business connectivity requests, linking government institutions, enterprises, hyperscale data centers and wholesale clients with end-to-end fiber infrastructure. These investments reinforce the Kingdom's digital backbone and enable citizens, businesses and public sector entities to participate fully in the evolving digital economy.

The table below outlines year on year network performance across markets.

#### Performance metrics

Network speed	stc KSA			stc Bahrain			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Average mobile broadband download speed (Mbps)	121.72	142.97	222.33	164.40	164.73	179.27	158.00	167.00	177
Average mobile broadband upload speed (Mbps)	23.30	22.55	24.9	3.59	4.1	4.14	6.35	9.86	10.13

Network traffic	stc KSA			stc Bahrain			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Network traffic (petabytes)	24,730.11	29,481.91	33,043	446	552	528	1,549	1,636	2,025

stc KSA network coverage	2021	2022	2023	2024	2025
Percentage of 4G population coverage	94%	98%	98%	98%	99%
Percentage of 5G population coverage	38%	41%	48%	55%	63%

Beyond network expansion, 2025 marked a pivotal shift toward strengthening the enterprise backbone that enables sustainable digital growth.



Our customers continued

Case study

# Saudi Vision Cable by stc

stc is strengthening Saudi Arabia’s digital infrastructure through the Saudi Vision Cable, a state-of-the-art submarine cable system designed to enhance connectivity across the Red Sea and support the Kingdom’s role as a regional digital hub. The cable connects major subsea hubs in Saudi coastal cities and enables high-capacity data transmission between Saudi Arabia, Europe, Asia and Africa.

Spanning approximately 1,160 km, the cable provides high-speed connectivity with 16 fiber pairs and capacity of up to 18 terabytes, linking four landing stations in Jeddah, Yanbu, Dibba and Haql. The system improves network resilience, reduces latency and enables faster access to international cable networks and data centers.

**Integrated approach:**

- **Advanced submarine infrastructure:** Developed the Saudi Vision Cable as a high-capacity subsea fiber optic system connecting key Red Sea cities and enhancing regional digital connectivity
- **Strategic connectivity platform:** Linked multiple landing stations and international cable systems to create a unified and flexible optical network platform with improved cost efficiency and low-latency access
- **Regional digital ecosystem development:** Integrated the cable within stc’s broader digital infrastructure, including submarine cable investments, international connectivity hubs and data centers across the Kingdom

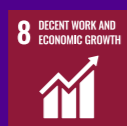
**Outcomes**

- **Enhanced global connectivity:** Strengthened Saudi Arabia’s position as a regional digital hub by linking the Kingdom to Europe, Asia and Africa through high-capacity infrastructure
- **Improved network resilience and efficiency:** Reduced latency and increased reliability through diversified international connectivity routes and fiber infrastructure
- **Support for digital economy growth:** Enabled expansion of international communication services, data centers and digital platforms across the region
- **Future-ready infrastructure:** Supported the development of stc’s digital ecosystem, including 10 operational data centers and additional facilities under development to meet growing data demand

SDGs alignment



SDG 9: Industry innovation and infrastructure via advanced connectivity.



SDG 8: Economic growth through digital ecosystem expansion.



SDG 17: Global partnerships by linking three continents.

**Reliable and resilient infrastructure and services**

Network expansion and performance improvements are complemented by continued investment in resilient digital infrastructure designed to support long-term growth and operational stability.

In 2025, stc advanced its cloud enabled infrastructure through the development of 3 new data centers designed to support rising digital demand across the region. These facilities integrate energy efficient technologies and advanced cooling systems to optimize power usage effectiveness and reduce environmental impact.

Artificial intelligence (AI)-driven network optimization tools were further deployed to enhance capacity planning, predictive maintenance and traffic management, strengthening service reliability while improving energy efficiency across the network.

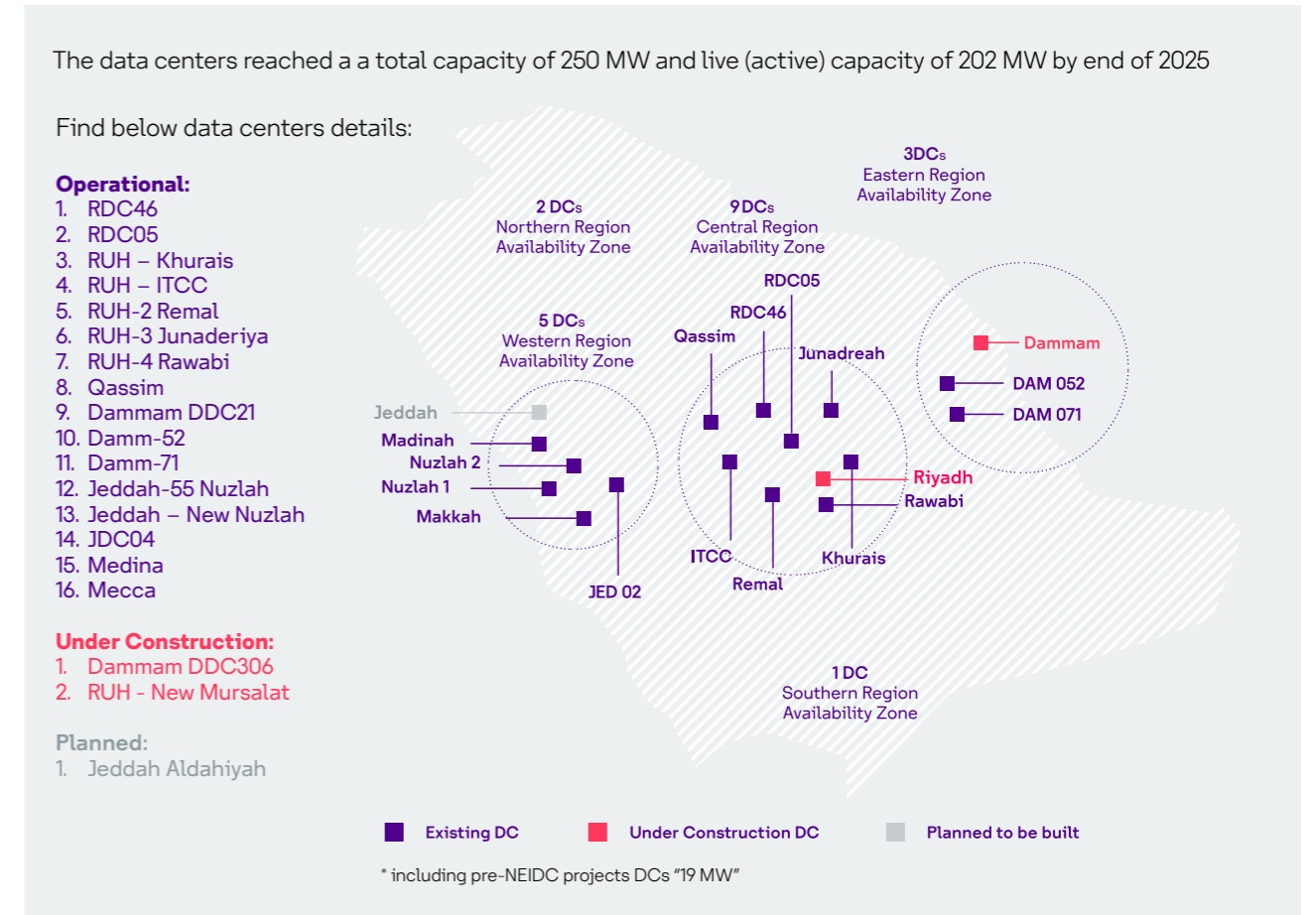
stc also expanded its multi access edge computing capabilities and private network solutions, enabling high speed data processing and secure connectivity

for industries including manufacturing, logistics and energy. These capabilities enhance latency sensitive applications and accelerate industrial digital transformation.

Beyond commercial services, stc continued to support national scale events and public infrastructure, including Hajj and Formula 1 events, ensuring reliable connectivity and seamless digital services for millions of users during peak demand periods.

During Hajj 1446, stc further enhanced network performance through the deployment of AI-enabled network optimization solutions, enabling real-time adjustments at 15-minute intervals to manage traffic, improve service reliability and maintain seamless connectivity under peak demand conditions.

The solution executed more than 10,000 automated actions per hour, resulting in a 30% increase in network utilization and a 10% improvement in throughput, demonstrating stc’s ability to deliver resilient, intelligent and scalable infrastructure during one of the world’s largest annual gatherings.



Our customers continued

**Shaping a sustainable enterprise through unified cloud ERP**

In 2025, stc group accelerated its enterprise evolution through a strategic initiative to establish a unified cloud-based enterprise resource planning platform. This transformation represents a foundational shift toward a more integrated, intelligent and sustainable operating model, reinforcing the alignment between digital leadership and environmental, social and governance performance.

This cloud-based ERP ensures we use resources more efficiently, make better decisions with real-time data (including AI insights) and turn our sustainability promises into real, measurable results. We have completed key early steps, such as assessing maturity levels, creating a multi-year roadmap and standardizing important data, i.e. accounts, items and suppliers.

The program is designed to harmonize operations across all subsidiaries, standardize governance practices and enable consistent data driven decision making across the group. By integrating finance, procurement and human resources processes within a shared architecture, stc group is strengthening transparency, improving efficiency and embedding measurable sustainability considerations into core enterprise functions.

During the year, a comprehensive group wide maturity assessment was completed, followed by the development of a multiyear transformation roadmap aligned with strategic and sustainability ambitions. Foundational master data initiatives including harmonization of the chart of accounts, item master and supplier master were launched to enable consistency and long-term scalability.

The ERP center of excellence operates as the strategic steward of this transformation, ensuring alignment with corporate priorities while building internal capabilities across transformation management, functional design and solution architecture. This unified digital backbone strengthens governance, enhances operational resilience and supports long term sustainable growth.

**Orchestrating the ecosystem through the Single Source of Truth (SSoT)**

Building on its digital transformation journey, stc advanced from system level enablement to ecosystem level orchestration. Central to this evolution is the Single Source of Truth (SSoT) platform, which serves as a unified enterprise data layer integrating operational and business information across stc group.

The platform now governs more than 800 corporate key performance indicators, providing standardized catalogues, automated approval workflows and executive level dashboards. It enables consistent subsidiary level reporting and supports enterprise-wide visibility across financial, operational and customer metrics.

Through enhanced analytical capabilities and secure data governance, the SSoT empowers executive and operational leaders with reliable insights that strengthen accountability and support informed decision making. The platform also enables advanced data products including Customer 360 capabilities and artificial intelligence driven use cases that improve strategic planning and performance tracking across the organization.

**Elevating customer experience through digital excellence**

In 2025, stc evolved its customer experience approach into an integrated Voice of Experience framework that unifies the voice of the customer, the voice of the employee and the voice of the process. This framework positions experience management not merely as feedback collection but as a structured governance mechanism that connects operational performance with customer perception.

The group Customer Experience Index was refined to align more closely with strategic pillars, product portfolios and key touchpoints, providing a comprehensive measure of performance across markets. Year on year improvement in this index reflects sustained focus on responsiveness, quality and trust.

Advanced analytics played a critical role in this evolution. Deep analysis of customers who disengage without submitting formal complaints enabled targeted network and service enhancements that contributed to measurable reductions in churn. AI-driven driven initiatives such as digital twins and proactive customer care solutions further strengthened the alignment between network performance and customer satisfaction.

In recognition of these efforts, 2025 TM Forum Catalyst Awards won by stc:

- **Outstanding Catalyst** – Use of TM Forum Assets: GenAI Proactive Customer Care for 5G Monetization
- **Outstanding Catalyst** – Business Impact: AI-Enhanced Digital Twins for Best-in-Class NPS Networks – Phase II
- **Outstanding Catalyst** – Attendees' Choice Award: AI-Enhanced Digital Twins for Best-in-Class NPS Networks – Phase II
- **Outstanding Catalyst** – Rising Star: AI-Powered End-to-End Solution for Customer Experience

**Digitizing Customer Touchpoints and Sales Services**

Digital channels now represent the primary interface between stc and its customers. The mystc application has evolved into a comprehensive digital platform enabling customers to manage subscriptions, order SIM cards, pay bills, access support and oversee account activity through a single integrated environment.

In Saudi Arabia, the number of active mystc users increased to more than 16 million in 2025, with total subscriptions exceeding 36 million. 47% of sales transactions were conducted through the application, while digital self-service support reached 97%. This transition toward digital first engagement has enhanced convenience and transparency while reducing dependency on physical outlets and resource intensive processes.

By embedding digital services across the customer journey, stc is strengthening accessibility, improving operational efficiency and supporting environmental sustainability through reduced paper use and optimized service delivery models.

The following metrics demonstrate the scale and adoption of mystc across markets.

**Performance metrics**

stc KSA* mystc application	2023	2024	2025
Number of active users	12,036,473	13,287,896	16,082,269
Unique clients served	7,384,950	8,090,256	9,699,654
Total subscriptions	21,052,583	28,852,760	36,436,820

Sales transactions	stc KSA			stc Bahrain			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
mystc sales transactions	46%	42%	47%	16%	18%	20%	32%	31%	45%
Other sales transactions (SSM + SMS + outlet) without mystc	14%	13%	13%	48%	48%	46%	68%	69%	55%

Digital channels support	stc KSA			stc Bahrain			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Digital self- service assisted support	96%	97%	97%	38%	34%	35%	57%	59%	68%
Human interaction support	3%	3%	3%	62%	66%	65%	43%	41%	32%

Our customers continued

**Driving smart solutions through IoT and advanced technologies**

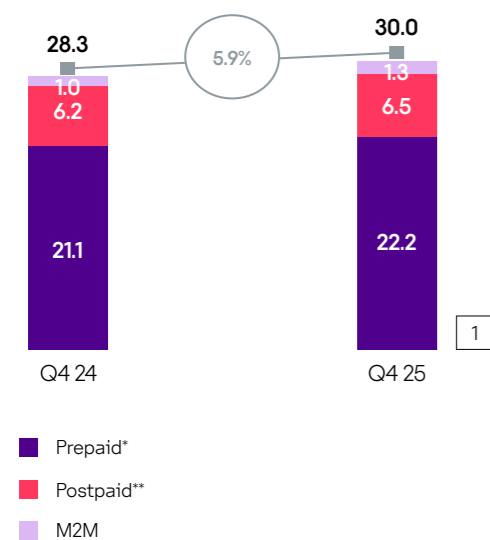
stc continues to integrate internet of things, AI and advanced data analytics to enable smarter operations across industries. Through iot squared, a joint venture with the Public Investment Fund, public sector entities, enterprises and small and medium sized businesses are adopting connected technologies that improve safety, efficiency and cost management.

Connected worker identification solutions enhance safety at construction sites through real time tracking capabilities, while fleet management platforms provide operational insights that reduce fuel consumption and prevent penalties. By 2025, more than 10,000 devices had been deployed, delivering measurable efficiency gains and supporting responsible resource utilization.

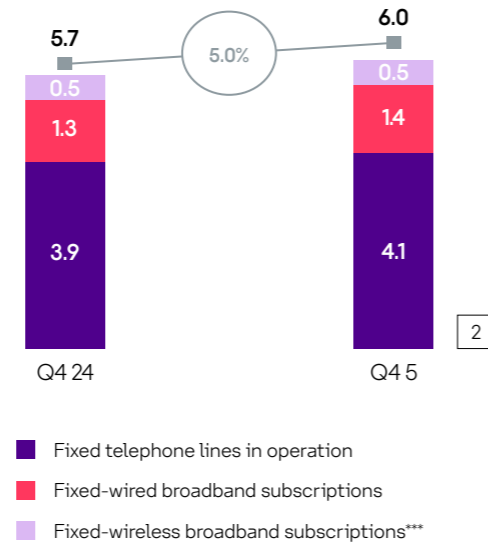
These initiatives reinforce stc’s contribution to national digital transformation objectives while advancing long-term economic and environmental resilience.

**Subscribers at a Glance**

**Mobile subscribers**  
(million)



**Fixed subscribers**  
(million)



\*Prepaid subscribers include mobile voice, standard mobile broadband and dedicated data mobile broadband subscriptions.  
 \*\*Postpaid subscribers include mobile voice, standard mobile broadband and dedicated data mobile broadband subscriptions.  
 \*\*\*Fixed-wireless broadband subscribers include 4G and 5G subscribers.  
 [1-2] Figures are not audited.

**Supporting SMEs through digital technologies**

Digital inclusion extends beyond individuals to small and medium sized enterprises, which play a critical role in economic resilience.

stc provides dedicated connectivity solutions for SMEs, including point to point services and high-speed broadband access in remote and underserved areas. Incentive programs encourage customers to transition from legacy copper infrastructure to fiber or wireless solutions, improving performance while reducing operational inefficiencies.

Through tailored digital solutions and enterprise connectivity packages, stc enables SMEs to adopt cloud services, automation tools and secure communications infrastructure that enhance competitiveness and operational efficiency.

**Digital Index framework**

The Digital Index framework continues to serve as an internal governance mechanism to measure and accelerate digital transformation across stc group. The framework evaluates digital maturity across operational, customer and enterprise domains, ensuring consistent implementation of customer centric and business driven initiatives.

In 2025, enhancements to the Digital Index strengthened performance tracking and accountability, reinforcing alignment between digital execution and strategic objectives.

**Responsible products and transparent services**

stc remains committed to delivering products and services that prioritize fairness, transparency and responsible usage.

**Postpaid products and services**

All postpaid offerings adhere to established pricing regulations and clear disclosure standards, ensuring transparency and regulatory compliance. Fair usage controls are applied to unlimited packages to maintain network quality and equitable access for all customers.

To support informed decision making, automated notifications are issued when customers reach 80% and 100% of their data usage. Supplementary data add ons are available to prevent unexpected service interruptions, and selected packages include an always on feature that maintains basic connectivity even after primary data allowances are consumed.

**Prepaid products and services**

Prepaid packages provide upfront pricing clarity, enabling customers to manage spending effectively. Plans are available to suit a wide range of income levels, with both limited and unlimited options. Emergency credit features help maintain connectivity during critical moments, while automated SMS alerts notify customers at 80% usage to support responsible data management.

**Support for vulnerable and underserved groups**

Digital inclusion remains a core priority across all markets served by stc. Postpaid customers with disabilities and families of martyrs receive a 50% discount on selected packages, reinforcing equitable access to essential connectivity services.

Prepaid offerings such as the Sawa Captain package are designed to support gig economy workers, providing affordable data and call bundles tailored to their needs.

Additional initiatives include student device discounts, flexible payment plans, free SIM upgrades during network transitions and IoT based safety solutions for seniors. These measures aim to reduce financial and accessibility barriers while promoting inclusive participation in the digital economy.

**Strengthening IoT, AI and big data positioning**

To further reinforce its leadership in intelligent connectivity, stc continues to integrate big data analytics with AI-driven platforms to enhance network performance, optimize logistics and support smart city development initiatives aligned with Saudi Vision 2030.

Private 5G network deployments provide secure and scalable connectivity solutions for industrial clients, enabling automation, predictive analytics and advanced operational monitoring across high impact sectors.

**Digitizing our products**

stc continues to advance the digitization of its products and services by offering innovative solutions across key sectors. This includes digital health services such as remote consultations, telemedicine platforms, and connected healthcare solutions that enhance patient care and outcomes; e-education platforms developed in collaboration with national stakeholders to support accessible, high-quality learning experiences; smart home technologies that improve convenience, energy management, and security through IoT-enabled solutions; and secure digital signature services that streamline documentation processes, enabling paperless operations while ensuring compliance and transaction integrity.

Our customers continued

## Digital innovation

stc continues to lead digital innovation in Saudi Arabia and the region, leveraging emerging technologies to drive sustainable growth, support Saudi Vision 2030 and deliver impactful solutions for customers and society. We develop innovative, market-focused R&D solutions that support Saudi Vision 2030, sustainability goals and ESG priorities. We organize hackathons, design thinking workshops and proof-of-concept trials to generate and refine ideas. By partnering with universities, industry partners and innovation centers, we scout for new opportunities and co-develop advanced technologies. Leveraging our telecommunications infrastructure, we deliver value-added digital services in areas like AI, cloud computing, IoT, cutting-edge interfaces and multimedia content distribution. These initiatives enable us to build a future-ready digital ecosystem, accelerate Saudi Arabia's transformation and strengthen our role as a leader in sustainable, innovative connectivity and services.

### Innovation strategy and governance

stc maintains a clear innovation strategy centered on building a strong innovation culture. Key themes include advancing Saudi Vision 2030 through transformative digital solutions, forming strategic partnerships to accelerate progress, adopting innovative technologies and digital tools and achieving excellence in innovation capability and R&D.

All innovation activities are governed and managed by the RDI & Emerging Technologies team through a dedicated hub, ensuring structured ideation, prototyping and scaling of solutions.

### Innovative projects

One of our standout achievements is winning the Gartner Eye on Innovation Award 2025 (MEA) for our Integrated Water Resource Management Solution. This pioneering project uses low-Earth-orbit (LEO) satellite IoT technology to enable remote, real-time water monitoring, optimizing resource utilization and advance sustainability goals.

stc's most recent innovation initiatives involve cross-functional collaboration across the stc group. These projects focus on exploring emerging technologies such as 5G, non-terrestrial network (NTN) connectivity, AI, IoT, Quantum Computing and cloud solutions.

In our most recent innovation cycle, we targeted the generation of many innovative ideas, a goal we fully achieved, demonstrating strong momentum in idea creation and maturation.

### Performance metrics

stc KSA Innovation	2023	2024	2025
Awarded intellectual properties	5	7	11
Number of R&D labs	2	2	2
Number of R&D employees in the lab	19	21	23
<b>By nationality</b>			
Number of Saudi employees working in R&D	15	16	16
Number of non-Saudi employees working in R&D	4	5	7
<b>By gender</b>			
Women	5	6	7
Men	14	15	16

### Case study

## 6G technology leadership - pioneering innovation

To position Saudi Arabia at the forefront of telecommunications, stc initiated the region's first 6G Proof of Concept (PoC) to explore spectrum allocations, address potential challenges, and contribute to global standardization, ensuring stc's leadership in next-gen technology.

#### Integrated approach

Collaborative PoC: Partnered with a global technology provider and internal teams to examine spectrum characteristics, pre-commercial HW, and interference solutions in regional and global contexts

#### Outcomes

Innovation: Practical solutions for interference challenges  
Strategic positioning: Strengthened stc's role in shaping 6G ecosystems

#### SDGs alignment



**SDG 9: Industry innovation and infrastructure through 6G leadership**



**SDG 17: Global partnerships for technological advancement**



Our customers continued

**inspireU: Accelerating startup growth in Saudi Arabia's digital economy**

**Connecting startups to market opportunities and supporting scalable growth through stc's ecosystem.**

inspireU plays a strategic role in accelerating startup growth by providing structured acceleration and integrating startups into real market opportunities within stc's digital ecosystem. Through this model, inspireU supports commercialization, enterprise integration, and accelerate market adoption for innovative digital solutions across sectors.

By leveraging stc's infrastructure, customer base, and partnerships, inspireU contributes to positioning Saudi Arabia as a leading regional hub for digital entrepreneurship and innovation.

inspireU provides comprehensive support across the startup journey, including operational guidance, infrastructure access, and pathways for enterprise integration. This approach reduces market-entry barriers and accelerates the adoption of digital and ICT solutions.

inspireU also facilitates market entry through soft-landing services delivered in collaboration with government partners, including regulatory guidance, commercial setup support, and ecosystem access.

**Impact and economic opportunity**

inspireU contributes to the growth of the Saudi digital economy by enabling startups to scale, and deliver innovative solutions to both consumers and enterprises.

By integrating startups into corporate demand, strategic partnerships, and stc's ecosystem, inspireU accelerates growth and supports their participation in the broader digital economy.

These efforts contribute to:

- Expanding access to innovative digital services
- Supporting high-growth companies
- Attracting talent and investment
- Strengthening local innovation capacity

**Program structure and 2025 highlights**

inspireU offers programs aligned with stc's strategic priorities, including fintech, cybersecurity, AI, and IoT. Its key offerings include:

- **General program:** Focused on early-stage startups, providing structured and scalable business model development, and investment readiness support
- **Advanced program:** Designed for more mature startups, offering tailored strategic support with focused on commercialization, scale, value creation, and investment opportunities through tali ventures.

**Key inspireU achievements to date include:**

- **150+** accelerated digital startups
- **52 million+** users served by inspireU startups
- **1 billion+** total funding raised
- **15 billion+** in GMV generated
- **15 billion+** in cumulative GMV generated by inspireU startups

inspireU's portfolio includes successful ventures such as Mrsool, Zid, and MisMar, the winner of the 2024 Entrepreneurship World Cup, reflecting the program's ability to support high-impact digital startups.

**Collaborations and partnerships**

A key driver of inspireU's success is its cross-sector collaboration model spanning public and private sector partners. Through partnerships with stc subsidiaries, as well as stc Kuwait and stc Bahrain, inspireU enables startups to access broader markets and scale within the region.

In parallel, inspireU collaborates with government entities and ecosystem players to support startup growth. Market entry support is enabled through government partners, including regulatory facilitation, commercial setup support, and ecosystem access.

**International and regional expansion in 2025**

As part of its broader ecosystem role, inspireU engages in international initiatives to exchange knowledge, scale networks, and support startup expansion.

In 2025, inspireU supported startups through international exposure programs, including a visit to Singapore in collaboration with MCIT (CODE), enabling engagement with global ecosystem stakeholders and exploration of new market opportunities.

inspireU also maintained a strong presence at global industry events such as LEAP, GITEX, MWC, VivaTech, and Web Summit, contributing to attracting high-potential startups and enabling 8 international startups to establish operations in Saudi Arabia.

**Focus on inclusion and long-term success**

inspireU remains committed to evolving its offerings to meet the needs of the entrepreneurial ecosystem, with a continued focus on:

- Delivering targeted, growth-oriented support
- Strengthening value creation opportunities
- Supporting female entrepreneurship
- Maintaining long-term engagement with alumni

This approach ensures sustained startup growth, scalability, and long-term ecosystem impact.

stc KSA inspireU	2023	2024	2025
Number of accelerated startups	20	25	20
Total funding raised by accelerated startups	More than 1 billion since 2015		
Percentage of female-owned startups or investees	20%	8%	10%
Mentorship opportunities	26	30	35



Our customers continued

Key initiatives in 2025:

Case study

# 1 inspireU Platform

In line with stc's digital transformation strategy, inspireU transitioned its acceleration programs into a fully digital platform to enhance efficiency, processes, and improve the founders' experience.

**Integrated approach**

- Digitized the full startup journey from application to graduation
- Streamlined evaluation and selection processes
- Enabled real-time tracking and performance monitoring

**Outcomes**

- Improved operational efficiency and reduced manual processes
- Enhanced quality and consistency of startup selection
- Strengthened reporting capabilities and program visibility
- Increased application volume

**SDGs alignment**

	<b>SDG 8: Decent work and economic growth</b>
	<b>SDG 9: Industry, innovation, and infrastructure</b>
	<b>SDG 17: Partnerships for sustainable development</b>

# 2 inspireU & MIT Saudi Business Symposium – Enabling AI Market Entry

To strengthen Saudi Arabia's AI ecosystem, inspireU partnered with the MIT Saudi Business Symposium through the Beyond Borders AI Competition to attract high-potential AI startups and support their expansion into the Saudi market.

**Integrated approach**

- Collaborated with MCIT, MISA, MEWA, and solutions by stc
- Engaged international AI startups through a structured competition
- Provided market entry enablement through inspireU programs

**Outcomes**

- Strengthened inspireU's positioning as a gateway for global innovation into Saudi Arabia
- Enabled cross-sector collaboration between public and private entities
- Attracted high-potential international startups to Saudi Arabia

**SDGs alignment**

	<b>SDG 8: Economic growth</b>
	<b>SDG 9: Innovation and infrastructure</b>
	<b>SDG 17: Partnerships</b>

Through its integrated support model, inspireU continues to enable startup growth, accelerate commercialization opportunities, and contribute to the expansion of Saudi Arabia's digital economy.



# Our people

stc group is committed to building a high-performing, inclusive and future-ready workforce that supports sustainable growth, digital transformation and long-term value creation. The Group continues to align its people strategy with evolving business priorities, focusing on workforce optimization, capability building and employee engagement.

Women hiring rate  
**30.18%**



Employee experience index  
**81**



Nationalities  
**+60**



People with disabilities  
**59**



In 2025, stc group employed 18,921 employees across Saudi Arabia, Bahrain and Kuwait, with 10,448 employees in stc KSA representing the largest share of the workforce. The Group maintained a strong focus on localization, achieving a Saudization rate of 89.6% in KSA and local subsidiaries, supporting national workforce development.

Workforce optimization remained a key priority, with 568 employees benefiting from the Early Retirement Program, contributing to a more agile and efficient organizational structure. At the same time, hiring activity increased at the Group level, reaching 1,150 new hires (vs. 924 in 2024), reflecting a shift toward targeted recruitment in critical capability areas.

Employee retention remained strong, with turnover stabilizing at 4.18% (vs. 4.3% in 2024) despite ongoing transformation initiatives. This reflects the effectiveness of enhanced employee experience, engagement initiatives and competitive reward practices in maintaining workforce stability.

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

Workforce profile	stc KSA			stc group		
	2023*	2024	2025	2023*	2024	2025
<b>Workforce</b>						
<30	1,758	1,238	1,141	4,285	2,574	2,043
31-50	8,025	6,548	6,473	13,840	12,716	12,852
>50	1,074	1,147	1,437	1,665	1,943	1,691
<b>By gender</b>						
Women	1,162	1,122	1,279	2,811	2,787	2,875
Men	9,695	7,811	7,772	16,979	14,446	13,711
<b>By employment level</b>						
Executive/senior management	229	230	252	483	464	446
Middle management	1,520	1,643	1,827	2,837	2,926	2,974
Staff	9,108	7,060	6,972	16,470	13,843	13,166

\*2023 figures have been restated following methodology improvements to enhance calculation accuracy and consistency.

