



04

Social Chapter

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

Development of human capital through digital innovation

People are at the heart of everything we do. This has resulted in a culture at stc that truly values inclusivity, empowerment, and social progress. We carry the values of this culture beyond our office walls as our work to champion diversity, equity, and inclusion has led to a more diverse workforce, which positively impacts the communities that we operate within, and society in general.

stc remains unequivocally committed to expanding access to innovative technologies, advancing digital opportunities, and empowering people, all of which help to improve lives in both a direct and indirect manner.

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

Development of human capital through digital innovation:

Our customers	Our people	Our community
■ Customer relations and satisfaction	■ Diversity, equality and inclusiveness	■ Community contribution and development
■ Data privacy, security and protection	■ Talent management	
■ Accessibility and digital inclusion	■ Health, safety and wellness	
■ Digital innovation and experience		

Our customers

We seek to uphold the highest standards of data privacy and protection while serving our customers, guaranteeing the security and confidentiality of their information. Additionally, we strive to enhance accessibility and digital inclusion, fostering digital innovations to meet the evolving needs of our customers while prioritizing their satisfaction at every touchpoint.

Customer relations and satisfaction

At stc, our commitment to sustainability is not just a responsibility, but also a strategic imperative. In 2023, we successfully aligned our Customer Experience and Digital Transformation initiatives with sustainable goals to reshape the digital landscape across stc Group. Implementing this Digital Transformation strategy across the entire company involved a comprehensive inter-operational restructuring process, and the integration of digital technology into every facet of our business has helped usher in fundamental changes, enabling us to modernize legacy processes, accelerate workflows, strengthen security measures, and ultimately increase profitability.

Our approach to customer satisfaction goes beyond looking at cost efficiencies as it strategically differentiates us in terms of customer engagement and innovation, reinforcing our commitment to sustainability. With this, we are now moving away from legacy systems to Open Digital Architectures (ODAs). These ODAs support multi-tenancy and scalability, empowering us to become industry orchestrators and marketplace creators. This transition not only aligns with our sustainability goals but also positions stc as a leader in driving innovation across industries.

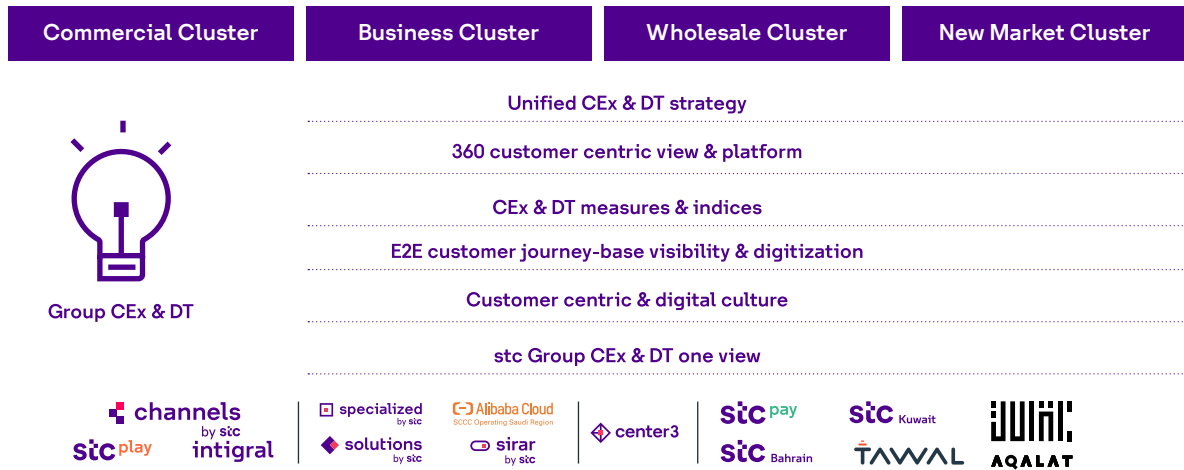
Our customers' journey

In 2023, a standardized strategy and customer experience journey concept was put in place for stc products and services. Looking ahead, we plan to implement a consistent, harmonized approach to drive customer centricity and help enrich lives and experiences through high-quality services and innovative digital products across stc. We also continue to improve our services, making them safer and easier to use while promoting the responsible use of technology to go beyond customer expectations to help close economic, social, and digital divides.

Our focus on the customer journey is necessary to deliver end-to-end, tangible outcomes through different channels and mediums, including telephone services, web services, marketing communications, service interactions, and different systems that contribute to customer service delivery. Studying these journeys allows us to improve our services and offerings from the perspective of the customer.

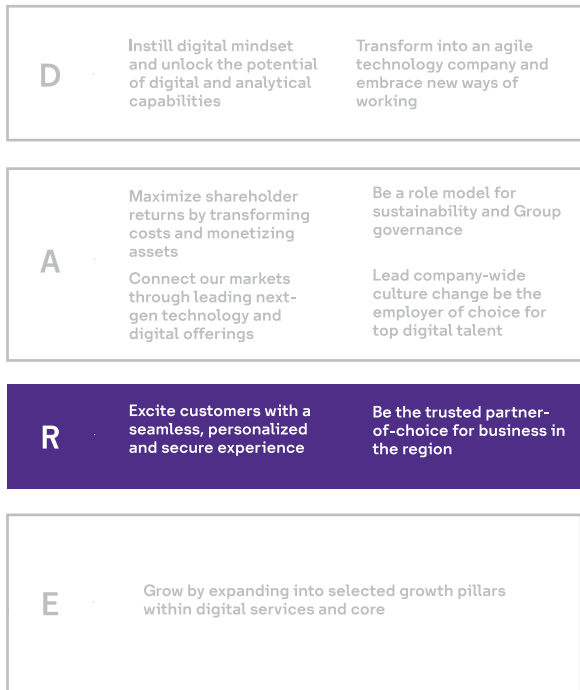
In recent years, the global telecommunications industry has followed the lead of major retailers and other service industries, progressing from being technology-centric to more customer-centric, positioning digital services to ensure customer satisfaction and anticipate customer needs. In developing a customer-centric culture within stc, we are aiming to ensure that everything we do is driven by a focus on the customer. We are also developing mechanisms to better understand our customers and identify suitable alternatives for their needs, if necessary.

Group-wide customer experience and digital transformation strategy:



The Group CCEX strategic theme is aligned with our dare 2.0 strategy, focusing on 'Reinventing experiences' with a holistic view for a seamless, personalized, and more sustainable experience. In an effort to excite customers with a seamless, personalized, and secure experience – and to be their trusted partner of choice – we seek to reimagine customer experience through our Customer Experience Strategy "RAISE":

dare 2.0 Strategic Objectives



CEx Strategic Themes

R A I S E



Creating new products and services with a seamless and secure customer experience

In developing new services, we implement a «Go-to-Market» (GTM) strategy, which ensures the early involvement of our customer experience teams in all product development activities. This approach guarantees a comprehensive understanding of customer needs, enabling the identification of solutions and the creation of streamlined customer journeys.

Within our customer experience general department, specialized sections are established to cater to diverse products, touchpoints, and digital services across various business sectors, including Customer Value Management (CVM), mobility, residential services, and growth areas. This meticulous attention to detail empowers the CEX team to forge new paths, uncover business opportunities, and maintain a competitive edge.

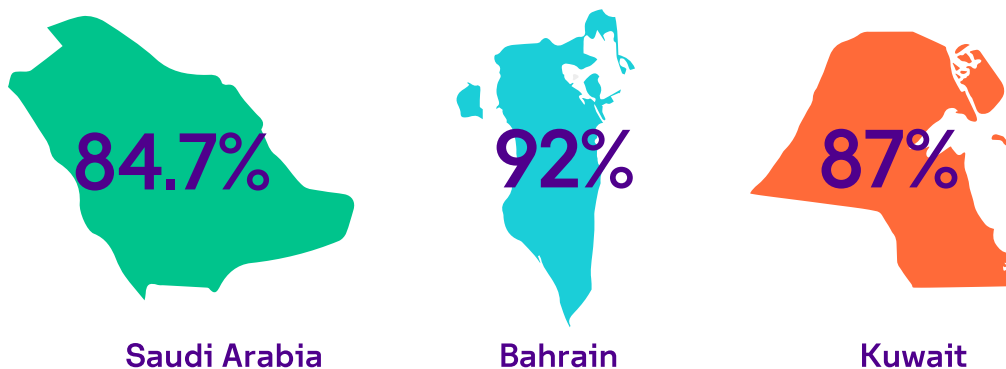
In 2023, we held a Customers Day webinar to celebrate our customers, emphasizing our dedication to exceptional customer service and spotlighting our customer-centric culture. This ethos was recognized at GCXA 2023, in which these efforts were recognized by receiving the gold award for integrating design thinking into B2C product and service design, and a bronze for programs that created memorable, emotionally engaging customer experiences, along with initiatives to promote happiness among our front-line agents.

Customer satisfaction

We place a tremendous value on customer satisfaction and loyalty, and we believe that providing an excellent customer experience is the bedrock for ensuring this and while also attracting new customers. Our focus remains on continuing our customer-centric transformation process in 2024 and beyond, with a particular emphasis on strengthening the relationship between customers and our brand, as well as improving the overall customer experience.

In 2023, stc KSA maintained an overall customer satisfaction rate of 84.7%. This was based on more than 4.1 million customer responses provided to a CSAT survey focused on customer satisfaction at different levels. stc Bahrain and stc Kuwait recorded 92% and 87%, respectively, showcasing a 14% improvement for the former and sustained excellence for the latter.

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



Analytics are also central to stc's approach in enhancing sales channels, and these are utilized too further enhance the customer experience and ensure secure services. The Customer Value Management (CVM) team at stc focuses on creating, delivering, and capturing value for customers. We utilize big data to drive targeted campaigns aimed at upselling and cross-selling, as well as proactively working to reduce churn rates. Analytics also play a pivotal role in identifying growth opportunities and sustaining customer relationships.

Customer satisfaction	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Customer satisfaction rate	82.9%	83.5%	84.7%	87%	91%	92%	80%	87%	87%
Number of customers surveyed for satisfaction rate	3,221,010	3,947,643	4,195,553	161,377	130,174	102,926	-	400	400

*Data not available for stc Kuwait for years 2021 on (Number of customers surveyed for satisfaction rate)

Customer loyalty

stc's loyalty programs are designed to ensure customers feel listened to and recognized. Qitaf, our customer loyalty program, allows customers to collect points and exchange them for various rewards. These include internal rewards, such as free calls, SMS, and data, or external rewards through Qitaf partners. Tamayouz is another program designed for special customers with exclusive offers and high-end personalized services. stc Rewards and "Testahel" are our loyalty programs in Bahrain and Kuwait, respectively, allowing customer to redeem points for equivalent amounts spent on any of our services.

Managing conflicts of interest and responsible marketing

stc strives to always provide clear and transparent communication with all customers. We do our absolute best to ensure that each customer reviews and understands the terms and conditions outlined within their respective contracts prior to proceeding with any requests, changes, account creations, or any other account modifications. Our sales and marketing teams are specifically trained to provide fair and honest advice relating to our products and services.

In order to maintain complete transparency in our dealings with customers, our employees undergo training to thoroughly explain all terms and conditions prior to agreement signings. We meticulously document all agreements within our systems and provide customers with their own copies. Additionally, our interactions with customers are recorded for quality assurance purposes. Efforts are made to promptly address any potential conflicts of interest between our organization and clients, ensuring that advice is dispensed in a fair and ethical manner. We adhere to responsible marketing and sales techniques, as outlined in our [Responsible Marketing Policy Statement](#), which underscores our dedication to ethical sales practices, transparent communication, and responsible marketing strategies.

