



## Sustainability Policy



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Version History					
Version number / date	Preparation	Review	Endorsed By	Approval	Brief explanation
Number 7 Date 2025-09-15	Sustainability GM	Corporate Governance GM Litigation & Local Laws GM Governance & Quality Management VP	Group Chief Legal and Risk Officer and General Counsel Group Chief Strategy Officer	stc Group CEO	-Add a paperless policy -Detail the elements of ESG -Set guidance for the sustainability report
Number 6 Date 2023-04-11	Sustainability GM	Legal Affairs VP Corporate Governance GM	Group Chief Strategy Officer	stc Group CEO	In this update, we updated the name of the policy was changed from the Social Responsibility Policy to the Sustainability Policy, and the sustainability strategy, work controls and general policy statement
Number 5.2 Date 2021-03-28					

### Stakeholders Confirmation Page

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## 1. Purpose

This policy aims to establish the principles and regulations governing sustainability activities in stc, including environmental, social, and governance (ESG) aspects.

## 2. Scope

This policy applies to all activities, projects, and initiatives related to sustainability within stc.

## 3. Definitions

**3.1 Sustainable Development:** is meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability is built on three pillars: the social pillar, the environmental pillar, as and the economic pillar, as development must balance social, environmental, and economic sustainability.

**3.2 Social Investment:** are programs, initiatives, and projects aimed at achieving sustainable development in society in the fields of health, education, environment, and youth empowerment of both genders, raising the quality of life, and contributing to community empowerment by supporting innovation and providing various solutions.

**3.3 External Entities:** are all governmental, private, and non-profit entities that submit programs/initiatives concerned with supporting and empowering the community.

**3.4 Environment:** is the natural and physical surroundings that include water, air, living organisms, natural resources, and human activities.

**3.5 Third Sector:** is the sector composed of non-profit institutions and organizations. This sector includes charitable institutions, charitable associations, non-governmental organizations, civil society organizations, and volunteer organizations, as well as many other entities that seek to achieve public benefit.

**3.6 Carbon Neutrality National Goal:** Saudi Arabia's commitment to achieve net zero greenhouse gas emission by 2060. Which means any remaining emissions that come from energy, transport, or industry will be balanced by actions that remove or cancel them out, like planting trees, using renewable energy, improving efficiency, and capturing carbon before it reaches the atmosphere. The idea is not to stop all emissions instantly, but to make sure the total impact is neutral so the country can grow its economy while protecting the climate.

**3.7 Saudi Green Initiative and Supply Chains:** The guiding principle within the Saudi Green Initiative that, encourage the adaptation of cleaner energy sources, reduce waste, and follow environmentally responsible practices. This includes transitioning away from fossil fuels, using renewable energy where possible, and applying the "Circular Carbon Economy" model — reduce, reuse, recycle, and capture remaining emissions. Companies are expected to evaluate suppliers not only based on cost and efficiency, but also on their sustainability practices. This shift supports Saudi Arabia's broader goal of achieving net-zero emissions by 2060 and protecting the environment.

## 4. Policy Statement

### 4.1 Environmental Responsibility Guidelines:-

4.1.1 All organizational units in stc must coordinate in advance with the concerned sustainability team in the Strategy Unit regarding projects or agreements that are launched, developed, or proposed in the following areas:

1. Improving energy efficiency
2. Reducing energy consumption
3. Reducing carbon emissions
4. Asset and Waste Management: There is a commitment to include "reuse, repair, and recycling" practices in accordance with the company's approved fixed asset disposal policy to limit or reduce general waste, material waste, and electronic waste, in line with the approved office equipment and accessories policy, and any expected reduction cause in carbon emissions.

4.1.2 The environmental impact at stc is measured by the reduction of the company's carbon footprint through responsible network construction and operation.

4.1.3 The concerned team in the Group Services sector within the Shared Services unit must adhere to the fundamental principles of environmental pollution prevention, the efficient use of resources, and the adoption of the circular carbon economy model by implementing the Saudi Green Initiative, which includes reducing carbon emissions, reforesting the Kingdom, and protecting terrestrial and marine areas.

4.1.4 Sustainability principles must be applied for the continuous environmental improvement of the company's operations, products, and services.