Workforce profile	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
Number of employees (excluding trainees, students and outsourced staff)	12,643	10,577	10,448	22,751	19,863	18,921
Employees on a fixed term or temporary contract	1,786	1,644	1,397	2,961	2,630	2,335
Employees on an indefinite or permanent contract	10,857	8,933	9,051	19,790	17,233	16,586
Total full-time equivalent (FTE) employees	12,643	10,577	10,448	22,751	19,863	18,921



Our people continued

## Strength in diversity

Diversity, equity and inclusion (DEI) is a core pillar of stc group's people strategy, with a focus on creating a workplace where diverse perspectives are valued, equitable opportunities are provided and employees feel a strong sense of belonging. In 2025, the Group continued to demonstrate measurable progress while identifying key areas for further improvement.

### Gender diversity and women in leadership

At stc, empowering women is a strategic priority and a key enabler of organizational performance, innovation and long-term sustainability. The Group continues to strengthen gender diversity through targeted talent initiatives, equitable reward practices and structured leadership pathways designed to accelerate women's advancement across all levels.

In 2025, stc group demonstrated measurable progress in gender diversity:

- Women accounted for 30.18% of new hires, strengthening the future talent pipeline
- Total women in leadership roles increased significantly, reflecting improved progression across management levels

This progress highlights the effectiveness of focused development initiatives; however, representation at senior leadership levels remains below target, requiring continued acceleration of leadership readiness and succession planning for women.

Workforce employment	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
Total new employee hires	597	141	210	2,386	924	835
Number of new women employees	223	40	66	552	286	252
Women hiring rate	37.35%	28.37%	31.43%	23.13%	30.95%	30.18%

## Women empowerment at stc

stc continues to invest in a portfolio of targeted programs aimed at enhancing leadership capability, increasing representation and supporting sustainable career growth for women.

Key initiatives include:

- **Leadership through action:** Senior women leaders led design-thinking initiatives addressing digital accessibility challenges, contributing to both capability development and broader societal impact across the region
- **Corporate Leadership Program (CLP) alumni engagement:** Structured alumni sessions strengthened leadership capabilities and expanded professional networks, supporting career progression and internal mobility
- **Work-Life integration coaching:** Tailored coaching programs enhanced leadership effectiveness by

addressing burnout, performance optimization and team engagement, contributing to improved retention and productivity

- **Breakfast with leaders:** Executive engagement sessions facilitated knowledge sharing and mentorship, reinforcing leadership visibility and inspiration for emerging female talent
- **Emerging leaders program:** A 7-month immersive program accelerated leadership readiness for high-potential women, strengthening the internal pipeline for future leadership roles

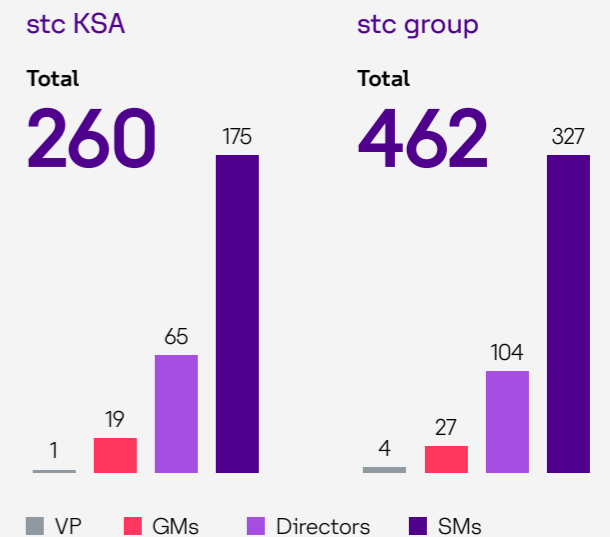
## Women in leadership

Given our commitment to gender equity at all organizational levels, stc champions women in leadership by cultivating an inclusive workplace that empowers female talent. In 2025, we recorded continued progress in female representation across both junior/middle and senior management levels, reflecting year-on-year improvement across the group.

Women in leadership	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
Percentage of women in junior/ middle management	6.84%	9.98%	13.14%	8.9%	12%	14.49%
Percentage of women in senior management	6.90%	6.52%	7.94%	5.2%	6.25%	6.95%



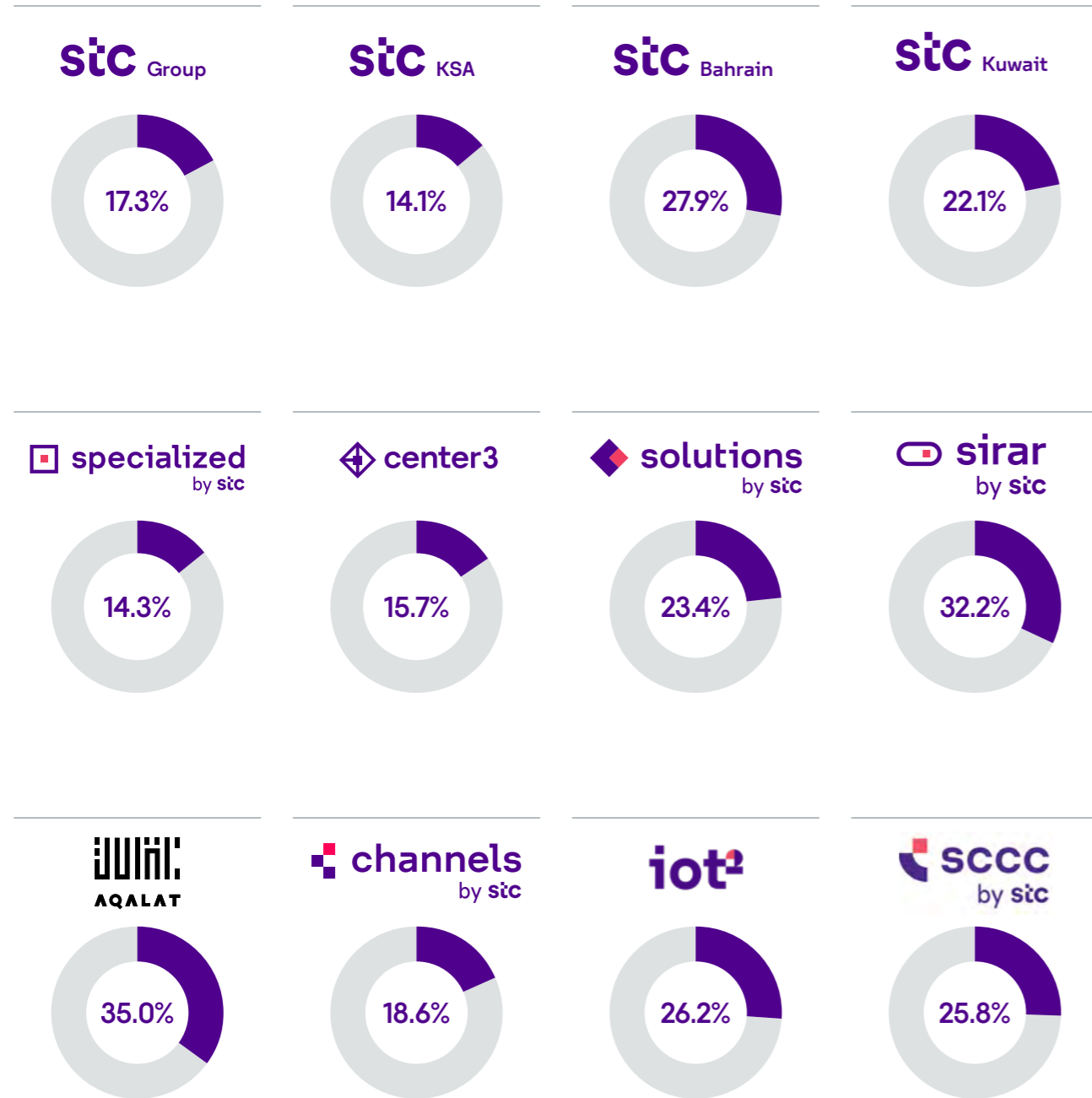
## Women in leadership roles



Our people continued

Women representation across subsidiaries and entities

stc continues to prioritize greater women's representation throughout its subsidiaries and entities, promoting an inclusive workforce by broadening leadership roles, encouraging career growth and advancing gender diversity programs in every business unit. This commitment ensures women are represented at all employment levels, providing a thorough and inclusive strategy for workforce diversity.



Inclusion of people with disabilities

stc group is committed to fostering an inclusive workplace that enables equitable access to opportunities for people with disabilities, ensuring they are empowered to contribute effectively and sustainably to the organization.

In 2025, stc group employed 59 individuals with disabilities (vs. 66 in 2024). While this reflects a slight decline in overall representation, the Group made tangible progress in strengthening accessibility, inclusion practices and employee experience for this segment.

Key advancements include:

- Expansion of Mowaamah-certified facilities, ensuring alignment with national accessibility standards
- Enhancements to physical and digital accessibility, including workplace infrastructure and communication tools
- Continued partnership with Qaderoon, supporting inclusive hiring practices and workforce integration

stc also strengthened its approach to role alignment and capability utilization through the use of an employment mapping tool, enabling better matching of roles to individual abilities and improving workplace integration outcomes.

Awareness and cultural inclusion were further reinforced through targeted initiatives, including sign language and deaf culture workshops, contributing to improved communication and stronger team integration.

Programs and impact

The PWD Inspiration Program and related initiatives are designed to support end-to-end inclusion across the employee lifecycle, focusing on:

- Inclusive attraction, recruitment and onboarding
- Tailored learning and development opportunities
- Equitable access to benefits and compensation
- Inclusive communication and workplace culture
- Continuous enhancement of physical and digital accessibility

These efforts have contributed to:

- Improved workplace accessibility and employee experience
- Increased integration of individuals into development programs, including TIP and COOP
- Strengthened organizational awareness and inclusive behaviors

**59**  
employees with disabilities in 2025

Area for further focus

Despite progress in infrastructure and awareness, converting inclusive hiring efforts into sustained workforce growth remains a key opportunity. Future focus will be on:

- Strengthening retention and career progression pathways for employees with disabilities
- Enhancing measurement of inclusion outcomes beyond participation
- Driving year-on-year growth in representation aligned with defined targets

Diversity, equity and inclusion training

In 2025, stc delivered over 259 hours of diversity and inclusion training through the through multiple training programs designed to promote respect, acceptance and understanding across the organization and reinforce an inclusive and equitable workplace.

## Our people continued

### Culture and ethnicity

Although we have high nationalization rates, with many employees being citizens of the countries in which we operate, our team is made up of people from a wide range of ethnic backgrounds and cultures. We encourage self-identification to better understand how various cultural and ethnic groups are represented throughout our organization. By listening to and learning from one another, we strive to create a welcoming and supportive workplace.

In 2025, stc group included employees from over 60 different nationalities, highlighting our dedication to building an inclusive and multicultural environment.

#### Nationalities representation across workforce



#### Local representation across workforce

stc group is committed to supporting national priorities by creating meaningful employment opportunities for citizens across the markets in which we operate. This commitment reflects our role in strengthening local market presence and contributing to sustainable economic development.

By integrating local talent into our workforce, we enhance our human capital, improve our understanding of local market needs, and ensure culturally relevant decision-making. This approach also contributes to increased economic value within local communities.

Our nationalization initiatives include targeted recruitment, structured development programs, and retention strategies designed to empower national employees and support their long-term career growth. These efforts align with broader national visions and contribute to building resilient and inclusive economies across our operating markets.

	stc KSA and local subsidiaries			stc Bahrain			stc Kuwait		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Nationalization rate of senior management (%)	92.5%	93.8%	98.39%	26%	47%	39%	51%	50%	42%
Nationalization rate among total workforce (%)	90.1%	89.9%	89.6%	51%	56%	59%	64%	64%	61%

## Nurturing talent, unlocking potential

stc group prioritizes the continuous development of its workforce through structured, personalized learning journeys aligned with business needs and future capability requirements. Individual Development Plans (IDP), supported by annual and mid-year performance cycles, ensure that employee objectives are clearly defined, regularly assessed and linked to both individual growth and organizational priorities.

Learning and development are delivered through stc Academy, complemented by external partners, using a blend of digital and in-person methodologies. In 2025, stc continued to refine its learning approach, focusing on targeted, role-based and impact-driven training rather than volume-based delivery.

This shift has enabled:

- Stronger alignment between capability building and strategic priorities, particularly in digital, AI and leadership domains
- Improved effectiveness of learning interventions, with greater focus on critical roles and skill gaps
- Enhanced employee readiness for internal mobility and future roles

All learning programs are governed by defined standards and continuously monitored to ensure quality, consistency and measurable outcomes. stc's commitment to excellence is further reinforced through adherence to international standards, including ISO certifications across quality management, occupational health and safety, facilities management and learning services.

### Our talent

stc group continues to build a resilient and future-ready workforce, with a strong focus on attracting, developing and retaining high-quality talent.

In 2025:

- Total workforce reached 18,921 employees, with over 16,000 on permanent contracts, reflecting strong employment stability
- Female representation increased to 17.3% (vs. 16% in 2024), demonstrating steady progress in diversity
- Employees under the age of 30 represented 44% of the workforce, supporting youth employment and future talent pipelines
- No material layoffs were recorded, reinforcing the Group's commitment to workforce continuity and sustainable growth

These outcomes reflect a balanced approach to workforce management, combining stability with targeted capability building and diversity enhancement.

Our people continued

Performance metrics

Employee hires	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
Total new employee hires	597	141	210	2,386	924	835
<b>By gender</b>						
Women	223	40	66	636	286	252
Men	374	101	144	1,750	638	583
<b>By age</b>						
<30	275	31	102	973	415	418
31-50	313	106	107	1,374	499	411
>50	9	4	1	39	10	6
<b>By job category</b>						
Senior management	-	4	5	-	14	13
Middle management	-	39	34	-	179	169
Staff	-	99	171	-	731	653

The categorization of hires by job category was introduced in 2024 following a system transition. As 2023 data was recorded under a legacy system and is not centrally available at this level of detail, only 2024 and 2025 data are disclosed.

Employee turnover	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
Turnover rate (%)	2.65%	2.7%	3.13%	3.9%	4.3%	4.18%
Number of employees who left	303	294	280	1,012	854	706
<b>Turnover by gender</b>						
Women	73	72	54	761	219	160
Men	230	222	226	251	635	546
<b>Turnover by age</b>						
<30	158	106	101	432	281	239
31-50	143	181	172	555	547	442
>50	2	7	7	25	26	25
<b>By job category</b>						
Senior management	-	5	7	-	26	27
Middle management	-	71	78	-	216	196
Staff	-	218	195	-	612	483

The categorization of turnover by job category was introduced in 2024 following a system transition. As 2023 data was recorded under a legacy system and is not centrally available at this level of detail, only 2024 and 2025 data are disclosed.

Employee development and training

stc group continues to invest in building a future-ready workforce through structured, high-quality learning and development programs aligned with business priorities and evolving capability needs.

In 2025, stc delivered 303,303 training hours, engaging 15,803 unique participants across the group. This reflects a continued commitment to developing skills at scale, while transitioning toward more targeted, role-based and impact-driven learning.

All training programs are governed through a centralized Learning Management System (LMS) and aligned with approved policies, ensuring consistency, quality and accessibility across all employee segments, including full-time, part-time and contract employees.

The stc People sector reinforces quality and effectiveness through adherence to international standards, holding ISO 29990 certification for non-formal education and training services, alongside:



ISO 29993

Learning Services Outside Formal Education

ISO 40180

Learning Services for Competence Development

ISO 10667

Assessment Service Providing Processes and Related Activities

stc Academy

As a leader in innovation, stc champions technological change by utilizing 4IR tools like AI, IoT, big data analytics and automation. We strive to equip the next generation for new tech advancements. Our Training and Development policy demonstrates this goal through investment in the personal and professional growth of all employees, ensuring equal opportunities for everyone.

With stc Academy, we:

- Employ personalized learning methods and best practices
- Develop custom learning solutions to enhance employee abilities based on business needs
- Provide targeted learning plans to boost sector-specific skills, addressing key competencies, identified skill gaps and unique business requirements
- Partner with leading training providers to offer the highest quality learning experiences

In addition, stc provides employees with a comprehensive training catalogue that outlines available learning programs and the eligible job levels for each course. This allows employees to select training opportunities aligned with their professional development needs and career progression.

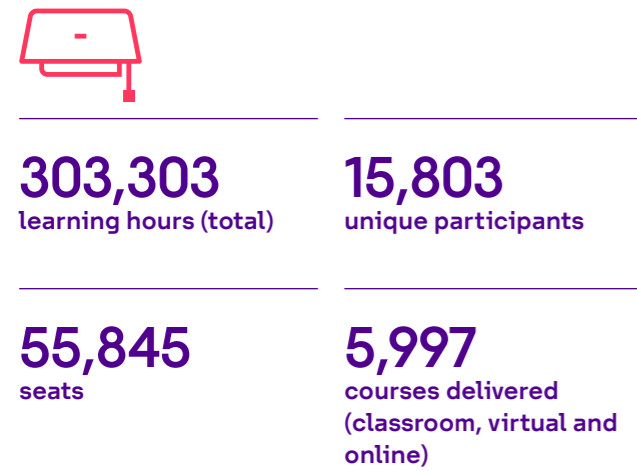
IDP are at the core of our training approach, tailoring professional development activities to fit changing business objectives. Leaders and employees work together to create these plans.

Our comprehensive assessment process uses both psychometric and behavioral evaluations to spot strengths and areas for growth. We also provide many self-development resources, including competency-driven digital libraries curated to support ongoing learning for leaders and professionals alike.

All our learning activities, the LMS and stc Academy are governed by our Learning and Talent Development policy.

Our people continued

stc Academy by the numbers:



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



**Leaders Tracks**

The Leaders Tracks aims to build organizational capabilities and oversees the group scholarship program, promoting ongoing learning and development for leaders.

**Programs**

- Corporate leadership program (CLP)
- Strategic growth acceleration
- Digital excellence program (DEX)
- Continuous learning program
- stc Essentials leadership program
- Emerging leaders for women
- Generative AI session
- ONE finance development program

**Professionals Tracks**

The Professionals Tracks strengthens skills across the organization and manages the group’s scholarship program, supporting ongoing learning and growth for professionals.

**Programs**

- Sectoral program
- TIP formal learning
- Strategic professional program
- Certificate-based program
- Data analytics champions program
- Skill enhancement and employee development (SEED)
- IoT competition
- Business continuity program
- Risk program
- Strategy learning program

Performance metrics

Training and development	stc group		
	2023	2024	2025
Total hours of training for participants	530,073	476,675	<b>303,303</b>
<b>Training hours by type</b>			
In class	52.1%	61.3%	<b>70.5%</b>
e-learning	47.9%	38.7%	<b>29.5%</b>
<b>Total hours of training for participants by gender</b>			
Men	79.3%	75.6%	<b>74.5%</b>
Women	20.7%	24.4%	<b>25.5%</b>
<b>Total hours of training for participants by job category</b>			
Senior management	1.6%	1.9%	<b>2.0%</b>
Middle management	14.8%	13.0%	<b>21.9%</b>
Staff	83.6%	85.1%	<b>76.1%</b>
<b>Total hours of training for participants by nationality</b>			
National participants	86.6%	81.5%	<b>85.9%</b>
Non-national participants	13.4%	18.5%	<b>14.1%</b>
<b>Total hours of training for participants by age</b>			
<30	49.9%	20.0%	<b>45.0%</b>
31-50	45.9%	76.3%	<b>50.5%</b>
>50	4.2%	3.6%	<b>4.5%</b>
<b>Average training hours</b>			
Average hours of training/participant***	24	22	<b>19.25</b>
<b>Average training hours by gender</b>			
Men	36.7	34.12	<b>17.02</b>
Women	80	88.75	<b>30.57</b>
<b>Average training hours by job category</b>			
Senior management	37.8	38.36	<b>36.17</b>
Middle management	55.3	38.91	<b>57.51</b>
Staff	39.6	40.39	<b>15.88</b>
<b>Average training hours by age</b>			
<30	129.9	61	<b>32</b>
31-50	27.7	23.75	<b>6.4</b>
>50	11.1	7.75	<b>5</b>
<b>Average training hours by nationality</b>			
National participants	40.6	63.3	<b>24.01</b>
Non-national participants	46.7	37.1	<b>8.53</b>
<b>DEI training**</b>			
Total number of training hours provided to participants on DEI	5,318	383	<b>259</b>
<b>Data privacy and security training</b>			
Total number of training hours provided to participants on data privacy and security	57,173	55,068	<b>38,134</b>
<b>Human rights training</b>			
Number of hours devoted to training on human rights-related policies or procedures relevant to our operations***	151,559	58,072	<b>15,154</b>

\* In 2025, the methodology used to classify and track training courses were updated, including changes to course categories and definitions. Therefore, the 2025 figure reflects the revised methodology, and data from previous years is not directly comparable.

\*\*\*\* Prior reporting, average training hours were reported per participant. In this report, methodology has been refined to report average training hours per unique trainee. Prior year figures have been restated.

Our people continued

# Youth development programs

stc group is committed to developing a future-ready workforce by investing in structured talent programs and experiential learning opportunities that build critical capabilities, strengthen leadership pipelines and support long-term business growth.

As part of this approach, stc focuses on early career development, specialized capability building and leadership acceleration, ensuring alignment between talent supply and evolving business needs.

stc continues to play a key role in nurturing young talent by providing structured entry points and development pathways that enable graduates and early-career professionals to transition effectively into the workforce.

In response to increasing demand for youth employment, these programs contribute not only to organizational capability building but also to broader economic and societal development.

**Core programs include:**

**Talent Incubation Program (TIP):**

Designed to integrate recent graduates into the workforce through hands-on experience across multiple business functions, TIP builds foundational capabilities and provides pathways to permanent roles. The program includes **11 specialized tracks** aligned with business needs.

**Specialized Development Program (SDP):**

Focused on high-performing employees, SDP provides targeted development across **five strategic capability areas**, combining mentoring, structured learning and on-the-job development to strengthen functional expertise.

**High-Potential (HiPo) Program:**

A selective leadership acceleration program aimed at preparing future leaders, with a focus on strategic thinking, performance excellence and knowledge transfer across the organization.

**What changed in 2025:**

Participation across these programs became more selective, reflecting a **shift from volume-based intake to targeted, high-impact development**, ensuring stronger alignment with critical roles and future capability requirements.

**Outcomes:**

- Strengthened **early-career talent pipeline** aligned with business priorities
- Enhanced **leadership readiness and succession planning**
- Improved **retention of high-potential talent**

**Area for further focus:**

There is an opportunity to further strengthen **measurement of program impact**, particularly in linking participation to **career progression, leadership appointments and long-term retention outcomes**.

**Experiential Learning: Job Attachment Program (JAP)**

Complementing structured programs, stc enhances capability development through the Job Attachment Program (JAP), which provides employees with hands-on learning opportunities through assignments with leading national and global partners.

In 2025, 55 employees participated in JAP, reflecting a targeted approach to experiential learning focused on critical skills and high-impact roles.

The program enables employees to gain direct exposure to industry best practices, advanced technologies and innovative operating models, accelerating capability transfer and practical skill application.

**Outcomes:**

- Strengthened technical and cross-functional capabilities in priority areas
- Enhanced knowledge transfer and innovation through external exposure
- Increased readiness for complex roles and strategic initiatives
- Improved collaboration across internal and external ecosystems

**Business impact and integration**

Together, structured talent programs (TIP, SDP, HiPo) and experiential learning initiatives (JAP) contribute to:

- Building a sustainable internal talent pipeline
- Accelerating capability development aligned with digital transformation
- Strengthening leadership succession and organizational resilience
- Supporting retention of high-potential and critical talent

stc group	2023	2024	2025
<b>Youth talent development programs</b>			
Specialist development program (SDP)	176	177	137
Talent incubation program (TIP)	627	178	95
High-potential (HiPo) leadership development program	56	62	26
Job Attachment Program (JAP)	35	74	103

**Our people continued**

**Employee engagement**

Employee engagement is a key driver of organizational performance at stc, directly influencing productivity, retention and customer outcomes. The Group leverages the Employee Experience Index (EEI) as a strategic tool to measure employee sentiment, identify priority areas and drive targeted interventions across the employee lifecycle.

In 2025, EEI insights highlighted cross-functional collaboration and continuous development as critical areas for improvement. In response, stc implemented over 300 targeted action plans in collaboration with business leaders and HR teams, reflecting a more structured and data-driven approach to engagement management.

These initiatives focused on enhancing:

- Career development and internal mobility
- Employee enablement and collaboration across functions
- Recognition, performance and growth opportunities

**Outcomes:**

- Maintained stable turnover levels despite organizational transformation
- Strengthened employee alignment with business priorities
- Enhanced collaboration and engagement across teams

EEI continues to provide a comprehensive view of the employee experience across key stages of the employee journey, supported by core dimensions including work purpose, culture and organizational alignment. Insights are translated into actionable improvements, with outcomes communicated transparently to employees and embedded into business and HR plans.

Employee engagement	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
Employee experience index*	80.1	76.3	78.8	80.7	78.1	81
Engagement rate	90.0%	86.1%	88.1%	88.0%	88.0%	89.4%

**Employee support and well-being**

stc group continues to strengthen employee well-being and flexibility as key enablers of productivity, engagement and retention. The Group provides a comprehensive framework of support programs designed to enhance work-life integration, promote employee health and enable flexible ways of working aligned with evolving business needs.

In 2025, stc maintained a structured approach to employee support, offering:

- Flexible working arrangements, including remote and hybrid work options
- Health and wellness initiatives supporting physical and mental well-being
- Part-time and flexible scheduling options to accommodate diverse employee needs

These programs are governed through clear HR policies and centrally managed to ensure consistency, accessibility and alignment across the Group.

**Outcomes and impact**

The continued enhancement of employee support programs contributed to:

- Improved work-life balance and employee satisfaction
- Strengthened retention and workforce stability
- Increased employee awareness and utilization of available programs

The centralized communication approach, supported through stc Hub and HR business partner engagement, ensures employees have clear visibility of available support mechanisms and can access them effectively.

**Governance, quality and accessibility**

To ensure effective implementation and a consistent employee experience, stc applies strong governance and quality standards across its people practices.

Employees are supported through:

- Centralized access to policies and guidelines via stc Hub
- Dedicated HR business partners providing ongoing guidance

- Continuous awareness and communication initiatives
- Structured engagement sessions to clarify policies and promote adoption

In addition, stc reinforces the quality and effectiveness of its people and learning practices through adherence to international standards. The stc People sector holds ISO 29990 certification for non-formal education and training services, alongside additional certifications including:

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

These certifications reflect stc’s commitment to delivering high-quality, structured and impact-driven employee support and development frameworks.

**Benefits and employee value proposition**

stc provides a comprehensive and inclusive benefits framework including non-pay benefits, designed to support employee well-being, financial stability and work-life integration.

Key offerings include:

- Healthcare coverage for employees and their families, along with life insurance
- A wide range of leave options, including annual, parental and special leave
- Flexible working arrangements, including remote and hybrid work options
- Financial support programs, including housing and vehicle financing
- Education and development support, including tuition assistance and study leave

Additional benefits such as transportation support, connectivity services, corporate discounts and targeted assistance programs (including support for employees with children with disabilities and exceptional medical cases) further enhance the overall employee value proposition.



## Our people continued

### Outcomes and impact

The Group's total rewards and benefits framework contributes to:

- Strengthening employee retention and engagement
- Enhancing financial well-being and job satisfaction
- Supporting workforce stability and productivity
- Reinforcing fairness, inclusion and equal opportunity

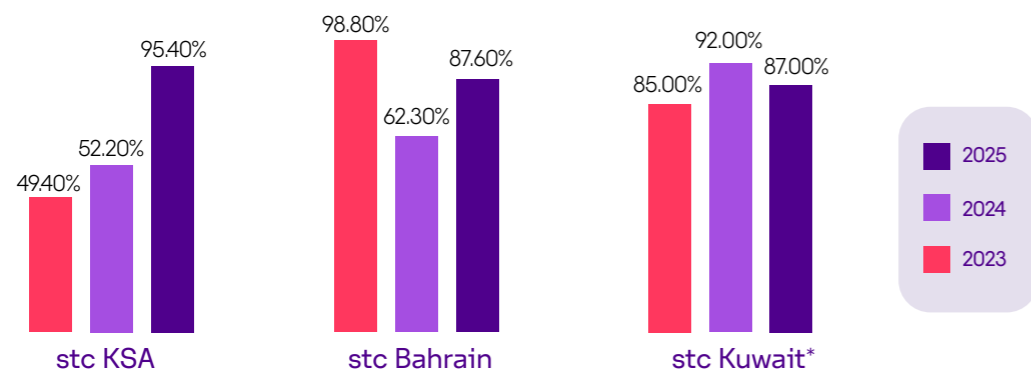
The availability of flexible and inclusive benefits enables employees to effectively balance personal and professional responsibilities, contributing to sustained performance and organizational resilience.

### Area for further strengthening

While stc continues to provide a competitive and comprehensive rewards framework, future focus will include:

- Enhancing measurement of reward effectiveness, particularly its impact on retention, engagement and performance
- Strengthening data-driven benchmarking against market practices
- Increasing transparency and communication around total rewards to maximize employee awareness and value perception

### Percentage of employees who benefited from performance-based pay



\* stc Kuwait restated figures for calculation improvement methodologies aligned at group level.

### Parental leave

We support employees returning from parental leave with childcare options and help securing nursing care. Men get 3 days' fully paid leave within 15 business days of their child's birth.

In accordance with Labor Law, female employees are entitled to 12 weeks of fully paid maternity leave. This leave may be allocated at the employee's discretion, provided it commences no earlier than four weeks prior to the expected delivery date, as verified by an approved medical authority and that the direct manager is notified upon submission of the request.

Female employees must not be required to work during the six weeks immediately following childbirth under any circumstances. Additionally, employees may extend their maternity leave by one month without pay.

In cases where a female employee gives birth to a sick child or a child with a disability requiring continuous care, she is given an additional month of fully paid

leave after the conclusion of her standard maternity leave. This period may be extended by one more month without pay at the discretion of stc.