We are committed to informing our customers of their rights, as demonstrated by our participation in the national-wide campaign initiated by the Communications, Space & Technology Commission (CST). The "[Customer Rights and Responsibilities](#)", "[Customer Complaint Handling Policy](#)" and "[Complaint Processing Procedures](#)" are all published on our website, accompanied by explanatory text that elucidates transparency principles concerning tariffs, regulations, additional features, excluded services, commitments, fair usage limits, and unit prices. These resources are readily accessible to empower customers with essential information.

As part of ensuring ethical and responsible marketing, stc has always placed emphasis on ensuring that customers are well-informed about the products and services through a transparent flow of information accessible via multiple channels, both offline in stores and online through the mystc application. This approach not only ensures wide accessibility but also aligns with CST regulations, emphasizing a fair use policy to guide customers in their choices.

Accommodating vulnerable customers segment

stc has always shown a strong commitment to supporting vulnerable customer segments. As such, in 2023, we transitioned small and medium enterprise (SME) customers from B2B to B2C in a strategic move aimed at enhancing their customer experiences.

We also offer a wide range of inclusive plans, like Sawa Zero and Sawa Flex, catering to diverse demographics including low-income groups, the elderly, and students. These plans are tailored based on thorough market intelligence, ensuring that they meet the specific needs of minority and vulnerable groups, and offer affordable prices and convenient payment options.

stc offers affordable mobile devices, with the most basic option priced at 300 SAR. Furthermore, data plans were structured for accessibility, maintaining a cost of 34.5 SAR of 1GB of data. These efforts support stc's goal of ensuring wider access to the benefits of digital connectivity.

Digital inclusion (2023):
The cost of the most affordable phone: SAR 300
Cost of 1 GB of data: SAR 34.5

Customer complaints

Though we strive to provide satisfactory products and services at all times, we understand that there will always be some level of customer complaints for a variety of reasons, including those that are out of our control. Our [Customer Complaints Handling Policy](#) recognizes that the importance of the right for customers to complain and be heard, as well as the right to receive a response. It also affirms our commitment to retaining customers and providing the highest level of customer experience.

In 2023, we focused on reducing the number of complaints and reducing number of dissatisfied customers through the following measures:

- Providing channels through which our customers can exercise their right to raise complaints at any time through call centers, online digital channels including mystc, social media, website and retail outlets.
- Reporting trends on number of complaints and resolution times along with other critical information to top management and relevant teams to monitor effectiveness of complaints resolution process.

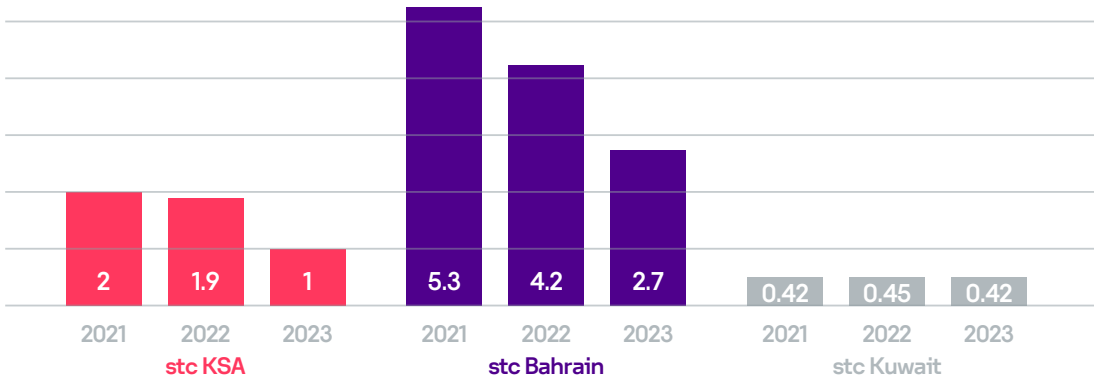
Customer complaints	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Percentage of customer complaints resolved	100%	100%	100%	100%	99%	100%	99%*	74%*	82%

*restated data as a result of enhanced calculations.



In an effort to solve these complaints effectively and satisfy each aggrieved customer, we utilize a systematic “complaints resolution” process. Each of our complaints channels offers a troubleshooting feature that enables customer complaints to be dealt with in real time during a customer call or during a digital transaction. As per stc policy, complaints are to be processed within five days; however, we consistently respond well before this target.

Complaints resolution average time (Days)



Customer health and safety

The health and safety of our customers and the communities in which we operate is one of our highest priorities. We take all potential and actual risks very seriously and, as per stc policy, we are committed to ensuring the health and safety of our stakeholders from all aspects of our operations.

Customer complaints are managed through our customer [support’s complaints resolution process](#), and at all stc sites we ensure compliance with all government regulations and requirements of Electro Magnetic Field (EMF) parameters.

Data privacy, security and protection

stc's [Code of Ethics](#) ("Integrity takes us forward") centers largely on strong commitments to privacy, security, and protection of customer data. We take the safeguarding of customer information very seriously and have governance processes in place to protect personal data and manage cybersecurity risks.

The collection, use, and management of customer information is governed by strict privacy policies and the stc rigidly complies with all relevant data privacy and security laws for each respective country that the company operates within.

Our [Data Privacy and Security policy](#) statement further affirms our commitment to maintaining data privacy and security measures to protect our customers.

In 2023, we updated the Data Protection and Privacy and the Privacy Notice to enhance the following:

- 1- The purpose of customer data collection.
- 2- What personal data we collect and use.
- 3- How we collect personal data.
- 4- How long we store personal data.
- 5- Data subject rights and "customer rights" for stc customers.

We help customers and employees understand how personal information will be used through the above Privacy Notice and we ensure that there are robust systems in place to properly handle personal data and mitigate privacy risks. stc regularly maintains and upgrades these systems, which register and retain personal data, and any violation of data security is subject to firm and rapid internal processes. Additionally, data privacy requirements are embedded within major business processes to ensure privacy by design. Several different controls are utilized to assure data security throughout stc processes, including identity and access management (IAM), data classification, database activity monitoring, data leak prevention, data encryption, and digital rights management (DRM).

Furthermore, our suppliers and partners are required to have or to implement strict controls to protect personal data, including regular maintenance and upgrades to data security systems.

We fully understand our responsibility to protect customer data from the emerging and increasing threats to data privacy, which is best demonstrated by the establishment of the Data Protection and Privacy (DPP) department in 2018 to carry out privacy and data protection activities within the company. Data governance is central to our dare 2.0 strategy and is driven by government regulations, industry standards, and industry best practices.

Since DPP's inception, the following actions and implementations have taken place:

- Assessed systems within stc against protection risks
- Enforced data protection technical controls across all stc systems processing or storing sensitive data
- Enforced business controls across all stc departments
- Defined and implemented customer rights required by regulation through customer touch points, such as, but not limited to, the right to request a copy of your data via my stc app and the right to be informed via calls
- Implemented privacy by design to ensure privacy concepts are imprinted within stc's company DNA
- Ensured strict privacy impact assessments prior to launching any product or service that utilizes personal data
- Developed and updated data governance documents, including an internal privacy policy to ensure the privacy of stc customers and employees
- Performed compliance validation on stc departments and on systems processing personal data to ensure their adherence to privacy and protection controls
- Carried out multiple awareness initiatives, including 20+ awareness messages, social media privacy campaigns, and a second campaign on the annual Privacy Day
- Achieved a 99% completion rate for data protection and privacy training by our employees
- Handled 1400+ data sharing requests in 2023 alone
- Included a session for data protection and privacy within the induction program for all new employees and CO-OP trainees
- Conducted processing activities for stc's departments as required by law and related governmental regulations
- Included data protection and privacy clauses in all of stc's contracts
- Automated Data Destruction Certificate to ensure all vendors wipe stc data before project conclusion

Privacy

Our [Privacy Notice statements](#) were formulated in accordance with the relevant laws and regulations in the KSA, Bahrain, and Kuwait to help customers understand the nature of data we collect and how this data is treated by stc. Each subsidiary has their own privacy notice due to different laws and regulations in each country and industry.

Overall, the statements cover data protection and disclosure details surrounding organizational and technical data protection and security measures and procedures to safeguard customer data from any unauthorized disclosure or processing. This includes internal and external audits, and training of staff and contractors on privacy and reporting to our audit and data governance steering committees and regulatory authorities – In addition, the statement includes policies on customer rights and privacy information specific to website and mobile applications usage of cookies.

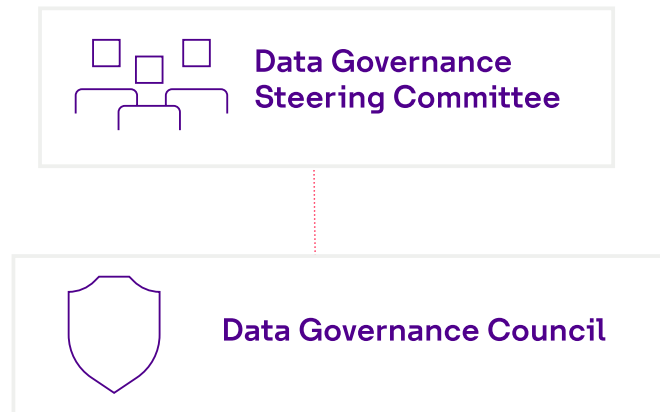
stc's Privacy statement applies to all sectors and business units the entire group, including subsidiaries. All stc Group staff, contractors, and vendors working either on a permanent or temporary basis are obliged to follow the standards outlined in the policy.

In an effort to ensure the best possible experience and the highest level of protection for our customers, we update the above Privacy statement as and when necessary, including to maintain compliance with new laws, regulations, and other factors. This is in adherence with Personal Data Protection Law (PDPL) and Communications, Space and Technology Commission (CST) regulations. Any and all updates to the Privacy Notice can be found on the stc website, with the last update of 2023 published in October.

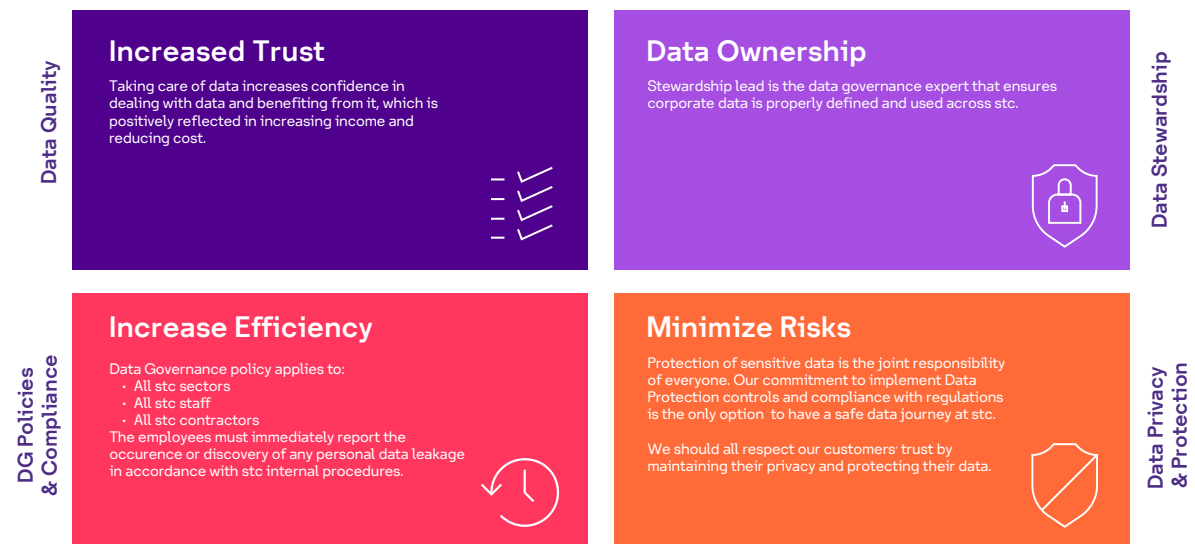


Data governance model and framework

At stc, we have a strong commitment to data governance, with our operational practices reflecting this focus. The Data Governance Council, headed by the GM of Corporate Analytics Governance, oversees our efforts to improve data quality and comply with regulations. The Data Governance Steering Committee, supported by the GCEO and led by the GCTO, acts as an advisory group to ensure that data across stc Group is reliable. With members from 16 business units and a Steering Committee of 20 VP-level executives, we ensure that our data governance is consistent and effective throughout the entire organization.



