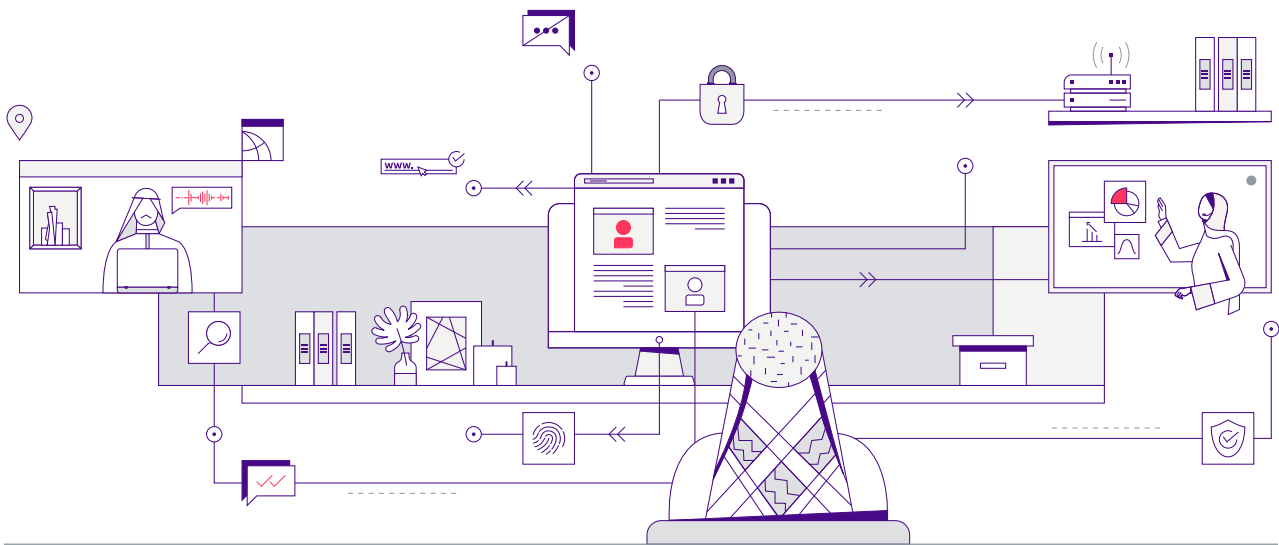


rawafed annual report

from excellence to **leadership**





about this report

this report has been prepared to highlight the achievements of stc group in developing and supporting local content in Saudi Arabia's communications and information technology sector. the development of local content is a key pillar in realizing the ambitious goals of Vision 2030, which aims to achieve a transformative shift in the Saudi economy.

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contact rawafed@stc.com.sa with any comments, inquiries, and suggestions.

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A photograph of four business professionals standing in a modern office hallway. From left to right: a woman in a grey hijab and abaya holding a smartphone, a man in a light blue shirt and dark trousers holding a white mug, a man in a white thobe and glasses with his hands clasped, and a woman in a grey hijab and abaya. They are all smiling and appear to be in a positive conversation. The background shows a bright, modern office interior with large windows and circular pendant lights.

01

**a message from
the leadership**

a message from the leadership



at stc, we believe that building the future starts from within. that means strengthening our national capabilities and investing in key sectors that make a difference, drawing inspiration from our ambitious vision for a promising future. rawafed is more than just a strategic initiative – it's a reflection of our mission of continuous innovation, an affirmation of the leadership approach we adopt at stc, and an extension of our role in enabling comprehensive technological and economic transformation across the Kingdom.

His Royal Highness Prince Mohammed Bin Khalid Al Abdullah Al Faisal Al Saud chairman of the board of directors, stc group



rawafed is designed to promote local content and support the Kingdom's national economy through innovative digital solutions and expansive national partnerships. our efforts throughout the past financial year have yielded tangible results, with the local content score rising to 50.69%. this reflects the strength of local empowerment initiatives and effective investment in national capabilities, broadening horizons for further growth and positive impact.