For breastfeeding purposes, female employees are entitled to one or more breaks totaling up to one hour per day, in addition to regular rest periods afforded to all employees. These breaks are considered part of actual working hours, regardless of whether they are taken at the beginning, during, or end of the workday and do not result in any deduction from salary. In addition, stc provides childcare contributions as financial support to help employees access qualified childcare services during working hours, further enabling working parents to balance professional responsibilities with family needs.

For children with special needs, women may extend paid leave by one month and get an extra unpaid month. Women with preschool children receive an annual childcare allowance and we offer added support for all parents welcoming a newborn.

### 2025 performance

Entity	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	108	639	80	639	74%	100%	74%	100%
stc Bahrain	5	10	4	10	80%	100%	80%	100%
stc Kuwait	3	16	3	16	100%	100%	100%	100%

**Return to work rate:** Total number of employees that returned to work in the reporting period after parental leave ended

**Retention rate:** Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work

### Performance reviews

stc group operates a structured and performance-driven approach to managing and developing its workforce, ensuring strong alignment between individual performance, capability development and organizational priorities.

At the core of this approach is JADARA, stc's competency framework, which defines the critical skills, behaviors and expectations required across leadership and functional roles. Through regular assessments, employees are supported with Individual Development Plans (IDP) that address capability gaps and enable continuous professional growth aligned with business needs.

In 2025, stc continued to strengthen its performance management practices by embedding a continuous and outcome-focused performance cycle, moving beyond traditional evaluation toward ongoing performance enablement.

The performance cycle includes:

- Clear goal setting and KPI alignment at the beginning of the year
- Mid-year reviews to assess progress and recalibrate priorities
- Continuous performance conversations and feedback throughout the year

### Outcomes and impact

This approach has contributed to:

- Stronger alignment between individual objectives and business priorities
- Enhanced performance accountability and transparency
- Improved employee development and role readiness through structured IDPs
- Increased agility in performance management, enabling timely course correction

By integrating both performance outcomes and behavioral competencies, stc ensures a balanced evaluation model that reinforces its values while driving results.

Performance review	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
% of employees who received a performance development review	100%	100%	100%	91%	99%	100%

Our people continued

**Protecting labor rights**

At stc, protecting labor rights is a top priority. We have established mechanisms, procedures and policies to prevent labor law violations, fully aligned with Saudi Arabia's legal framework and the International Labor Organization (ILO), of which Saudi Arabia is a member.

Employee representation has been a cornerstone of stc's approach for over 21 years, reflecting a long-standing commitment to safeguarding labor rights and fostering constructive dialogue between employees and management.

The Workers' Committee ensures the maintenance of labor rights across the stc group. Comprising 18 representatives from 5 regions, this committee facilitates communication and addresses employee concerns regarding wages and working hours. These representatives negotiate directly with management to foster strong working relationships and protect labor rights. stc marked a key milestone throughout the year with the successful completion of the 7th term elections of the Workers' Committee, demonstrating strong employee participation and reinforcing the transparency and integrity of the election process.

In 2025, the Workers' Committee implemented several key initiatives:

- **Collaborative environment:** Partnered with relevant departments to develop programs that promote company values among employees and their families.
- **Communication and support:** Addressed over 950 employee inquiries through various channels, including visits to 5 regional offices. These efforts enhanced communication, provided guidance and raised awareness of workplace rights and responsibilities.
- **Employee representation:** Assisted in the establishment of new Workers' Committees in sister companies like specialized by stc.

- **National initiatives:** Engaged with the National Committee for Workers' Committees, offering support, training and mentoring for members nationwide, as well as facilitating participation in international and Arab labor conferences and G20 meetings.
- **Policy development:** Contributed to regulatory policy development, submitted studies on labor market reports in the Kingdom and established a Human Rights Policy Statement to reinforce our commitment to fair labor practices.

**Addressing employee complaints**

stc is dedicated to safeguarding the rights of employees and stakeholders through effective internal controls. We encourage employees to voice their concerns, reaffirming our commitment to corporate values. There are 5 reporting channels through which employees can report their concerns: directly to their manager; to the HR team; to the Business Integrity team; via email ([Speak-up@stc.com.sa](mailto:Speak-up@stc.com.sa)); and via our online reporting tool, HUB, which includes the whistleblowing policy and procedures.

All employees are required to adhere to the stc Code of Ethics, which highlights our Fair Employment policy. This policy emphasizes respect for workplace diversity and prohibits any form of harassment, bullying, or unfair employment practices. Violations are promptly addressed by appropriate personnel and employees can report issues through the Speak-Up whistleblowing channel. All grievances are handled professionally and discreetly, with external oversight.

To address complaints, we have dedicated channels for inquiries about HR policies and procedures, monitored by a ticketing system to ensure resolution. We also keep employees informed of updated policies and procedures through email and SMS notifications. Additionally, all stc subsidiaries have complaint mechanisms, reinforcing our commitment to preventing human rights violations, discrimination and harassment throughout the group.

**Prioritizing health, safety and well-being**

At stc, we prioritize creating a safe and healthy work environment to protect our employees and contractors from injury and illness. Ensuring their safety and well-being is not only our obligation but also essential for enhancing morale, productivity and work quality.

**Occupational health and safety**

We cultivate a positive safety culture rooted in awareness, prevention and care. Our Management Commitment to Occupational Health and Safety policy demonstrates stc's dedication to health and safety, outlining responsibilities to ensure compliance with relevant laws and regulations. In 2025, stc successfully maintained its ISO 45001 certification, reaffirming our commitment to national and international Occupational Health and Safety Management System (OHSMS) standards.

Our Health and Safety Management System adheres to the following guidelines:

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

We prioritize employee health and well-being through key initiatives, including a safety induction program, regular emergency drills and comprehensive assessments with work permits for critical tasks. Ongoing awareness campaigns, online training and toolbox meetings reinforce safety protocols.

Regular risk assessments and inspections identify hazards and opportunities for improvement. The Safety Champions group, trained in first aid and safety protocols, actively promotes a safe work environment. Advanced software is used to manage safety responsibilities and track non-compliance reports. Routine inspections across Saudi Arabia enforce safety compliance, ensuring penalties for any violations.

Incidents reported through internal reporting channels	stc KSA		
	2023	2024	2025
Number of incidents reported (internal grievance system)	1,407	786	839
Percentage of these incidents addressed or resolved	100%	100%	100%



Our people continued



**0**  
Employee work-related fatalities



**0**  
Rate of fatalities as a result of work-related injury



**0**  
Incidents of recordable work-related injuries

stc KSA Coverage of OH&S management system	2023	2024	2025
The number of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organization, who are covered by such a system	152	166	166
The percentage of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organization, who are covered by such a system	1.30%	1%	1%



Case study

# Strengthening first-aid readiness across stc group

Background

Recognizing the critical role of rapid medical response in protecting employees and visitors, stc group launched a comprehensive initiative to elevate first-aid readiness across its facilities in alignment with the standards of the Saudi Red Crescent Authority.

Objective

To establish a robust first-aid ecosystem that enhances emergency preparedness across people, workplace environments, and emergency response capabilities.

Implementation

The initiative focused on three key pillars:

- **People readiness:** Delivering awareness and training programs in first aid, CPR, and AED usage targeting employees across the Group and its subsidiaries, as well as employees' families at the main campus.
- **Workplace preparedness:** Enhancing the availability and readiness of lifesaving equipment across facilities.
- **Operational emergency coverage:** Strengthening ambulance coverage through qualified paramedic teams across major operational hubs in Riyadh, Jeddah, and Dammam.

Results

The initiative strengthened emergency preparedness across stc facilities and enabled the group to achieve the Emergency Medical Services Compliance Certificate from the Saudi Red Crescent Authority, confirming alignment with national standards and enhancing life-saving capabilities across the organization.

Integrated Approach

- **Standardized Registration:** Streamlined facility and personnel registration via the Saudi Red Crescent Authority's portal.
- **Data Integration:** Compiled and integrated facility data for certification readiness.
- **Self-Assessment:** Evaluated compliance across infrastructure, personnel, and medical equipment.
- **Documentation:** Assembled legal, administrative, and training records.
- **On-Site Inspections:** Verified compliance through authority inspections.

Outcomes

- **Regulatory Compliance:** Met Saudi Red Crescent Authority standards, enhancing institutional readiness.
- **Internal Capabilities:** Strengthened rapid-response crisis management.
- **Community Contribution:** Advanced national first-aid awareness and preparedness.

SDGs Alignment



SDG 3: Good health and well-being through emergency preparedness.



SDG 8: Decent work and economic growth via safe workplaces.



SDG 11: Sustainable cities with resilient communities.

Our people continued

**Hazard identification, emergency response, risk assessment and incident investigation**

We continuously identify and assess potential hazards, including physical, chemical, biological and human factors. These hazards can arise from materials, machinery, equipment, or personnel functions across stc group's operations. To minimize risks to the safety and health of our personnel, contractors and third parties, we have implemented effective control measures.

Our safety policies and manual guide the identification, assessment and management of risks, ensuring hazards and incidents are reduced. All workers receive a copy of this manual, while contractors must submit detailed drawings outlining the scope of work, associated risks and relevant documentation, including risk assessments and methods statements. Safety and security teams conduct regular inspections and must provide clearance before allowing workers on-site.

The General Department of Safety and Security focuses on ensuring the organization's readiness to effectively respond to emergencies and critical incidents, minimizing risks to people, assets, and operations. In 2025, the general department maintained and updated stc Safety & Security emergency response plan, conducted regular drills and simulations, ensured the readiness of emergency

systems, and provided targeted training for employees and security teams. Ongoing coordination with relevant authorities and continuous evaluation of response capabilities strengthened business continuity and enhanced the overall safety of company sites.

We maintain a Risk Management Monitoring and Reporting Dashboard to track risks, mitigation measures and potential outcomes. Workers can report hazards using a loss incident report form submitted to our Corporate Safety and Security Command Center (SSCC). The Incident Management Team (IMT) reviews these reports and escalates issues as needed.

All employees, vendors, suppliers and contractors must adhere to our Safety and Security policies, promptly reporting accidents, incidents and potential hazards without fear of reprisal. Our policy ensures that personnel can remove themselves from unsafe conditions without hesitation, further protecting everyone on stc premises.

We aim to keep risks as low as reasonably practicable (ALARP). Our SMS alert system allows operations and maintenance managers to proactively respond to severe weather conditions by sending alerts in advance. This proactive approach reduces the need for emergency maintenance, conserves energy resources and helps mitigate hazards to wildlife and the environment.




**Health and safety training**

Through safety training workshops and campaigns, we equip all staff and contractors with essential skills for safe work performance. Our training programs are delivered through stc Academy, our e-learning platform and include:

- Safety induction programs to familiarize employees and contractors with our safety culture and policies.
- Regular emergency and fire drills to train employees in emergency response procedures.

- Ongoing preparation and testing of our Emergency Response team systems.
- Toolbox meetings with contractors.
- Internal communications on health and safety via stc channels.

To cultivate a robust culture of health and safety, stc actively promotes these practices.

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

These actions contribute to stc's commitment to maintaining a safe working environment and promoting a culture of health and safety.

Performance metrics

Emergency preparedness and safety	stc KSA*			stc group*		
	2023	2024	2025	2023	2024	2025
Total number of emergency response drills conducted	128	462	382	382	716	537
Safety incident investigations initiated	6	4	10	29	31	21
Safety incident investigations completed	6	4	10	30	31	21

\*stc KSA numbers include headquarter-based subsidiaries

\*\*2025 group data excludes sirar by stc

**2,208**  
stc KSA H&S training hours in 2025

**5,175**  
stc group H&S training hours in 2025

**2.05**  
Average H&S training hours for stc group

**Face Recognition (FR)**

The nationwide deployment of Face Recognition readers across all stc compound gates marks a significant leap in our digital transformation journey. By replacing legacy systems with biometric innovation, we have created a more secure, seamless, and efficient environment for both the company and its employees.

The implementation of Face Recognition readers is more than just a security upgrade; it is a strategic tool that drives digitalization. By streamlining operations and providing high-fidelity data, we have empowered the organization to focus on core objectives while providing employees with a world-class, tech-driven workplace experience.

Our people continued

**Employee well-being**

At stc, employee wellbeing is a key priority, supported through a comprehensive range of health, wellness and support initiatives that promote physical, mental and social well-being across the organization.

In addition to occupational health and safety programs, stc provides access to on-site medical support, with two medical offices located at the main campus offering immediate care and basic health services to employees. Preventive care remains a core focus, with regular health awareness initiatives such as seasonal influenza vaccination programs, blood donation drives and campaigns addressing key health topics including diabetes and breast cancer awareness. These initiatives are often extended to employees' families, reinforcing a broader culture of health awareness and community engagement.

stc's employee support framework also includes a range of specialized programs and benefits designed to address diverse health needs. These include infertility treatment support, obesity management programs and educational allowances for employees with special needs. In addition, the Special Needs Fund Service provides support for non-occupational medical conditions not covered by standard insurance policies.

Mental health and well-being are actively supported through access to counselling services, ensuring employees have the resources needed to manage personal and professional challenges. To further promote healthy lifestyles, stc offers nutritious dining options across its headquarters, including healthy restaurants, supermarkets and vending machines supplying health-focused products.

Physical well-being is encouraged through organized activities such as marathons and social sporting events, supporting active lifestyles and employee engagement. Through these integrated initiatives, stc continues to foster a workplace culture centered on health, care and shared responsibility, ensuring employees are supported in achieving overall well-being.

**Workers Committee (Labor Rights Committee)**

stc safeguards labor rights by following Saudi Arabian law and ILO standards, ensuring employee representation through the Workers Committee.

- Committee members are elected by colleagues to represent employee interests.
- Members engage in continuous dialogue with management to support a fair, productive workplace.
- The Committee has operated since 2004 (21 years) and transitioned from its 6th term to its 7th term in 2025.

**2025 Key milestone: the 7th term elections**

**Voter participation**

**3,995**  
employees voted electronically

**Number of participants**

**43** candidates  
(40 male, 3 female).

**Participation rate**

**44.2%**

**Regional representation**

**18** elected representatives  
(9 primary, 9 reserve) across 5 regions.

**Governance**

**The election followed a strict timeline and included an appeals phase to ensure integrity and transparency.**



# Community contribution and development

Community investment and development are paramount at stc and central to the group’s corporate strategy under the sustainability objective of “enriching people’s lives.” This matters to stc because healthy, inclusive communities drive social stability, expand the talent pool, support digital and economic adoption and create long-term value for customers and the business.

We create impact across the Kingdom and the wider region through targeted programs in 6 strategic pillars: education, environment, sports and health, entrepreneurship, community development and youth empowerment. We also prioritize initiatives that align with national development goals and our Community Investment policy.

We engage a broad set of stakeholders, including local communities, beneficiaries, non-profit partners, public-sector bodies and employees through volunteerism and fundraising. As for beneficiaries, we focus our efforts on youth, older people, people with disabilities and vulnerable families.

Impact is generated through financial support, capacity building, awareness campaigns, service delivery and infrastructure projects, with reach at regional and national levels. Governance of community development is provided by stc’s Community Investment policy and related strategy, which guide project selection, due diligence, monitoring and evaluation and reporting. We track outcomes and KPIs to ensure transparency, learn from performance and scale initiatives that demonstrably enhance economic opportunity and social inclusion.

## Community contribution and development at a glance

Number of volunteers

**333**

Number of volunteering hours

**6,377**

Number of community development partnerships

**87+**

## Community flagship programs

# Smart Truck



### Background

Launched in February 2023, the Smart Truck initiative is part of stc group’s commitment to advancing digital inclusion and empowering communities through technology. The initiative was designed to bridge the digital divide by enhancing digital literacy among elderly beneficiaries, particularly those living in remote and underserved areas across the Kingdom of Saudi Arabia.

The Smart Truck operates as a mobile digital classroom, traveling across regions to deliver interactive training sessions and hands-on support. Through these sessions, elderly beneficiaries learn how to use 6 essential government applications, including the mystc app, as well as other key digital tools and services. The training focuses on enabling participants to confidently access government platforms, healthcare services and digital communication tools.

The truck is designed to provide an accessible and supportive learning environment tailored to elderly beneficiaries, bringing digital education directly to their communities. By delivering services directly to remote areas, the initiative reduces the need for beneficiaries to travel to urban centers or visit physical stc stores, allowing them to independently access digital services and participate more fully in the Kingdom’s evolving digital ecosystem.

Through this approach, Smart Truck strengthens digital literacy, enhances independence and helps ensure that elderly beneficiaries can benefit from technological advancements and remain connected to essential services in an increasingly digital society.

### Impact highlights

**12,509**

Total elderly beneficiaries served since inception

**2,626**

Elderly beneficiaries served in 2025

**880**

Awareness sessions delivered in 2025

**26**

Governorates reached

**6**

Core government applications covered

Community contribution and development continued

Approach

Smart Truck operates through a phased geographic rollout, enabling the initiative to progressively expand its reach across different regions of Saudi Arabia while responding to local community needs.

This phased expansion ensures that remote and underserved communities across the Kingdom are progressively included in the digital ecosystem, reinforcing the initiative's scalable design and long-term social impact.

Promoting digital inclusion and community empowerment

Smart Truck enables elderly beneficiaries to confidently access digital government services, health applications and secure online tools. By strengthening digital literacy, the initiative helps participants navigate essential platforms independently, reducing reliance on intermediaries and minimizing the need to travel to service centers or physical stores.

Socioeconomic value creation

Through improved access to digital public services, elderly beneficiaries gain greater independence, improved access to healthcare information and stronger engagement with government platforms. The initiative contributes to stronger community resilience in remote and underserved areas while reinforcing stc group's role as a key enabler of inclusive digital transformation in the Kingdom.



**Strategic alignment**


4 QUALITY EDUCATION



10 REDUCED INEQUALITIES



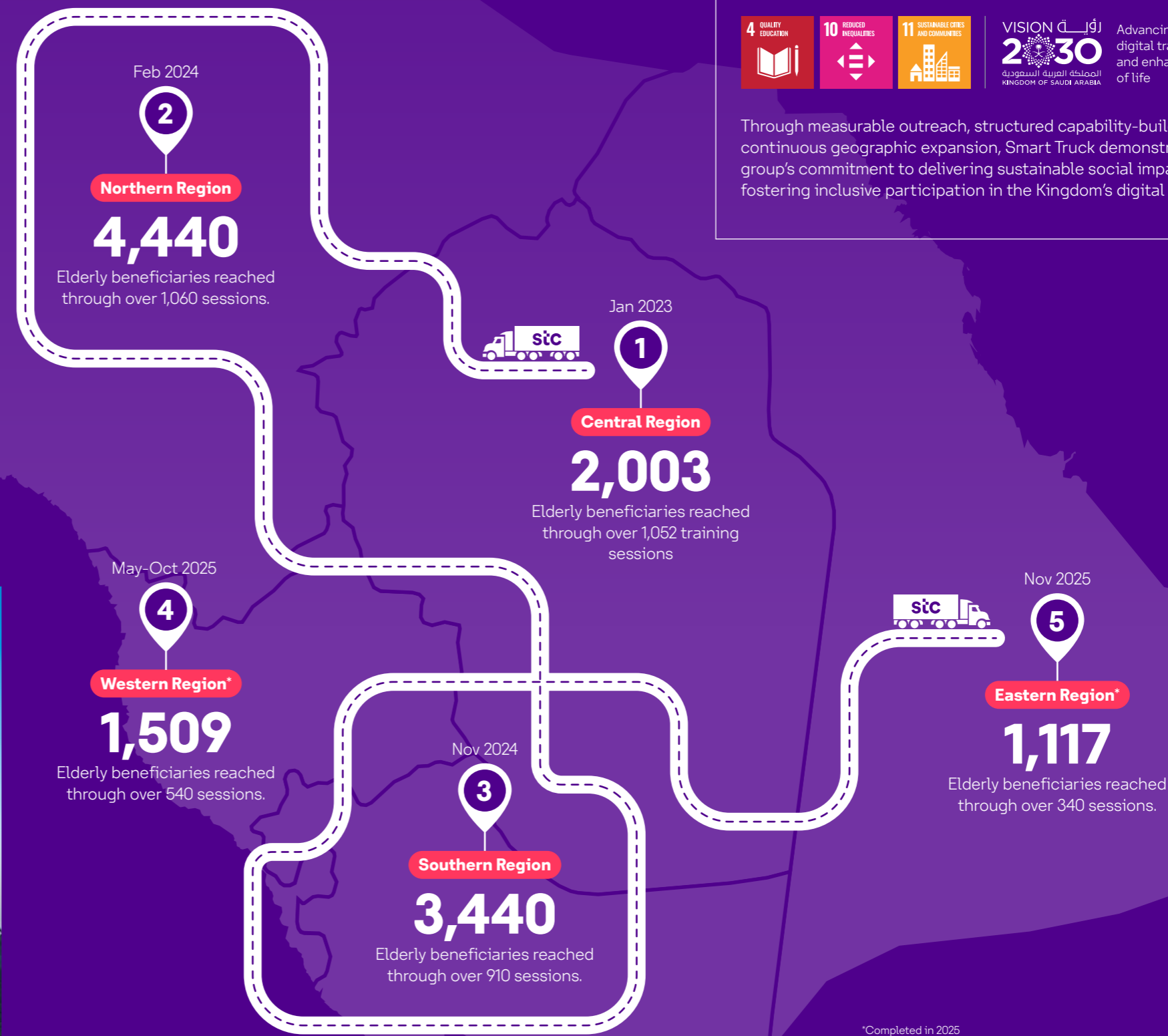
11 SUSTAINABLE CITIES AND COMMUNITIES



VISION رؤية 2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

Advancing inclusive digital transformation and enhanced quality of life

Through measurable outreach, structured capability-building and continuous geographic expansion, Smart Truck demonstrates stc group's commitment to delivering sustainable social impact and fostering inclusive participation in the Kingdom's digital future.



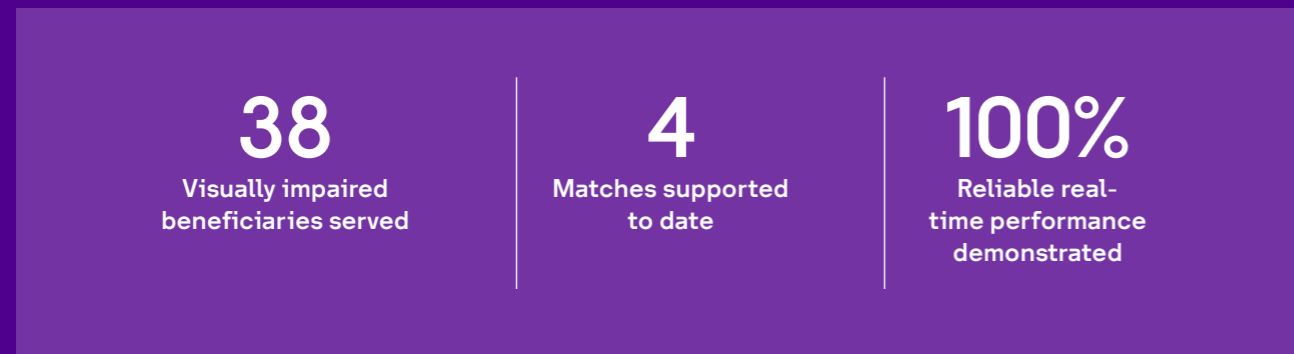
\*Completed in 2025

Community contribution and development continued

# Braille Sports Board

stc's Braille Sports Board, launched in collaboration with the Ministry of Sport, makes live football games more inclusive for visually impaired fans. It debuted at the Spanish Super Cup in Jeddah and features tactile indicators that follow the ball's movement in real time, along with live audio descriptions and comprehensive commentary. This initiative allows visually impaired spectators and their companions to more fully experience the excitement of the stadium.

## Impact highlights



The deployment demonstrated reliable real time performance in a large stadium setting and attracted positive engagement from visually impaired attendees and their companions, showcasing a scalable model for accessible sports experiences.

Beyond the stadium, the initiative highlights the importance of accessible event design, encouraging sports venues and event organizers to adopt technologies that make large-scale experiences more inclusive.

### Promoting inclusion through accessible experiences

By removing accessibility barriers at major events, the Braille Sports Board expands participation in public entertainment and social life for visually impaired individuals, increasing demand for inclusive services and accessible event offerings. The initiative promotes social inclusion, supports equality of access to commercial and cultural events and encourages venues, broadcasters and service providers to adopt accessible technologies; creating new market opportunities, jobs in accessibility services and fuller economic and social participation for people with visual impairments.

### Socioeconomic value creation

The Braille Sports Board demonstrates how assistive technologies can expand inclusive participation in sports and entertainment, supporting greater social integration and community engagement for people with visual impairments.

By showcasing practical applications of accessibility innovation in major sporting events, the initiative also encourages wider adoption of inclusive technologies across the sports and entertainment ecosystem, helping advance accessible experiences throughout the Kingdom.

By enabling fuller participation in public life, the Braille Sports Board enhances social integration, community engagement and economic inclusion for individuals with visual impairments.

## Strategic alignment



Advancing social inclusion and accessible public life

The Braille Sports Board demonstrates stc's commitment to leveraging innovation and technology to create inclusive, accessible and sustainable experiences across the Kingdom.

Community contribution and development continued

**Electronic waste recycling**

Electronic waste recycling provides a responsible pathway for end of life devices. stc donates used electronics to Ertiq, an NPO focused on innovative solutions for responsible e waste recycling, refurbishment and disposal, reducing landfill waste and extending device life for community use.

**Impact highlights and how this creates economic opportunity/inclusion**



**61,192**

Devices donated since inception

**8,374+**

Devices donated in 2025

**68**

Organizations benefited from refurbished devices

**≈ 2,645,500**

estimated devices value

By refurbishing devices for donation to NPOs and communities, the program helps equip digitally disadvantaged individuals and organizations with affordable technology, supports local recycling and refurbishment activities and creates downstream opportunities in the circular economy value chain (repair, collection and recycling services).

**Jood Eleskan**

Jood Eleskan is a community housing initiative that mobilizes donations, through SMS, from stc employees, private individuals and public sector partners to build houses for those in need.

**Impact highlights and how this creates economic opportunity/inclusion**



**36**

Total homes supported since launch

**4**

Homes supported in 2025

**Safe housing**

improved living conditions

**Long-term stability**

enhanced family wellbeing & security

By improving living conditions for low income and vulnerable households, Jood Eleskan reduces barriers to health, mobility and social participation, while supporting small contractors and enhancing beneficiaries' ability to engage in economic and community life.



Community contribution and development continued

**Volunteering platform**

The Volunteering Platform empowers non-profit organizations by connecting them with specialized support from stc employees, strengthening NGOs' capacity to deliver sustainable community development. The program promotes a culture of purpose and giving that aligns with stc values — dynamism, devotion and drive — and enhances employee engagement and workplace well-being.

By matching employee skills to NGO needs, the platform increased non-profits' operational capacity and expanded service delivery across multiple regions, while strengthening employee morale and organizational purpose.

**Driving economic opportunity and inclusion**

The platform builds social capital and local capacity by bolstering NGOs that deliver services and support to vulnerable communities, enabling more effective social programs and access to resources. Employee skills-sharing and pro-bono support improve NGOs' efficiency and reach, creating indirect economic benefits, better access to services, improved employability for beneficiaries and demand for local service providers.

In 2025, stc was awarded the "Voluntary Work Standard in the Private Sector" certification by the National Center for Non-Profit Sector Development, recognizing the effectiveness and impact of its volunteer programs. The certification reflects stc's implementation of advanced standards and performance indicators aligned with best practices in volunteer engagement.

This achievement reinforces stc's ongoing commitment to social responsibility and to fostering a strong culture of volunteerism across its operations.

**Impact highlights and how this creates economic opportunity/inclusion**



**2,025**  
Volunteering opportunities

**333**  
Volunteers

**6,377**  
Volunteering hours



**Community partnerships and collaborations**

stc works with non-profit and external organizations to deliver a range of community initiatives that combine financial support, capacity building and employee engagement. We partner with non-profit organisations (NPO), companies, foundations, ministries, authorities, universities, government entities and hospitals, as well as with other types of organizations

Programs include donations for high-cost medical treatments and medication access, leadership and inclusion training for managers, awareness and empowerment campaigns with digital and event components, large-scale home renovation to improve

family stability and targeted support for older persons and people with disabilities. Support durations vary from single events to multi-year commitments, with funding levels ranging from targeted grants to multi-million riyals capital projects.

These collaborations extend across the Kingdom through regional activities and national programs, providing direct benefits such as access to essential treatment, safer and more stable housing, community health infrastructure, skills development and public awareness. By reducing barriers to care, improving living conditions and creating entry points for participation and employment, the initiatives foster economic opportunity and social inclusion while enabling sustainable impact through ongoing funding, operational support and employee-led engagement.



# Strong governance and ethical behavior

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07



Saudi Vision 2030



UNGC



UNSDGs



**Strong governance and ethical excellence underpin stc’s sustainability strategy and are central to how the company creates long-term value for stakeholders.**

stc group’s governance framework promotes responsibility, transparency and compliance through clear Board charters, strengthened policies and rigorous checks and balances. Key pillars of stc’s approach include the following:



These elements are embedded into stc’s processes and controls to identify, manage and oversee sustainability risks and opportunities across the organization. stc continually refines governance mechanisms and reporting to enhance oversight and stakeholder confidence.

stc utilizes a Governance Health Index (GHI) as a tool that ensures consistency and maturity in governance management across the organization. This includes criteria related to sustainability, IT, risk management and other relevant areas. The GHI assesses maturity levels across these specific domains, identifying gaps and opportunities for improvement that are shared across stc to support ongoing enhancement of governance practices.



# Corporate governance

stc group's Board of Directors demonstrates a strong commitment to embedding best-in-class corporate governance practices through a structured and integrated framework that clearly defines the roles, responsibilities and authorities of both the Board and Executive Management. This framework forms the foundation for effective oversight, enabling disciplined decision-making, strengthening compliance and ensuring the consistent application of robust risk management practices across the group.