Our Data Governance framework is central to maintaining the integrity and trust that are the cornerstones of our operations. This robust framework prioritizes impeccable data quality to boost confidence and operational excellence, enforces thorough governance policies for all employees and contractors, and emphasizes the collective responsibility to protect sensitive data. Our Stewardship Lead oversees the application of these principles, upholding customer privacy and ensuring precise data utilization across the company while reflecting our unwavering commitment to secure and responsible data management.





Our data protection and privacy framework

stc's Data Protection and Privacy (DPP) Framework sets out ten principles that all employees must respect, wherever they are in the world. These principles include 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.

The DPP Framework covers policies and procedures relating to the privacy of personal information to address data classification, record management, and retention and destruction of personal information.

This Framework is clearly communicated to all employees through mandatory training detailed in the following section, and it is clearly stated in our [Code of Business Ethics](#), which is published online. Employees who fail to comply with privacy policies and requirements face disciplinary actions.

Security

Cyberattacks and professional data hacks continue to become increasingly prevalent as sophisticated cyber-criminal organizations push the limits of digital security measures. This has led to a need for constant development, implementation, and review of security strategies for organizations of all sizes around the world.

As an ICT company with critical infrastructure, applications, solutions, and telecom data, our cybersecurity strategy ensures comprehensive protection of facilities, critical IT systems, and networks. Our Cybersecurity Synergy and Enablement Committee provides valuable input to top management on relevant topics, in addition to partnering with one of the top consulting services for added assurances. Protection against specific cyberattacks has been and remains an important part of the security standards across stc Group, including all subsidiaries.

Some of the cybersecurity controls put in place by stc include

■ Identification and Access Management (IAM)

Controls that make it possible for the right entities to use the right resources (applications or data) when they need to, without interference, using the devices they want to use.

■ Data classification

Data classification tags data according to its type, sensitivity, and value to the organization if altered, stolen, or destroyed, helping an organization to understand the value of its data, determine whether the data is at risk, and implement controls to mitigate risks.

■ Database activity monitoring

A suite of controls that can be used to help identify and report on fraudulent, illegal, or other undesirable behavior, with minimal impact on user operations and productivity.

■ Data Leak Prevention

Controls used for detecting and preventing data breaches, exfiltration, or unwanted destruction of sensitive data.

■ Encryption

Translates data into another form (ciphertext), ensuring that only people with access to a decryption key or password can read it.

■ Digital Right Management (DRM)

Controls put in place to prevent users from accessing or using certain assets, allowing the organization to avoid legal issues that arise from unauthorized use.

In addition to the above controls, we actively engage in several initiatives to continuously enhance digital security. Some of these actions include:

- Automating Threat Detection and Remediation
- Adoption of AI and data analytics to have more threat intel visibility
- Implementing automatic fraud detection
- Adoption of robotic process automation to automate some security assessments
- Adoption of DevSecOps by aligning security practices with development workflow

In 2023, we successfully implemented more than 1,600 cyber security and remote access controls across stc, enhancing our defense mechanisms and safeguarding our infrastructure against potential threats.

Furthermore, when it comes to our suppliers, we have initiated the Security Pass Program, a cybersecurity assurance initiative requiring suppliers to obtain a compliance certificate with cybersecurity controls. This is a mandatory step for signing partnership contracts with stc, aimed at reinforcing security standards and minimizing third-party cybersecurity risks, thereby advancing Saudi Arabia's tech landscape.

Cybersecurity policy

Our comprehensive cybersecurity is aligned with international standards and best practices to address cybersecurity threats inherent in our business environment. This policy covers 18 security domains to ensure the protection of information assets in terms of confidentiality, integrity, and availability, as well as to enable regular business activities without interruption. We review the policy on a regular basis.

Cybersecurity policy domains:

- Roles and responsibilities
- Asset management
- Communications security
- Cryptography
- System acquisition, development, and maintenance
- Human resource security
- Mobile devices
- Information classification
- Compliance
- Test data
- Cybersecurity incidents management
- Business continuity
- Access control
- Media handling
- Operation security
- Teleworking
- Physical and environmental security
- Supplier relationships



Based on the above Cybersecurity policy, we have clearly defined cybersecurity controls that must be implemented in a list of 28 cybersecurity standards. These standards include system parameters, segregation of duties, password rules, monitoring events and back-up and recovery rules, access control, cloud security, cryptography, and many more.

stc's cybersecurity protocols have successfully achieved ISO 27001:2013 certification (ISMS system), which should provide additional confidence to customers and stakeholders regarding security controls and security posture improvement. We have also ensured that 100% of our security frameworks, protocols, policies and standards are fully aligned with all legal and regulatory requirements and, as an active GSMA member, we contribute to standard reviews and revisions, as well as participate in the development of new standards. Furthermore, our cybersecurity policies are aligned with industry-wide best practices, including NIST, SANS, CSA, OWASP, Enisa, First.org, and CREST.



Commitment to cybersecurity excellence is reflected across all our subsidiaries, with most having either achieved the ISO 27001:2013 certification or other notable certifications, ensuring adherence to industry best practices. stc Bahrain has achieved the ISO 27001:2013 certification and adheres to NIST and PCI-DSS guidelines. Similarly, stc Kuwait has also attained the ISO 27001:2013 certification and aligns with PCI-DSS, GSMA, 3GPP, and stc Group's GUARD 2.0 guidelines and frameworks.

Protection against cyberattacks

Our dedication to cybersecurity is an important aspect of our overall business strategy. While cyber threats are becoming more frequent, the effectiveness of cybersecurity measures to thwart these attacks has improved in terms of defensive capabilities, indicating a strengthening of cybersecurity protocols and systems.

In 2023, we recorded zero data security breaches, zero security breaches involving customers' personally identifiable information (PII), zero regulatory actions for data protection violations and zero monetary losses from legal proceedings related to customer privacy.

SMS Spam/Fraud – stc KSA	2022	2023
Number of spam messages report handled	39,864	67,915

As part of our methodology to prevent cyberattacks, we perform various in-depth assessments and cybersecurity stress tests across stc Group to evaluate the security performance of the company's IT infrastructure and to provide assurance to customers and stakeholders.

These assessments are separated into different categories, including:

- Vulnerability assessments
- Risks assessments
- Penetration testing
- Cyber resilience assessments
- Automatic ad-hoc vulnerability assessments
- Periodic assessments conducted every month covering all stc assets

In 2023, as part of our ongoing efforts to enhance our security measures, we introduced two additional types of assessments: automatic ad-hoc vulnerability assessments and periodic assessments conducted every month covering all stc assets. These new assessments complement our existing strategies, providing more frequent and comprehensive evaluations of our company-wide security infrastructure.

Furthermore, in line with these assessments and as part of our commitment to maintaining robust security, we take measures to prevent USB baiting, a known cybersecurity threat. This is achieved by blocking USB ports, in accordance with our cybersecurity policies, to mitigate the risk of unauthorized access or malware infiltration through physical means. We also conduct various assurance assessments, such as mandatory security assessments before the launch of any new products and services. Should any findings uncover a potential issue, a remediation process is then triggered, along with strict SLA and a well-defined responsibility matrix.

Cybersecurity influence and memberships

As a leading organization in the field of ICT, stc has established a robust network of memberships and partnerships that serve a critical role in enhancing not only our cybersecurity capabilities but also a strong industry presence. These collaborations reinforce our commitment to maintaining the highest standards of security and enable us to contribute significantly to the development of global security standards and practices.

Below is an overview of stc's key memberships and partnerships:

Memberships:

- Member of the GSMA Malware Information Sharing Platform.
- Member of GSMA security focus groups, contributing to the publication of anti-fraud and signaling standards, as well as 4G roaming security guidelines.
- Maintaining Member of First.org, the global Forum of Incident Response and Security Teams.

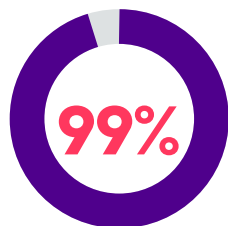
Partnerships:

- Misk job shadowing program for high school candidates, helping to foster early cybersecurity education.
- Collaboration with the National Cybersecurity Authority (NCA) in various areas including awareness, threat intelligence, information sharing, and protection of signaling protocols.
- GSMA T-ISAC partnership: stc is a distinguished member of the Executive Governance Team, comprised of only seven mobile operators from Europe, playing a significant role in shaping the telecom information sharing and analysis center for threat intelligence under GSMA.
- Collaboration with IBM and Sirar in hosting a cybersecurity hackathon, promoting innovation and skill development in the field.

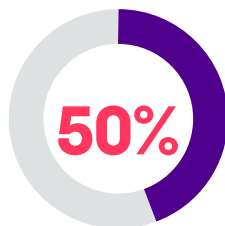
Data privacy and protection training and awareness

Ensuring data security and respecting privacy regulations are two of our highest priorities, as our customers, employees, and other stakeholders expect their personal information to be protected with the utmost care. This is a responsibility that we take extremely seriously.

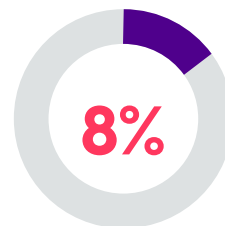
In 2023, we continued to provide mandatory data privacy and protection training for our employees at stc KSA, and in Q4 we also extended the mandatory training to our subsidiaries and contractors, building on successful training sessions that were implemented in previous years.



stc KSA employees



Contractors



Subsidiaries



Data protection and security training	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Number of attendees on training courses in data protection and cybersecurity	855	11,068	18,781	-	-	22,422
Number of hours of training in data protection and cybersecurity	2,928	34,207	65,733	-	-	90,012

* Group data for 2021 and 2022 are not available due to expanded scope of operations. Accurate calculations and comprehensive data collection across group were initiated starting 2023. Includes stc KSA and all subsidiaries in the Saudi Kingdom.

Below are some of the other training and awareness campaigns conducted by stc for all employees and business partners:

- Privacy Day Campaign
- AI & ChatGPT Campaign
- Personal Data Protection Law (PDPL) Campaign
- Phishing Awareness Campaign
- Strong Password Campaign
- Online Shopping Campaign
- Social Media Campaign
- Clean Desk Campaign
- CS Policy & Standards Campaign
- Cloud Storage and Storage Media Campaign
- Secure Teleworking Campaign
- Safe Meetings Campaign
- Data Protection Campaign

We have also expanded our training to cover new areas in the digital and technological fields to include Advanced Artificial Intelligence (AI), Machine Learning (ML), Multi-Cloud and Edge Computing, Cyber Resilience and Threat Intelligence, Intelligent Automation and Robotic Process Automation (RPA), Digital Ethics and Responsible AI. Our aim is to prepare our employees to support the direction of the company and stay ahead of the curve in the rapidly changing digital landscape.

In 2023, about 99% of stc KSA employees successfully completed the mandatory data privacy and protection training. Across our subsidiaries, almost 8% of employees completed these mandatory training sessions while 50% of contractors completed the training.