**Eng. Olayan Bin Mohammed Alwetaid
chief executive officer, stc group**



at rawafed, we have built an integrated and operational framework that contributes to the development of local content and ensures its sustainable impact through robust procurement governance and the empowerment of national supply chains. this strategic direction has resulted in annual local spending exceeding SAR 21.31 billion, underscoring stc group's commitment to tangible and economic developmental outcomes. building on this momentum, rawafed will continue to advance self-sufficiency in the local supply chain and support maximizing national value creation across all levels of our operations.

**Eng. Emad Bin Ouda Al-Ouda
chief executive officer, shared services unit**

A man wearing a white thobe and glasses is sitting on a couch, looking at a tablet. In the background, a woman in a beige thobe is also sitting on a couch, looking at a tablet. The setting is a modern office with large windows and indoor plants.

02

brief overview of stc group

brief overview of stc group

stc group is a global telecom leader powering Saudi Arabia's digital transformation. the group provides a comprehensive suite of advanced technology solutions across digital infrastructure, cloud computing, cybersecurity, Internet of Things (IoT), fintech, and next generation AI. with 13 subsidiaries across Saudi Arabia, MENA, Asia, and Europe, stc group accelerates innovation that enables sustainable economic growth and world-class connectivity.

stc group actions a comprehensive strategy to achieve sustainable growth, particularly in the local economy, driven by a mission that places the economy and society at the heart of its development goals.

our vision

"to strengthen our position as a global telecommunications leader building the infrastructure of tomorrow, enriching lives, and empowering the digital economy in Saudi Arabia and beyond."

this vision reflects the essence of our goal to empower:



the economy

we are driving the Kingdom's economic and digital transformation through innovative technology solutions and cutting-edge digital infrastructure.



society

we are improving the well-being of society through digital empowerment, sustainable development, and community engagement.

strategic pillars

1. reinforcing our leadership in the telecommunications sector

we aim to strengthen stc group's reputation as a world-class telecom provider and digital expert.

2. capturing infrastructure opportunities

we showcase stc group's cutting-edge digital infrastructure and contributions to economic growth.

3. strengthening our digital portfolio

we demonstrate how stc group's digital portfolio makes a positive impact on society and empowers sustainable growth.



03

**strategic alignment and
guidance system**

strategic alignment and guidance system

rawafed reflects stc group's commitment to maximize local content through an integrated and systematic approach:

1. supporting the entities that regulate and support local content

 وزارة الاتصالات وتقنية المعلومات MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY	develops digital transformation policies and drives infrastructure and technology initiatives to support the objectives of Vision 2030.
 هيئة الاتصالات والفضاء والتقنية Communications, Space & Technology Commission	enables the provision of digital services within a regulatory framework that ensures quality and stimulates innovation and localization.
 صندوق الاستثمارات العامة PIF	as part of PIF policies, it promotes local content development through "MUSAHAMA" program, which aims to grow local industries and increase the contribution of national companies to the economy.
 هيئة المحتوى المحلي والمشتريات الحكومية Local Content & Government Procurement Authority	develops local content by improving and monitoring government procurement activities to support the national economy.

2. rawafed's alignment to stc group's strategic pillars

reinforcing our leadership in the telecommunications sector rawafed contributes to stc group's leadership in the telecommunications sector by enriching local talent, developing their capabilities in technical fields, and attracting promising investments. this enhances the sector's independence and supports the sustainability of local content.

capturing infrastructure opportunities rawafed promotes local spending by activating partnerships with local suppliers, supporting robust national supply chains that contribute to the development of a digital infrastructure. this activation of the local supply chain enables stc group's ability to support national transformation and enhance market capabilities for the digital economy.

strengthening our digital portfolio rawafed fosters local innovation and digital entrepreneurship while supporting the creation of high-quality local digital products. its efforts aim to enrich the digital ecosystem with integrated solutions that showcase national expertise and compete on a global scale.