The Board is composed of 11 members, appointed by shareholders for defined terms, and includes a balanced composition of independent and non-executive directors. This structure is designed to ensure diversity of expertise, independence in judgment and objective oversight of stc group's strategy and performance. The presence of independent directors plays a critical role in enhancing transparency, reinforcing accountability and safeguarding the interests of all stakeholders in line with leading governance standards.

This governance framework is fully aligned with the Companies Law issued by the Ministry of Commerce, the Corporate Governance Regulations of the Capital Market Authority and other applicable regulations in the Kingdom of Saudi Arabia. It reflects stc group's commitment to operating with the highest levels of integrity, transparency and regulatory compliance, while continuously adopting and enhancing leading governance practices.

At stc group, governance is viewed as a strategic enabler of sustainable growth and long-term value creation. stc continuously evolves its governance practices to remain responsive to changing market dynamics and stakeholder expectations. By fostering a culture rooted in accountability, transparency and agility, stc group strengthens its governance maturity, builds stakeholder trust and delivers sustainable value to shareholders, partners and the broader community.

In line with its commitment to advancing corporate governance and reinforcing its role in social responsibility, stc group actively leads a range of initiatives aimed at elevating governance awareness

and promoting the adoption of best practices across the wider community. These efforts extend beyond the organization itself, reflecting the company's vision to contribute to a more transparent, accountable and well-governed business environment.

As part of this approach, stc group sponsors specialized governance programs and delivers targeted awareness sessions designed to build capabilities, enhance understanding of governance principles and instill a culture of accountability, integrity and transparency among various stakeholder groups. These initiatives are thoughtfully designed to support both internal and external audiences, positioning stc group as a catalyst for governance excellence.

In parallel, stc group maintains strong collaborations with key governmental and semi-governmental entities, both locally and internationally. Through these strategic partnerships, stc actively benchmarks its practices against leading organizations, exchanges insight and expertise, and continuously aligns its governance framework with evolving global standards and emerging trends.

These collective efforts have not only strengthened stc group's governance maturity, but have also earned recognition from multiple national government entities. This acknowledgment underscores stc group's ongoing commitment to responsible corporate citizenship and its proactive role in shaping a sustainable, transparent and well-governed ecosystem.

For a detailed breakdown of the Board of Directors, please refer to the [2025 Annual Report](#).

## Board diversity

stc group places strong emphasis on Board independence as a cornerstone of effective governance and shareholder protection. A majority of the Board members are independent, representing a significant percentage of the total composition, which ensures objective oversight and balanced decision-making. In addition, both the Audit Committee and the Nomination and Remuneration Committee (NRC) maintain a high proportion of independent members, further reinforcing their critical role in safeguarding transparency, accountability and the interests of all shareholders. These two committees are particularly vital, as they oversee financial integrity, internal controls, executive remuneration and Board nominations; areas that require the highest level of impartial judgment.

Building on this strong governance foundation, stc group is committed to fostering a diverse and inclusive Board of Directors that brings together a broad spectrum of perspectives, experiences and expertise. The company adopts a merit-based approach in the selection of Board and committee members, ensuring equal opportunity and non-discrimination regardless

of gender, nationality or personal background. This approach reflects stc's belief that diversity is a key driver of effective governance and long-term organizational success.

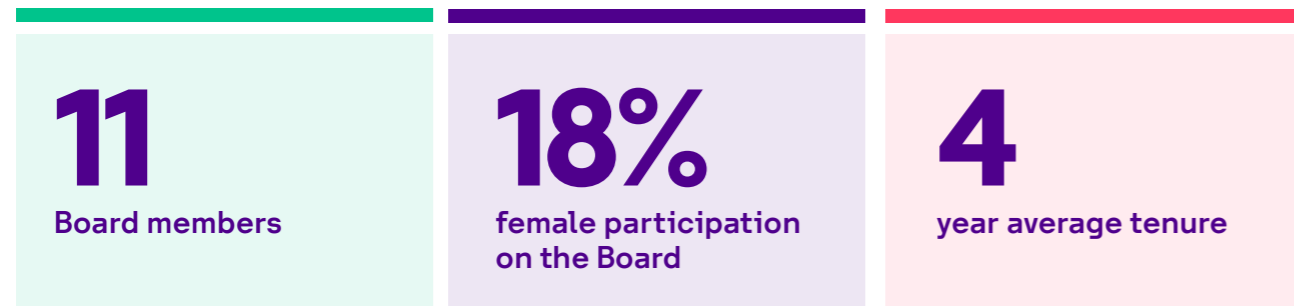
As at the current Board cycle, the Board comprises three female members serving across the Board and its committees, alongside two non-Saudi members who contribute valuable international experience and global insight. This balanced composition enhances the Board's ability to address complex challenges, evaluate opportunities from multiple perspectives and align strategic decisions with both local priorities and global trends.

By embedding diversity and inclusion within its governance structure, stc group strengthens the quality of its oversight and decision-making processes. This commitment not only reinforces governance effectiveness and innovation, but also reflects stc's dedication to representing a wide range of viewpoints, ultimately supporting sustainable growth and delivering long-term value to its stakeholders.

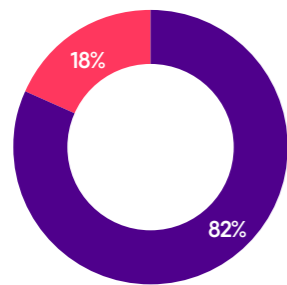


Corporate governance continued

## Board diversity in 2025

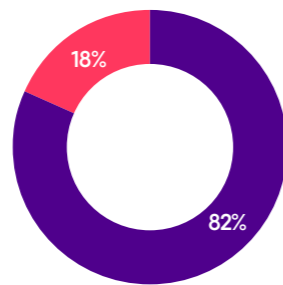


By gender:



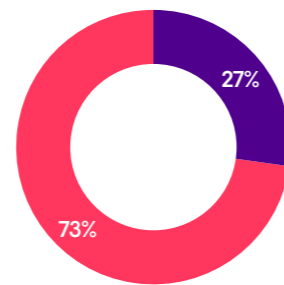
■ Male ■ Female

By nationality:



■ Saudi ■ Non-Saudi

By age:



■ Age 30-50 ■ Age over 50

Percentage of Board seats occupied by independent directors

# 55%

2023: 36% | 2024: 55%

Executive members of the Board of Directors

# 0

2023: 0 | 2024: 0

Non-executive members of the Board of Directors

# 11

2023: 11 | 2024: 11

Independent members of the Board of Directors

# 6

2023: 4 | 2024: 6

Non-independent members of the Board of Directors

# 5

2023: 7 | 2024: 5

stc group's 11-member Board of Directors combines diverse skills and experience for effective governance and oversight. The Board includes leaders from various backgrounds.

### Board members' skills

# 90%

Economic/ finance

# 90%

Risk

# 90%

Innovation / technology / IT

# 20%

Engineering

# 50%

Others

### Board members' experience

# 90%

Industry

# 60%

Banking

# 20%

Academic

# 70%

ESG

# 90%

Public administration

# 60%

Marketing

### Performance evaluation and remuneration

The Board Nomination and Remuneration Committee ensures a diverse Board with expertise in technology and telecommunications and conducts annual evaluations of Board performance. The updated policy includes clawback and malus clauses for ethical practices, while the Executive Long-term Incentive Plan sets stock ownership and non-executive shareholder guidelines. Performance is measured by clear criteria aligned with ethics and governance. All governance documents and reports are published online for transparency, including meeting results and minutes.

Our commitment to sustainable value creation is embedded within the group performance management ecosystem, with a direct linkage to executive remuneration. This ensures that sustainability priorities are integrated into leadership accountabilities and collectively owned across the executive layer. See Target setting and progress monitoring section for more details executive performance and remuneration.

# Governance with integrity

## Business ethics

stc maintains integrity by prioritizing transparency, accountability and ethical business practices. The stc group follows regional standards, respects human rights and enforces strict governance to protect stakeholder interests. Risk management systems actively combat corruption and support accountability.

### Code of ethics

stc group's Code of Ethics, "Integrity takes us forward," reflects its values – Dynamism, Devotion and Drive – and offers detailed guidance for expected behavior. Covering 16 major risks to integrity, the Code serves as a reference for employees, customers, partners, suppliers and stakeholders. The Anti-Corruption and Fraud Policy complements the Code and strictly bans facilitation payments throughout stc and its subsidiaries.

As part of stc's new operational model, ethics is embedded across all parts of the organization through the Compliance program, which includes half-day ethical leadership workshops for senior leaders, focusing on the importance of leadership in shaping an ethical culture and addressing issues like anti-corruption, conflicts of interest and handling gifts. All employees, executives and leaders must follow the Code, which also applies to suppliers and contractors;

every employee signs a statement confirming they have read and understood it. Integrity training is mandatory for everyone and violations can result in disciplinary actions, including termination.

In 2025, stc maintained its focus on ethical governance and transparency to remain aligned with its compliance objectives. An independent ethics and compliance audit was conducted in December 2024, with such audits now scheduled every three years to drive continuous improvement and accountability. The review confirmed robust ethics and compliance oversight at both Board and Executive Management levels, consistent with international standards.

Oversight is maintained by committees such as the Board Audit Committee and Board Risk, supported by reporting lines that ensure robust monitoring. For the fourth year running, all employees and contractors signed the Code of Ethics Acknowledgment, sustaining this practice since 2021. This continual commitment guarantees that everyone at stc understands and upholds the principles of the Code, promoting a culture rooted in integrity, transparency and corporate responsibility. Such steadfast dedication to ethical standards reflects stc's exemplary leadership in fostering trust, accountability and a workplace where doing the right thing is always recognized and celebrated.

## Business ethics training

At stc, integrity and ethical conduct form the foundational elements of corporate culture. To uphold these values, all personnel, ranging from senior leadership to new hires, are required to complete the Basic Online Integrity program. This program educates participants on the stc Code of Ethics, underscoring stc group's unwavering commitment to ethical business practices. Additionally, employees are mandated to complete the Advanced Online Integrity course, which offers detailed guidance on compliance topics relevant to their respective roles and responsibilities. The integrity training curriculum consists of 21 modules; nine are mandatory for all staff, while the remainder are assigned based on job function and associated risk exposure. This approach ensures employees at every level are equipped with the necessary knowledge and resources to make principled decisions and effectively address compliance risks.







Furthermore, all employees, including part-time staff and contractors, must complete a mandatory data privacy and cybersecurity annual training. This ongoing education reinforces their responsibility to protect sensitive information and maintain a secure digital environment.

# 100%

signed the code of ethics across entire group for more than 3 years



### Mandatory courses

-  1. Anti-Corruption
-  2. Communication
-  3. Conflict of Interest
-  4. Controllership
-  5. Fair Employment
-  6. Gifts and Hospitality
-  7. Health and Safety
-  8. Regulatory Excellence
-  9. Speak Up Culture

### Assigned courses

-  1. Anti-Money Laundering
-  2. Intellectual Property: Patents
-  3. Supplier Relations
-  4. Intellectual Property: Trademarks
-  5. Sponsorship and Donations
-  6. Intellectual Property: Trade Secrets
-  7. Insider Trading
-  8. Fair Competition: Interacting with Competitors
-  9. Fair Competition: Avoiding Improper Agreements
-  10. Fair Competition: Market Dominance and Abusive Conduct
-  11. Fair Competition: Competitive Intelligence
-  12. Intellectual Property: Copyrights

Governance with integrity continued

Performance metrics

In 2025, stc KSA employees recorded a 99.8% coverage for Code of Ethics and Business Conduct training, with 8,128 full-time employees and 1,416 part-time employees and contractors participating.

Performance metrics

Code of Conduct training	stc KSA		
	2023	2024	2025
Full-time employees	12,217	9,904	8,128
Part-time employees and contractors	1,711	1,584	1,416

\*stc KSA figures in this section exclude headquarters-based subsidiaries.

Anti-bribery and corruption

stc's code of ethics and group-wide Anti-bribery and Corruption Policy prohibits facilitation payments at all company levels, including subsidiaries. These policies follow Transparency International guidelines and are regularly updated. The company maintains zero tolerance for bribery and corruption, ensuring fairness, transparency and accountability in every business transaction. In 2025, there were no recorded legal cases of corruption involving stc KSA or its staff. During the year, 9,544 employees (99.8% of the workforce) completed anti-corruption training through multiple sessions, both online and in person, while a further 344 contractors received training during the onboarding process.

The Anti-bribery and Corruption Policy is applicable to all suppliers and contractors across the stc group, including subsidiaries and joint ventures. Suppliers found to be non-compliant may face contract termination or be required to implement corrective action plans, subject to the severity of the violation. All suppliers must complete mandatory annual training, accessible through stc's dedicated online partner hub portal. Furthermore, suppliers are expected to establish and maintain robust anti-corruption policies and programs to ensure ongoing compliance.



0

Legal cases raised by external entities regarding corruption in 2025



Anti-corruption awareness was communicated to **100%** of stc's business partners



**100%** of employees and governance body received communication on stc's anti-corruption policies and procedures in 2025.

Performance metrics

stc KSA	2023	2024	2025
Anti-corruption incidents			
Legal cases raised by external entities regarding corruption	0	0	0
Incidents in which employees were dismissed or disciplined for corruption	0	0	3

stc KSA*	2023	2024	2025
Anti-corruption training			
Number of employees attended training on anti-corruption	12,331	11,473	9,544
Percentage of employees attended training on anti-corruption	98%	99.6%	99.8%
Percentage of governance body members who have received training on anti-corruption	100%	100%	99.8%

\*stc KSA figures in this section exclude headquarters-based subsidiaries.



Governance with integrity continued

Partnerships and anti-corruption initiatives

As part of stc's commitment to integrity and ethical conduct, the company collaborates closely with relevant public authorities and private sector entities to strengthen preventive anti-corruption measures and promote a culture of transparency and accountability.

stc group participates in a number of external anti-corruption initiatives, including the following.

Partnerships and anti-corruption



**Nazaha**

stc group's partnership with Nazaha, Saudi Arabia's National Anti-Corruption Authority is central to the efforts of combating corruption, while stc also collaborates with other relevant organizations to promote the behaviors, standards and norms necessary for long-term anti-corruption success.



**PACI**

Since 2019, stc has been part of the World Economic Forum's Partnering Against Corruption Initiative (PACI), which aims to address corruption and compliance issues across industries and regions, as well as at national and global levels.



**PEARL Initiative**

The PEARL Initiative, a Saudi Arabian NPO that promotes corporate governance, accountability and transparency in the private sector, leads non-profit efforts to advance corporate governance, transparency and accountability in the region's private sector. It brings together business leaders and stakeholders to share best practices and improve governance, encouraging integrity to support sustainable economic growth. stc works with the PEARL Initiative to raise standards for governance, transparency and accountability.



**BELA**

stc joined Ethisphere's Business Ethics Leadership Alliance (BELA) in 2020. BELA is an internationally respected network of more than 300 companies sharing expertise in governance, risk management, compliance and ethics.

Whistleblowing

stc has implemented a Whistleblowing Policy as part of its corporate integrity framework, providing secure channels for employees and stakeholders to report unethical behavior, fraud or misconduct. Reports are handled discreetly under a zero-retaliation policy, ensuring protection for those acting in good faith. The Whistleblowing Policy (Speak Up) and reporting mechanisms are regularly communicated, keeping all stakeholders informed and supporting stc's commitment to transparency and accountability.

In 2025, a total of 564 reports were submitted through the whistleblowing channels. More than 57% of recorded complaints were related to internal policies and procedures and 30% of cases were categorized as "other" which include HR, safety and security-related areas. Only 7% remain open and under investigation.

Reporting areas	Number of breaches in 2025
Corruption or bribery	3
Discrimination or harassment	0
Conflicts of interest	2
Money laundering or insider trading	0

In the event of any reported data leakage, stc undertakes immediate investigation and response procedures in accordance with established incident management and regulatory compliance frameworks. Corrective and preventive controls are promptly enforced to mitigate impact, address root causes and prevent recurrence of such incidents.

All reported cases involving ethical breaches are put under investigation to substantiate the facts. Where allegations are confirmed, appropriate remedial and disciplinary actions are taken in accordance with stc's policies and procedures.

[View stc group's Whistleblowing Policy here](#)

Speak Up whistleblowing platform

stc fosters a culture of integrity that empowers employees to report concerns with confidence. Employees and stakeholders are encouraged to communicate integrity-related issues using designated Speak Up channels, including direct managers, interdepartmental managers, the stc HR team, the Business Integrity team and the dedicated Speak Up email (speak-up@stc.com.sa). The option to report anonymously via the Speak Up email ensures individuals can raise concerns without fear of retaliation. All reports are managed with strict professionalism and confidentiality.

stc maintains ongoing communication regarding the availability and importance of Speak Up channels and incorporates this guidance into compliance and ethics training. The Business Integrity team evaluates every integrity-related allegation to confirm its validity and conducts an initial assessment to identify the appropriate resolution pathway. If a report does not meet established integrity criteria, it is referred to the relevant business unit or corporate function for appropriate action.

In 2025, the rate of substantiated whistleblower inquiries, complaints or issues received has decreased from 80% to 30%, reflecting the effectiveness of the corrective actions implemented and the awareness sessions conducted across the organization to strengthen ethical practices and reinforce a speak-up culture.

The group enforces a robust Anti-retaliation Policy, protecting those who report concerns in good faith or participate in compliance investigations. Disciplinary actions following investigations may include formal warnings up to termination, depending on the gravity of the incident. The disciplinary process takes all contextual factors into account and ensures employees alleged to have committed misconduct are given the opportunity to respond before any decisions are rendered.

Governance with integrity continued

stc KSA* Whistleblowing metrics	2023	2024	2025
Number of inquiries, complaints or issues received by whistleblowing	321	617	564
Percentage of substantiated inquiries, complaints or issues received by whistleblowing*	84%	80%	30%
Percentage of cases raised related to human rights	0%	0%	0%

\*Decrease is as a result of corrective actions implemented and awareness sessions conducted

Anti-competitive behavior

A competitive market is vital for economic health and growth. stc ensures fair competition by strictly following competition laws and regulations. stc group's policies aim to prevent monopolistic or anti-competitive conduct while managing legal risks. Senior management supports the Code of Ethics, which highlights key principles for fair competition, and these are practiced across the organization. All employees must complete training on fair competition.

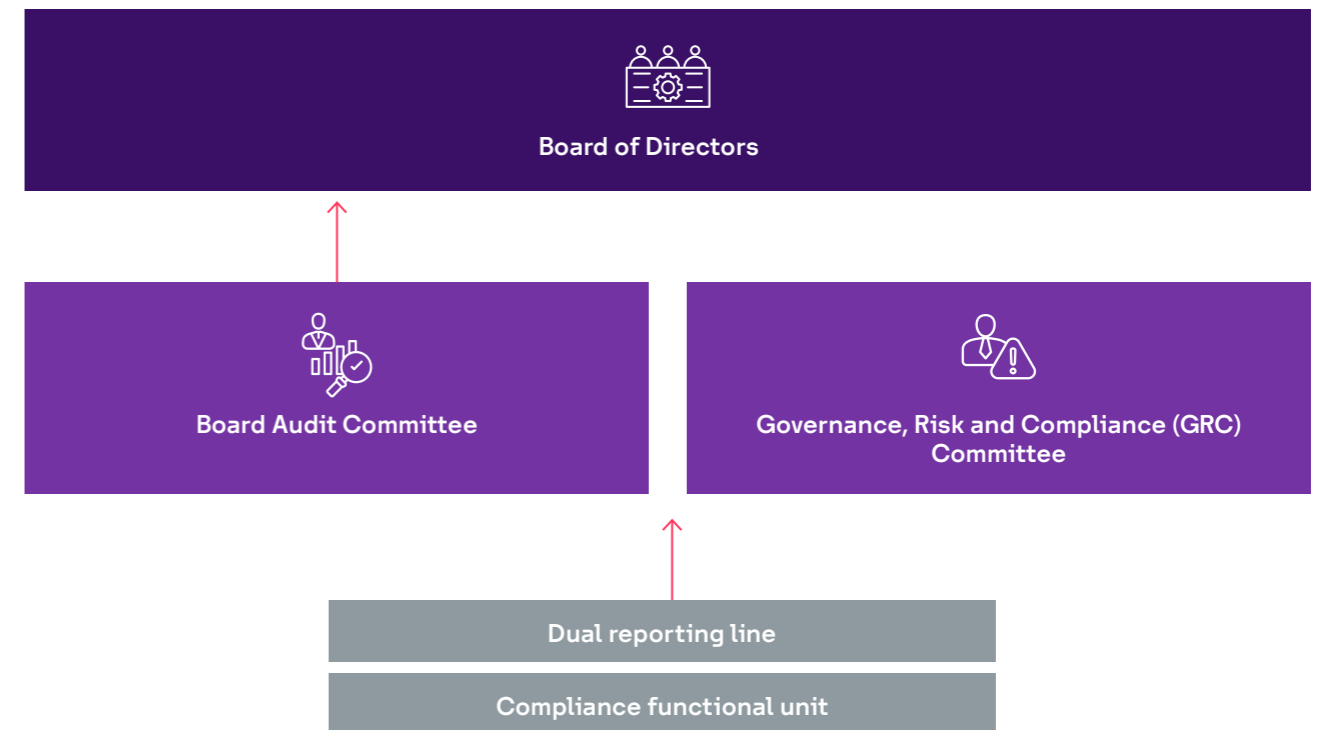
We participate in government consultations and regulatory activities to encourage fair competition, advocate for sustainability, and discourage unfair practices. We back government initiatives to enhance economic competitiveness wherever we operate.

In 2025, as in previous years, stc received no legal penalties for anti-competitive behavior, anti-trust and monopoly practices, with no monetary losses associated with same.

Group-wide compliance

stc's Corporate Compliance function drives ethical standards throughout the organization, supported by Internal Audit reviews and periodic external audits of all business units carried every three years in accordance with the Institute of Internal Auditors (IIA) guidelines. These regular evaluations and independent oversight help stc maintain accountability, upholding ethical standards across all business areas.

stc's Compliance function operates under a dual reporting framework to both the Board Audit Committee and the Governance, Risk and Compliance (GRC) Committee. The latter oversees compliance reports and ethics policy implementation, while the Enterprise Risk Management and Compliance teams continually monitor risks to strengthen governance. This approach highlights stc's commitment to the highest standards of transparency and accountability, reinforcing ongoing efforts to uphold and increase ethical practices across all facets of stc business operations.



**Board Audit Committee:** The Board Audit Committee, composed entirely of independent members and chaired independently, oversees stc's legal and ethical compliance. The Committee regularly reviews compliance programs and activities to identify areas for enhancement and ensure robust oversight.

**Governance, Risk and Compliance (GRC) Committee:** Under the leadership of the Group Chief Executive Officer (GCEO), the GRC Committee supports stc in effectively managing strategic and operational risks across stc group. This executive-level committee drives proactive risk identification, mitigation and compliance implementation.



Governance with integrity continued

**Internal compliance monitoring and reporting**

stc's corporate compliance sector ensures consistent adherence to compliance and ethical standards. The Executive Management Sustainability Committee, chaired by the GCEO, oversees compliance and ethics by reviewing reports on the code of ethics' implementation.

**Compliance with laws and regulations**

In 2025, stc strictly complied with all applicable laws and regulations in every country where it operates. The company maintained strong relationships with regulators, safeguarded shareholder rights and actively monitored non-compliance cases to address issues and prevent recurrence. No violations of environmental, social or national law occurred throughout the year, reflecting stc's commitment to integrity and compliance.

**0**  
incidents of non-compliance with laws and regulations related to society and national economy

**0**  
legal and regulatory fines and settlements  
Environmental, society and national economy regulations

**0**  
non-monetary sanctions from Environmental, society and national economy regulations

**0**  
incidents of non-compliance with environmental laws and/or regulations

**Case study**

# Centralized legal shared services – driving governance, efficiency and ESG alignment with stc group

As stc group rapidly expanded its digital and fintech footprint across the Middle East and beyond, it faced an increased risk of fragmented legal operations across its subsidiaries, which can lead to inconsistent contract reviews, regulatory compliance gaps and uneven ESG practices. These inconsistencies can cause duplicated efforts, slower response times and variable legal quality. To align with best practices and international standards, stc launched a centralized Legal Shared Services (LSS) model to standardize legal support, improve efficiency and ensure consistent compliance across all entities.

**Integrated approach**

- **Governance and standardization:** Unified policies, SLAs, KPIs and aligned workflows
- **Technology and innovation:** Digital platform for case management, dashboards and real-time tracking
- **Stakeholder engagement:** Onboarded teams to ensure adoption of new tools and procedures, and maintained cross-entity coordination

**Outcomes**

- Standardized legal outputs
- Reduced risk exposure
- Improved efficiency
- Strengthened governance compliance
- Shortened turnaround times
- Increased SLA adherence

**SDGs alignment**



**SDG 9 (Industry, Innovation, Infrastructure)**

Enhanced operational efficiency through technology and process innovation



**SDG 12 (Responsible Consumption and Production)**

Reduced duplication of resources



**SDG 16 (Peace, Justice and Strong Institutions)**

Strengthened governance, compliance and anti-corruption measures



**SDG 17 (Partnerships for the Goals)**

Cross-entity coordination fostered collaboration

**By centralizing legal services, stc advances sustainable business practices, supporting long-term resilience and ethical growth.**

## Governance with integrity continued

### Preventing workplace discrimination and harassment

stc has strict rules to prevent workplace discrimination and harassment, as outlined in the Code of Ethics and Fair Employment Policy. stc group prohibits discriminatory remarks of any kind, including offensive comments or gestures, whether made in person or virtually, as well as jokes about others related to physical appearance, religion, gender, ethnicity, nationality, disability, tribal affiliation or any other characteristic that may cause offense.

stc values diversity and enforce a zero-tolerance approach to harassment or bullying. Employees can report any issues through the Speak Up channels, while the Diversity, Equity and Inclusion team works to increase awareness and leaders foster an inclusive environment. You can review the Code of Ethics and Fair Employment Policy [here](#).

stc applies strict disciplinary measures in response to any violations of these guidelines, reflecting its commitment to upholding the highest standards of ethics, respect and fairness embedded within its organizational culture. Where necessary, breaches may result in disciplinary action, up to and including termination.

In 2025, zero cases were recorded through internal grievance channels concerning discrimination and harassment.

### Supply chain compliance

stc group recognizes that ethical responsibility extends beyond the organization to its suppliers and business partners. The company partners only with suppliers who share its commitment to high ethical standards. All suppliers and companies with whom the company conducts business are required to adhere to the same principles of integrity, compliance and ethical conduct as stc. To formalize these expectations, stc has developed the [Supplier Code of Conduct](#), which establishes the minimum standards for doing business with stc group and its entities.

The Code is available in Arabic and English and covers key areas, including compliance with applicable laws, ethical business practices, anti-corruption measures and alignment with stc's zero-tolerance policy on bribery. Suppliers are required to sign the Supplier Code of Conduct as a condition of doing business with stc. The company reinforces these obligations annually by reminding suppliers of the Zero Gift Policy and actively encourages the reporting of any suspected misconduct through the confidential Speak Up channel. stc has strengthened the supply chain governance framework by introducing enhanced, risk-based anti-corruption requirements for applicable suppliers, including mandatory ethics policies, employee compliance training and internal control systems. In addition, stc mandates that suppliers and key business partners become certified security suppliers by successfully completing the stc Security Pass program (refer to the Security Pass subsection below). This program ensures partners meet stc's stringent security and compliance requirements, further strengthening the integrity of its supply chain.



# 100%

of stc's suppliers adhere by the supplier code of conduct in 2025

## Our commitment to human rights

At stc group, respect for human rights is fundamental to its identity and business operations. This guides interactions with stakeholders and reinforces a proactive approach to managing risks. Robust human rights commitments extend well beyond protecting the company's reputation to strengthening confidence among stakeholders, forming a cornerstone of resilient, responsible and sustainable business performance.

stc closely collaborates with the Saudi Human Rights Commission, focusing on key areas such as workplace rights, supply chain ethics and community engagement. The Human Rights Policy covers essential topics including privacy, diversity, fair labor conditions, prevention of forced or child labor and employee development, setting high standards within the sector.

Implementation is overseen by Legal Affairs, Procurement and HR, with training programs ensuring that ethical decision-making is integrated across all units. Accountability is maintained through regular reporting and stc's Speak Up tool supports transparent, retaliation-free reporting of concerns.

Supplier accountability involves strict pre-qualification and ongoing compliance checks, with all major contracts containing clauses on fair wages, working hours, age requirements and safety. stc group's Supplier Code of Conduct bans child and forced labor and discrimination, and encourages diversity and responsible practices, in line with international conventions and national standards.

stc continually reviews and updates its policies to adapt to evolving regulations and industry benchmarks, reaffirming its commitment to ethical conduct, safeguarding human rights and promoting well-being throughout its operations.

To reinforce transparency and stakeholder trust, stc promotes the Speak Up channel as a key confidential mechanism for reporting any human rights-related concerns or misconduct without fear of retaliation. Furthermore, stc actively raises public awareness on child online safety, data privacy and cybersecurity through dedicated campaigns, educational resources such as parental guides and workshops, and community initiatives to empower users and foster responsible digital behavior.

Training on responsible business conduct, ethical behavior, diversity, equity and inclusion, ethical technology use, anti-racism, occupational health

and safety, AI ethics, whistleblowing, leadership and workplace culture all support stc's commitment to human rights and fair workplace practices across operations.

### Human Rights Policy

stc group's Human Rights Policy, approved by the GCEO, reaffirms its commitment to the highest standards of ethical conduct and humanitarian protections. The policy aligns with the Universal Declaration of Human Rights, ILO core conventions, the UN Guiding Principles on Business and Human Rights and Saudi labor law. It prioritizes the most material human-rights, risks such as workplace rights, labor conditions, supply-chain ethics, community impacts and security practices. In addition, it strengthens implementation in collaboration with the Saudi Human Rights Commission.