These comprehensive mandatory training sessions, each spanning 3.5 hours on average, are conveniently conducted through our online learning platform. To ensure full compliance, this training requires a one-time attendance and a passing score of 70% or higher on the associated evaluation. In cases where completion is not achieved, the department general managers are promptly notified and appropriate escalations are made to facilitate swift resolution and adherence to training protocols and requirements.

Cyber security training and awareness

We promote cybersecurity importance and awareness through various digital channels, such as social media posts, online messages, online workshops, and live webinars for different groups, including options for Arabic and non-Arabic speakers, the elderly, and the disabled. Cybersecurity is an important part of our mandatory employee training. Please refer to the Business Ethics section for more details on this training program.

stc routinely conducts numerous cybersecurity campaigns on topics ranging from data privacy and security to phishing and ransomware targeting employees, contractors, customers, and the public. All new staff members are mandated to participate in cybersecurity training to gain a clearer understanding of stc's policies and procedures surrounding this matter.

In 2023, we conducted seven customized role-based awareness campaigns for employees, including 18 new hire onboarding cybersecurity sessions, three special technology services awareness and phishing campaigns, five innovation workshops, three knowledge transfer workshops focused on cyber security topics, and a phishing campaign targeting executives. For our customers and the public, we ran 10 major cybersecurity awareness campaigns communicated across various channels, including 27 Infographics and motion graphics, 25 awareness sessions, two booklets, 15 mass emails, seven public articles, four videos, 14 mass SMS, 10 visits and on-site activities, and 15 social media posts. We also sent out more than 74 million anti-fraud SMS alerts.

We also run specific role-based awareness campaigns which was communicated to employees. For example, at stc KSA we ran 18 new-hire on-boarding cybersecurity sessions, 1 phishing campaign targeting executives, 3 special technology services awareness and phishing campaigns, 5 innovation workshops and 3 knowledge transfer workshops focused on cyber security topics.

We continuously measure the effectiveness of the above awareness campaigns through several methods aimed at assessing both the knowledge gained by employees and the organization's vulnerability to cyber threats. One crucial metric is the Cybersecurity Course Score, which includes tracking the pre-test course scores and the post-test course scores, which allows us to gauge how much employees have learned and retained throughout the campaign. Additionally, we closely monitor the outcomes of our Phishing Simulation Test Campaigns. By analyzing effectiveness reports and failure rates from these campaigns, we can identify areas where employees may be more susceptible to phishing attacks or other cyber threats. This data helps in fine-tuning awareness efforts and tailoring future campaigns to address specific vulnerabilities and challenges within the organization.

Case study: stc Bahrain's Cybersecurity Fursan

In an effort to nurture and encourage cybersecurity awareness, stc Bahrain launched the Fursan initiative, which combines education with peer-to-peer collaboration and embeds a culture of security understanding, support, and positive behavior throughout the workforce. With this initiative, employees are engaged and educated on security threats, encouraging their active participation in the company's cybersecurity efforts.

Participants in Fursan who show notable progress in understanding and implementing cybersecurity practices are recognized and, as a result of this initiative, the overall cybersecurity culture within the organization improved, leading to a remarkable reduction from 25% to 4% in the risk of cyber incidents among stc Bahrain employees. This outcome not only demonstrates the efficacy of the program in raising awareness but also highlights the importance of employee engagement in cybersecurity initiatives.

Case study: Empowering women in cybersecurity - She Talks Security

At stc, we continuously seek to encourage women who are interested in the field of ICT to participate in the wonderful opportunities that exist in the area of cybersecurity. With this goal in mind, we participated in the She Talks Security initiative, held in cooperation with Tuwaiq Academy, the Saudi Federation for Cybersecurity, Programming & Drones, and Women in Cybersecurity Middle East.

During the event, stc's cybersecurity experts discussed with attendees the digital identity transformation, best practices, challenges, and lessons learned in terms of digital identity in the cybersecurity sector.

Data privacy and security audits

Data privacy, protection, and security laws and regulations have become much more stringent in recent years, which has resulted in additional rules and obligations for companies when processing personal data. In order to ensure strict compliance and full alignment with these regulations, we conduct independent, external audits on data privacy and security at least once every two years. The Communication, Space and Technology Commission (CST) in Saudi Arabia audits stc on both an annual and quarterly basis.

Frequency of information system audits	2022		2023	
	Internal	External	Internal	External
stc KSA	> 100	2	> 100	15
stc Bahrain	2	3	1	3
stc Kuwait	10	5	12	6
Aqalat	1	-	1	-
Channels	1	2	1	1
Intigral	4	3	4	3
Sirar	3	2	2	6
Solutions	-	4	2	5
Specialized*	2	2	1	5
TAWAL	1	5	3	4
iot squared	-	-	0	2
Center3	-	-	1	3
SCCC	-	-	-	-

*Restated figures for improved and unified calculation methodologies

Note: iot squared, center3, and SCCC started operations officially in 2023 and thus no prior data is available.

Case study: Bahrain's first Vulnerability Operations Centre (VOC)

In an effort to help Bahrain's businesses combat emerging cybersecurity threats, stc Bahrain spearheaded the country's first Vulnerability Operations Center (VOC), in collaboration with a major partner, which will be dedicated to helping organizations tackle offensive security challenges. This pioneering initiative marks a significant milestone in Bahrain's cybersecurity landscape, reinforcing stc Bahrain's commitment to delivering cutting-edge solutions and safeguarding digital environments.

By digitalizing the penetration testing process, the stc VOC will enable customers to seamlessly integrate and streamline their existing testing protocols, reducing penetration testing duration by 50% and the efforts of their internal resources by 60%. Moreover, it will allow them to reduce recurring vulnerabilities by up to 98% by activating continuous penetration test programs with no disruptions to their operations.

Case study: Expanding cybersecurity measures across stc's networks

TAWAL implemented a SOAR (Security Orchestration, Automation, and Response) initiative to enhance its Security Operation Center (SOC) capabilities and address the challenges of increased network traffic, the need for faster incident response, and improved threat intelligence integration. TAWAL developed and tested two key use cases to create SOAR: IP Blocking and Domain Blocking.

Successfully integrated into TAWAL's 'Netwitness' network monitoring tool, these cases have significantly advanced the network's security by automatically blocking suspicious IPs and domains. Encouraged by these results, TAWAL plans to further expand its cybersecurity measures by deploying additional SOAR use cases.

Case study: LinkCheck Chatbot Cybersecurity service

In response to the ongoing challenges posed by cyber threats such as phishing, malware, and data breaches, stc has introduced the LinkCheck Chatbot Cybersecurity service. Developed by the team at stc Lab, this service operates through WhatsApp and aims to help users identify potentially risky web domains and links.

Utilizing interactive Threat Intelligence feeds and the WhatsApp API, the LinkCheck Chatbot swiftly analyzes URLs or domains to provide users with automated feedback on their safety. Users can submit their queries by messaging the WhatsApp number +966 11 220 0003.

The LinkCheck Chatbot is specifically designed to deliver the following:

1. Enhance customer experience
2. Promote community security
3. Provide comprehensive insights for safer browsing
4. Foster education and awareness
5. Encourage collaboration and continuous improvement

The LinkCheck Chatbot also serves a broader purpose beyond individual protection: it reflects stc's commitment to strengthening the digital community. By focusing on enhancing user experience, bolstering communal security, and offering insights for safer browsing, stc is actively promoting a culture of cyber resilience.

Moreover, stc aims to increase cyber literacy and encourage collaboration through educational initiatives. Ultimately, the goal is to empower both individuals and communities to navigate the digital landscape with confidence.

With the successful implementation of the LinkCheck Chatbot, stc has largely moved towards the forefront of cybersecurity innovation, equipping users to confidently navigate ever-changing cyberspace and the challenges faced therein.



Child online safety and protection

stc is deeply committed to creating a safer online environment for children. We uphold the rights of children at all stages of our business operations, proactively offering and providing support for children and their parents to become responsible digital citizens. This includes up-to-date [guidance](#) and conversations about safe and responsible online conduct.

In 2023, stc launched a parental guide called "Secure Cyberspace for Your Kids," a concise, 18-page resource for parents, focusing on key areas such as setting up parental controls, educating children about online risks, fostering open communication about digital experiences, teaching responsible online behavior, and staying informed about the latest cybersecurity trends. This guide aims to empower parents to create a safer digital environment for their children.

Furthermore, our TUBY application provides children a selection of age-appropriate educational and entertainment videos and includes enhanced security, enriched interface features, regularly updated content, parental controls for time and content, and safety features designed specifically for children. In addition to TUBY, stc's direct billing services provide better controls for parents to use their postpaid monthly bill or prepaid credit balance to pay for one-time purchases or recurrent subscription services that provide children's educational and entertainment services.

When it comes to the protection of children's data, stc strictly adheres to comprehensive data protection and privacy policies. These policies specifically address the processing of children's data, emphasizing compliance with legal standards and ethical considerations. This approach safeguards children's data, aligning with both our internal standards and external regulatory requirements.



Case study: Kids' and teens' online privacy and safety

In 2023, we embarked on a sweeping awareness drive tailored for youth aged 8 - 18, spotlighting the critical significance of grasping cybersecurity hazards. This campaign was meticulously crafted and implemented across multiple platforms and departments. Its breadth encompassed a spectrum of themes, tactically approached through various avenues, including targeted role-based initiatives spanning the social media cadre, the special projects team, the cybersecurity unit, and administrative personnel under stc's GCEO.

Additionally, we engaged in university visits and hosted events, alongside conducting educational sessions within schools throughout the KSA.

stc Security Pass Program: Data protection program covering suppliers and business partners

Our suppliers and business partners are required to have data protection policies in place and comply with external certified inspections which are to be conducted every 2 years, to verify their compliance.

The Security Pass Program scope encompasses all existing as well as the all potential partners (including contractors, vendors and suppliers). All partners, including contractors, vendors and suppliers need to register and document their third-party qualified inspections and audits, ensuring that they meet these requirements.

To obtain the Security Pass Certificate, the partner must ensure below requirements are followed

- Determine partner tiering
- Implement “applicable Security Pass Certification requirements”
- Complete “partner Compliance Cybersecurity Certificate report”
- Select Authorized audit firm and submit the certificate upon audit

The Audit Firm is responsible to validate the partner cybersecurity compliance against stc Suppliers Security Standard applicable requirements and issue Cybersecurity Certifications only.

The audit firm will share monthly update on the security pass certification progress to stc Cybersecurity GRC department.

By expanding our data protection and privacy programs, we are also taking a proactive approach to safeguarding not only our customers’ data but also the information exchanged with our partners. This initiative reinforces our commitment to maintaining the highest levels of security throughout our ecosystem, fostering trust and confidence in our services.

You can read more on the security pass certificate on this link: <https://partnershub.stc.com.sa/security-pass>

Case study: Monthly data privacy and protection training to suppliers and business partners

As part of our commitment to maintaining the highest standards of security, all applicable registered partners receive frequent invitations to online sessions, ensuring continuous education and awareness throughout the year. With a total of 5 training sessions annually for 300+ suppliers and partners we aim to foster a strong culture of data protection and privacy within our collaborative network.

Security Pass Program and Cybersecurity Certificate Guidelines and procedures:

- https://partnershub.stc.com.sa/cdn/phub/SECURPASS_CONTROLS_GUIDELINE_EN.pdf
- https://partnershub.stc.com.sa/cdn/phub/STC_SUPCYBSEC_STANDARDS_EN.pdf
- https://partnershub.stc.com.sa/cdn/phub/UG_REG_US.pdf

Accessibility, connectivity and digital inclusion

We remain committed to providing a dependable, modern, sophisticated network with maximum accessibility and digital inclusion for urban and remote areas – across the entire Gulf region and all communities that stc operates within. Our industry-leading wireless broadband services are key to serving rural and desert areas, while a combination of wireless and fixed services cover urban areas with unmatched reliability. We strongly believe in collaborating with the public and private sectors to ensure that everyone in society, regardless of their location or socio-economic status, can be served as a satisfied stc customer.