04

**rawafed's updated
strategy**

rawafed's updated strategy

remaining in alignment with the goals of Saudi Vision 2030, rawafed has refined its strategy to drive continuous development and maximize its contribution to the national economy.

rawafed's updated strategy is based on the results of: multiple studies analyzing trends and needs of the local supply chain; developments in global supply chain industries; and evaluations of past programs to identify areas for improvement.

this update aims to strengthen the operating model, which focuses on the continuous development of local content at stc. this refined strategy aims to support integration and alignment across new targets, initiatives, and developments in related policies and regulations.

vision

the champion of local content, to build, develop and grow the ICT sector, increase stc's overall contribution to the national digital economy.

2020-2025

to champion local content



SME support



industry localization



digitization & innovation



workforce development

2025-2030

the champion of local content



localize spending



attract investment



foster innovation



enrich capabilities

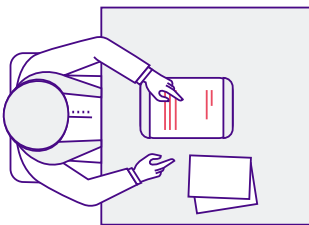


rawafed's strategic pillars



localize spending

promoting contracts with local small and medium-sized enterprises, driving the growth of national industries and contributing to their development.



attract investment

attracting high-quality investments in communications and information technology and fostering opportunities to localize value-added industries to strengthen supply chain sustainability and create economic opportunities.



foster innovation

supporting local innovation, motivating entrepreneurs, and promoting research on emerging technologies.



enrich capabilities

developing national skills and capabilities through training, qualification programs, and knowledge transfer. it also supports Saudi talent by creating new job opportunities that will contribute to the digital economy.

with these updated strategic pillars, rawafed is aligning the group's efforts with national objectives to drive economic growth and build a sustainable digital future.



**local content for
stc group**

rawafed's strategic pillars

rawafed adopts a strategic approach to promoting and developing local content in all its forms while maintaining best governance practices. this approach had a direct impact on stc group's performance, cementing its position as a leader in the telecommunications and information technology sector.

in 2025, stc made remarkable progress in local content score, exceeding the average across the group's sectors, particularly in the telecommunications and ICT, according to the local content and government procurement authority. this strengthened the group's role in developing local content and reaffirmed its leadership across various fields.

efforts to promote local content have also extended to subsidiaries, reflecting a comprehensive commitment to expanding the impact of localization across the group. measuring local content score for subsidiaries is an essential tool for monitoring performance and increasing the contribution to the localization of goods and services, supporting national competencies, and strengthening local partnerships.

the following are the key local content scores for the group's companies:

stc subsidiaries	local content score
stc	50.69%
 TAWAL	73.09%
 solutions	42.62%
 channels	21.54%

 **sirar**
44.65%
 **specialized**
57.10%

AQALAT
77.13%
 **center3**
53.98%

55.44%
 **SCCC**
43.04%

*the percentage of local content varies among subsidiaries depending on the nature of their business.





06

**stc group's performance across
rawafed strategic pillars**

stc group's performance across rawafed strategic pillars

maximizing local spending to contribute to a strong and sustainable economic growth

the "localize spending" pillar is one of rawafed's most important strategic pillars, as it outlines stc's continued focus on supporting sustainable economic growth. this is achieved through strengthening partnerships with local suppliers and small and medium-sized enterprises (SMEs) to develop the national economy.

in 2025, stc group signed contracts with more than 7,101 local companies, including 492 SMEs who gained support from stc's partner ecosystem. spending on local goods and services exceeded 22.7% of the group's total expenses, with total annual spending on local content reaching SAR 21.31 billion.

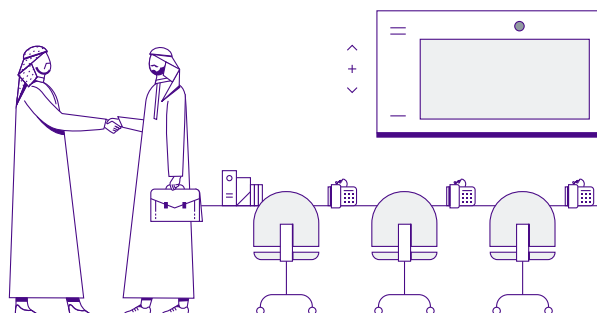
these contracts supported the stimulation of the national economy, supported the efficiency of local supply chains, and strengthening the position of Saudi suppliers within the ecosystem.