Key commitments include:

- Protecting privacy and confidentiality
- Promoting diversity, inclusion and equality
- Ensuring safe, healthy working conditions
- Upholding fair employment contracts, working hours and wages
- Prohibiting child, forced labor and human trafficking
- Supporting employee skills development

Governance with integrity continued

# Enterprise risk management (ERM)

## Introduction

The telecommunications sector continues to undergo a structural shift, with demand for traditional voice services maturing while data traffic and digital usage grow at. This evolution is supported by accelerating adoption of advanced connectivity, cloud-enabled services and digital platforms, which is reshaping customer expectations and business models and increasing the need for continuous innovation across the industry.

In an increasingly competitive market, differentiation depends on delivering reliable connectivity, compelling digital services and seamless customer experiences. At the same time, sustained investment in resilient infrastructure, strong data protection and consistent compliance with regulatory requirements remain essential. stc’s enterprise risk management is embedded in its strategic framework, informing planning and performance evaluation and integrating risk considerations into key decisions to protect value, support disciplined execution and enhance long-term resilience.

At the forefront of stc’s commitment to trust and integrity, the Board of Directors provides active sponsorship and oversight of privacy and data security initiatives. This governance helps ensure that risk-informed strategies, effective controls and ongoing assurance practices protect stakeholders and reinforce stc’s position as a trusted leader in responsible data management.

## Enterprise risk management governance

The Board of Directors is committed to maintaining strong corporate governance through ongoing review of relevant best practices and their appropriate implementation. The Board Risk Committee provides dedicated oversight of the enterprise risk management framework, related strategies and policies, and the effectiveness of stc’s risk management system. As part of its mandate, the Committee reviews risk families across a wide range of exposures, assesses the principal risks and evaluates management’s approach to monitoring, controls and risk treatment.



**100%**  
of business units analyzed for risk related to corruption over the past 3 years

During the year, stc elevated and enhanced its risk appetite to ensure it remains aligned with the stc group’s strategic direction and decision-making. The updated approach strengthens consistency across the organization by cascading risk appetite principles and metrics to subsidiaries and enabling a consolidated company view of risk capacity and tolerance. This supports clearer accountability, more consistent risk-based decisions and improved oversight across stc and its subsidiaries.

## stc group risk appetite

### stc group risk attitude

- Intolerance
- Tolerant
- Averse
- Seeking
- Neutral

### Type of cascade

- Direct cascade
- Flexibility permitted

**The risk management function operates independently of business groups and sectors and continues to refine its strategic roadmap in line with the Board-approved risk strategy, strengthening capabilities and advancing risk management maturity across stc.**

	L2 risk category	stc group risk attitude	
		stc group risk attitude	Type of cascade
Corporate risk	1.1 Governance	● Intolerance	● Direct cascade
	1.2 Strategy	● Intolerance	● Direct cascade
	1.3 Program management	● Intolerance	● Direct cascade
	1.4 Planning and resource allocation	● Intolerance	● Flexibility permitted
	1.5 Major initiatives	● Seeking	● Direct cascade
	1.6 Mergers, acquisition and divestiture	● Intolerance	● Direct cascade
	1.7 Market dynamics	● Intolerance	● Flexibility permitted
	1.8 Communication and investor relations	● Intolerance	● Direct cascade
Operational risk	2.1 Service delivery	● Intolerance	● Direct cascade
	2.2 Sales and marketing	● Tolerant	● Flexibility permitted
	2.3 Supply chain	● Intolerance	● Direct cascade
	2.4 People / human resources	● Intolerance	● Flexibility permitted
	2.5 Revenue management	● Intolerance	● Flexibility permitted
	2.6 Physical assets	● Intolerance	● Flexibility permitted
	2.7 Intangible assets	● Intolerance	● Flexibility permitted
	2.8 Project management	● Intolerance	● Flexibility permitted
	2.9 Business continuity	● Intolerance	● Direct cascade
	2.10 Health and safety	● Intolerance	● Direct cascade
Technology risk	3.1 Information technology	● Intolerance	● Direct cascade
	3.2 Network operations	● Intolerance	● Direct cascade
	3.3 Cybersecurity	● Intolerance	● Direct cascade
	3.4 Data privacy	● Intolerance	● Direct cascade
	3.5 Data integrity	● Intolerance	● Direct cascade
	3.6 Artificial intelligence	● Intolerance	● Direct cascade
Financial risk	4.1 Market	● Tolerant	● Flexibility permitted
	4.2 Liquidity	● Intolerance	● Flexibility permitted
	4.3 Foreign exchange	● Tolerant	● Flexibility permitted
	4.4 Interest rate	● Tolerant	● Flexibility permitted
	4.5 Investments	● Seeking	● Flexibility permitted
	4.6 Credit	● Intolerance	● Flexibility permitted
	4.7 Accounting and reporting	● Intolerance	● Direct cascade
	4.8 Tax and zakat	● Intolerance	● Direct cascade
	4.9 Capital structure	● Intolerance	● Flexibility permitted
	4.10 Fraud	● Intolerance	● Direct cascade
	4.11 Revenue leakage	● Intolerance	● Flexibility permitted
Legal risk	5.1 Corporate compliance	● Intolerance	● Direct cascade
	5.2 Legal	● Intolerance	● Direct cascade
	5.3 Regulatory	● Intolerance	● Direct cascade

Governance with integrity continued

**Enterprise risk management (ERM) framework**

The ERM framework defines the principles and governance that guide proactive risk management across stc through a comprehensive and dynamic approach. It enables the company to identify, assess, prioritize and manage risks consistently across operations, supporting a holistic view of risk and enabling meaningful comparisons that inform decision-making and delivery of strategic objectives. Quarterly risk assessments are a core part of the cycle, underpinned by clear roles and responsibilities and a consistent end-to-end process for risk identification, evaluation, treatment and reporting. The methodology and key steps of stc’s ERM process are illustrated below.



**Impact:** is the loss expected if a risk materializes ; the impact is generally tiered between 1 to 5 levels on an exponential scale. stc’s impact rating scale is as follows:

Rating	Qualitative measure	₪ value utilized for inherent risk calculation	Quantitative measure “monthly revenue”
5	Severe	Above ₪ 400M	>10%
4	Major	Between ₪ 200M and 400M	5% to 10%
3	Moderate	Between ₪ 40M and 200M	1% to 4.99%
2	Minor	Between ₪ 2M and 40M	0.05% to 0.99%
1	Insignificant	Below ₪ 2M	< 0.05%



**Likelihood:** The likelihood is the probability that a risk may cause a loss for the stc before considering the effectiveness of controls The likelihood rating scale is as follows:

Rating	Qualitative measure	Qualitative chance of risk occurring in time period	Probability
5	Almost certain	Once in 3 months or less	90%-100%
4	Likely	Once in 6 months	60%-89%
3	Moderate	Once in a year	41%-59%
2	Unlikely	Once in 2 years	5%-39%
1	Remote	Once in 4 years or more	Less than 5%

stc elevated and enhanced its risk appetite to ensure it remains aligned with the stc group’s strategic direction and decision-making.



**Risk scoring:** quantifies the potential impact and likelihood of risks using inherent risk ratings, which assume no controls, and residual risk ratings, which consider the mitigating effects of existing controls. The calculated inherent and residual scores result in an attention score or index:

		Action attention index					
Impact rating	Severe	256	16	36	64	144	256
	Major	81	9	20	36	81	144
	Moderate	16	4	9	16	36	64
	Minor	5	2	5	9	20	36
	Insignificant	1	1	2	4	9	16
			1	5	16	81	256
			Remote	Unlikely	Possible	Likely	Almost certain
		Likelihood rating					



The inherent and residual risk scores assists in assessing the risks on the following attention index:

Risk rating	Risk matrix score	Risk appetite baseline
Negligible	< 9	Below appetite
Marginal	≥ 9 to < 20	Within appetite
Manageable	≥ 20 to < 51	Above appetite
Substantial	≥ 51 to < 101	Greatly above appetite
Critical	≥ 101	Beyond appetite

Governance with integrity continued

stc continues to enhance risk visibility and responsiveness by strengthening data-driven detection and better understanding of interconnected risks. ISO 31000 attestation reinforces alignment with recognized practices. A standardized risk scoring methodology supports consistent evaluation and reporting, enabling consolidated results and clearer identification of the stc’s principal risks and uncertainties.

To ensure comprehensive coverage, stc structures its risk universe into risk families that capture the full range of exposures across the organization. These families provide a consistent way to categorize risks across five core domains and their related subfamilies, supporting clear ownership, oversight and aggregation of risk information. The risk families and subfamilies are illustrated below.

The risk categories classify all risk source types that could affect stc into five main silos known as category 1 risks. For easier management and communication, Category 1 risks are broken down into Category 2 risk types and, in some instances, these are further sub-divided into Category 3 and 4 risk types. Furthermore, the ERM will be the custodian to the risk families and has the authority to add or reclassify them.

Risk family CAT1	Corporate risk >> 01	Operational risk >> 02	Technology risk >> 03	Financial risk >> 04	Legal and compliance risk >> 05
Risk family CAT2	Governance <b>1.1</b>	Service delivery <b>2.1</b>	Information technology <b>3.1</b>	Market <b>4.1</b>	Compliance <b>5.1</b>
	Strategy <b>1.2</b>	Sales and marketing <b>2.2</b>	Network operations <b>3.2</b>	Liquidity <b>4.2</b>	Legal <b>5.2</b>
	Program management <b>1.3</b>	Supply chain <b>2.3</b>	Cybersecurity <b>3.3</b>	Foreign exchange <b>4.3</b>	Regulatory <b>5.3</b>
	Planning and resource allocation <b>1.4</b>	People / human resources <b>2.4</b>	Data privacy <b>3.4</b>	Interest rate <b>4.4</b>	
	Major initiatives <b>1.5</b>	Revenue management <b>2.5</b>	Data integrity <b>3.5</b>	Investments <b>4.5</b>	
	Mergers, acquisition and divestiture <b>1.6</b>	Physical assets <b>2.6</b>	Artificial intelligence <b>3.6</b>	Credit <b>4.6</b>	
	Market dynamics <b>1.7</b>	Intangible assets <b>2.7</b>		Accounting and reporting <b>4.7</b>	
	Communication and investor relations <b>1.8</b>	Project management <b>2.8</b>		Tax and Zakat <b>4.8</b>	
		Business continuity <b>2.9</b>		Capital structure <b>4.9</b>	
		Health and safety <b>2.10</b>		Fraud <b>4.10</b>	
			Revenue leakage <b>4.11</b>		

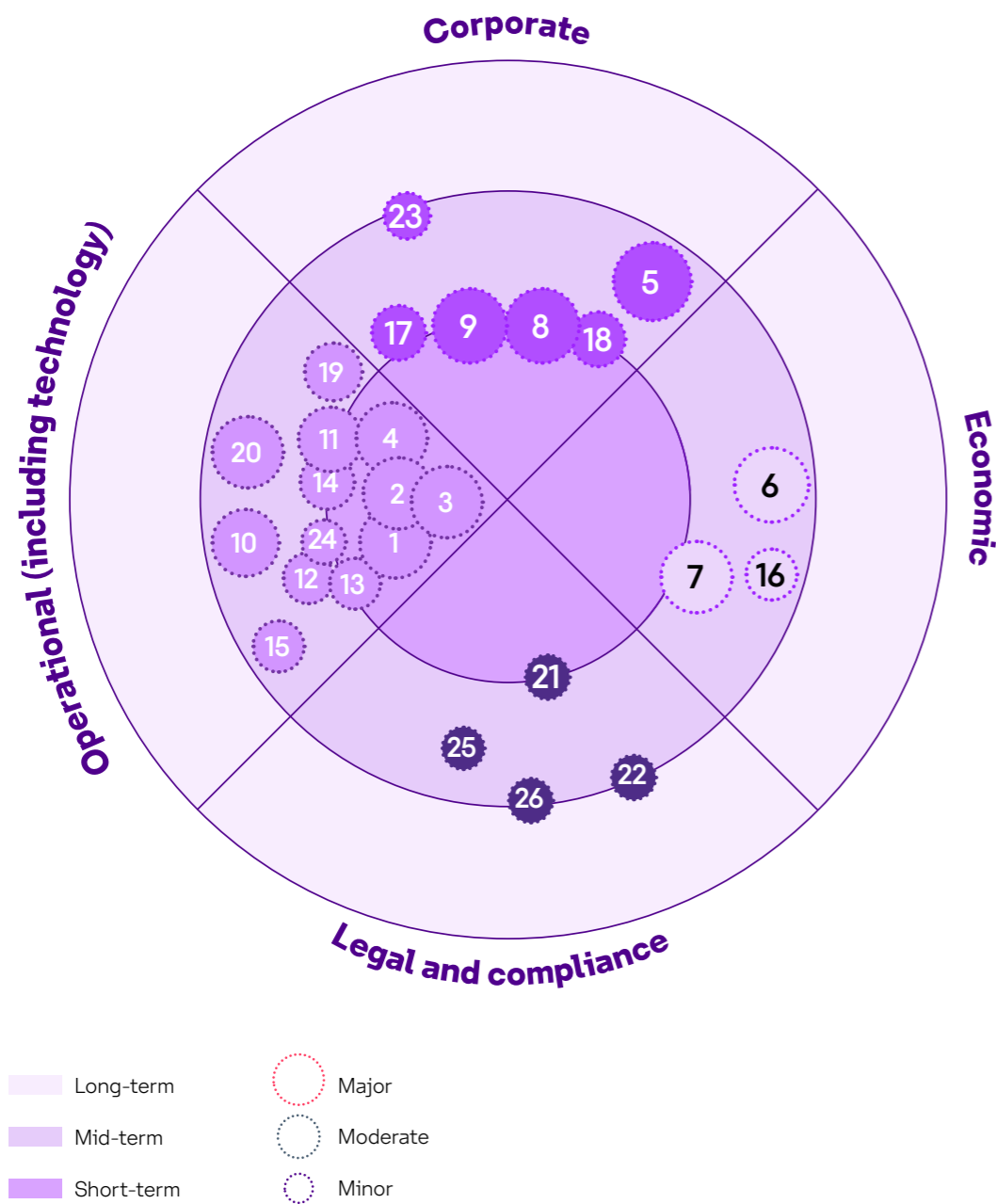


Governance with integrity continued

Emerging risks are addressed through the risk assessment process and identified through horizon scanning, ongoing engagement with the business and monitoring of market and industry developments. A summary of emerging risks is presented to the Board Risk Committee and the Board for review and these risks are monitored on an ongoing basis through established risk management processes.

This year, stc placed greater emphasis on sustainability and adopting the GSMA Humanitarian Connectivity Charter (HCC), reflecting its commitment to aligning with global best practices and stakeholder expectations. Significant progress was made in identifying, assessing and managing these risks, ensuring they are integrated into stc's broader risk management framework and strategic decision-making processes.

Global emerging risk landscape



Category	Name	Category	Name
1 Major	Cybersecurity heterogeneous landscape	14 Moderate	6G and next-gen spectrum
2 Major	Autonomous AI-powered attacks	15 Moderate	AI-RAN and network automation reliability
3 Major	AI-powered disinformation and deepfake	16 Moderate	Capital requirements for network infrastructure
4 Major	Shadow AI-agents	17 Moderate	Data center power scarcity
5 Major	Domain-specific language models (DSLML)	18 Moderate	Talent scarcity in telco and AI-skills
6 Major	Economic slowdown and credit tightening	19 Moderate	Environmental interface climate events
7 Major	Digital currency and currency valuation	20 Major	Post-quantum cryptography
8 Major	International tensions and economic relations	21 Minor	5G coverage and performance
9 Major	Supply chain interruption	22 Minor	Disputes over spectrum access, pricing and deployment
10 Major	In-orbit data centers and global connectivity	23 Minor	Growth of private computing
11 Major	Direct to device satellite connectivity	24 Minor	Wafer-scale and analog AI chip disruption
12 Moderate	Smart city IoT distributed denial of service (DDoS) surges	25 Minor	Stringent national and trans-national regulations
13 Moderate	5G network slicing	26 Minor	Expansion of sovereign control

Corporate Operational Economic Legal and Compliance

## Governance with integrity continued

### Operational risk ownership

stc's risk governance approach clearly establishes first-line accountability for the ownership and day-to-day management of risks at the business and operational levels. In accordance with the risk management policy and the enterprise-wide risk management framework, front-line employees, business unit management, product owners, and designated operational roles are responsible for identifying, assessing, managing, and escalating risks arising from their activities. This approach is embedded in the operating model and supported by defined responsibilities, governance protocols, and escalation channels that reflect the principles of the three lines of defence. Given the nature of the telecom sector, where service continuity, regulatory compliance, operational resilience, and customer trust are essential, assigning risk ownership close to the point of activity strengthens responsiveness, accountability, and the effective management of risks across the enterprise.

### Identifying risks

All stc entities identify and assess risks that could affect strategy and operations. These inputs are consolidated and presented to senior leadership alongside outputs from external environmental scanning and relevant benchmarks. Taking an stc group-wide view, executives evaluate the consolidated risk landscape to determine critical risks and identify emerging threats that warrant further analysis. The resulting set of risks is reviewed and agreed by the Risk Management and Compliance Committee, then submitted to the Board Risk Committee and the Board for final review and approval.

### Managing risks

Understanding the environment in which it operates is central to stc's risk management approach. Accordingly, stc classifies each risk across defined categories such as corporate, technology, operational, financial and compliance, and determines whether key drivers are internal or external. This structure supports consistent evaluation, appropriate treatment and the right level of oversight and assurance. Executive risk owners are accountable for maintaining effective controls and implementing treatment plans to keep risks within approved tolerance levels.

Progress is monitored throughout the year through ongoing tracking and in-depth risk reviews. For the most significant risks, stc also develops scenario assessments to provide additional insight into potential developments and to strengthen risk treatment strategies.

stc has also integrated loss management within business continuity management by introducing a framework that consolidates operational, financial and technology loss information into a single view. This enables earlier detection, standardized reporting and structured analysis of loss events, supporting clearer root cause identification and targeted corrective actions. The framework is designed to strengthen controls, reduce recurrence, improve response effectiveness and protect organizational value.

### Monitoring risks

stc prepares a quarterly risk report presenting the principal risks for submission to the Board of Directors, with the Board Risk Committee reviewing it as part of its regular agenda. Emerging risks are presented annually within the risk reporting cycle. This supports transparent monitoring of individual risk developments and the overall risk profile and provides timely updates on material changes and enhancements to the risk management system.

To further strengthen supervision and decision-making, stc continues to enhance its risk management technology tools to improve reporting, analysis, assessment and management of risk information. In parallel, stc has refined its key risk indicators (KRI) to strengthen risk monitoring, enable earlier detection of changes in exposure and support more proactive risk management.

As part of elevating its monitoring capabilities, stc has launched an enhanced risk management system that brings together a wide range of models and features to support greater automation and consistency across the ERM function. The platform is designed to strengthen end-to-end risk processes by enabling streamlined risk assessments, structured capture and tracking of KRIs, risk control self-assessment activities and standardized management reporting. This supports improved timeliness, data quality and transparency, while enabling more efficient analysis and oversight of risk information across the company.

### Risk criteria in the development of products and services

Risk criteria are incorporated into the development, assessment, and management of products and services as an integral part of the group's operating model. In line with the risk management policy and enterprise-wide risk management framework, the group has established a dedicated function responsible for assessing products and services and evaluating the exposures associated with them across relevant risk families that has been adopted within stc as well as published within our annual report that details all families and sub-families, including Corporate, Financial, Operational, Technology, Legal & Compliance, and customer-related risks. Owing to the nature of the telecom business, revenue assurance is a particularly important component of this approach, as products and services are subject to rigorous review to support billing integrity, configuration accuracy, leakage prevention, and control effectiveness. This structured process helps ensure that potential exposures are identified and addressed throughout the product and service lifecycle.

### Financial incentives linked to risk management metrics

The group reinforces accountability for risk management through the integration of risk-related performance measures within its incentive structure for senior leadership. As part of stc's key performance management system, relevant KPI measures are linked to senior roles, with performance outcomes supporting the determination of incentive plans. This approach aligns leadership objectives with the risk management policy, enterprise-wide risk management framework, and broader business priorities by encouraging effective oversight, disciplined execution, and proactive management of material risks.

### Risk mindset and culture

stc promotes a set of behaviors and expectations that embed risk awareness across day-to-day business activities. This is driven by tone from the

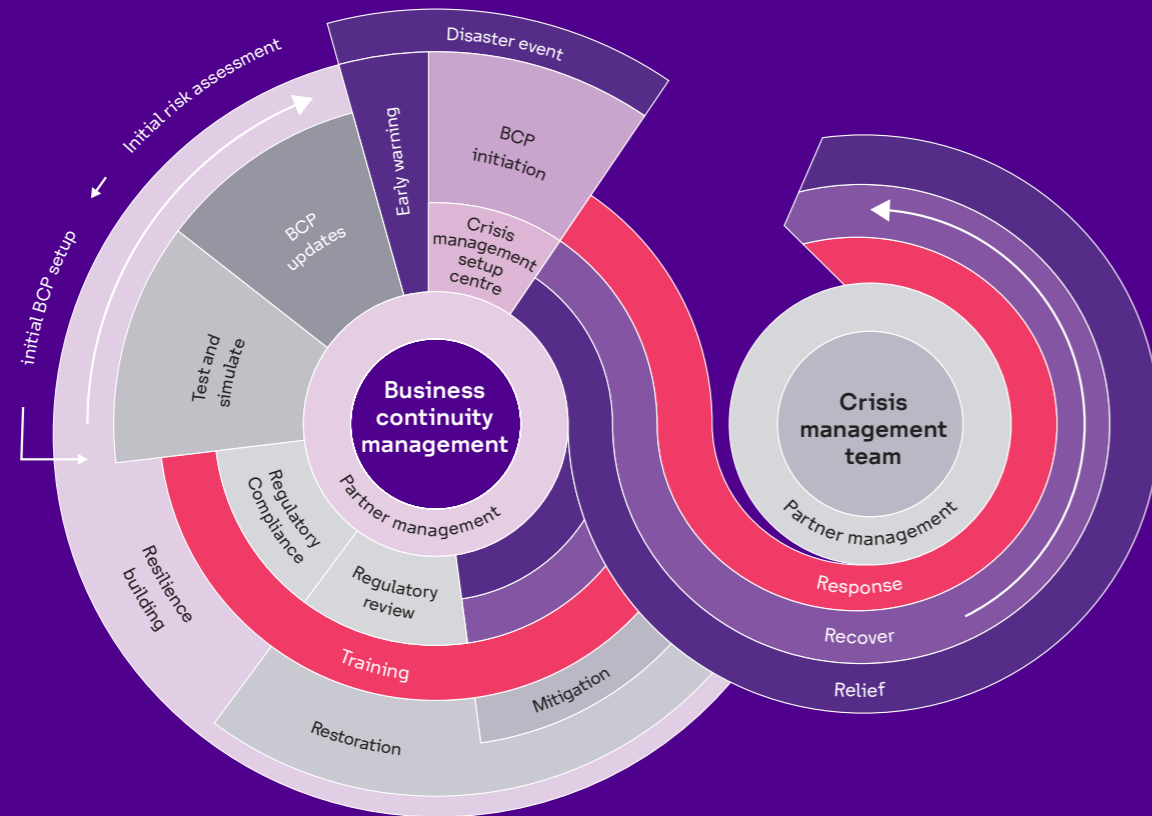
top and reinforced through people management systems, encouraging timely and proportionate risk interventions that support operational integrity and informed decision-making. Expected behaviors are communicated consistently to colleagues to integrate risk awareness into company culture. This is supported by ongoing training and communications, defined roles and responsibilities and the continuous integration of risk management practices into key decision-making processes.

During the year, more than 1,000 colleagues participated in crisis and continuity workshops and supporting awareness initiatives and stc plans to sustain an annual cadence of workshops integrated with leadership and talent development programs. In collaboration with the Ministry of Communications and Information Technology, stc delivered business continuity and risk management training for technology sector professionals to support resilience across the digital ecosystem. stc also strengthened its control environment through training on internal controls.

### Business continuity

At stc, Business Continuity Management is a core part of how the organization protects service reliability, operational integrity and stakeholder trust, supporting the Kingdom's digital resilience and Vision 2030 objectives. The Business Continuity Management System is aligned with relevant national directives and regulatory expectations, including those issued by the NRC, CST and NEMA, and is designed to anticipate and manage disruption while safeguarding critical services, people and assets. stc maintained ISO 22301 certification, reinforcing alignment with recognized best practices through regular testing and exercises to validate readiness and recovery capabilities. The company's resilience model applies clear decision rights and structured escalation to enable timely response and coordinated recovery. A dedicated crisis communications plan supports consistent, transparent engagement with employees, regulators, customers and partners and is periodically reviewed and tested to maintain effectiveness.

Governance with integrity continued



**Preparation (pre-disaster):** This is where data concerning identified disaster scenarios is gathered and based on the output of the analysis of the data relevant plans are drawn up (such as BCP).



**Response (post-disaster):** This is triggered by the disaster, the conditions for triggering a response are one of the areas which need to be pre-agreed in the preparation along with degrees of severity so that affected organizations like MNOs can map and initiate the relevant action plans (from the BCP) to the scenario.



**Recovery (post-disaster):** This phase follows on from the initial response phase and looks to rebuild any damage infrastructure, capacity, processes, skills, etc., back to the point they were prior to the disaster (or better). It is often hard to define an obvious transition point from response to recovery.



**Mitigation (post/pre-disaster):** This is where learnings from the disaster are taken to update infrastructure, processes, etc. to not just improve the business but also increase resilience to future disasters thus adding to a higher level of protection for the business. This will often be tied to national objectives, programs and regulation looking to improve resilience to future events.

**Enterprise governance in business continuity and crisis management**

stc operates under a mature governance structure led by a dedicated Crisis Management Organization, Business Recovery Team, Technical Recovery Team and Emergency Response team. This structure supports the rapid restoration of services, the safeguarding of lives and assets and the continued operability of critical technology systems under adverse conditions. The tiered model provides holistic oversight and clear lines of authority for managing physical, cyber and operational threats across the enterprise. Policies are aligned with global best practice frameworks for Business Continuity Management, including ISO 22301 for Business Continuity, ISO 22320 for Emergency Management, IS 27031 for ICT Readiness for Business Continuity and ISO 22361 for Crisis Management. This alignment is reviewed continuously to ensure compliance with local and international standards. In addition, each sector within stc maintains detailed business continuity plans validated through a rigorous testing program, including simulation exercises, technical failover testing and tabletop crisis drills to ensure business critical functions, from customer care to the network control center, can operate during emergencies.

**Integrated national response and readiness model**

stc is embedded within the Kingdom's national emergency readiness model and regularly aligns disaster preparedness protocols with national regulatory authorities, chief among them the Communications, Space and Technology Commission. Disaster playbooks are designed to support coordinated response and resource deployment during major events. In support of national public safety, stc's network is configured to support the national Early Warning System by using Cell Broadcast Service, as mandated by the Communications, Space and Technology Commission, to disseminate geo-targeted alerts to the public without congesting mobile networks. stc's network also supports Advanced Mobile Location, which automatically provides precise location data from a caller's handset directly to 911 emergency services to reduce response times. Teams remain on standby to assist with reconnecting remote locations and responding to extreme surges in network usage during major national events, including the Hajj pilgrimage.

**Human life and asset protection as a strategic priority**

stc regards communication as a critical lifeline in times of crisis. Protocols are designed not only to restore technical operations, but also to help ensure families can reach one another, first responders can coordinate rescue missions, and critical national infrastructure such as hospitals, airports and government institutions remains connected. stc proactively deploys field engineers to risk prone areas to inspect and reinforce equipment, and is prepared to install temporary mobile base stations and satellite uplinks to maintain service. Monitoring centers, including the Security Operations Center, the Network Operation Center and the Business Continuity Cell, provide 24/7 surveillance using real-time analytics to detect degradation, intrusion or anomalies across infrastructure.

**Tactical field response and proactive resilience**

stc's tactical field response is underpinned by a continued commitment to preparedness and resilience. Investment focuses on strengthening network infrastructure, including building redundancies, installing backup power supplies and generators at cell sites, and maintaining rigorous cybersecurity protocols. This supports rapid service restoration. Network disaster recovery plans are regularly tested and portable network assets are pre-positioned alongside a fleet of emergency mobile base stations, including Cells on Wheels and Cells on Light Trucks, with teams on standby for immediate deployment. These truck-mounted mobile towers can be dispatched within hours and are self sufficient, using satellite backhaul connectivity to restore mobile and data services rapidly, including where terrestrial fiber links are affected. Preparedness is reinforced through regular emergency drills and tabletop exercises so crisis management, technical and customer service teams are trained to respond effectively. Customer awareness campaigns are also used to support readiness, such as guidance on maintaining battery life or accessing emergency alerts. stc maintains collaboration with government agencies, such as Saudi Civil Defense and relevant humanitarian organizations, to integrate support with broader response efforts. The approach is supported by continuous improvement to anticipate emerging risks and explore innovations such as advanced early warning capabilities and satellite-enabled coverage.

## Governance with integrity continued

### Scenario training and team level resilience building

To maintain a high level of preparedness, stc conducts frequent scenario-based training and simulations. As recommended by the GSM Association, these drills help ensure plans remain fit for purpose and that teams understand their roles in high pressure environments. The drill program includes simulations of data center outages with restoration service level agreements, complex cyberattack scenarios involving multiple service platforms and simulations of critical application outages. Each training cycle includes real-time coordination between executive crisis response teams, customer care escalation leads, regional engineering units and external stakeholders. stc also conducts multi agency simulations with emergency agencies and infrastructure regulators to support a unified national response capability.

### Corporate social responsibility during crises

stc group's crisis response framework is anchored in a commitment to social responsibility, aligned with the GSMA Humanitarian Connectivity Charter, which treats connectivity as a vital form of humanitarian support. During disruptive events, the objective is to preserve the digital lifeline for those most at risk. stc prioritizes network uptime and quality of service for first responders, healthcare facilities and civil defense agencies, deploying temporary cellular assets where needed. Access to national emergency numbers is maintained as universally available and free, enabling customers to reach emergency services or family without barriers.