Our [Access to Communication policy statement](#) affirms our commitment to adopting best-in class digital and communication infrastructure to ensure network efficiency, resilience, and reliability, all while promoting universal access to affordable digital and communications services.

Connectivity and network infrastructure

We seek to continuously improve and modernize our networks and infrastructure in response to new social demands. We believe that the ability to connect to our services should not be limited by geography, and we strive to ensure our network covers more space every year.

Our immediate goal is to further expand stc's coverage and capacity within and around cities across the countries we operate within, including increasing the availability of high-speed broadband services and improving digital connectivity by enhancing the ICT infrastructure. With this vision, we have focused on fiber optics as a replacement for copper. This shift will in turn gears towards improved customer capacities at a technological level while consuming less energy.

In 2023, we signed an agreement along with our partners to withdraw obsolete copper cables from underground channels. We started upgrading the OSP copper network infrastructure by removing old, unused cables and recycling them. This initiative not only enhances our infrastructure, but also contributes to meeting the recycling targets set forth by the Saudi Kingdom, particularly in the plastic, copper, and aluminum recycling sector.



5G networks

We continuously strive to improve connectivity for everyone in the countries that we operate, especially rural areas that can benefit immediately from a geographical expansion of stc's coverage.

5G investments – and creating the associated infrastructure to boost network coverage – have become key to realizing the national visions of Saudi Arabia, Bahrain, and Kuwait, all three of which are undergoing radical digital transformations led in large part by stc.

In 2023, stc saw significant progress in developing digital infrastructure, particularly through the expansion of the 5G network, with 3 billion SAR of added investment in this area. This has enabled stc to deploy 5G network capabilities in more than 75 cities throughout the Kingdom, equipping over 90% of major cities with 5G technology. Throughout the past year, 21% more 5G sites were deployed across the KSA compared with 2022, bringing the total amount of 5G sites to 8,470, with a 7% increase in 5G subscribers compared to the previous year.

In Kuwait and Bahrain, stc achieved 100% 5G coverage, a feat accomplished largely due to the relatively smaller sizes and populations of these two countries compared to the KSA. The upgraded FULL 5G network at stc Kuwait takes 5G further to bring our customers more connectivity, speed, and digital capabilities with full coverage, full speed, and full experience.

Reflecting our hard work alongside industry expertise, we were recognized for our leadership in 5G and network infrastructure, with stc taking home both the "Best 5G Experience" and "Best Development for Communication Sector Infrastructures" awards at the SAMENA Lead 2023 awards.

In a continuation of our 3G spectrum shutdown in the KSA that began in 2022, this past year saw the shutdown of the 3G spectrum across stc Kuwait in efforts to enhance the 4G and 5G user experience within stc's network.

Network coverage	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Percentage of 3G population coverage	98.00%	-	-	100.00%	100.00%	100.00%	100.00%	100.00%	00.10%
Percentage of 4G population coverage	93.99%	98.00%	98.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of 5G population coverage	37.75%	40.80%	47.50%	99.4%	100.00%	100.00%	98.00%	100.00%	100.00%

* 3G shutdown project in KSA and Kuwait: 4G/ 5G replacing 3G for improved user experience

Case study: stc group launches the biggest-ever expansion of the 5G network in its history

The launch of 5G in 2018 signified a historic shift in communications and IT in the Kingdom of Saudi Arabia and the greater MENA region, initiating an era of minimized physical and digital boundaries. stc's ongoing expansion aims to improve infrastructure and user experience, playing a crucial role in the Fourth Industrial Revolution, IoT, AI, and national digital transformation.

By 2019, 5G service reached 35% of the population in five major cities. With the "dare2.0" strategy, stc has continued to enhance this network, increasing the number of mobile sites with 5G services and introducing a second carrier for greater capacity.

In 2023, stc Group launched the most significant 5G network expansion to date, aiming to extend coverage to over 75 cities and governorates across Saudi Arabia. This move builds on the achievement of delivering 5G coverage for more than 90% of major cities, supporting local content, job creation, the digital economy and digital lifestyle enhancement. This expansion aligns with stc's growth strategy and marks a continuation of Saudi Arabia's digital transformation journey that began in the late 1990's with 1G and 2G, followed by 3G access before smartphones, and the introduction of 4G services in 2011.

Closing the digital divide

stc actively helps to reduce the digital divide by developing and expanding the critical ICT infrastructure needed to fulfil the national visions of the KSA, Bahrain, and Kuwait. stc Group's growing infrastructure contributes to flawless delivery of essential online services such as e-education, e-government, e-commerce, and e-health. We also aim to close the digital divide and implement digital literacy for the elderly through the smart truck initiative, which helps elderly people make sense of fast-developing digital technologies. More information on these services is available in the [digital innovation and experience section](#) of this report.

Reliable and resilient infrastructure and services

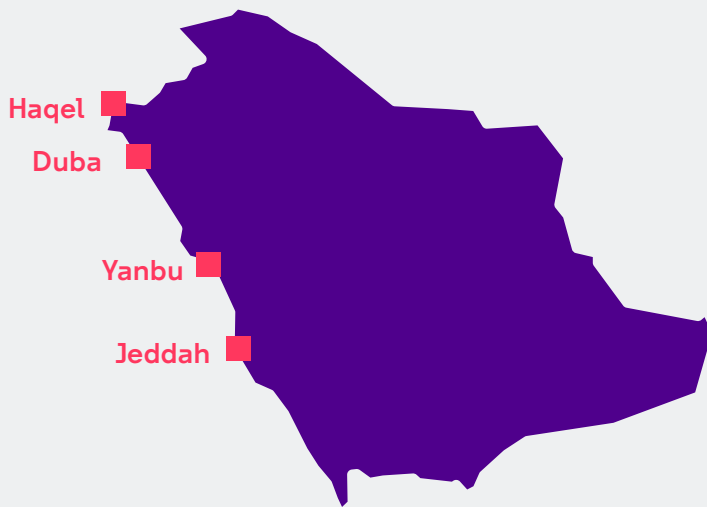
Developing reliable and resilient infrastructure is vital for accessing technology and expanding connectivity. We have worked hard to continuously evolve our network, capitalizing on the introduction of leading-edge technology by adopting KPIs for network resilience. These KPIs not only help ensure network optimization, but also underpin our commitment to deliver an excellent and uninterrupted user experience for all stc customers.

Technologies such as 5G, artificial intelligence, augmented reality, IoT, and cloud services are an essential part of stc's innovative products and services, and are helping to accelerate the pursuit of sustainability goals. With this, we provide impartiality and transparency in line with business sustainability, creating the right environment for an open market concept that enriches the tech-based ecosystem in developing countries where all customers and partners – such as content providers, cloud providers, and international and national carriers – can effectively communicate with each other.

As of 2023, stc's Saudi Vision Cable (SVC) is operational, marking a significant step in enhancing digital connectivity across the Middle East. It is the first high-capacity submarine cable ever deployed in the Red Sea and offers cost-effective connectivity options with significantly improved digital services in Saudi Arabia and beyond. This project is a critical driver of the region's digital transformation, pushing the boundaries of what is possible in digital connectivity and communication.

Spanning 1,160 kilometers, SVC is designed to connect major cities along the Red Sea, aiming to strengthen connectivity within the Kingdom of Saudi Arabia and the broader MENA region. It serves as a swift and efficient data transmission hub, connecting key landing stations in the Red Sea and contributing to the value creation in digital infrastructure. SVC's competitive interconnection rates also encourage a collaborative digital infrastructure environment. This approach is key to establishing an integrated digital landscape in the region, positioning Saudi Arabia as a central hub for data exchange between three continents.

SVC is a high-capacity system, capable of handling up to 18Tbps per fiber pair, with a total of 16 fiber pairs. This capacity ensures the system can meet the region's increasing data transfer needs, making it a foundational element in digital communication and data exchange.



Saudi Vision Cable

A new Red Sea cable system with four landing stations in Saudi Arabia, enabling cost-efficient interconnect options.



Moreover, "center3" has also increased the capacity of its data center in KSA by 6 megawatts, aiming to improve and increase the capacity of data hosting services provided by "center3" to its customers, which contributes to strengthening the Kingdom's position as a regional digital center.

Furthermore, stc was recognized as the "Best Wholesale Company in the Middle East" in 2023 by TelecomReviewME. This recognition showcases our commitment as the leading digital enabler in MENA, in empowering industry transformers and paving the way for growth and digital transformation in the region. As the leading wholesaler in the region, we offer national and international services over numerous cable systems and the PoPs-extended network.

Our national network covers all areas of the Saudi Kingdom and is extended to link all neighboring countries, including the UAE, Bahrain, Kuwait, Jordan, Qatar, Yemen, Iraq, and Oman, through diversified fiber links with various paths and capacities. stc's self-healing national backhaul network and border crossing terrestrial fiber optics links represent the most resilient, reliable and cost-effective connectivity in the entire region.



Cloud infrastructure

stc's 5G investments drive the need for deploying new and smart infrastructure with the goal of having cloud-native infrastructure. From massive data processing in enterprise campus scenarios and real-time data processing for autonomous driving to immense IoT use cases requiring analytics localization and better AR/VR cloud gaming, the edge is where services aggregate and is the natural expansion of operator networks. All of these uses demand drastic changes in underlying digital infrastructure; therefore, we have embraced Multi edge computing (MEC) deployments enabling stc to become both Cloud-Native and Edge-Native.

In a data-driven era, traditional connectivity solutions face challenges. Private MEC offers a comprehensive solution consisting of the following components:

- **Transmission Optimization:** Reduces costs and enhances efficiency by minimizing data transmission.
- **Local Data Processing:** Enables data privacy and real-time decision-making.
- **Private Network:** Grants enterprises control over connectivity.
- **Mobility and Ownership:** Balances mobility and data ownership.
- **Low-Latency Decision Making:** Enhances operational agility.
- **Infrastructure Optimization:** Streamlines operations and reduces costs.
- **Cost Efficiency:** Offers nominal operational expenses.
- **Industry 4.0 Enabler:** Paves the way for transformative advancements.



Fast connectivity and on-premises cloud computing resources are hallmarks of stc's digital services that cater to diverse needs. Our product has served companies in major industries such as oil and gas, shipping, and airports, with more underway. stc's Private MEC represents a sustainable and innovative leap forward in enterprise connectivity.

In 2023, along with one of our major partners, we published the [5G and Edge Computing: The Next Frontier for Business Growth](#) white paper to explore how Edge Computing, enhanced by 5G capabilities, can revolutionize business models by enabling ultra-reliable, low latency communications critical for improving application performance and the user experience, as well as ensuring robust data privacy and security. The white paper underscores the potential of these technologies to unlock new opportunities in private networks, marking a significant step towards innovative, efficient, and secure business operations.

Our latest innovation, the Enterprise 5G Private solution, is a leap forward in digital plant management, leveraging the unprecedented speed and reliability of 5G technology. The Enterprise 5G Private solution by stc is set to transform industrial customer operations with a robust digital plant management system powered by 5G technology. This solution carves out a private network from stc's public 5G infrastructure, offering a tailored service for enhanced efficiency and control.

In alignment with the Saudi Kingdom's vision, stc has established partnerships to support the roll-out of secure, distributed multi-access edge computing. These collaborations aim to foster the development of low-latency applications directly at each customer's edge. stc is also actively investing in and exploring advanced technologies alongside industry leaders to co-create pioneering solutions for Industry 4.0 applications.