4.1.5 stc operations must align with the national goal of carbon neutrality. Additionally, efforts should be made to decouple business growth from greenhouse gas emissions and to integrate climate change risks into the risk register in coordination with the regulatory units.

4.1.6 All units in stc must promote mandatory environmental standards in the supply chain as outlined in the Saudi Green Initiative.

4.1.7 All relevant organizational units in stc must comply with applicable environmental, health, and safety laws and regulations in the Kingdom of Saudi Arabia.

4.1.8 stc works to reduce paper usage in all its operations by enabling all organizational units to evaluate procedures and processes, contributing to improving the customer experience without conflicting with the company's interests and business, and achieving the following objectives:

1. Alignment with the sustainability strategy.
2. Alignment with the Saudi Green Initiative in digital transformation.
3. Cost reduction.
4. Creating a more sustainable environment by preserving natural resources.
5. Reducing environmental harm and striving for optimal use of technology and resources.

#### 4.2 Social Investment Guidelines:-

4.2.1 All initiatives and campaigns intersecting with sustainability, implemented by organizational units in stc — whether applied internally or externally — must align with the sustainability strategy and its objectives.

4.2.2 The eligibility mechanism and disbursement controls for sustainability projects, programs, and initiatives must be in accordance with the approved financial authorities related to the General Sustainability Management as detailed in the "Delegation of Authority to the Executive Management of stc" document. Also, all units in stc must coordinate in advance with the finance unit for any initiative or risks identified related to sustainability with the expected financial impact of such initiative / risk.

4.2.3 Devices and office furniture assets are to be excluded or donated by the asset owner in accordance with the fixed asset disposal, stc's data privacy and protection and the technology assets policies.

4.2.4 Financial donations are only to be made according to the following controls:

1. Through disbursement from the sustainability budget according to the approved financial authorities.
2. No sustainability funds are to be used for sponsorships, advertisements, or events.
3. Disbursed amounts must align with the sustainability budget allocated to stc.
4. Ensure that every donation request is shared with all relevant stakeholders.
5. Disbursements must be made to associations licensed by the Ministry of Human Resources and Social Development, government entities, or authorities whose work aligns with stc's activities, direction, and values, and with the sustainability strategy.
6. Adherence to the stc Code of Ethics and Professional Conduct and related policies is required.

4.2.5 All units in stc must coordinate with sustainability team in the event of any request, agreement, or memorandum of understanding related to sustainability topics with any non-profit sector ("third sector") entity in the following areas:

1. Charitable associations
2. Educational institutions
3. Global organizations concerned with sustainability (e.g., UNGC)
4. Volunteer programs

#### 4.3 Governance Guidelines:-

4.3.1 Ensure the existence of appropriate governance procedures and compliance with sustainability metrics that align with international sustainability performance indicators such as MSCI and Dow Jones.

4.3.2 Consultations in the field of social responsibility are provided by the concerned sustainability team within the Strategy Unit, in alignment with global rating agencies and in a way that positively reflects on the company's reputation

#### 4.4 Sustainability Reporting Guidelines:-

4.4.1 The sustainability report is to be prepared in accordance with the Global Reporting Initiative (GRI) standards, focusing on material sustainability issues for both stc and its stakeholders, to build and enhance the company's reputation and that is based on the Executive Delegation of Authorities Document.

4.4.2 Sustainability team in the Strategy Unit must submit the annual sustainability report and executive summary to the Executive Committee of the Board of Directors after completing data collection, design, and translation into both Arabic and English, with the participation of all relevant units within the company.

## 5. References

- 5.1 Corporate Governance Regulations issued by the Capital Market Authority.
- 5.2 Environment, Health, and Safety Regulations from the Ministry of Human Resources and Social Development.
- 5.3 Environment, Health, and Safety Regulations from the General Authority of Meteorology and Environmental Protection.
- 5.4 Board of Directors' resolution at its meeting No. (21) Held on Wednesday, 14/6/2017, which includes approval of donating computer devices, item No. (10).
- 5.5 Global Reporting Standard Initiatives.
- 5.6 Executive Management Delegation of Authorities Document in stc.
- 5.7 Fixed Asset Disposal Policy.
- 5.8 Working Time Management Policy.
- 5.9 stc Privacy and Data Protection Policy.
- 5.10 Policy for the Write-off of Computer Devices and Accessories.
- 5.11 stc Code of Ethics and Professional Conduct.