Recognizing that crises can create immediate economic strain, the company may activate financial relief protocols to support customers, including the suspension of billing and collection activities, the waiver of late fees and the provision of emergency voice and data packages to impacted areas. Where appropriate, stc is also prepared to support access to critical national services, including government emergency portals, health applications and remote learning platforms, to help ensure essential information remains accessible.

Beyond network operations, stc may extend support through physical and logistical assistance, including emergency connectivity solutions such as free public

Wi-Fi hotspots and portable charging hubs at critical locations such as shelters and hospitals. Working with national humanitarian agencies, stc group can facilitate community support through trusted SMS texts to donation campaigns. Throughout disruptive events, stc provides proactive updates on network status and restoration efforts to support transparency, manage expectations and maintain trust.

### Internal control

The Board of Directors maintains an unwavering commitment to a robust system of internal control, recognizing it as the bedrock of the company's operational resilience and strategic success. By adhering to the globally recognized COSO Internal Control Integrated Framework, stc ensures that its governance structures are not merely compliant, but are designed to drive operational efficiency, safeguard assets and guarantee the absolute integrity of financial reporting. While acknowledging inherent limitations, this sophisticated framework provides stakeholders with reasonable assurance regarding the mitigation of material risks. Following a year of rigorous self-assessments and professional opinion from an accounting and consultancy firm providing assurance and advisory services that are not associated with the company and comply with related requirements for conducting assurance services, the Board confirms that stc's internal controls were effectively implemented and operating robustly as at year-end, with no material weaknesses identified that could compromise its financial standing or continuity.

The Audit Committee exercises active and vigilant oversight over this control environment, serving as a critical bridge between Executive Management and the Board. In fiscal year 2025, the Committee deepened its engagement through eight focused sessions, scrutinizing high-impact areas, including financial reporting integrity, investment portfolio health, strategic organizational developments and the resilience of its IT infrastructure. These deliberations were supported by direct dialogue with Executive Management and the Internal Audit team, ensuring that the organization's control mechanisms remain agile and responsive to emerging global trends and industry-specific challenges. This rigorous oversight model provides shareholders with confidence that stc's governance bodies are actively challenging management to maintain the highest standards of control.

Throughout the year, the Internal Control function transitioned the organization from reactive compliance to proactive risk intelligence. By executing comprehensive Risk and Control Self-Assessments (RCSA) across all critical business units, stc group successfully embedded risk ownership into the first line of defense, ensuring potential threats are identified and mitigated at the source. This was validated by an independent Internal Control Review (ICR) program, which confirmed the design and operating effectiveness of key controls. Crucially, management demonstrated exceptional responsiveness in addressing identified opportunities for improvement, maintaining a high velocity of remediation that aligns strictly with the company's risk appetite. This proactive stance signals to stakeholders that stc is capable of navigating complex operational landscapes with minimal disruption.

### Enterprise risk management highlights

Over the past year, stc advanced its risk management capabilities to support resilience and informed decision-making. A key milestone was the review and reassessment of its risk appetite to ensure alignment with strategic priorities and provide a clearer basis for governing risk taking activities. stc group also strengthened oversight by introducing automated monitoring indicators across key risks, improving visibility and enabling more proactive management. In addition, stc attained ISO 31000 certification for Enterprise Risk Management and ISO 27001 certification for Information Security, reinforcing alignment with recognized practices. To further embed a strong risk culture, stc delivered training and awareness initiatives across the organization, supporting improved accountability. The company also continued to broaden risk coverage, strengthen controls and enhance mitigation strategies to address a dynamic risk environment.

### Audit of risk management processes

The group maintains a structured assurance approach to validate the effectiveness and maturity of its risk management processes. Under the risk management policy and enterprise-wide risk management framework, risk management practices

are reviewed annually through internal audit, including the assessment of risk identification, evaluation, mitigation, monitoring, and reporting activities across the business. In addition, the group undertakes periodic independent maturity assessments performed by a leading global professional services firm to evaluate risk governance, capabilities, and practices against recognized guidance and evolving market expectations. This combined assurance model supports continuous enhancement of the risk framework and provides confidence to management and governance bodies that stc's risk management processes remain robust, consistently applied, and aligned with leading practice in a dynamic and highly regulated telecom environment. Further strengthening this approach, the group's risk management framework has been independently assessed by an ISO-qualified auditor, and stc holds valid accreditation aligned with ISO 31000, demonstrating adherence to internationally recognized principles and guidance for risk management

### Principle risks

As a leading telecommunications and information technology group, stc operates in a fast-changing environment with inherent uncertainty. Sustained performance depends on proactively anticipating developments and systematically identifying, assessing and managing related risks and opportunities. stc considers effective risk and opportunity management an integral part of value-focused corporate governance. Risks are evaluated and categorized across corporate, technology, operational, financial and compliance domains, supporting clearer understanding and proportionate oversight and assurance.

The principal risks remain broadly consistent with the previous year, with some additional risks identified and minor refinements to existing ones. Material risks, including environmental and social exposures, are summarized below, together with the approaches used to manage them. The process continues to emphasize the most significant entity level risks, reflecting ongoing operating conditions. As the following will reflect, the top risks that the organization is monitoring based on management reports.

Governance with integrity continued

Category	Risks	Mitigation measures
<b>Technology</b>	<b>Cybersecurity threats</b> stc operates in an environment of evolving cyber threats, including ransomware, malware, distributed denial-of-service attacks, credential theft and social engineering, which may target stc, its customers or third-party providers. Emerging technologies such as AI-enabled tools and advances in computing including quantum computing may increase the sophistication, speed and scale of attacks. Over time, sufficiently capable quantum computers could weaken certain widely used public-key cryptographic methods that support secure communications, authentication and data protection. This creates the risk that data encrypted today could be retained and decrypted in the future ("harvest now, decrypt later"). Transitioning to quantum-resistant cryptography may require significant investment and coordination across stc's systems and suppliers. A successful incident could disrupt services, compromise data, increase costs and harm confidence and reputation.	stc strengthens cybersecurity through a dedicated security unit, clear accountability and continual enhancement of policies and controls. Capabilities span prevention, detection, response and recovery, supported by centralized monitoring and incident management. Control effectiveness is validated through assurance activities, vulnerability management and penetration testing, including oversight of key third parties. Awareness programs reinforce secure behaviors. stc also advances readiness for new computing developments through cryptography reviews and planning for transition to quantum resilient approaches where appropriate. Threat intelligence informs control priorities.
<b>Technology</b>	<b>Data privacy</b> stc manages significant volumes of customer and business information across multiple systems, channels and partners. Regulatory requirements and customer expectations for lawful processing, confidentiality, retention, cross-border transfers and third-party sharing continue to evolve. As data ecosystems become more complex, strong governance, including clear accountability, disciplined approvals, well-configured access controls and ongoing monitoring help reduce the likelihood of unauthorized access, leakage or misuse. If a privacy incident or compliance gap were to occur, it could lead to regulatory engagement, remediation activities, contractual considerations and reputational effects.	stc manages privacy through an enterprise framework aligned with applicable requirements. Policies support data classification, retention and secure handling with defined ownership and approvals. Role-based access controls and periodic reviews support least privilege, while monitoring helps identify unusual activity. Privacy by design is embedded in initiatives and partner engagements, supported by training and compliance oversight. Third-party sharing and cross-border transfers are governed through assessments and contractual safeguards, with incident processes to support timely response and continuous improvement.
<b>Operational</b>	<b>Business continuity</b> Telecommunications services rely on resilient networks, core platforms and critical ICT infrastructure. Like other operators, stc may from time to time experience service degradation or interruptions resulting from equipment or software issues, demand surges, power disruptions, physical incidents, reliance on third parties or impacts to terrestrial and subsea connectivity. Extreme weather and other climate-related events can also influence network availability and restoration timelines. If such events occur, they may affect customer experience, revenues, operating costs and the ability to meet service obligations.	stc maintains an entity-wide business continuity and disaster recovery program to support mission critical services. Resilience is enhanced through network redundancy, diversified routing, capacity planning, spares readiness and proactive monitoring. Recovery capabilities are validated through periodic exercises and testing, with lessons used to improve restoration performance. Dependencies on suppliers and partners are addressed through continuity expectations and coordinated response arrangements. The entity-wide written programs that address and validate the continuity of the institution's mission-critical operations is governed against standards and regulatory requirements, including alignment with ISO 22301, and engagement with national stakeholders.
<b>Compliance</b>	<b>Regulations</b> stc operates in a regulatory landscape that can evolve in scope, interpretation and enforcement. Obligations relating to spectrum, licensing, coverage, network performance, consumer protection, cybersecurity, data governance and reporting may require ongoing investment and refinement. Mandated targets for speed and coverage, together with spectrum pricing and potential new entrants, can influence how capital is allocated between network expansion and new digital use cases. Government procurement and tendering frameworks promote transparency and value for money, but can affect contract timing, pricing and revenue visibility, including at renewal.	stc manages regulatory obligations through governance, ongoing monitoring of legislative developments and coordinated implementation across the organization. Engagement with regulators and stakeholders supports alignment with national objectives and expectations for licensing, spectrum, coverage, performance, consumer protection, cybersecurity and reporting. Compliance controls and assurance practices support transparency and audit readiness. Strategic and capital planning incorporate scenarios to maintain flexibility under changing requirements. Public procurement participation is supported by bid and contract governance to promote consistency, value delivery and continuity of service.

Category	Risks	Mitigation measures
<b>Operational</b>	<b>Supply chain</b> stc sources network equipment, devices, software, spares and specialist services from a global supplier base. Industry-wide supply conditions can be influenced by factors such as geopolitical developments, trade requirements, transportation capacity, commodity and rare earth availability, semiconductor production and the level of concentration among key vendors. In addition, the resilience and cybersecurity practices of suppliers can affect product quality and operational reliability. Changes in availability or delivery schedules may require adjustments to project sequencing, procurement planning or cost assumptions, particularly for large scale programs and upgrades.	stc supports continuity of supply through supplier governance that considers resilience, financial health, security assurance and performance. Procurement practices emphasize diversification and qualification of alternatives where feasible and encourage interoperability to reduce dependency on single vendors. Demand forecasting, inventory management and logistics planning support availability of critical equipment and spares. Contractual safeguards and service expectations are maintained for key suppliers. External developments, including geopolitical and market conditions, are monitored to inform contingency planning and support delivery of programs and upgrades.
<b>Corporate</b>	<b>Strategy</b> Telecommunications and digital markets are dynamic, influenced by technology developments, changing customer expectations and evolving competition. Demand patterns continue to shift, with some legacy services maturing while adjacent areas such as cloud, fintech, IoT and digital platforms offer growth opportunities. These trends may require timely strategic choices, disciplined capital allocation and continued capability development. Competitive intensity can also be shaped by new entrants, global technology providers and emerging connectivity models such as satellite direct to device solutions, which may influence pricing, coverage economics and customer behavior. Some initiatives may be pursued through partnerships and joint ventures, which require clear governance and effective coordination.	stc manages strategic and competitive dynamics through a structured planning cycle with periodic multi-year updates and annual refreshes. Market intelligence and scanning track technology trends, customer needs and competitive developments. Portfolio governance and capital allocation support balanced investment across core connectivity and adjacent digital opportunities. Execution is supported through program governance and performance monitoring. Partnerships and joint ventures are managed through clear decision rights, aligned objectives and oversight, supported by enterprise risk management to strengthen delivery discipline and agility.
<b>Financial</b>	<b>Credit and collections</b> stc is exposed to credit, collection and liquidity risks linked to the timing and recoverability of receivables, billing matters, economic conditions and customer credit profiles, including large accounts. Payment patterns may vary over time and could influence cash flows, working capital and reported results.	stc manages credit, collection and liquidity through governance that segments counterparties, monitors receivables and applies collection practices. Expected credit loss methodologies and provisioning use historical experience and forward-looking information, with reviews of key accounts. Billing matters are addressed through resolution and ongoing engagement. A significant portion of collections relates to government entities and is managed through established processes aligned with public sector requirements. Liquidity is supported through cash reserves, committed facilities and forecasting and stress testing to maintain resilience.
<b>Technology</b>	<b>Artificial intelligence</b> AI adoption can enhance customer experience, network operations and productivity, while also requiring disciplined governance to manage associated considerations. Key areas include data quality, privacy, model reliability, fairness, cybersecurity, integration with existing systems and the need for ongoing monitoring and updates. Generative AI can also raise intellectual property and copyright considerations related to training data, third-party content and generated outputs, alongside evolving regulatory expectations. Increased automation may call for workforce planning, skills development and effective change management to support adoption.	stc approaches AI adoption through governance that sets accountability and risk assessment for material use cases. Data governance and privacy controls support appropriate sourcing and use of information, while human oversight helps maintain reliability and fairness. Security controls cover access management and monitoring. Third-party solutions are subject to vendor due diligence and performance review. Legal and regulatory expectations, including intellectual property considerations, are monitored and reflected in policies. Training and change management support responsible adoption and value realization consistently.
<b>Operational</b>	<b>Human resources</b> stc's performance and transformation are supported by its ability to attract, develop and retain skilled talent across telecommunications, technology, cybersecurity, data and digital businesses. Market demand for these capabilities continues to evolve and workforce expectations are changing, including for specialist and leadership roles. Growth in digital services and increased automation also requires ongoing reskilling, succession planning and effective change management to sustain delivery. Variations in talent availability can influence the pace and cost of executing strategic programs and maintaining service quality.	stc supports sustainable performance through workforce planning aligned with priorities across telecommunications, technology, cybersecurity, data and digital businesses. Talent development is reinforced through learning pathways, leadership programs and capability building, complemented by succession planning for critical roles. Engagement initiatives and rewards support attraction and retention. Reskilling and change management help enable new operating models and increased automation. Localization and capability building programs aligned with national priorities support a pipeline of skills and leadership depth, sustaining service quality and organizational resilience.

# Safeguarding trust in a digital world

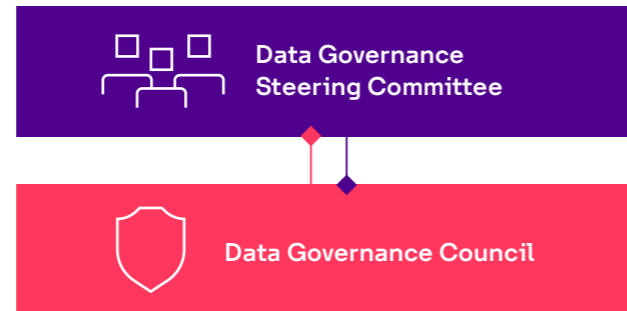
## Data privacy and security

In terms of data security and privacy, stc follows strict policies and complies with all relevant laws in countries where it operates. Its Data Privacy and Security Policy sets out robust protection measures with zero tolerance for risks leading to data breaches. stc group safeguards all personal data entrusted to it by customers, employees and partners, adhering to high standards for authenticity and classification. The Data Governance Policy applies across all stc sectors, employees and contractors, and requires the immediate reporting of any actual or suspected personal data leakage in accordance with internal procedures.

stc continuously monitors threats and update systems, integrating privacy requirements into business processes through controls such as Identity and Access Management (IAM), Data Loss Prevention (DLP), encryption and Digital Rights Management (DRM). The Data Governance Council and Steering Committee oversees data quality and regulatory compliance, supported by executive leadership. The company also has strict guidelines for suppliers and partners to maintain data protection controls to uphold its standards. Furthermore, the data governance framework promotes high data quality, operational excellence and shared responsibility, led by a Stewardship Lead, ensuring stc's commitment to responsible, compliant and ethical data management across the organization.

The Data Protection and Privacy department manages assessments, enforces controls and defines customer rights, including support through the mystc app. stc maintains ongoing training to ensure staff awareness, including onboarding for new hires and an annual Privacy Day. In 2025, stc group processed over 2,093 data-sharing requests, included data protection clauses in all contracts, and automated data destruction certificates to make sure vendors effectively wipe stc data upon project completion.

stc group Privacy Notice complies with laws in Saudi Arabia, Bahrain and Kuwait, tailoring notices for each subsidiary. It outlines data practices, audits, staff training and transparency through governance reports. Regular updates keep stc aligned with regulations such as the Personal Data Protection Law (PDPL) and CST standards.



### Data governance policies and compliance

#### Data ownership

The Stewardship Lead serves as the data governance authority, ensuring corporate data is accurately defined and appropriately utilized throughout stc.

#### Risk minimization

The protection of sensitive data is a collective responsibility. stc's unwavering commitment to implementing robust data protection controls and adhering to regulatory requirements is fundamental to maintaining a secure data environment. It is imperative that the company honors customers' trust by safeguarding their privacy and protecting their information.

## Data Protection and Privacy Framework

stc's Data Protection and Privacy (DPP) Framework establishes 10 core principles that every employee must uphold, irrespective of their location.

- 1 Accountability
- 2 Transparency
- 3 Choice and consent
- 4 Limiting data collection
- 5 Use, retention and destruction
- 6 Access to data
- 7 Data disclosure limitation
- 8 Data security
- 9 Data quality
- 10 Monitoring and compliance

These principles underpin stc's approach to privacy and data protection, ensuring that personal information is managed with the utmost integrity, security and compliance. The DPP Framework provides a comprehensive governance model encompassing policies and procedures that regulate personal information privacy, including clear guidelines on classification, record management and data retention and destruction. The Framework is systematically implemented across stc, embedding data privacy as a core organizational value. It is reinforced through mandatory training programs and articulated within stc group's publicly available Code of Ethics. Employees are expected to strictly adhere to these policies, with disciplinary measures enforced for non-compliance. Ongoing initiatives include automating threat detection and remediation, leveraging AI and analytics for enhanced threat intelligence, automatic fraud detection, using robotic process automation for security assessments, and integrating DevSecOps practices into development workflows.

## Cybersecurity

As cyberattacks and data breaches grow in frequency and sophistication, organizations must regularly assess and update their security strategies. As a leading ICT company managing critical infrastructure and telecommunications data, stc maintains a cybersecurity strategy that protects systems, facilities and networks. The Cybersecurity Synergy and Enablement Committee advises senior management on relevant topics and collaborates with industry-leading consultancies to remain at the forefront of cybersecurity developments. stc maintains high levels of compliance with applicable cybersecurity and regulatory requirements, in alignment with national frameworks.

### Cybersecurity: Progress for 2025

In 2025, stc group enhanced cybersecurity by reducing incident response times to under two hours, monitoring online assets across 13 subsidiaries and strengthening brand trust. It also promoted thought leadership at over 20 events, 93.9% completion rate for mandatory data privacy and protection training across employees, subsidiaries, and contractors, and improved executive awareness through workshops and used the hackathon to promote innovation for cybersecurity.

Building on this progress in 2025, stc group achieved a global milestone by localizing the software for eSIM through a strategic partnership with Thales, a worldwide leader in cybersecurity and digital identity. This collaboration secures the next generation of Internet of Things (IoT) and made stc group the first telecom operator globally to attain the GSMA Security Accreditation Scheme for UICC Production (SAS UP), a certification that upholds the highest security standards in eSIM production.

Safeguarding trust in a digital world continued

Further, stc has implemented various security controls to bolster digital security and protect organizational assets.

**Database activity monitoring:**

These controls help to detect fraudulent/illegal activities, minimizing disruptions to operations and productivity.



**Encryption:**

Data is transformed into ciphertext, accessible only to individuals possessing the appropriate decryption credentials.



**Identification and access management (IAM):**

Ensures that only authorized users can access designated resources (applications or data) via approved devices, while preventing unauthorized interference.



**Data classification:** Information is categorized according to type, sensitivity and organizational value, allowing for targeted risk mitigation.



**Data leak prevention:** Controls are in place to detect and prevent unauthorized data exfiltration or loss of sensitive information.



**Digital rights management (DRM):** Measures that restrict user access to specific digital assets.



**Cybersecurity Policy**

stc's Cybersecurity Policy aligns with international standards and best practices, subject to regular review to maintain its effectiveness. The policy covers 19 security domains, safeguarding information assets and ensuring confidentiality, integrity, availability and business continuity.

**Protection against cyberattacks**

In response to the increasing frequency and sophistication of cyber threats, stc tightened protocols and reinforced defensive capabilities.

In 2025, stc recorded zero data security breaches, zero incidents involving customers' personally identifiable information (PII), no regulatory actions related to data protection violations and no financial losses from legal proceedings concerning customer privacy in KSA, Bahrain or Kuwait.

Preventive measures include:

- Vulnerability assessments
- Risks assessments
- Penetration testing
- Cyber resilience assessments
- Third-party assessment
- AI assessment

Assurance assessments are carried out using a mix of methods:

- Automatic ad hoc vulnerability assessments
- Periodic assessments conducted covering all stc assets
- Mandatory assessment before the launch of any new service or products
- Red teaming assessment
- Compliance assessment
- Crowd sourcing – bug bounty (national/international)

**Performance metrics**

stc KSA SMS spam/fraud	2023	2024	2025
Reported spam messages handled	67,915	44,548	41,937

stc KSA Cyberattacks	2023	2024	2025
Attempted cyberattacks	9,708	8,405	10,313
Actual cyberattacks	11	15	16
% of frameworks, policies and standards fully aligned with legal and regulatory requirements	100%	100%	100%

**93.9%**

completion of mandatory data privacy and protection training

**Zero**

incidents involving customers' PII

**Achieved 100% compliance with National Data Management Office (NDMO) requirements, reinforcing customer trust and mitigating governance and regulatory penalties.**

**Cybersecurity influence and memberships**

As a prominent ICT provider, stc has an extensive network of strategic memberships and partnerships. These collaborations allow stc to anticipate emerging threats, implement leading security standards and contribute to the advancement of global and regional cybersecurity frameworks. In addition to active participation, stc group strengthened its global cybersecurity influence in 2025 by co-authoring strategic whitepapers with the Global Cybersecurity Forum (GCF), contributing to industry dialogue on secure and trusted digital infrastructure, emerging AI-related cyber risks and future-ready security frameworks.

**Key memberships in 2025**

In the interests of improving its cybersecurity environment and contributing to the ICT industry to combat threats, stc group has memberships with the following organizations.

- GSMA Malware Information Sharing Platform
- CST – Post-Quantum Readiness
- In collaboration with GSMA security focus groups, stc published anti-fraud and signaling standards and 4G roaming security guidelines
- FIRST (Forum of Incident Response and Security Teams): Maintaining membership
- Global Cyber Alliance (GCA)
- Shadowserver Foundation (Open-source threat intelligence)
- Saudi Federation for Cybersecurity, Programming and Drones: BugBounty platform
- Council for Registered Ethical Security Testers (CREST) certifications

Safeguarding trust in a digital world continued

**Key partnerships/collaborations in 2025**

In the interests of improving the cybersecurity ecosystem in Saudi Arabia and in the region at large, stc collaborated in the following partnerships.

- Information Systems Audit and Control Association (ISACA) Threat Intelligence – signed an agreement with Cybersecurity and Infrastructure Security Agency (CISA) to join trusted information sharing circles and exchange threat intelligence.
- Communications, Space and Technology Commission (CST) Sectorial Committee.
- Misk Foundation (Saudi non-profit for youth development): Collaborated in Misk-Tuwaiq session – cybersecurity in the workplace.
- Ministry of Communications and Information Technology (MCIT): Collaboration to support stc women cybersecurity community.
- Global System for Mobile Communications Association – Information Sharing and Analysis Center (GSMA T-ISAC): stc is a member of the Executive Governance Team, which includes seven European mobile operators, and is helping shape the future of GSMA’s telecom-focused information sharing and threat intelligence systems.
- Deputy Chair of GSMA’s Middle East Fraud and Security Group.
- Participated in the Blackhat CS team.
- Participated in the Global Cybersecurity Forum CS team.
- Partnered with the National Cybersecurity Authority (NCA) for October’s Cybersecurity Awareness Month.
- Saudi Data and AI Authority (SDAIA) National Data Management Office.
- Participated in the Enterprise Data Management Council’s data privacy and security training and awareness campaigns.

**Responsible AI**

As artificial intelligence technologies become increasingly integrated into digital services and internal operations, stc is committed to ensuring that AI is developed and deployed responsibly, ethically and securely. stc group’s Responsible AI approach aligns with its broader data governance, cybersecurity and privacy frameworks, ensuring that AI solutions uphold transparency, accountability and data protection.

stc implements strict policies and procedures governing the use of AI technologies, ensuring AI systems are designed and deployed in a way that protects user privacy and maintains strong cybersecurity safeguards. AI initiatives are assessed through established governance mechanisms to maintain compliance with internal policies and international best practices.

To further strengthen oversight, stc established a comprehensive Responsible AI governance framework in 2025, supported by formal policies designed to mitigate implementation risks and ensure ethical and compliant deployment at scale. As part of this framework, stc certified 22 reusable AI models and registered more than 90 models, enabling controlled, secure and standardized adoption of AI solutions across the organization.

To support responsible adoption, stc provides training and awareness programs for employees, helping teams understand the ethical, legal and operational considerations associated with AI technologies. These programs make certain that employees can leverage AI tools effectively while maintaining high standards of data protection, responsible innovation and cybersecurity.

In 2025, stc soft launched an internal AI platform designed to support employees in performing their roles more efficiently while maintaining a safe, secure and innovative working environment. The platform enables teams to use AI capabilities for productivity and knowledge management while operating within stc’s established governance and security controls.

stc group’s commitment to responsible and secure AI innovation has also been recognized regionally, with stc receiving two awards for Data Governance Best Use Case and Data Governance Innovator at the Middle East Enterprise AI & Analytics Summit 2025.

Through its integrated approach to Responsible AI, stc continues to advance the safe and scalable adoption of artificial intelligence, enabling innovation while reinforcing stakeholder trust and upholding high standards of digital ethics and accountability.

**Case study**

**AI-enabled cyber defense (SMOUD)**

Named SMOUD, symbolizing resilience, this initiative was developed to address escalating cyber threats. stc deployed SMOUD, an AI-driven cyber defense solution. This initiative strengthened stc’s resilience against data breaches and operational disruptions, safeguarding stakeholder trust.

**Integrated approach**

- **Risk assessment:** Identified and evaluated cyber threats to prioritize AI-driven solutions
- **Vendor selection:** Conducted PoC testing to ensure feasibility and effectiveness
- **Data governance:** Structured data collection for AI training
- **Solution design:** Tailored AI models for threat detection, phishing prevention and Zero Trust architecture

**Outcomes**

- **Faster response:** Reduced dwell time and breach impact
- **Operational efficiency:** Automated 95% of manual tasks, lowering costs and improving security operations center (SOC) throughput
- **Enhanced protection:** Strengthened defenses against malware and data leakage
- **Compliance:** Improved audit readiness and regulatory alignment

**SDGs alignment**



**SDG 9 (Industry, Innovation, Infrastructure)**

Innovation for infrastructure resilience



**SDG 16 (Peace, Justice and Strong Institutions)**

Protecting digital integrity and governance

**By centralizing legal services, stc advances sustainable business practices, supporting long-term resilience and ethical growth.**

Safeguarding trust in a digital world continued

**Data privacy and security training and awareness**

stc is entrusted by its customers, employees and stakeholders to protect personal information, a responsibility taken with utmost seriousness. Mandatory data privacy and protection training is provided for stc KSA employees, subsidiaries and contractors, reinforcing a company culture that prioritizes data privacy and protection. Comprehensive training in cybersecurity and data privacy is offered to all employees and business partners, covering topics such as personal data protection, cybersecurity risks, secure digital practices, responsible use of emerging technologies and compliance with applicable regulations, including Personal Data Protection Law (PDPL).

Awareness company-wide campaigns address key areas such as phishing, password security, secure remote working, data protection practices and responsible use of digital platforms. In addition, role-based awareness programs are tailored and delivered to teams with specific responsibilities or privileged access (such as the special projects team, executive leaders, VPs, service provider contractors, social media team, cybersecurity team and administrative people with privileges). These initiatives support company efforts to mitigate cybersecurity and data privacy risks while reinforcing a responsible and secure management of information across all operations.

As a leader in digital innovation and regional development, stc continually strives to remain at the forefront of digital technology. The company covers training in emerging topics such as advanced AI,

machine learning, multi-cloud and edge computing, cyber resilience, threat intelligence, intelligent automation, robotic process automation, digital ethics and responsible AI. The aim is to ensure employees are prepared to align with company strategies and adapt to rapid technological changes.

In 2025, approximately 58.8% of stc KSA employees completed mandatory data privacy and protection training. Among subsidiaries, nearly 92.61% of direct employees and 37.42% of contractors completed the required sessions.

Cybersecurity is emphasized through various communication channels, including social media, online messaging, workshops and webinars tailored for diverse audiences, covering Arabic and non-Arabic speakers, seniors and individuals with disabilities. All new employees (100%) receive cybersecurity training to familiarize themselves with stc's policies and procedures. Ongoing communication campaigns help employees, contractors and customers safeguard against phishing, ransomware and privacy risks. Effectiveness is measured via cybersecurity course scores and pre- and post-test comparisons, supported by phishing simulation tests to assess vulnerabilities to cyber threats.

**Data privacy and security audits**

With the ongoing enhancement of data privacy, protection and security regulations, organizations managing personal information are subject to increasingly rigorous compliance mandates. To ensure stc group's continuous alignment with these standards, stc conducts regular independent external audits of its data privacy and security procedures at minimum

every two years. Such audits encompass evaluations in accordance with the National Cybersecurity Authority's Essential Cybersecurity Controls (NCA ECC), Data Cybersecurity Controls (DCC), the CST and ISO 27001 requirements. Furthermore, stc is subject to annual and quarterly audits by Saudi Arabia's CST, underscoring stc's dedication to upholding exemplary regulatory compliance and data protection protocols.