IoT, AI, and big data

Technologies such as IoT, AI, and big data have become the primary drivers of innovation. Through our smart solutions, we aim to drive cost efficiencies, improve customer experiences and promote sustainability through innovative industrial, logistics and smart city solutions.

Following the successful creation of an IoT model system in the Middle East led by stc Group and Saudi Arabia's Public Investment Fund (PIF), *IoT squared* played a significant role in supporting a variety of public sectors, companies, and SMEs in their quest to embrace the finest smart solutions available in the industrial sectors, transportation and logistics services, and Smart Cities.

In 2023, we expanded IoT squared offerings to cover smart cities, sustainable and resilient facilities solutions, supply chain solutions, converged security and safety solutions, and unmanned vehicle solutions. It also extends support to various business sectors to facilitate the adoption of IoT technologies, including the development of innovative business models and analytic capabilities to enhance the performance and productivity of industrial operations through IoT solutions in the industrial sector and also enhance the ability of industrial companies to digitize processes, transform business models and reduce waste.

IoT squared smart solutions:



Converged Security & Safety

- Drone Detection & UTM
- Real-time Location-based Services
- Connected Fire Alarm
- PSIM
- Security Video Analytics



Supply Chain

- Smart Warehouse Management
- Supply Chain Control Tower
- Vessel Management
- Last Mile Delivery
- Track & Trace



Industry 4.0

- Asset Performance Management
- Safety
- Smart Manufacturing Operations Management
- Intellegent Operations
- Smart Metering



Sustainable and Resilient Facilities

- Indoor Air Quality Monitoring
- Sustainability Management
- Water Sub-metering
- HVAC Performance Monitoring
- Facility Operations



Unmanned Vehicles

- Security & Surveillance
- Transportation & Delivery
- Robotics Delivery
- Inspection
- Surveying & Mapping



Smart Cities

- Environmental Monitoring
- Smart Parking
- Digital Twin
- Flood Monitoring
- Smart Infrastructure
- Smart Mobility
- Unified Operation Center
- Smart Street Light Management
- Smart Waste Management
- Smart Agriculture

stc Kuwait launched several smart solutions, including the Enterprise Smart Bus solution for schools and kids monitoring, Thermal Screening, and Drones for Geospatial Intelligence and Precision Agriculture, as well as AI Video Analytics, which helps users supervise, monitor and optimize enterprise business efficiency.

In 2023, we also launched the AI and Data Initiative for InspireU, leveraging AI for strategic startup evaluation and data-driven training. This initiative identifies promising startups, equipping them with the tools for success and serving as a model for impactful incubation practices. Using a decision intelligence engine and unique selection framework, we've chosen highly competitive incubated cohorts, focusing on key areas like AI, Fintech, and Cybersecurity. This targeted approach has increased the accelerator's acceptance capacity by 30% and enhanced the profiles of 65 startups with generative AI.

AI revolutionizes our customer engagement and sustainability efforts. Our Sentiment Analysis Model delves into customer feedback, aiding in sentiment classification, topic modeling, and spam detection. The experience per customer model quantifies interactions, optimizing satisfaction and resource usage. Leveraging AI and machine learning, our Seamless Experience system delivers personalized interactions across channels, enhancing loyalty and operational efficiency while aligning with our sustainability goals.

Furthermore, our Customer Value Management (CVM) team analyzes customer behavior to tailor campaigns for upselling and cross-selling solutions. Embracing AIOps, we enhance our digital transformation, leveraging AI and machine learning to predict and diagnose IT issues, optimize performance, and increase operational efficiency. This approach ensures stc remains competitive, delivers superior services, and innovates in the telecommunications industry.

stc Group was awarded the Glotel Award 2023 for Network Automation at the Global Telecom Awards 2023, winning the "Automation Initiative of the Year" for the company's work on intent-driven automation aimed at boosting core network efficiency and reliability.

Case study: AI and deep learning infrastructure enhancement

In an effort to address one client's request for advanced GPU hosting capabilities, Solutions by stc seamlessly integrated cutting-edge GPUs within the service provider's data center. This strategic move led to the establishment of Saudi Arabia's first-ever AI and Deep Learning cloud infrastructure – designed to empower enterprises by significantly accelerating their AI adoption process – paving the way for innovative solutions and enhanced operational efficiencies across various sectors.

Through this initiative, we aim to position Saudi Arabia at the forefront of AI research and applications, fostering a more tech-driven future.

Network quality and mobile adoption

We aim to have the best available network quality and work to drive mobile internet adoption within all communities in which stc operates.

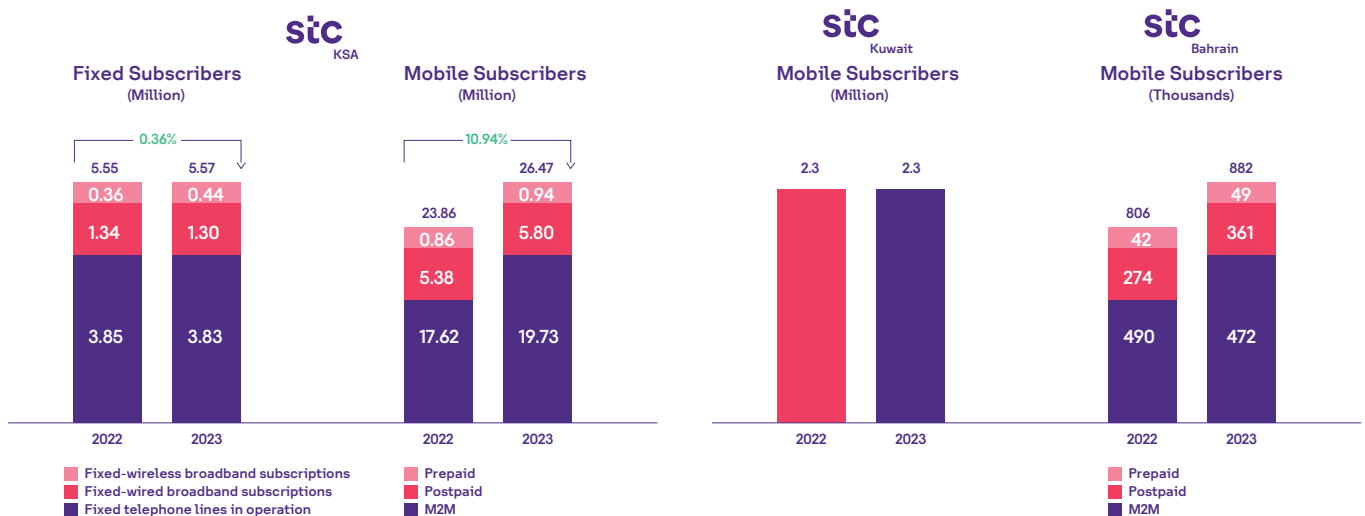
Improved connectivity and network quality contribute to increased accessibility to telecom and digital services, including mobile and fixed broadband in urban and rural areas. As more individuals and businesses gain access to reliable communication services, the subscriber base grows which in hand will promote inclusivity by ensuring a larger base of the population can participate in the digital economy and society.

We recognize that network quality directly impacts the user experience of our customers, which is why we are dedicated to providing seamless connectivity and faster speeds. Throughout the reporting year, our commitment to excellence has yielded outstanding results, as evidenced by our top performance in KSA across four categories in [Saudi's Mobile Network Experience Report \(2023\)](#). Specifically, we have recorded top download speed experience, upload speed experience, 5G download speed and 5G upload speed.

Network speed	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Average mobile broadband download speed (Mbps)	87.66	113.58	115.90	64.90	80.97	164.4	147	147	164
Average mobile broadband upload speed (Mbps)	20.24	19.61	23.30	4.16	3.43	3.59	9	9	7

Network traffic	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Network traffic (petabytes)	17,810	20,364	24,386	273	324	446	1,406	1,441	1,549

Subscribers at a glance



- Fixed-wireless broadband subscribers includes 4G and 5G subscribers.
- Prepaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.
- Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.

New era infrastructure data center program

As part of our initiative to develop next-generation facilities, we are committed to building new data centers across each of the countries that we operate within. Our goal is to have these facilities incorporate enhanced energy efficiency and sustainability throughout the entire lifecycle of new mission critical infrastructure.

In Saudi Arabia, we are in the process of building new data centers to serve the entire Saudi community with enhanced digital services. These new data centers will incorporate sustainability features in all aspects of construction and development, from design and procurement to materials and construction.

In 2023, we achieved significant progress in our commitment to advancing next-generation cloud-enabled data centers by completing all Phase 3 construction projects. This pivotal year saw the operational launch of six new state-of-the-art data centers, enhancing our infrastructure to fully support main internal 4G and 5G equipment across various locations. With the successful implementation of energy efficiency technologies, we have observed notable reductions in energy costs and CO₂ emissions.

Various technologies and engineering approaches were followed to benefit from energy conservation opportunities, such as server efficiency, right-sizing, chiller system optimization, thermal and airflow management, improved lighting; resulting in enhancing Power Usage Effectiveness (PUE) and reduction of CO₂ emissions.

However, our expansion plans go far beyond what has already been accomplished: by 2025 we aim to further enhance our data center capacity and build out more capacity in the KSA and Bahrain. Realizing this ambition is well underway with the operational status of all sites previously reported under construction, the completion of which brings our total capacity to over 34.8 MW, including both new and expanded projects. The completion of which brings our total capacity to over 71.17 MW active capacity by 2023 including data centers prior to NEIDC program.

The new phase of our expansion –Phase 4 – involves the construction of three additional data centers at Riyadh, Jeddah, and Bahrain, with contractor awarding slated for January 2024 with project commencement in first quarter of 2024 . This phase is expected to add a total IT shell capacity of 20.4 MW, with an initial capacity of 10.8 MW IT load on Day 1.

In a testament to our commitment to efficiency and sustainability, the Remal Data Center – one of our Phase 3 projects – achieved a remarkable 1.43 PUE at full load during its summer testing and commissioning in August 2023. This achievement underscores our continuous efforts to minimize power consumption and environmental impact, setting new standards for data center operation and design.

As we move forward, our strategies and plans incorporate comprehensive considerations to minimize power consumption for Phase 4 sites and beyond, reflecting our dedication to sustainable development and operational excellence in the rapidly evolving digital landscape. You can read more on energy optimization for data centers in the Environmental chapter.