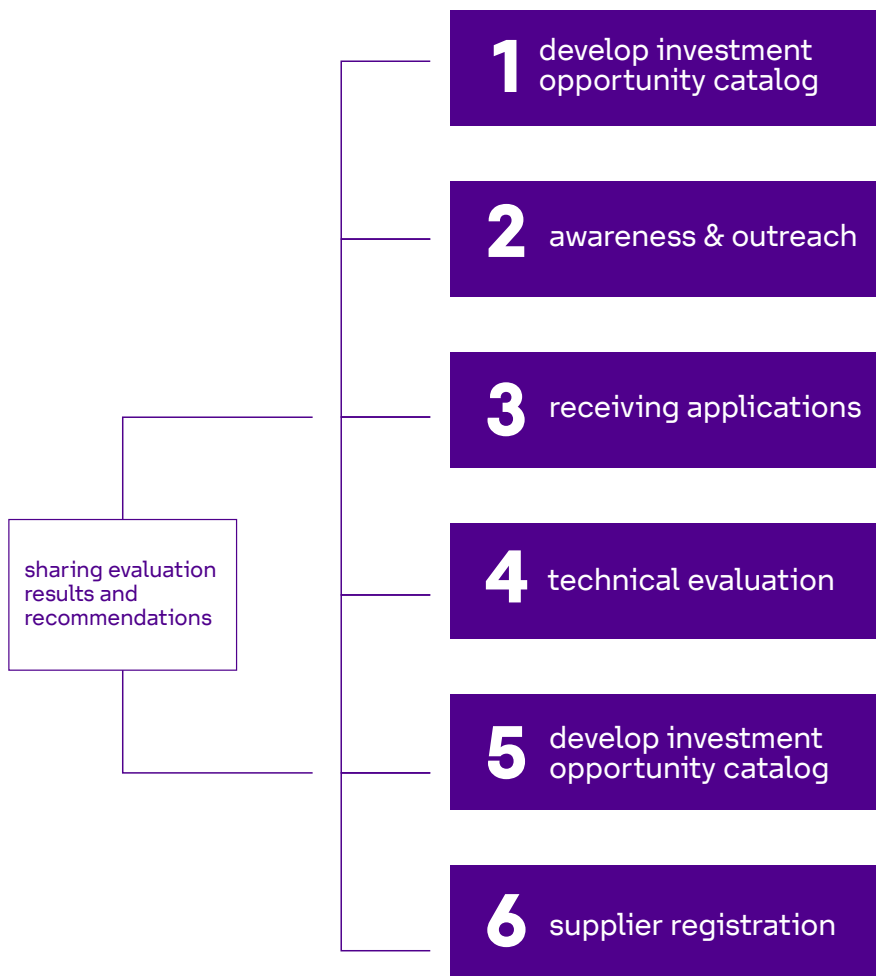
attracting investments to support local industries and stimulate economic growth

rawafed continues to attract quality investments that support the development of local supply chains and stimulate investment opportunities in the communications and information technology sector. these efforts have resulted in a series of strategic partnerships that reflect stc group's role as a key enabler of digital transformation and sustainable development in the Kingdom.

to attract investments, rawafed has focused on building an integrated ecosystem that supports industrial localization and local content. this has been achieved by enhancing collaboration with regulatory and legislative authorities, enablers, financing entities, and strategic partners from both the public and private sectors.

to stimulate ambitious investment opportunities, a set of effective mechanisms and measures were adopted, resulting in more than 15 collaborations across several vital sectors.





as a result, stc group signed a number of strategic agreements in 2024 with local and international entities, through its subsidiaries and business units, aimed at supporting local content and localizing digital services. the most notable of these agreements are:

- a partnership with Huawei and China Mobile Communications Group (CMCC) to launch the “smart transformation in artificial intelligence and data science” initiative, which enables the optimal use of artificial intelligence technologies and the development of a unified and secure digital infrastructure a step toward attracting global expertise and localizing digital innovations.
- a partnership with DataLexing, a Saudi company working with stc academy, to adopt an innovative technical tool that simplifies daily operations and enhances productivity and efficiency, to reinforce the integration of local technological supply chains.