**Performance metrics**

stc group Frequency of information system audits	2023		2024		2025	
	Internal	External	Internal	External	Internal	External
stc KSA	>100	15	>100	7	>100	7
stc Bahrain	1	3	1	3	0	3
stc Kuwait	12	6	20	6	20	6
channels by stc	1	1	1	1	1	1
sirar by stc	2	6	2	6	1	10
solutions by stc	2	5	5	8	8	9
specialized by stc	1	5	1	3	1	3
iot squared	0	2	1	2	1	2
center3	1	3	-	2	1	1
sccc by stc	-	-	3	1	1	2

**Performance metrics**

stc group Data protection and security training	2023	2024	2025
Total number of training hours provided to employees on data privacy and security	57,173	55,068	38,134*

\*Figures reduced owing to the fact that mandatory trainings are now limited to new joiners as existing employees completed their mandatory training, which reflects the reduced headcount.

Safeguarding trust in a digital world continued

**stc Security Pass program: Safeguarding data for suppliers and partners**

stc encourages its suppliers and business partners to adopt strict data protection measures and undergo compliance checks every two years to maintain certification. The Security Pass program is available to all existing and prospective partners. Through the program, partners register and provide documentation of their third-party inspections and audits to fulfill the program's criteria. To be awarded a Security Pass Certificate, partners must:

- Assess their tier level
- Fulfill the relevant Security Pass Certification obligations
- Complete the Partner Compliance Cybersecurity Certificate report
- Submit an authorized audit certificate

An stc authorized auditing firm ensures partners comply with stc's supplier security standards by performing validations and issuing certifications in cybersecurity. These standards are found in the documents, [stc Partners Cybersecurity Standard](#) supported by [stc Partners Cybersecurity Controls Guideline](#) to help suppliers understand and fulfill the cybersecurity controls' requirements. Partners are also tasked with sending monthly progress reports on certification to stc's Cybersecurity GRC department. By enhancing privacy and data protection efforts, stc proactively shields customers' information and secure shared data with its partners. This initiative demonstrates stc's dedication to upholding top-tier security in its network, building trust and confidence in its services. You can find additional details about the Security Pass Certificate [here](#).

**Promoting online safety and protection for children**

stc embraces its role in creating a safer digital environment for children. As a key player in digital connectivity, the stc group pledges to safeguard children's rights throughout operations and actively help both parents and young users become responsible digital citizens. Its initiatives focus on equipping families with the right tools, resources and knowledge to confidently navigate the online world. stc publishes the Cyber Security Heroes magazine for children and the parental guide booklet (Secure Cyberspace for your Kids). The guide provides practical advice on parental controls, identifying online dangers, encouraging open conversations about internet use and promoting positive digital habits. These efforts are further supported by animated awareness videos, interactive school sessions and hands-on training programs. During the reporting period, stc trained and empowered 900 students with essential skills to recognize cyber threats and protect themselves online.

Complementing these internal awareness initiatives, as a key enabler of digital transformation, stc group actively supports the Child Online Safety Initiative and promotes digital safety awareness and skills for children, youth, parents and educators. stc showcased its contributions to the initiative while serving as a strategic partner at the Global Cybersecurity Forum (GCF) 2025.

Beyond child-focused initiatives, stc continues to strengthen overall cybersecurity resilience by advancing research on AI in telecom cybersecurity, publishing five research papers and conducting 11 phishing simulation exercises to enhance cyber readiness across the organization.

Data privacy and security form the backbone of stc group's child protection strategy. stc strictly follows robust data security regulations to ensure children's personal data is processed securely, always adhering to both internal protocols and external legal requirements. The company regularly enhances security practices to align with global standards, ensuring young users are protected from digital threats. This commitment is further reinforced through stc's Data Privacy and Security Position Statement, which outlines specific measures to protect the privacy of minors. For more information, click [here](#). Additionally, stc has implemented an international gateway-level filtering solution that enables secure browsing for all users, particularly minors. This filter complies with Saudi regulations and helps prevent access to harmful content.

stc group has launched nationwide programs to boost cyber resilience, such as educational resources and awareness videos about online threats and fraud. stc's community engagement around cyber threats to children features workshops and partnerships with youth groups, NGOs and libraries. In the past year, stc group has gone beyond digital safeguards by launching several initiatives to build cyber resilience among children.



**900**

students with essential skills to recognize cyber threats and protect themselves online.

# Supply chain management

stc group’s commitment to sustainable procurement focuses on sourcing environmentally friendly goods and services, when feasible, and promoting sustainable practices across its entire supply chain. stc holds its suppliers and business partners to high standards, expecting their operations to align with the company’s sustainability criteria and adhere to its principles regarding critical issues, including safety, human rights, ethical business conduct and environmental stewardship.

The Supplier Code of Conduct reinforces stc’s dedication to responsible business practices with suppliers, emphasizing integrity and transparency in all interactions. This Code serves as a binding agreement for all suppliers, requiring fair employment practices for their employees. stc mandates suppliers to comply with its standards by respecting the dignity, privacy and rights of its workforce, avoiding unlawful discrimination, refraining from utilizing child or forced labor and adhering to acceptable working hours while providing fair compensation.

Moreover, stc encourages suppliers to utilize the Speak Up platform to report any concerns related to ethics, human rights or other significant issues. Additionally, stc focuses on contributing to the Kingdom’s In-Country Value creation, reflected through its recent partnership with the General Authority for Small and Medium Enterprises (Monsha’at). This partnership underscores stc’s commitment to leveraging its substantial market presence and supplier expenditures to empower and sustain local SMEs, thereby contributing to economic dynamism.



## Integrating sustainability into our supplier assessment

As part of stc’s comprehensive supplier assessment process, all suppliers and contractors undergo thorough evaluation for environmental and social considerations. Suppliers with access to customer data are required to comply with legally binding agreements and adhere to the Supplier Code, which includes specific requirements on data protection. Throughout project execution, stc continuously assesses suppliers based on performance, compliance and ethical standards, which determines their rankings

and future selection opportunities. Evaluation criteria encompass quality, sustainability, risk management, customer service, innovation, delivery, operational excellence and cost efficiency. Serious violations, such as breaches of confidentiality or unauthorized disclosures, may result in disqualification or contract termination. Furthermore, all significant investment agreements and contracts at stc contain human rights-specific clauses that are rigorously reviewed to ensure adherence to ethical standards. In 2025, stc reaffirmed its commitment to responsible sourcing by making certain that 100% of new suppliers were screened against environmental, labor and human rights criteria, thus strengthening its dedication to sustainable and ethical business practices.

### Performance metrics

stc KSA	2023	2024	2025
<b>Sustainability screening</b>			
Suppliers screened for environmental, labor and human rights practices	230	656	548
Percentage of new suppliers that were screened for environmental, labor and human rights practices	100%	100%	100%
Number of suppliers subject to assessments for sustainability impacts (supplier evaluations)	122	40	161

Suppliers’ audits and monitoring	stc KSA			stc group		
	2023	2024	2025	2023	2024	2025
Number of suppliers identified as having significant actual and potential negative impacts	49	47	27	49	47	29
Suppliers with which improvements were agreed upon as a result of audit	3	10	9	8	71	9
Suppliers with which relationships were terminated as a result of audits and monitoring	4	0	0	4	0	0
Number of suppliers blocked for non-compliance with ethical aspects	4	0	0	4	0	0

Supply chain management continued

## Supplier engagement and development initiatives

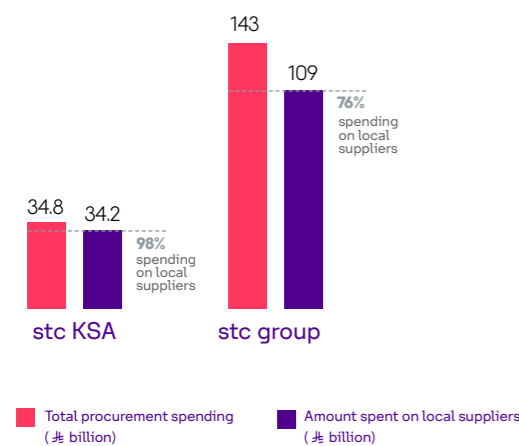
stc strengthens supplier relationships through structured engagement avenues that promote transparency, collaboration and shared value creation. Annual initiatives such as Partner Day provide strategic updates, communicate business priorities and align partners with stc's long-term objectives.

The Partner Awards recognize outstanding contributions to strategic initiatives, innovation and operational excellence, including the rawafed category,

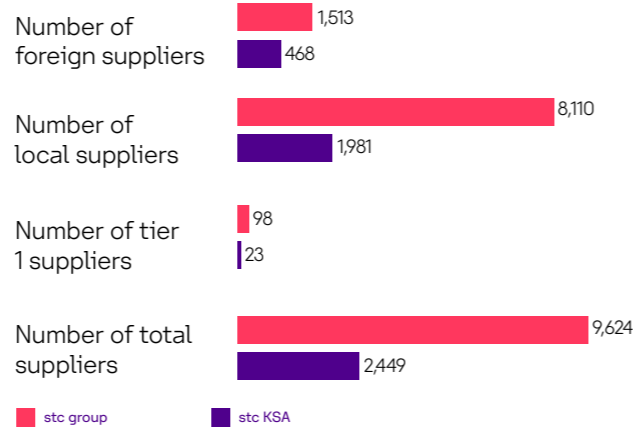
which supports localization and the development of national capabilities within the supply chain.

Beyond recognition, stc actively supports supplier development through continuous dialogue, knowledge sharing and performance feedback sessions. Additionally, and in line with sustainability objectives, the company motivates and supports suppliers integrating sustainability practices. These engagements enhance supplier capabilities, encourage innovation and foster long-term partnerships built on mutual growth and shared sustainability ambitions.

### Procurement spending (2025)



### Suppliers breakdown (2025)



### Local procurement spending

stc group's local procurement spending supports job creation, economic growth and infrastructure development in the countries where it operates.



#### 2025 Local procurement spending – stc KSA

98%

#### 2025 Local procurement spending – stc group

76%

### Promoting SMEs

stc supports small and medium enterprises (SMEs) through its procurement activities, helping local businesses grow and diversify the economy. In 2025, stc collaborated with over 211 SMEs, reaffirming its commitment to developing local industries and promoting sustainable growth.

#### SME suppliers engaged at a group level in 2025

211

#### SME suppliers engaged at stc KSA in 2025

49

### Partner Development Program (PDP)


stc continues to strengthen its local supply chain through the Partner Development Program (PDP), delivered in collaboration with the Public Investment Fund (PIF). The program focuses on upskilling local SME partners, enhancing collaboration, and supporting long-term capability building.

The PDP offers structured training and coaching across key areas, including:


- Product Management
- Project Management
- Cybersecurity Essentials
- Finance for Business Success
- Business Proposal Writing

Training is delivered through stc Academy and expert-led coaching, combining practical application with technical knowledge.


**Program progress:**



**2024 cohort:**  
20 companies, 125 participants, 250 training seats



**2025 cohort:**  
20 companies, 125 participants, 250 training seats



**2026 cohort:**  
20 companies targeted (in progress)

The program continues to play a key role in enabling SME partners to contribute to stc's ecosystem and local content objectives.

## Toward sustainable logistics and inventory management

stc group aims to create shared value and minimize environmental damage through sustainable logistics and inventory management. Its key goals are to enhance demand planning for responsible consumption, streamline operations to cut emissions and boost efficiency, and support a circular economy via material reuse and safe disposal.

stc uses 100% biodegradable bags in warehouse operations and is committed to reducing its consumption of these bags by:

- Reusing the bags multi-times
- Consolidating the demand
- Reducing the thickness of the bag

As a result of these efforts, stc successfully decreased its bag consumption from 30 tons in 2024 to 19 tons in 2025.

The group has streamlined its warehouse footprint through strategic consolidation and site optimization. Since 2018, these initiatives have enhanced operational efficiency, reduced logistics-related emissions (Scope 1) and supported its broader circular economy and responsible consumption commitments.

### Building a digital ecosystem across procurement practices

stc's main office has adopted a fully paperless procurement process using its internal system, stc HUB and the Oracle Procurement System. Now, 100% of bidding, work orders and letters of award are managed digitally, eliminating paper use in procurement.

100%

average paperless procurement process across stc group



Supply chain management continued





## Maximizing local content through rawafed

rawafed is stc’s flagship program to maximize local content in the ICT sector, directly supporting Saudi Vision 2030 by localizing spending, attracting investment, fostering innovation and enriching national capabilities.

Local content, as defined by the Local Content and Government Procurement Authority (LCGPA), is a national agenda that aims to enhance Saudi Arabia’s economy by engaging all economic sectors, including the public sector, private sector and individuals.

To date, rawafed-supported local spending exceeds ₪ 65 billion. The program operates under a formal governance model that embeds local content requirements and compliance controls into stc group procurement. This model defines mandatory local-content clauses, price-preference mechanisms, SME preferences, certification processes and regular compliance reviews. It serves as a sector reference and is continually assessed to improve alignment with laws, market needs and best practices.

With the launch of the rawafed local content updated strategy in 2025, a fresh roadmap is set to amplify economic and social benefits over the long term through four key strategic pillars.

<b>Localize spending</b>	<b>Attract investment</b>	<b>Foster innovation</b>	<b>Enrich capabilities</b>
 <p>Through strategic initiatives and partnerships, stc significantly reinforced local spending with enterprises and SMEs</p>	 <p>Increase and stimulate opportunities for the national industries in the telecom and ICT verticals</p>	 <p>Increase digital and ICT enhancement and use. Improve ability and practice in the R&amp;D aspect</p>	 <p>Create additional employment opportunities for Saudis in the ICT sectors and develop skills of the local capabilities</p>

To support the rollout, an awareness campaign was implemented, including video content, leadership communications and multi-channel outreach across internal and external platforms, generating over 65,000 video views and 31 media features, reinforcing rawafed’s profile as a key driver of local content within stc.

### rawafed performance

In 2025, stc achieved a local content score of 50.69%, a substantial improvement from the previous year’s 44.32% and surpassing the ICT sector benchmark of 40%. This achievement reflects stc’s commitment to sustainable growth and local economic participation. The strategy was implemented across the company’s Saudi subsidiaries, leading to improved local content scores and resulting in nine local content certificates obtained.

In 2025, rawafed’s local contribution exceeded ₪ 17 billion. In parallel, the percentage of spending on the local workforce reached 97%, alongside ₪ 41 million invested in training programs that enhance skills development and promote local talent.

Thanks to rawafed initiatives, as at 2025, stc supported its partners in obtaining 1,315 local content certificates issued by Saudi certification bodies, while also achieving a 36% increase in spending on local goods and services compared to 2024.

In 2025, rawafed participated in Saudi Arabia’s Public Investment Fund (PIF) Private Sector Forum, where stc presented 27 key investment opportunities and showcasing digital solutions in cybersecurity, artificial intelligence and other emerging technologies. In addition, rawafed co-hosted one of the Tomoh Wednesday series with Monsha’at (Small and Medium Enterprises General Authority), which was attended by more than 80 SMEs. The event featured presentations on major investment opportunities, supplier registration procedures and support services designed to foster SME growth and competitiveness, further underscoring stc’s commitment to empowering this sector and advancing Saudi Vision 2030.

For more on rawafed achievements, please refer to its annual report, published on [stc’s website](#).

#### Performance metrics

stc KSA Local content	ICT benchmark	2023	2024	2025
Local content score	40%	42.90%	44.32%	50.69%

stc KSA Local content	Unit	2023	2024	2025
Local content contribution spend	₪ billion	13.0	14.0	17.3

#### rawafed partnerships

The Local Excellence program continued to deliver targeted training, advisory support and tailored consulting to strengthen national capabilities and advance local content. Designed to improve local content within stc’s partnerships, the initiative offers more than 18 services including strategic planning, process and governance modeling, and measurement methods. In its initial phase, the rawafed team worked with nine strategic partners, running over 20 sessions that covered +13 services. By 2025, the program had partnered with more than 13 PIF-portfolio companies, nurturing strategic collaborations that bolster the local content ecosystem and amplify these firms’ contributions to the national economy.

#### Local content-related awards

rawafed from stc also marked a year of recognition and impact. stc won first place at the Excellence in Local Content Preference award for the second year running in the government-owned companies’ category. Internet of Things (IoT) secured the Local Content Development award, clear evidence that stc’s integrated ecosystem and the Local Excellence program are successfully scaling local content across sectors.



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# ESG Metrics

## Environmental performance and climate

### Material Topic: Energy and climate change

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Total Scope 1 emissions</b>	tCO <sub>2</sub> e	stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	27,079	26,546	38,143
<b>Total Scope 2 emissions</b>	tCO <sub>2</sub> e	stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	500,291	492,416	448,967
<b>Total Scope 3 emissions</b>	tCO <sub>2</sub> e	stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	1,505,452	1,458,320	911,608
<b>Total GHG emissions</b>	tCO <sub>2</sub> e	stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	2,032,822	1,977,282	1,398,718
<b>Total energy consumption</b>	GJ	stc KSA	Includes stc KSA and its HQ-based subsidiaries	1,778,801	1,854,755	1,823,462
		stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	3,618,308	3,549,390	3,313,689
<b>Direct energy consumption</b>	GJ	stc KSA	Includes stc KSA and its HQ-based subsidiaries	131,056	139,009	147,441
		stc group	2023 and 2024 numbers restated in alignment with stc's organizational change.	364,274	353,066	548,451
<b>Indirect energy consumption</b>	GJ	stc KSA	Includes stc KSA and its HQ-based subsidiaries	1,647,745	1,715,746	1,676,021
		stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	3,254,034	3,196,324	2,765,238
<b>Energy intensity</b>	GJ/PB	stc KSA	Includes stc KSA and its HQ-based subsidiaries	56.7	63.45	74.77
		stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	106.52	112.07	123.99
<b>Total Electricity consumption</b>	MWh	stc KSA	Includes stc KSA and its HQ-based subsidiaries	457,707	476,596	465,561
		stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	903,898	887,868	768,122
<b>Petrol consumption</b>	Liters	stc KSA	Includes stc KSA and its HQ-based subsidiaries	3,659,114	3,944,944	4,168,144
		stc group	2023 and 2024 numbers restated in alignment with stc's organizational change	4,608,314	4,086,583	4,218,182

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Diesel consumption</b>	Liters	stc KSA	Includes stc KSA and its HQ-based subsidiaries	163,816	113,352	128,032
		stc group	2025 data excludes Tawal	5,724,753	5,908,551	10,580,857
<b>Data centers: Number of exchanges</b>	Number	stc KSA	-	222	225	223
		stc Bahrain	-	2	2	2
		stc Kuwait	Data centres are leased, not owned	13	13	24
<b>Number of data centers owned by stc</b>	Number	stc KSA	-	16	17	17
		stc Bahrain	-	2	2	2
		stc Kuwait	Data centres are leased, not owned	2	2	2
<b>Power usage effectiveness (average PUE) of existing data centers</b>	Ratio	stc KSA	-	1.86	1.95	2.27
		stc Bahrain	-	1.87	1.79	1.80
		stc Kuwait	-	1.23	1.41	1.90
<b>Power usage effectiveness (average PUE) of new data centers</b>	Ratio	stc KSA	-	1.76	2.10	2.12
		stc Bahrain	Applies only to new data centres project. No new data centres added in 2023–2025	-	-	-
		stc Kuwait	-	-	-	-

### Material Topic: Waste and circular economy

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Total waste generated (End-of-life assets)</b>	Tons	stc KSA	Includes stc KSA and its HQ-based subsidiaries	2,175	4,236	7,131
<b>Waste reused (End-of-life assets)</b>	%	stc KSA	Includes stc KSA and its HQ-based subsidiaries	69%	48%	74%
<b>Waste recycled (End-of-life assets)</b>	%	stc KSA	Includes stc KSA and its HQ-based subsidiaries	17%	40%	16%
<b>Waste safely disposed (End-of-life assets)</b>	%	stc KSA	Includes stc KSA and its HQ-based subsidiaries	14%	12%	10%
<b>Total general waste (HQ)</b>	Tons	stc KSA	Includes stc KSA and its HQ-based subsidiaries	1,050	1,000	700
		stc group	-	5,524	2,516	6,337
<b>Total paper consumption</b>	Tons	stc KSA	Includes stc KSA and its HQ-based subsidiaries	0.77	1.05	1.25
<b>Total papers printed</b>	Number	stc KSA	Includes stc KSA and its HQ-based subsidiaries	203,705	212,438	252,525
<b>Recovered devices (Trade-in program)</b>	Number	stc group	-	19,611	52,818	-
	Percentage	-	-	100%	97%	-

## Development of human capital through digital innovation

### Material Topic: Customer relations and satisfaction

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Customer Experience Index (CEI)</b>	%	stc KSA	-	91%	92%	89%
<b>Customer Satisfaction Rate</b>	%	stc KSA	2024 not YoY comparable due to methodology changes	89%	83%	84.70%
		stc Bahrain	-	90%	93.3%	92%
		stc Kuwait	-	90.4%	90.1%	87%
<b>First Call Resolution (FCR)</b>	%	stc KSA	-	88%	82%	78%
		stc Bahrain	-	96%	96%	96%
		stc Kuwait	-	95%	91%	91%
<b>Customer Complaints Resolved</b>	%	stc KSA	-	100%	100%	100%
		stc Bahrain	-	100%	100%	100%
		stc Kuwait	-	84%	80%	73%
<b>Complaint Resolution Time</b>	Days	stc KSA	-	1.07	1.08	1.3
		stc Bahrain	-	3.7	3.2	2.7
		stc Kuwait	-	1.5	0.75	0.70
<b>mystc App: Active Users</b>	Number	stc KSA	-	16,082,269	13,287,896	12,036,473
<b>mystc App: Unique Clients Served</b>	Number	stc KSA	-	9,699,654	8,090,256	7,384,950
<b>mystc App: Total Subscriptions</b>	Number	stc KSA	-	36,436,820	28,852,760	21,052,583
<b>mystc Sales Transactions</b>	%	stc KSA	-	47%	42%	46%
		stc Bahrain	-	20%	18%	16%
		stc Kuwait	-	45%	31%	32%
<b>Other Sales (SSM + SMS + Outlet)</b>	%	stc KSA	-	13%	13%	14%
		stc Bahrain	-	46%	48%	48%
		stc Kuwait	-	55%	69%	68%
<b>Digital Self-Service Support</b>	%	stc KSA	-	97%	97%	96%
		stc Bahrain	-	35%	34%	38%
		stc Kuwait	-	68%	59%	57%
<b>Human Interaction Support</b>	%	stc KSA	-	3%	3%	3%
		stc Bahrain	2023 figures restated due to methodology updates	65%	66%	62%
		stc Kuwait	-	32%	41%	43%

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Average mobile broadband download speed</b>	Mbps	stc KSA	-	222.33	142.97	121.72
		stc Bahrain	-	179.27	164.73	164.40
		stc Kuwait	-	177	167.00	158.00
<b>Average mobile broadband upload speed</b>	Mbps	stc KSA	-	24.9	22.55	23.30
		stc Bahrain	-	4.14	4.1	3.59
		stc Kuwait	2023 figures have been restated	10.13	9.86	6.35
<b>Network traffic</b>	Petabytes	stc KSA	-	33,043	29,481	24,730.11
		stc Bahrain	-	528	552	446
		stc Kuwait	-	2,025	1,636	1,549
<b>Percentage of 4G population coverage</b>	%	stc KSA	-	99%	98%	98%
<b>Percentage of 5G population coverage</b>	%	stc KSA	-	63%	55%	48%

### Material Topic: Health, safety and wellbeing

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Employee work-related fatalities</b>	Number	stc KSA	-	0	0	0
		stc group	2025 data excludes sirar by stc	0	0	0
<b>Contractors' work-related fatalities</b>	Number	stc KSA	-	0	0	0
		stc group	2025 data excludes sirar by stc	0	0	0
<b>Employee total recordable injuries</b>	Number	stc KSA	-	4	2	0
		stc group	2025 data excludes sirar by stc	4	2	0
<b>Employee occupational illnesses</b>	Number	stc KSA	-	0	0	0
		stc group	2025 data excludes sirar by stc	0	0	0
<b>Heat stress events</b>	Number	stc KSA	-	0	0	0
		stc group	2025 data excludes sirar by stc	0	1	0
<b>Rate of fatalities (work-related injury)</b>	Rate	stc KSA	-	0	0	0
		stc group	2025 data excludes sirar by stc	0	0	0

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Number of workers covered by OH&amp;S system</b>	Number	stc KSA	-	166	166	152
<b>Percentage of workers covered by OH&amp;S system</b>	%	stc KSA	-	1%	1%	1.30%
<b>Incident rate of recordable injuries</b>	Rate	stc KSA	-	0	0.02	0
		stc group	2025 data excludes sirar by stc	0	0.0242	0
<b>Emergency response drills conducted</b>	Number	stc KSA	-2025 data excludes sirar by stc	382	462	128
		stc group		537	716	382
<b>Safety incident investigations initiated</b>	Number	stc KSA	-	10	4	6
		stc group	2025 data excludes sirar by stc	21	31	29
<b>Safety incident investigations completed</b>	Number	stc KSA	-	10	4	6
		stc group	2025 data excludes sirar by stc	21	31	30
<b>Average hours of H&amp;S training per employee and contractor</b>	Hours	stc KSA	-	4.02	2.80	3.00
		stc group	-	2.05	2.47	5.32

Occupational injury rates were calculated based on 200,000 working hours, in accordance with the standards of the Occupational Safety and Health Administration (OSHA).

### Material Topic: Digital innovation & experience

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Awarded intellectual properties</b>	Number	stc KSA	-	11	7	5
<b>Number of R&amp;D labs</b>	Number	stc KSA	-	2	2	2
<b>Number of R&amp;D employees in the lab</b>	Number	stc KSA	-	23	21	19
<b>Number of Saudi employees working in R&amp;D</b>	Number	stc KSA	-	16	16	15
<b>Number of non-Saudi employees working in R&amp;D</b>	Number	stc KSA	-	7	5	4

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Women in R&amp;D</b>	Number	stc KSA	-	7	6	5
<b>Men in R&amp;D</b>	Number	stc KSA	-	16	15	14

### Material Topic: Diversity, equity and inclusion

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Number of employees (excluding trainees, students and outsourced staff)</b>	Number	stc KSA	2023 figures have been restated following methodology improvements to enhance calculation accuracy and consistency	10,448	10,577	12,643
		stc group	-	18,921	19,863	22,751
<b>Employees on fixed term or temporary contract</b>	Number	stc KSA	-	1,397	1,644	1,786
		stc group	-	2,335	2,630	2,961
<b>Employees on indefinite or permanent contract</b>	Number	stc KSA	-	9,051	8,933	10,857
		stc group	-	16,586	17,233	19,790
<b>Total full-time equivalent (FTE) employees</b>	Number	stc KSA	-	10,448	10,577	12,643
		stc group	-	18,921	19,863	22,751
<b>Workforce aged &lt;30</b>	Number	stc KSA	-	1,141	1,238	1,758
		stc group	-	2,043	2,574	4,285
<b>Workforce aged 31-50</b>	Number	stc KSA	-	6,473	6,548	8,025
		stc group	-	12,852	12,716	13,840
<b>Workforce aged &gt;50</b>	Number	stc KSA	-	1,437	1,147	1,074
		stc group	-	1,691	1,943	1,665
<b>Workforce: Women</b>	Number	stc KSA	-	1,279	1,122	1,162
		stc group	-	2,875	2,787	2,811
<b>Workforce: Men</b>	Number	stc KSA	-	7,772	7,811	9,695
		stc group	-	13,711	14,446	16,979
<b>Executive/ Senior Management</b>	Number	stc KSA	-	252	230	229
		stc group	-	446	464	483
<b>Middle Management</b>	Number	stc KSA	-	1,827	1,643	1,520
		stc group	-	2,974	2,926	2,837
<b>Staff</b>	Number	stc KSA	-	6,972	7,060	9,108
		stc group	-	13,166	13,843	16,470

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Total new employee hires</b>	Number	stc KSA	-	210	141	597
		stc group	-	835	924	2,386
<b>Number of new women employees</b>	Number	stc KSA	-	66	40	223
		stc group	-	252	286	552
<b>Women hiring rate</b>	%	stc KSA	-	31.43%	28.37%	34.17%
		stc group	-	30.18%	30.95%	31.60%
<b>Women in senior management</b>	%	stc KSA	-	7.94%	6.52%	6.90%
		stc group	-	6.95%	6.25%	5.2%
<b>Women in junior/middle management</b>	%	stc KSA	-	13.14%	9.98%	6.84%
		stc group	-	14.49%	12%	8.9%
<b>Women in Leadership Roles (Total)</b>	Number	stc KSA	-	260	189	—
		stc group	-	462	370	—
<b>Employees with disabilities</b>	Number	stc KSA	-	40	45	70
		stc group	-	59	66	104
<b>Nationalization: Senior Management</b>	%	stc KSA	stc KSA includes all national employees of subsidiaries based in KSA	98.39%	93.8%	92.5%
		stc Bahrain	-	39%	47%	26%
		stc Kuwait	-	42%	50%	51%
<b>Nationalization rate among total workforce</b>	%	stc KSA	stc KSA includes all national employees of subsidiaries based in KSA	89.6%	89.9%	90.1%
		stc Bahrain	-	59%	56%	51%
		stc Kuwait	-	61%	64%	64%

**Material Topic: Talent management**

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Total new employee hires</b>	Number	stc KSA	-	210	141	597
		stc group	-	835	924	2,386
<b>New hires: Women</b>	Number	stc KSA	-	66	40	223
		stc group	-	252	286	552
<b>New hires: Men</b>	Number	stc KSA	-	574	101	379
		stc group	-	810	638	1,750