New Era Infrastructure Data Centers Project

Phase 1

Riyadh, Jeddah and
Madinah data centers.
2018 - 2020

Total IT capacity in MW:
19.2

Phase 2

Qassim and Makkah
data centers
2019-2021

Total IT capacity in MW:
9.6

Phase 3

Riyadh (3 sites), Dammam (2
sites), and Jeddah
2022- completed

Total IT Capacity in MW:
76.8

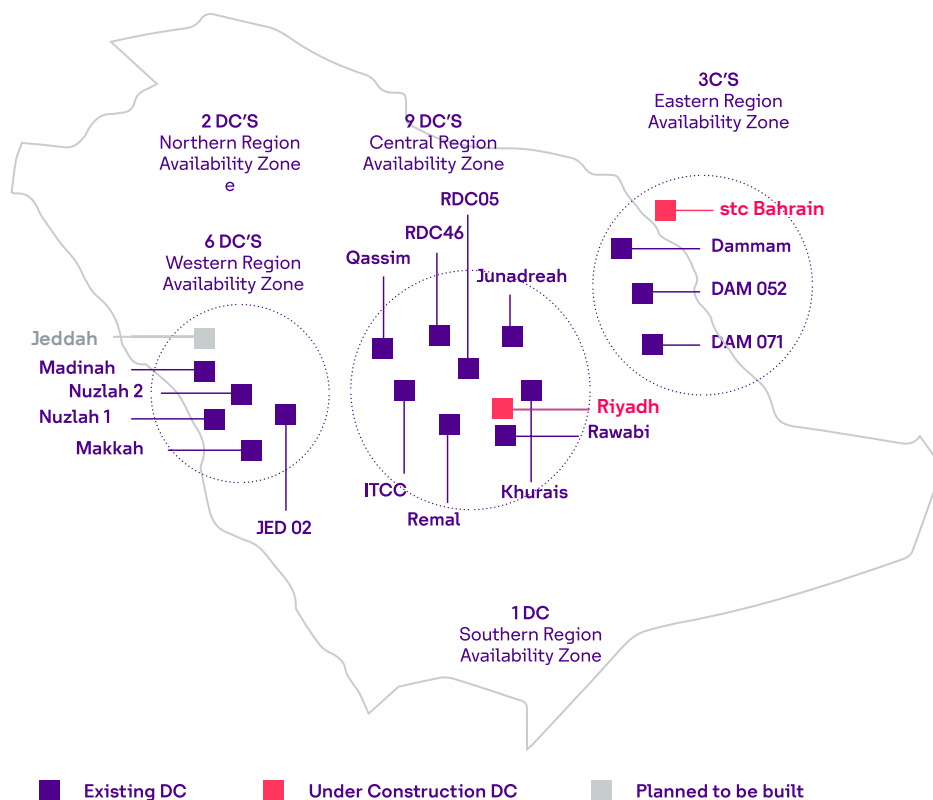
Phase 4

in Riyadh, Jeddah, and
Bahrain
2023-Onwards

Total IT Capacity: 20.4 MW

The data centers reached total capacity of up to 125 MW* and active capacity of 71.17 MW by the end of 2023.

* including pre-NEIDC projects DCs "19 MW"



Digital enabler for mega events and smart cities

We are proud to be the leading digital enabler in the MENA region and have used this privileged position to develop smart cities and run mega events, including the Hajj pilgrimage, Formula 1 races, Smart Cities, conferences, and more.

Over 56% of the global population lives in urban areas, with this figure expected to rise – and the MENA region and Saudi Arabia are experiencing particularly rapid urbanization. stc Group is leading the transformation towards sustainable, smart cities as part of Saudi Vision 2030 by enhancing 5G network infrastructure and accelerating digital ambitions to enable various forward-thinking technologies such as IoT, data analytics, virtual reality, augmented reality, smart homes, and autonomous vehicles.

Each year stc further enhances the Hajj and Umrah experience with cutting-edge technology, supporting the Kingdom's digital transformation to achieve Saudi Vision 2030 goals. Through innovations in IoT, cloud computing, cybersecurity, and 5G, stc aims to improve societal life and boost the efficiency of government and private sectors. This digital advancement is pivotal in enriching the pilgrimage journey, offering high-quality services and a better overall experience for visitors.

In 2023, and in preparation for the Hajj season (1444), we enhanced our network by adding 108 sites that support the 5G network, reaching 1,084 spots in Makkah city. We also allocated 248 sites for the 5G mobile network, expanded our Integrated Broadcast Services to more than 300 sites, and deployed 1,964 Wi-Fi access points across 177 sites. Furthermore, 70 mobile vehicles were secured to support capacities and coverage, allocating 140 sites for the critical communications network (TETRA) that serves the KSA's vital sectors. Moreover, stc fully converted the international traffic to IP with a 100% capacity to international gateways, simultaneously allowing 150,000 actual calls.

Lastly, as part of the Saudi Kingdom's Vision 2030 Pilgrim Experience Program, stc is focused on developing digital solutions for seamless and enhanced pilgrim journeys. These include digital medical services like tele-patient monitoring and Holo-Doctor for telemedicine, along with infrastructure monitoring to ensure top-notch telecommunications services in Mecca and Medina. By bolstering digital infrastructure and expanding 5G coverage at holy sites, stc ensures reliable network performance, supporting vital sectors and providing pilgrims with a distinctive and high-quality digital experience.

Supporting SMEs through digital technologies

As organizations and corporations continue to digitize their operations, we understand the need for effective and secure solutions and infrastructure. This is especially true for SMEs, which may find it more challenging to keep pace with the acceleration of digitization currently taking place.

In an effort to support SMEs working in remote areas and promote connectivity that is more inclusive, we developed a point-to-point service to target customer groups far from network or fiber connections, helping them access connectivity services and high-speed internet that is essential for succeeding in the modern world. We also offer incentives for copper customers to transfer to fiber or wireless services to utilize higher network speeds and be a part of an enhanced customer experience.

Digital innovation and experience

Digital innovation and digital experience are both at the heart of stc's business and culture. Our strategy for implementing these critical digital drivers is rooted in preparing the company for the future, enabling us to be in a better position to grow as we move forward in an ever-changing digital world.

stc's main core values, the three "D's" (Dynamism, Devotion, and Drive), are the foundation on which our digital transformation strategy has been built. As we move closer towards the goal of being the undisputed leader in digital enablement within the MENA region, we have developed several initiatives to foster new ways of working and to better clarify the customer journey.

We are constantly looking to develop tools, mechanisms, advanced analysis, and artificial intelligence programs to stimulate teamwork and innovation. Investing in these advancements has led and will continue to lead to new solutions for enriching the lives and experiences of our customers. We also digitize the customer experience journey by uniting all these key elements and present a wealth of opportunities for personalization and engagement.

Over the past year, we have made significant progress in aligning our Customer Experience and Digital Transformation initiatives with sustainable goals, achieving remarkable progress in reshaping the digital landscape across the three pillars of institutions, the economy, and society.



In 2023, we also undertook a comprehensive inter-operational restructure across economies, institutions, and society to expand digital transformation to all areas of stc Group and beyond. This restructuring was geared towards not only meeting but surpassing our sustainability targets. The results have been profound, leading to increased revenue growth, improved efficiency, reduced operational costs, and an enhanced overall customer experience. Furthermore, the integration of digital technology into every facet of our business has ushered in fundamental changes, enabling us to modernize legacy processes, accelerate workflows, strengthen security measures, and ultimately increase profitability. This approach goes beyond cost efficiencies, however, as it strategically differentiates us in terms of customer engagement and innovation, reinforcing our commitment to sustainability.

Our digital ecosystem

Over the past few years, focusing on digital transformation has become a necessary reality for stc to stay relevant. Nevertheless, this phenomenon presents an opportunity for organizational improvement when viewed through the lens of sustainability, as it is deeply embedded in the societal context. The relationship between sustainability and digital transformation is complementary, if not entirely interdependent, making it important to take sustainability into account while strategizing stc's digitalization roadmap. With this in mind, we are moving from legacy systems to Open Digital Architectures (ODAs) in 2025. These ODAs support multi-tenancy and scalability, empowering us to become industry orchestrators and marketplace creators. This transition not only aligns with our sustainability goals but also further positions stc as a leader in driving innovation across industries.



stc Group CEI evolution – CEI+



Our digital transformation strategy is built collectively through our dare 2.0 strategy, GOM activation, our business roadmap, and industry best practices and benchmarks.

Digital Index (DI)

stc is one of the leading companies in the entire Gulf region for the adoption and measurement of digital transformation enablement and the overall customer experience. We have developed a comprehensive Digital Index (DI) to augment the perspectives of both the customer and the business perspectives, ensuring alignment with digital maturity model best practices and proper application across stc Group's business units, functional units, and clusters.

The DI measures the execution, utilization, and impact of digital transformation measures across stc Group and drives improvement by building a comprehensive measurement framework based on KPIs from industry best practices. As a testament to the effectiveness of these activities, stc Group was honored with several awards throughout 2023 for Value Recognition of Digital Transformation and Customer Experience Elevation, recognizing our outstanding and leadership performance in the realm of customer experience and digitalization.



stc 2023 CEx awards



Outstanding Catalyst Best New Catalyst:

Ultimate connected car
experience enhancing
digital lifestyle



The Winner: Platinum Games Operator Award

CST - 2023



Outstanding Catalyst Use of TMF Assets:

TechCo practicing decision
intelligence for sustainable
growth



The Leader: Most mobile experience categories in KSA

OpenSignal - 2023

Digital transformation awards and recognition

Solutions by stc won 5 global awards in recognition of digital transformation projects in several sectors in the Kingdom. The Project Management Institute (PMI) recognized Solutions by stc for building one of the largest data centres in the region, and claimed another award from the International Project Management Association (IPMA). IPMA granted two other awards for stc projects involving national electronic billing, the first of its kind in the KSA, and building an integrated digital experience, as well as a Glotel award for building a fully digitized and smart medical city.

Case study: Enhancing CX and digital transformation for sustainable success:

We strategically employ AI-driven solutions, to lead in a new era of customer-centricity, where technology becomes an ally in crafting sustainable practices and fostering positive social impacts.

Leveraging cutting-edge AI techniques, we implement a Sentiment Analysis Model that delves into the customer perception and feedback. This model perceives sentiments expressed in textual inputs, classifying them as positive, negative, or neutral. Beyond sentiment classification, the system excels in multifaceted applications such as Topic Modelling, Spam Detection, and discerning perceptions of influencers. This initiative not only contributes to the improvement of our products and services but also aligns with our Environmental, Social, and Governance goals by promoting open communication and transparency with our customer base.

We also implement an Experience per Customer AI model to evaluate customer interactions across various touchpoints and lifecycle stages, assigning a comprehensive CX score based on the totality of these engagements. By assessing experiences at each lifecycle step and touchpoint, we not only optimize customer satisfaction but also contribute to a reduction in unnecessary resource consumption, quantifying and improving the overall customer experience and fostering long-term customer loyalty and satisfaction.

Further, we integrate a Seamless Experience powered by AI, machine learning, and Generative AI models to revolutionize customer interactions through a unified view across multiple channels and touchpoints. By leveraging data and AI, this AI Driven Experience system facilitates the identification and targeting of specific customer segments, minimizing unnecessary resource usage and offers real-time insights, enabling us to optimize operations and make informed decisions.

Digitizing touch points and sales services

We continuously seek to reinvent and digitize the customer experience. At stc KSA, we have defined digital communication channels and established a committee of stc representatives to analyze data, with stc's commercial digital strategy focusing on creating new services and experiences that enable customers to fulfil their needs, digitize all processes, and radically address existing problems.

Through our award-winning mystc app, we have digitized customer service, allowing consumers to go further with greater ease and comfort. Through the app, customers can perform numerous activities and have access to a wide array of services and features, including a space to view and pay bills, order SIM cards, recharge or transfer balances, control all numbers registered under a given customer ID, and access specific statistics for call data and usage. In 2023, we recorded more than 12,103,529 active users for the mystc application.

mystc application	stc KSA		
	2021	2022	2023
Number of active users	9,460,371	10,026,542	12,103,529
Unique clients served	6,686,154	7,413,168	7,429,535
Total subscriptions	23,638,622	24,595,211	26,742,269

We also continuously seek to provide better, consistent and transparent customer service via digitized touchpoints and sales services and remove any barriers from any interaction to improve accessibility and meet our customers' expectations.

Sales transactions	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
mystc sales transactions	52%	52%	55%	13%	14%	16%	-	28%	32%
Other sales transactions (SSM+SMS+outlet) without mystc	18%	16%	14%**	52%	46%	48%	-	72%	68%

* For stc KSA, the remaining 31% of transactions were done through other channels 900 IVR, Mobile Shops, etc.

**2021 data not available for stc Kuwait

Through our digital self-service customer support, we offer convenient solutions to support our customers quickly and effortlessly without waiting on a human agent. In 2023, 96% of customer support was delivered through digital self-service support channels.