as part of its efforts to localize digital entertainment content, stc has directed investments through stc tv towards developing Saudi and Arab entertainment content that reflects the local market’s demand. This has resulted in an enriching digital entertainment landscape that promotes national identity through quality productions in the fields of films, children's programs, drama, and sports. stc tv also became an exclusive provider of digital coverage for several national events in 2024 as part of this focus on national entertainment content, resulting in stc tv winning the “Best Content Strategy of the Year” award at the 2024 BroadcastPro ME Awards.

fostering local innovation for a promising digital future

as part of its commitment to accelerating digital transformation and promoting the digital economy, a key pillar of the rawafed strategy is "fostering innovation". This focus means developing integrated systems that incorporate research and development for local talent, supporting entrepreneurship, adopting the latest technologies, and developing digital solutions that effectively support local supply chains.

local digital solutions, from concept to implementation

to foster innovation, stc organized more than 10 technology hackathons during 2024, focusing on various fields including cybersecurity, artificial intelligence, Internet of Things, and future technologies. These events enriched competencies in creative and innovative thinking needed to support the Kingdom’s digital transformation.

Cyber Security	AppAthon	Spark Tomorrow Hackathon
5 hackathons with more than 200 specialists, resulting in more than 46 unique ideas and the development of 15 digital products.	focused on innovative development of digital solutions for stc services. 66 contestants out of 300 registered participants showcased solutions in big data, interactive artificial intelligence, and the Internet of Things. 4 teams won, presenting promising ideas that promote digital transformation.	41 contestants participated, developing innovative applications using Vonage APIs in the fields of the Internet of Things (IoT), artificial intelligence (AI), and extended reality (XR). the event resulted in technological solutions that enhance the user and developer experience.

stc square innovation challenge

received 84 development ideas aimed at enhancing the stc Square experience. 4 ideas were shortlisted to advance to the next phase, where prototypes were developed in collaboration with Aqalat.

future distributor hackathon

in collaboration with Software AG, the hackathon attracted over 1,000 students from 26 Saudi universities to tackle real-world challenges in distribution chains using IoT technologies and automation tools. This experience fostered creativity and teamwork among participants and resulted in innovative development solutions.

the **Ebtakir** platform was also launched, which is an integrated innovation management system that aims to enrich national capabilities and foster sustainable growth by promoting a culture of creativity aligned with global standards. The system focuses on identifying, nurturing, and implementing innovative ideas, while developing local digital solutions that address market needs, support competitiveness, and contribute to economic diversification in line with the objectives of Vision 2030.

all these efforts have resulted in the development of more than 23 local digital products and solutions, most notably:

1. digital co-workers: smart solutions for business automation and productivity improvement.
2. Aseel Chatbot: an AI-powered chatbot.
3. AI-powered threat detecting platforms: Sayyad Hunting Bounty, VolPer.
4. Rateel: an app designed to meet various Islamic needs.
5. mystc portal: a digital portal that provides stc services for wholesale customers.
6. Sawaher: a tool to measure stc's infrastructure capabilities to adhere to CCTV systems and assess network impacts.
7. AI edge network SDWAN solution: providing encrypted and flexible connectivity.
8. AI/ML Fiber Sensing Experience: a solution using fiber optics for real-time activity detention.

knowledge sharing and research collaboration

with a focus on innovation and knowledge sharing, stc has invested in research and development, resulting in the publication of more than 15 research papers and specialized publications. most notably, stc published “silencing the voice imposters”, which focuses on the group's new standards in information security and efforts toward building a more aware and resilient digital society.

stc also collaborated on the publication of 8 international research papers with leading global entities such as WBBA, Huawei, and C4IR, addressing key topics including 5G mobile networks, the convergence of artificial intelligence and the Internet of Things, and the development of fiber optic networks.