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>New hires: &lt;30</b>	Number	stc KSA	-	236	31	275
		stc group	-	510	415	973
<b>New hires: 31-50</b>	Number	stc KSA	-	545	106	313
		stc group	-	633	499	1,374
<b>New hires: &gt;50</b>	Number	stc KSA	-	11	4	9
		stc group	-	7	10	39
<b>Employee turnover rate</b>	%	stc KSA	-	3.13%	2.7%	2.65%
		stc group	-	4.18%	4.3%	3.9%
<b>Number of employees who left</b>	Number	stc KSA	-	280	294	303
		stc group	-	706	854	1,012
<b>Turnover: Women</b>	Number	stc KSA	-	54	72	73
		stc group	-	160	219	761
<b>Turnover: Men</b>	Number	stc KSA	-	226	222	230
		stc group	-	546	635	251
<b>Turnover: &lt;30</b>	Number	stc KSA	-	101	106	158
		stc group	-	239	281	432
<b>Turnover: 31-50</b>	Number	stc KSA	-	172	181	143
		stc group	-	442	547	555
<b>Turnover: &gt;50</b>	Number	stc KSA	-	7	7	2
		stc group	-	25	26	25
<b>Total hours of training for participants</b>	Hours	stc group	-	303,303	476,675	530,073
<b>Training: In class</b>	%	stc group	-	70.5%	61.3%	52.1%
<b>Training: e-learning</b>	Percentage	stc group	-	29.5%	38.7%	47.9%
<b>Training hours: Men</b>	Percentage	stc group	-	74.5%	75.6%	79.3%
<b>Training hours: Women</b>	Percentage	stc group	-	25.5%	24.4%	20.7%
<b>Training hours: Senior management</b>	Percentage	stc group	-	2.0%	1.9%	1.6%
<b>Training hours: Middle management</b>	Percentage	stc group	-	21.9%	13.0%	14.8%
<b>Training hours: Staff</b>	Percentage	stc group	-	76.1%	85.1%	83.6%
<b>Training hours: National participants</b>	Percentage	stc group	-	85.9%	81.5%	86.6%

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Training hours: Non-national participants</b>	Percentage	stc group	-	14.1%	18.5%	13.4%
<b>Training hours: &lt;30 years old</b>	Percentage	stc group	-	45.0%	20.0%	49.9%
<b>Training hours: 31-50 years old</b>	Percentage	stc group	-	50.5%	76.3%	45.9%
<b>Training hours: &gt;50 years old</b>	%	stc group	-	4.5%	3.6%	4.2%
<b>Average hours of training per participant</b>	Hours	stc group	Average training hours now based on unique trainees	19.25	22	24
<b>Average training hours: Men</b>	Hours	stc group	-	17.02	34.12	36.7
<b>Average training hours: Women</b>	Hours	stc group	-	30.57	88.75	80
<b>Average training hours: Senior management</b>	Hours	stc group	-	36.17	38.36	37.8
<b>Average training hours: Middle management</b>	Hours	stc group	-	57.51	38.91	55.3
<b>Average training hours: Staff</b>	Hours	stc group	-	15.88	40.39	39.6
<b>Average training hours: &lt;30 years old</b>	Hours	stc group	-	32	61	129.9
<b>Average training hours: 31-50 years old</b>	Hours	stc group	-	6.4	23.75	27.7
<b>Average training hours: &gt;50 years old</b>	Hours	stc group	-	5	7.75	11.1
<b>Average training hours: National</b>	Hours	stc group	-	24.01	63.3	40.6
<b>Average training hours: Non-national</b>	Hours	stc group	-	8.53	37.1	46.7
<b>Total training hours on DEI</b>	Hours	stc group	Rolled out group-wide in 2023 only	259	383	5,318
<b>Total training hours on Data Privacy &amp; Security</b>	Hours	stc group	-	38,134	55,068	57,173

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Number of hours devoted to training on human rights-related policies or procedures relevant to our operations</b>	Hours	stc group	2025 data reflects updated methodology; prior years not comparable	15,154	58,072	151,559
<b>Specialist Development Program (SDP)</b>	Participants		-	137	177	176
<b>Talent Incubation Program (TIP)</b>	Participants	stc group	-	95	178	627
<b>High-Potential (HiPo) Program</b>	Participants	stc group	-	26	62	56
<b>Employee Experience Index (EEI)</b>	Score	stc KSA	-	78.8	76.3	80.1
		stc group	-	81	78.1	80.7
<b>Employee engagement rate</b>	%	stc KSA	-	88.1%	86.1%	90%
		stc group	-	89.4%	88%	88%
<b>Employees benefited from performance-based pay</b>	%	stc KSA	-	95.4%	52.20%	49.40%
		stc Bahrain	-	87.60%	62.30%	98.80%
		stc Kuwait	stc Kuwait restated figures for calculation improvement methodologies aligned at group level	87%	92%	85%
<b>Parental leave taken: Women</b>	Number	stc KSA	-	108	-	-
		stc group	-	116	-	-
<b>Parental leave taken: Men</b>	Number	stc KSA	-	639	-	-
		stc group	-	665	-	-
<b>Return to work after leave: Women</b>	Number	stc KSA	-	80	-	-
		stc group	-	85	-	-
<b>Return to work after leave: Men</b>	Number	stc KSA	-	639	-	-
		stc group	-	665	-	-
<b>Return to work rate: Women</b>	%	stc KSA	-	74%	-	-
		stc group	-	73%	-	-
<b>Return to work rate: Men</b>	%	stc KSA	-	100%	-	-
		stc group	-	100%	-	-
<b>Retention rate: Women</b>	%	stc KSA	-	74%	-	-
		stc group	-	73%	-	-
<b>Retention rate: Men</b>	%	stc KSA	-	100%	-	-
		stc group	-	100%	-	-

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Employees receiving performance review</b>	%	stc KSA	-	100%	100%	100%
<b>Number of incidents reported</b> (Internal grievance system)	Number	stc KSA	-	839	786	1,407
<b>Incidents addressed or resolved</b>	%	stc KSA	-	100%	100%	100%

**Material Topic: Community contribution and development**

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Number of volunteers</b>	Number	stc KSA	-	333	715	672
<b>Volunteering hours</b>	Hours	stc KSA	-	6,377	8,580	8,064
<b>Community development partnerships</b>	Number	stc KSA	-	87+	-	-

**Strong governance and ethical excellence**

**Material Topic: Data Privacy, security and protection**

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Actual cyberattacks</b>	Number	stc KSA	-	16	15	11
<b>Attempted cyberattacks</b>	Number	stc KSA	-	10,313	8,405	9,708
<b>Reported spam messages handled</b>	Number	stc KSA	-	41,937	44,548	67,915
<b>Frameworks, policies and standards fully aligned with legal and regulatory requirements</b>	%	stc KSA	-	100%	100%	100%

**Material Topic: Governance and business ethics**

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Code of Ethics acknowledgment signed</b>	%	stc KSA stc group	- -	100% 100%	100% 100%	100% 100%
<b>Code of Conduct training: Full-time employees</b>	Number	stc KSA stc group	- -	8,128 15,423	9,904 12,770	12,217 13,735
<b>Code of Conduct training: Part-time/Contractors</b>	Number	stc KSA	-	1,416	1,584	1,711
<b>Business units analyzed for corruption risk</b>	Number	stc group	-	100%	100%	100%
<b>Legal cases raised by external entities regarding corruption</b>	%	stc KSA	-	0	0	0
<b>Incidents in which employees were dismissed or disciplined for corruption</b>	Number	stc KSA	-	3	0	0

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Breaches: Corruption or Bribery</b>	Number	stc group	-	3	—	—
<b>Breaches: Conflicts of Interest</b>	Number	stc group	-	2	—	—
<b>Breaches: Discrimination or Harassment</b>	Number	stc group	-	0	—	—
<b>Breaches: Money Laundering or Insider trading</b>	Number	stc group	-	0	—	—
<b>Employees trained in anti-corruption</b>	Number	stc KSA	Excludes headquarters-based subsidiaries	9,544	11,473	12,331
<b>Employees trained in anti-corruption</b>	%	stc KSA	Excludes headquarters-based subsidiaries	99.8%	99.6%	98%
<b>Governance members trained in anti-corruption</b>	%	stc KSA	Excludes headquarters-based subsidiaries	99.8%	100%	100%
<b>Percentage of governance body members to which stc's anti-corruption policies and procedures have been communicated</b>	%	stc KSA	Excludes headquarters-based subsidiaries	100%	100%	100%
<b>Percentage of employees to which stc's anti-corruption policies and procedures have been communicated</b>	%	stc KSA	Excludes headquarters-based subsidiaries	100%	100%	100%
<b>Percentage of business partners to which stc's anticorruption policies and procedures have been communicated</b>	%	stc KSA	Excludes headquarters-based subsidiaries	100%	100%	100%
<b>Number of inquiries, complaints or issues received by whistleblowing</b>	Number	stc KSA	-	564	617	321

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Percentage of substantiated inquiries, complaints or issues received by whistleblowing</b>	%	stc KSA	Decrease driven by corrective actions and awareness sessions	30%	80%	84%
<b>Percentage of cases raised related to human rights</b>	%	stc KSA	-	0%	0%	0%
<b>Total incidents of non-compliance with laws and regulations related to society &amp; national economy regulations.</b>	Number	stc group	-	0	0	0
<b>Total incidents of non-compliance with environmental laws and/or regulations</b>	Number	stc group	-	0	0	0
<b>Number of non-monetary sanctions Environmental, society &amp; national economy regulations</b>	Number	stc group	-	0	0	0
<b>Amount of legal and regulatory fines and settlements Environmental, society &amp; national economy regulations</b>	₹	stc group	-	0	0	0

Material Topic: Supply chain management

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Total procurement spending (٣ billion)</b>	٣ Billion	stc KSA	-	34.8	29.9	35.2
		stc group	-	143	129	67.48
<b>Amount spent on local suppliers (٣ billion)</b>	٣ Billion	stc KSA	-	34.2	28.6	33.2
		stc group	-	109	124	42
<b>Percentage of total procurement spending on local suppliers</b>	%	stc KSA	-	98%	96%	96%
		stc group	-	76%	96%	89%
<b>Local content score</b>	%	stc KSA	-	50.69%	44.32%	42.90%
<b>Local content contribution spend</b>	٣ Billion	stc KSA	-	17.3	14.0	13.0
<b>Number of total suppliers</b>	Number	stc KSA	-	468	3,773	3,475
		stc group	-	1,513	9,024	9,316
<b>Number of tier 1 suppliers</b>	Number	stc KSA	-	1,981	24	199
		stc group	-	8,110	684	993
<b>Number of local suppliers</b>	Number	stc KSA	-	23	3,111	2,828
		stc group	-	98	7,101	6,941
<b>Number of foreign suppliers</b>	Number	stc KSA	-	2,449	662	647
		stc group	-	9,624	1,923	468
<b>Number of total SME suppliers engaged</b>	Number	stc KSA	-	49	117	168
		stc group	-	211	492	665
<b>Suppliers screened for environmental, labor and human rights practices</b>	Number	stc KSA	-	548	656	230
<b>Percentage of new suppliers that were screened for environmental, labor and human rights practices</b>	%	stc KSA	-	100%	100%	100%
<b>Number of suppliers subject to assessments for sustainability impacts (supplier evaluations)</b>	Number	stc KSA	-	161	40	122
<b>Number of suppliers identified as having significant and potential negative impacts</b>	Number	stc KSA	-	27	47	49
		stc group	-	29	47	49

ESG metric	Unit	Boundaries	Exclusions and Notes	2025	2024	2023
<b>Suppliers with which sustainability improvements were agreed upon as a result of audit</b>	Number	stc KSA	-	9	10	3
		stc group	-	9	71	8
<b>Suppliers with which relationships were terminated as a result of audits and monitoring</b>	Number	stc KSA	-	0	0	4
		stc group	-	2	0	4
<b>Number of suppliers blocked for non-compliance with ethical aspects</b>	Number	stc KSA	-	0	0	4
		stc group	-	0	0	4
<b>Reduction of paper-based documents with the electronic procurement process</b>	%	stc KSA	-	100%	100%	100%
		stc Bahrain	-	100%	100%	95%
		stc Kuwait	-	100%	100%	100%
		sirar	-	100%	100%	100%
		iot squared	-	100%	100%	100%
		center3	-	100%	100%	5%
		solutions by stc	-	100%	100%	100%
		scc by stc	-	100%	100%	50%
<b>Specialized by stc channels</b>	-	specialized by stc	-	100%	100%	15%
		channels	-	100%	100%	100%

# Combined GRI and UNGC Index

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.



The service was performed on the English version of the report.

<b>Statement of use</b>	stc has reported in accordance with the GRI Standards for the period 1 January to 31 December 2025.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Page 14 (stc at a glance) Page 10-11 ( <a href="#">stc 2025 Annual Report</a> > About stc)	-	-	-	
	2-2 Entities included in the organization's sustainability reporting	Page 16 (Reporting boundaries and methodology)	-	-	-	
	2-3 Reporting period, frequency and contact point	Page 4 (About this report)	-	-	-	
	2-4 Restatements of information	Page 114 (Advancing 5G and network coverage > Performance metrics > Network Coverage) Page 119 (Digitizing Customer Touchpoints and Sales Services > Performance metrics > Digital channels support) Page 137 (stc Academy > Performance metrics > Training and development) Page 142 (Employee engagement > Performance metrics > Employee engagement)	-	-	-	

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
	2-5 External assurance	No external assurances	-	-	-	
	2-6 Activities, value chain and other business relationships	Page 14 (stc at a glance) Page 10-11 ( <a href="#">stc 2025 Annual Report</a> > About stc)	-	-	-	
	2-7 Employees	Page 128 (Our People)	-	-	-	
	2-8 Workers who are not employees	Page 128 (Our People)	-	-	-	
	2-9 Governance structure and composition	Page 62 (Sustainability governance framework)	-	-	-	
	2-10 Nomination and selection of the highest governance body	Page 188 ( <a href="#">stc 2025 Annual Report</a> > Nomination and Remuneration Committee (NRC))	-	-	-	
	2-11 Chair of the highest governance body	Page 182 ( <a href="#">stc 2025 Annual Report</a> > Board members)	-	-	-	
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 62 (Sustainability governance framework)	-	-	-	
	2-13 Delegation of responsibility for managing impacts	Page 62 (Sustainability governance framework)	-	-	-	
	2-14 Role of the highest governance body in sustainability reporting	Page 62 (Sustainability governance framework)	-	-	-	
	2-15 Conflicts of interest	<a href="#">Conflict of Interest and Related Parties Transactions Policy</a>	-	-	-	Principle 10
	2-16 Communication of critical concerns	Page 177 (Whistleblowing) <a href="#">Whistle Blowing Policy</a>	-	-	-	Principle 6
	2-17 Collective knowledge of the highest governance body	Page 179 (Group-wide compliance)	-	-	-	

Combined GRI and UNGC Index continued

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
	2-18 Evaluation of the performance of the highest governance body	Page 171 (Performance evaluation and remuneration) Page 192 ( <a href="#">stc 2025 Annual Report</a> > Annual assessment of the Board of Directors and Committees)	-	-	-	
	2-19 Remuneration policies	<a href="#">Nomination and Remuneration Policy</a>	-	-	-	
	2-20 Process to determine remuneration	Page 171 (Performance evaluation and remuneration) Page 196 ( <a href="#">stc 2025 Annual Report</a> > Remuneration and compensation of the Board of Directors and top five senior executives)	-	-	-	
	2-21 Annual total compensation ratio	-	-	Information unavailable / incomplete	stc reports on the remuneration of the Board of Directors and the top five senior executives in its 2025 annual report. However, data on the median annual total compensation for all employees is not available, and therefore the annual total compensation ratio cannot be fully calculated.	
	2-22 Statement on sustainable development strategy	Page 6 (Chairman's message)	-	-	-	

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
	2-23 Policy commitments	Page 66 (Sustainability policies and position statements)	-	-	-	
	2-24 Embedding policy commitments	Page 66 (Sustainability policies and position statements)	-	-	-	
	2-25 Processes to remediate negative impacts	Page 146 (Addressing employee complaints) Page 177 (Whistleblowing)	-	-	-	Principle 6
	2-26 Mechanisms for seeking advice and raising concerns	Page 146 (Addressing employee complaints) Page 177 (Whistleblowing)	-	-	-	Principle 6
	2-27 Compliance with laws and regulations	Page 179 (Group-wide compliance)	-	-	-	
	2-28 Membership associations	Page 24 (Industry leadership)	-	-	-	
	2-29 Approach to stakeholder engagement	Page 46 (Stakeholder engagement)	-	-	-	
	2-30 Collective bargaining agreements	Page 183 (Labor rights and representation)	-	-	-	Principle 3
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 38 (Double materiality assessment > Approach)	-	-	-	
	3-2 List of material topics	Page 40 (Material topics and matrix) stc's material matters are listed as follows: <ul style="list-style-type: none"> <li>• Data Privacy, Security and Protection</li> <li>• Customer Relations and Satisfaction</li> <li>• Health, Safety and wellbeing</li> <li>• Governance and Business Ethics</li> <li>• Accessibility and Digital Inclusion</li> <li>• Digital Innovation and Experience</li> <li>• Diversity, equity and inclusion</li> </ul>	-	-	-	

Combined GRI and UNGC Index continued

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
		<ul style="list-style-type: none"> <li>Energy and Climate Change</li> <li>Human Rights</li> <li>Talent Management</li> <li>Community Contribution and Development</li> <li>Waste and Circular Economy</li> <li>Supply Chain Management</li> </ul>				
<b>Data privacy, security and protection</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 200 (Data privacy and security)	-	-	-	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 202 (Protection against cyberattacks) In 2025, stc recorded zero data security breaches and zero incidents involving customers' personally identifiable information (PII)	-	-	-	
<b>Customer relations and satisfaction</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 110 (Customer relations and satisfaction)				
<b>Health, safety and wellbeing</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 147 (Prioritizing health, safety and well-being)	-	-	-	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Page 147 (Occupational health and safety)	-	-	-	
	403-2 Hazard identification, risk assessment, and incident investigation	Page 150 (Hazard Identification, Emergency Response, Risk Assessments and Incident Investigation)	-	-	-	
	403-3 Occupational health services	Page 152 (Employee well-being)	-	-	-	

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 147 (Occupational health and safety)	-	-	-	
	403-5 Worker training on occupational health and safety	Page 151 (Health and safety training) Page 152 (Employee well-being)	-	-	-	
	403-6 Promotion of worker health	Page 152 (Employee well-being)	-	-	-	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 150 (Hazard Identification, Emergency Response, Risk Assessments and Incident Investigation)	-	-	-	
	403-8 Workers covered by an occupational health and safety management system	Page 147 (Occupational health and safety)	-	-	-	
	403-9 Work-related injuries	Page 148 (Workplace-related fatalities/injuries)	-	-	-	
	403-10 Work-related ill health	Page 148 (Workplace-related fatalities/injuries)	-	-	-	
<b>Governance and business ethics</b>						Principle 10
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 172 (Governance with integrity)	-	-	-	
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Page 184 (Enterprise risk management > stc group Risk management)	-	-	-	
	205-2 Communication and training about anti-corruption policies and procedures	Page 174 (Anti-bribery and corruption)	-	-	-	

Combined GRI and UNGC Index continued

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
	205-3 Confirmed incidents of corruption and actions taken	Page 174 (Anti-bribery and corruption > Performance metrics > Anti-corruption incidents)	-	-	-	
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 176 (Anti-competitive behavior)	-	-	-	
<b>Accessibility and digital inclusion</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 110 (Cultivating connections that matter) Page 120 (Supporting SMEs through digital technologies) Page 121 (Support for vulnerable and underserved groups) Page 155 (Smart Truck)	-	-	-	
<b>Digital innovation and experience</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 122 (Digital innovation)	-	-	-	
<b>Diversity, equity and inclusion</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 130 (Strength in diversity)	-	-	-	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Page 130 (Strength in diversity > Workforce profile) Page 169 (Board diversity)	-	-	-	
	405-2 Ratio of basic salary and remuneration of women to men	-	-	Confidentiality constraints	This information is internally managed and not disclosed externally due to confidentiality constraints.	

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
<b>Energy and climate change</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 76 (Climate change) Page 88 (Energy efficiency)	-	-	-	Principles 7,8,9
<b>GRI 103: Energy 2025</b>	103-1 Energy policies and commitments	Page 88 (Energy efficiency) Page 76 (Climate change)	-	-	-	
	103-2 Energy consumption and self-generation within the organization	Page 92 (Optimizing energy efficiency at stc's headquarters > Performance metrics)	-	-	-	
	103-4 Energy intensity	Page 92 (Optimizing energy efficiency at stc's headquarters > Performance metrics)	-	-	-	
	103-5 Reduction in energy consumption	Page 92 (Optimizing energy efficiency at stc's headquarters > Performance metrics)	-	-	-	
<b>GRI 102: Climate Change 2025</b>	102-1 Transition plan for climate change mitigation	Page 78 (Climate strategy and transition planning)	-	-	-	
	102-2 Climate change adaptation plan	Page 68 (Sustainability and climate risks) Page 38 (Double materiality assessment)	-	-	-	
	102-4 GHG emissions reduction targets and progress	Page 80 (stc's climate-related targets)	-	-	-	
	102-5 Scope 1 GHG emissions	Page 82 (Emissions data)	-	-	-	
	102-6 Scope 2 GHG emissions	Page 82 (Emissions data)	-	-	-	
	102-7 Scope 3 GHG emissions	Page 82 (Emissions data)	-	-	-	
<b>Human rights</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 185 (Our commitment to human rights) <a href="#">Human Rights Policy</a>	-	-	-	Principles 1,2,3,4,5,6

Combined GRI and UNGC Index continued

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Page 177 (Whistleblowing)	-	-	-	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 183 (Labor rights and representation)	-	-	-	
<b>Talent management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 135 (Nurturing talent, unlocking potential)	-	-	-	
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-	-	Confidentiality constraints	This information is internally managed and not disclosed externally due to confidentiality constraints.	
	202-2 Proportion of senior management hired from the local community	Page 134 (Culture and ethnicity > Nationalization rate of senior management (%))	-	-	-	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Page 136 (Our talent > Performance metrics)	-	-	-	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 143 (Benefits and employee value proposition)	-	-	-	
	401-3 Parental leave	Page 144 (Parental leave)	-	-	-	

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 139 (stc Academy > Performance metrics > Training and development)	-	-	-	
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 137 (stc Academy)	-	-	-	
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 145 (Performance reviews)	-	-	-	
<b>Community contribution and development</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 154 (Community contribution and development)	-	-	-	
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Page 154 (Community contribution and development)	-	-	-	
<b>Waste and circular economy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 96 (Waste and circular economy)	-	-	-	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Page 96 (Waste and circular economy)	-	-	-	
	306-2 Management of significant waste-related impacts	Page 96 (Waste and circular economy)	-	-	-	
	306-3 Waste generated	Page 97 (Waste and circular economy > Performance metrics)	-	-	-	

Combined GRI and UNGC Index continued

GRI standard/ other source	Disclosure	Location and/or direct answer	Omission			UN Global Compact Principles
			Requirement (s) Omitted	Reason	Explanation	
306-4 Waste diverted from disposal	Page 97 (Waste and circular economy > Performance metrics) Page 101 (End-of-life assets treatment) Page 102 (Trade-in program) Page 160 (Electronic waste recycling)	-	-	-	-	
	306-5 Waste directed to disposal	Page 101 (End-of-life assets treatment)	-	-	-	
<b>Supply chain management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 210 (Supply chain management)	-	-	-	
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Page 212 (Supplier engagement and development initiatives)	-	-	-	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Page 211 (Integrating sustainability into our supplier assessment > Performance metrics > stc KSA Sustainability screening)	-	-	-	
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 211 (Integrating sustainability into our supplier assessment > Performance metrics > Suppliers' sustainability audits and monitoring)	-	-	-	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Page 211 (Integrating sustainability into our supplier assessment > Performance metrics > stc KSA Sustainability screening)	-	-	-	
	414-2 Negative social impacts in the supply chain and actions taken	Page 211 (Integrating sustainability into our supplier assessment > Performance metrics > Suppliers' sustainability audits and monitoring)	-	-	-	

# SASB Telecommunications Industry Metrics

Code	Metric	Location and/or direct answer
<b>SASB topic: Environmental Footprint of Operations</b>		
<b>TC-TL-130a.1</b>	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Page 95 (Optimizing energy efficiency at stc's headquarters > Performance metrics)
<b>SASB topic: Data Privacy</b>		
<b>TC-TL-220a.1</b>	Description of policies and practices relating to targeted advertising and customer privacy	Page 204 (Data privacy and security) Data Privacy and Security Position Statement
<b>TC-TL-220a.2</b>	Number of customers whose information is used for secondary purposes	This information is considered confidential, as such stc does not disclose this indicator
<b>TC-TL-220a.3</b>	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	In 2025, stc had no financial losses from legal proceedings concerning customer privacy
<b>TC-TL-220a.4</b>	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	This information is considered confidential, as such stc does not disclose this indicator
<b>SASB topic: Data Security</b>		
<b>TC-TL-230a.1</b>	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	In 2025, stc recorded zero data security breaches.
<b>TC-TL-230a.2</b>	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Page 205 (Cybersecurity)
<b>SASB topic: Product End-of-life Management</b>		
<b>TC-TL-440a.1</b>	(1) Materials recovered through take-back programmes, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	<a href="#">Page 105 (End-of-life assets treatment)</a> <a href="#">Page 106 (Trade-in program)</a>

# GSMA ESG Metrics for Mobile Industry

Code	Metric	Location and/or direct answer
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## SASB topic: Competitive Behaviour & Open Internet

<b>TC-TL-520a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	In 2025, stc received no legal penalties for anti-competitive behavior with no monetary losses.
<b>TC-TL-520a.2</b>	Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content	Page 119 (Advancing 5G and network coverage > Performance metrics)
<b>TC-TL-520a.3</b>	Description of risks and opportunities associated with net neutrality, paid peering, zero-rating, and related practices	This information is considered confidential, as such stc does not disclose this indicator

## SASB topic: Managing Systemic Risks from Technology Disruptions

<b>TC-TL-550a.1</b>	(1) System average interruption duration, (2) system average interruption frequency, and (3) customer average interruption duration	(2) System average interruption frequency (SAIFI): 0.65 (3) Customer average interruption duration (CAID): 126 minutes
<b>TC-TL-550a.2</b>	Discussion of systems to provide unimpeded service during service disruptions	Page 202 (Principle risks > Business continuity)

## Activity Metrics

Code	Metric	Location/direct answer
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<b>Number of wireless subscribers</b>	TC-TL-000.A	Page 124 (Subscribers at a glance)
<b>Number of wireline subscribers</b>	TC-TL-000.B	Page 124 (Subscribers at a glance)
<b>Number of broadband subscribers</b>	TC-TL-000.C	Page 124 (Subscribers at a glance)
<b>Network traffic</b>	TC-TL-000.D	Page 119 (Advancing 5G and network coverage > Performance metrics)

## Environment KPIs

Topic	Core metrics	KPI code	Page number or direct response
<b>Emissions</b>	<b>Science-based targets</b>	GSMA-ENV-01	
	1.1a		Page 84 (Metrics and targets)
	1.1a i		Page 80 (Our journey toward net-zero emissions)
	1.1a ii		Page 80 (Climate change)
	1.1b		Page 80 (Our journey toward net-zero emissions)
	1.1b i		
	1.1b ii		
	<b>Scope 1, 2 and 3 emissions</b>	GSMA-ENV-02	
	1.2a i		Page 86 (Scope 1 and 2 emissions)
	1.2a ii		
1.2a iii			
1.2a iv			
1.2a v			
1.2b i		Page 86 (Detailed breakdown of Scope 3 emissions)	
1.2b ii			
<b>Energy</b>	<b>Energy consumption</b>	GSMA-ENV-03	
	1.3a i		Page 96 (Optimizing energy efficiency at stc's headquarters > Performance metrics)
	1.3a ii		
	1.3a iii		
	1.3a iv		
	1.3a v		
	1.3b i		Page 96 (Optimizing energy efficiency at stc's headquarters > Performance metrics)
	1.3b ii		
	1.3b iii		
	1.3b iv		
<b>Circular economy</b>	<b>Circularity</b>	GSMA-ENV-04	
	1.4a i		Page 105 (End-of-life assets treatment)
	1.4a ii		Page 96 (Waste reduction and recycling performance)
	1.4b i		Page 106 (Trade-in program)
	1.4b ii		
	1.4b iii		
	1.4c i		While our reporting is guided by GSMA ESG Metrics, we are continuously improving our data processes to better quantify and disclose these metrics in future reports.
	1.4c ii		
	1.4c iii		
	<b>Electronic waste</b>	GSMA-ENV-05	
1.5a i	Page 105 (End-of-life assets treatment)		
1.5a ii			

GSMA ESG Metrics for Mobile Industry continued

Digital Inclusion KPIs

Topic	Core metrics	KPI code	Page number or direct response
<b>Network coverage</b>	2.1.	GSMA-INC-01	Page 90-91 ( <a href="#">stc 2025 Annual Report</a> > Supporting units > Infrastructure)
<b>Affordability</b>	2.2a 2.2b	GSMA-INC-02	Cost of the most affordable smartphone ₪ 359 Page 125 (Responsible products and transparent services / Support for vulnerable and underserved groups) Cost of 1 GB of data ₪ 34.5 While our reporting is guided by GSMA ESG Metrics, we are continuously improving our data processes to better quantify and disclose these metrics in future reports.
<b>Digital skills</b>	2.3	GSMA-INC-03	While our reporting is guided by GSMA ESG Metrics, we are continuously improving our data processes to better quantify and disclose these metrics in future reports.

Digital Integrity KPIs

Topic	Core metrics	KPI code	Page number or direct response
<b>Data protection</b>	3.1a 3.1b 3.1c 3.1d	GSMA-INT-01	In 2025, stc recorded zero data security breaches and zero incidents involving customers' personally identifiable information (PII).
<b>Digital rights</b>	3.2	GSMA-INT-02	Page 66 (Page 51 (Sustainability policies and position statements))
<b>Online safety</b>	3.3	GSMA-INT-03	Page 212 (Promoting online safety and protection for children)

Supply Chain KPIs

Topic	Core metrics	KPI code	Page number or direct response
<b>Sustainable supply chain</b>	<b>Supplier Procurement</b>	GSMA-SUP-01	Page 214 (Supply chain management) <a href="#">Supplier Code of Conduct</a>
	4.1a 4.1b		
	<b>Supplier assessments</b>	GSMA-SUP-02	Page 214 (Supply chain compliance)
	4.2a		
	4.2b		

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