partnerships focused on R&D and innovation

- cooperation agreement with the research, development and innovation authority to launch the Saudi telecom company national lab (stc national lab): this agreement focuses on supporting pioneering projects in the field of future economies, including artificial intelligence.
- memorandum of understanding for technology development and innovation with quality support solutions co ltd: the memorandum outlines joint research and development projects in the field of robotics, artificial intelligence and modern technologies as well as the exchange of advanced expertise while expanding the innovative products and services available in local and global markets.
- research agreement between stc and King Abdullah University of Science and Technology: establishment of a generative artificial intelligence research center at stc, making both entities leaders in generative AI research, development, and innovation.

empowering entrepreneurship and accelerating technological innovation

as part of its ongoing efforts to promote innovation and stimulate entrepreneurship, stc group has continued to solidify its position as a leading accelerator of technological innovation across the Kingdom and the region through the inspireU program, which is a program for early-stage startups, supporting the transition to an innovation-based digital knowledge economy. knowledge economy. during 2024, inspireU accelerated 25 startups operating in financial technologies, artificial intelligence, the Internet of Things (IoT), cybersecurity, and other technologies dedicated to the development of entrepreneurship.

the total market value of companies that have benefited from the program since its launch exceeded SAR 10 billion, marking the program's significant impact on economic and technological growth.

investments have also been made in five startups across logistics, financial technology, inventory management, artificial intelligence/metaverse industries, and cybersecurity, with each company receiving up to SAR 500,000 in funding. in alignment with the program's value creation methodology, the group has entered into several commercial agreements with promising startups. these agreements aim to empower entrepreneurs and support the growth of the national economy.

enriching local capabilities and empowering talent

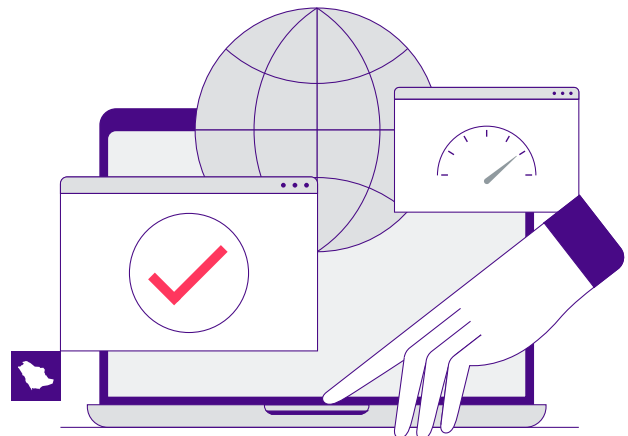
under the pillar "enrich capabilities", stc group has reinforced its position for knowledge development and national capacity building. this has been achieved through integrated strategies focused on developing Saudi talent and transferring global expertise to localize knowledge and skills, within and outside of stc group.

establishing an integrated training ecosystem

stc group has established a pioneering training system through stc academy, offering a wide range of training programs and initiatives benefiting more than 26,000 participants, who received a total of more than 479,000 training hours. the design and implementation of training includes summer programs, social awareness events, and partnerships with international institutions to offer specialized expertise in data analysis, cybersecurity, cloud computing, and more.

enriching local talent

stc group continues its efforts to enrich national talent, employing a total of 19,863 individuals, including 2,787 female employees. Among them, 315 women hold leadership positions reflecting the group's ongoing commitment to promoting leadership diversity and empowering women to take on influential roles and decision-making positions.



stc academy has also built targeted national talent development programs, including:



in addition, the AppClub initiative was launched as a knowledge-sharing platform aimed at transferring expertise and fostering collaborative learning. since its inception, it has hosted over 20 virtual knowledge sessions attended by more than 3,000 employees, covering key topics such as quality, technology, and digital transformation.

23 partnership agreements within the career scholarship program have supported these training programs. these agreements include collaboration with governmental and semi-governmental entities such as the National Center for Government Resources (NCGR), Riyadh airports, the Saudi Industrial Development Fund (SIDF), and the Ministry of Commerce. the academy also entered 8 strategic partnerships with prestigious educational and training institutions such as the Ministry of Education, Globis, Cisco, Maximus, the University of Manchester, Al-Qassim University, and the management development academy to promote innovation and knowledge exchange.

these efforts culminated in the group winning the 2024 SHRM MENA STAR Award in the learning and development excellence category, as well as the leadership development excellence award for its promising leaders program.

these awards confirm the effectiveness and success of the knowledge-based approach adopted by stc group and reflect stc's investment in building national capabilities that are regionally and globally competitive.

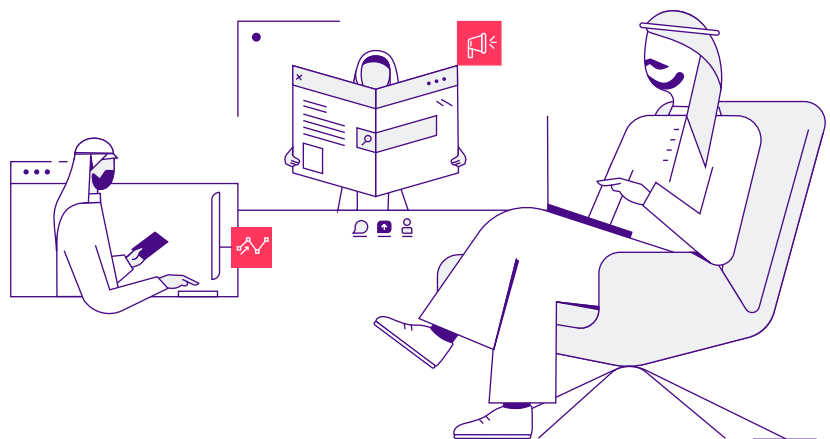
stc group completed its partner development program, graduating 110 trainees from 20 local companies from specialized training courses covering cybersecurity, marketing and sales, performance development, business proposals, and local excellence. the program aims to boost operational readiness, competitiveness, and local content score within supply chains, aligned with national sustainability goals.

partner development and local business growth

rawafed also launched the "expansion and local excellence" program, which built an integrated roadmap to motivate partners across strategic planning, capacity building, promoting localization opportunities, process modeling and governance, and activating the audit and reporting process.

this initiative has resulted in the participation of more than 28 strategic partners, the provision of 271 specialized services, and 24 advisory sessions to promote local content development and best practices.

in collaboration with the local content and government procurement authority, the group launched the "procurement sector capacity development program", through rawafed. 50 trainees across 2 graduating cohorts from stc's partners contribute to increased efficiency and improving the quality of cooperation.





**active presence with
extended influence**

active presence with extended influence

rawafed program actively participated in national forums, organized specialized workshops to share knowledge, and launched an internal awareness campaign that elevated understanding of rawafed's strategic pillars, fostering employee responsibility and encouraging initiatives that support local content development. it reflects a comprehensive understanding of the importance of local content and ways to develop it, as well as a genuine interest in contributing to achieve local content objectives.



this growing awareness reflects the transformation of local content from an institutional trend to an established culture within the group. this directly contributes to enhancing the impact of rawafed and achieving its strategic objectives.



as a result of these efforts, the local content knowledge maturity index was measured at over

70.5% among stc group employees





08

awards and honors

awards and honors



stc received first place in the local content preference award for government-owned companies presented by the local content and government procurement authority. this award was granted in recognition of stc's efforts to develop and promote local content, supporting the growth of the national economy.

for the second consecutive year, stc won the "Digital Excellence" award from the Ministry of Communications and Information Technology in recognition of stc's contribution to the development of local content and the national economy.





rawafed in numbers

rawafed in numbers

more than

internal and external awareness
and educational workshops

41

more than

media appearances on social
media and media platforms

182

stc group exceeded

7,101

local partners
in 2024

more than

6 different
awards

for stc within the pillars
of rawafed strategy

approximately
SAR 60 million spent on training
across the group

1,094 local **content certificates**
for partners in **2024**

90% nationalization rate
across stc group

more than — **6**
new agreements

signed to establish advanced research centers,
promote artificial intelligence and robotics
projects, and develop advanced technologies for
local content objectives.

going
further,
locally