Digital support channels	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Digital self-service assisted support	96%	96%	96%	31%	37%	38%	-	60%	57%
Human interaction support	4%	4%	4%	69%	63%	62%	-	40%	43%

* Tracking of this indicator in Kuwait started in 2022

Case study: Enhancing digital engagement through mystc

mystc Campaigns conducted in 2023 serve as a testament to stc's commitment to enhancing digital engagement and self-service capabilities. The campaign focused on migrating inactive mystc app users to digital channels. Efforts included targeting users who had not used the mystc app for over 70 days with push notifications and customized SMS, as well as a digital migration campaign for users inactive for over 90 days.

These strategies resulted in contacting over 6.5 million customers in 2023, leading to an 8% uptake ratio and a 20% increase in active mystc users from the previous year, reaching over 12 million. The introduction of system-targeted processes for a broader reach and enhanced uptake efficiency marked a significant advancement in stc's digital strategy.

This case study underscores stc's customer-centric approaches, leveraging digital technology not only to enhance the customer experience and engagement but also maintaining ethical and responsible marketing practices.



Artificial intelligence and Internet of Things (AI + IoT)

With a vast network of mobile subscribers, we harness the power of AI and data analytics to navigate our ever-evolving business landscape and engage with customers authentically. This means delivering marketing messages with substance while minimizing spam, ensuring that our interactions are both relevant and valuable.

Moreover, AI permeates every facet of our organization, driving revenue growth, cost reduction, and enhanced decision-making processes. By leveraging AI, we strive to optimize efficiency and cultivate enriching experiences for both our internal teams and external stakeholders alike.

Furthermore, we're exploring the intersection of AI with IoT and other emerging technologies to champion climate action initiatives within stc and beyond. From developing energy-efficient applications to spearheading social impact projects that promote climate benefits, AI plays a pivotal role in our commitment to sustainability and corporate responsibility. In Saudi Arabia, a significant portion of the population falls under the category of thin profiles, posing challenges for financial entities like credit bureaus to accurately assess their financial standing. This limitation often hinders individuals from accessing essential financial services.

To address this issue, we leverage the power of AI and big data to develop an alternative credit scoring system. Our aim is to enhance financial inclusion, ensuring that all individuals, regardless of their profile, have access to affordable and accessible financial products. By expanding access to credit, we not only bridge economic and social disparities but also stimulate economic growth.

At stc Group, we're leading the charge in the smart city revolution. Through our innovative technologies and solutions, we're transforming cities into sustainable, inclusive, and efficient communities where people can flourish. Our commitment to pioneering cutting-edge solutions underscores our dedication to creating a future where everyone has the opportunity to thrive.



stc Square, developed by AQALAT, stc Group's real estate arm, is a mega mixed-use project designed as a LEED V4 sustainable community. It integrates innovative technologies for enhanced city administration, water supply, smart vehicles and parking, security systems, urban transport, and waste management. Utilizing IoT, big data analytics, and AI, the project aims to boost socio-economic potential and daily life quality. stc's subsidiary, iot squared, offers IoT platforms for waste management, smart parking, and disaster management, along with AI platforms for energy optimization. Solutions by stc facilitate ICT service distribution for smart cities, focusing on integrated mobility platforms and digital twin technology.

Additionally, stc KSA introduced NTN-IoT applications for GPS tracking and pressure monitoring, leveraging Omnispace technology for reliable connectivity. stc Kuwait is currently fostering innovation through the LEAD strategy, exploring digital payments, insurance, and smart homes in consumer segments, and IoT, cloud, and cybersecurity for enterprises. In Bahrain, analytics and big data support stc Bahrain's sales team operations and market insights. Furthermore, TAWAL is implementing innovative IoT solutions like Smart Tower and an Early Warning System for enhanced safety measures across the entire tower network.

Innovative and digitized products and services

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





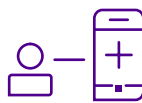




e-health products and services

Digital health solutions and e-health services play a critical role in promoting sustainability within healthcare, simultaneously advancing global and national priorities and goals through their advancement. These technologies offer transformative opportunities to enhance healthcare and optimize utilization of resources and improve patient outcomes, while at the same time help to reduce negative environmental impacts. With that in mind, we have a stated commitment to enriching lives of our customers and communities, with a wide range of products and services that address various healthcare needs.

The Holo Doctor service offers remote medical consultations by linking patients to doctors in the virtual Seha hospital. This service uses Holoportation technology, making patient-doctor communication more similar to an in-person interaction as a 3D image of the doctor is projected on a screen, giving a lifelike impression to the patient.

Our Tele-Medicine Virtual clinic solution addresses pain points in the patient experience, enabling better healthcare services while providing significant cost savings. Through this, physicians are able to provide clinical care anytime, anywhere, using stc's end-to-end tele-health solution, which employs a cyber-secure integrated medical tablet and HIPAA-compliant Tele-Medicine Cloud Services to provide immediate diagnostic data to physicians during a remote exam. This allows for the same privacy and quality as an in office exam, even with the most at-risk patients.

 <p>Holo Doctor Driving healthcare further with accurate and lively interaction with the patients through a box displaying three-dimensional images</p>	 <p>5G-Connected Ambulance Unveiling the future of healthcare with smart ambulances equipped with cameras and a virtual clinic connected through stc 5G</p>	 <p>Smart Solution Change is now 360o with medical solutions that capture accurate health care, analyze diagnosis, enable self-checkups, and offer remote consultations with physicians</p>	
 <p>Health Report Introducing next-gen technology with "Motee"; a robot that stores patients' health data, records vital signs, and transfers the info to other medical systems</p>	 <p>RPM Reinventing smart tech solutions with our RPM service that bridges gaps in time, distance, and communication for remote patient care. As a patient, you can now easily log your vital signs using wireless medical devices</p>	 <p>Smart Hospital Stimulation Introducing a new digital dimension where the medical sector is driven by our Smart Hospital Stimulation with interactive screens to increase patient interaction</p>	 <p>Tele Ultrasound Innovating medical services through remote sonography reporting and diagnosis for a convenient journey</p>

Case study: Specialized by stc - Tari' service

In the healthcare sector, a significant digital transformation has been started with the introduction of the Tari' service, replacing outdated pager alerts in hospitals.

Tari', an advanced alerting service, offers rapid and efficient communication across various platforms, including apps, SMS, email, robot calls, direct chat, and operates on both mobile networks and WiFi. Compatible with iOS, Android, and PC browsers, Tari' ensures secure and effective management of unexpected events, daily operations, and aids in decision-making processes.

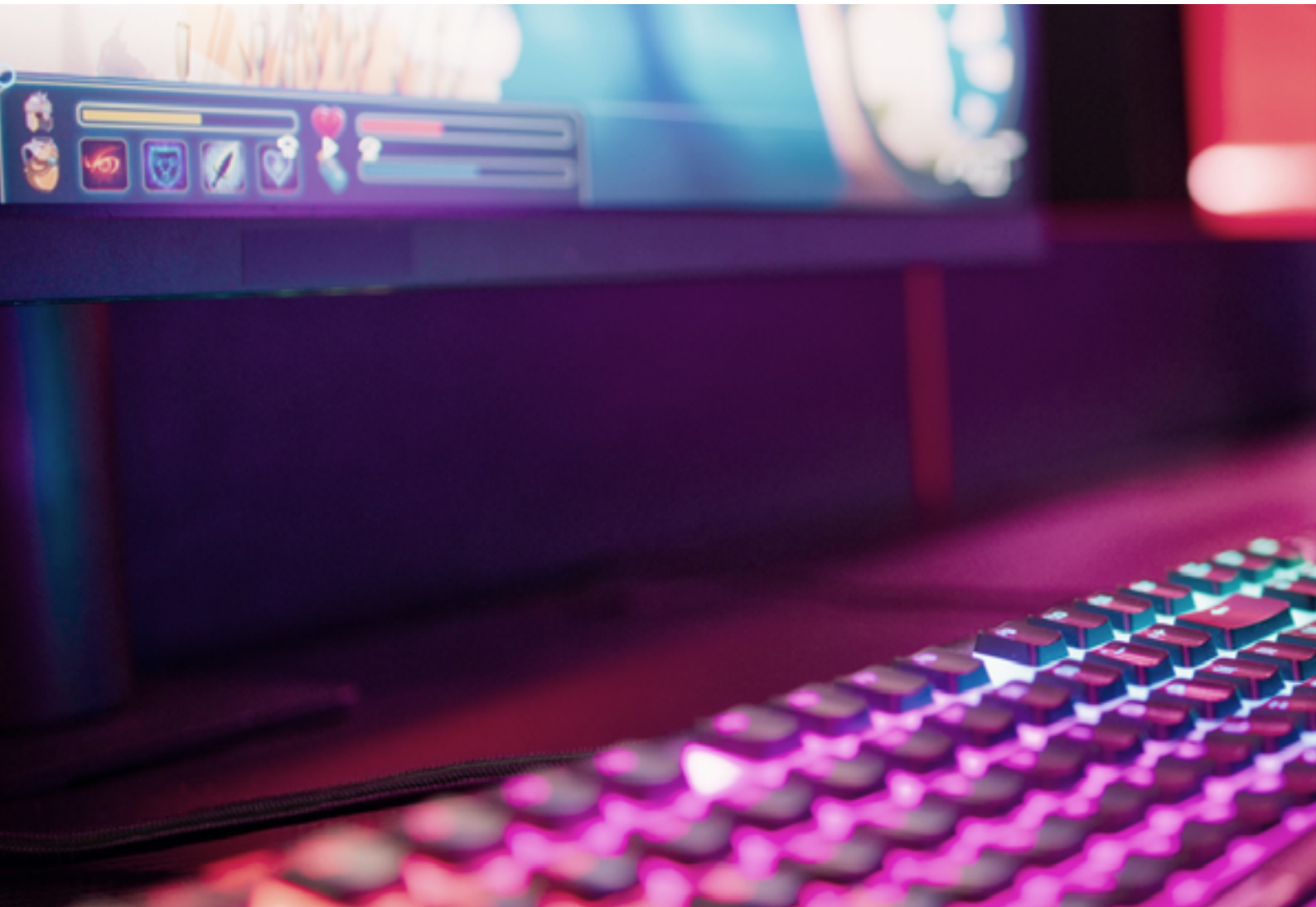
The implementation of Tari' service at Jazan Healthcare has proven to be a success, significantly reducing response times to under fifty minutes for critical cases, thereby enhancing the readiness and efficiency of medical teams. The service has gained a substantial user base over the past year with more than 10,000 subscriptions in 2023, demonstrating its effectiveness and the value it adds to the health sector. This case study represents a leap towards more digitized, responsive healthcare solutions.

Upcycling old phones into affordable hearing devices

stc is at the forefront of enhancing people's lives through technology and innovation. With this in mind – and in response to two particularly pressing challenges: the prevalence of hearing loss and electronic waste accumulation – stc initiated the Hearing Trade project in 2023. This innovative venture sought to repurpose old phones into affordable hearing amplifiers, addressing societal needs while promoting environmental sustainability.

stc meticulously transformed old phones into sleek, functional hearing amplifiers, designed to resemble fashionable accessories rather than traditional medical aids. These devices were equipped with features such as multiple color options, a 5-hour battery life, fast charging capabilities, and high audio output, ensuring both functionality and user satisfaction. The Hearing Trade project made significant strides in enhancing accessibility to hearing amplifiers for individuals in need, particularly in Saudi Arabia where 1 in 4 people are affected by hearing loss. Furthermore, by repurposing old phones, stc contributed to the reduction of electronic waste, aligning with the company's valued principles of environmental sustainability.

Through the Hearing Trade project, stc demonstrated its unwavering commitment to social responsibility and environmental stewardship. By leveraging technology and innovation, stc not only improved the lives of individuals with hearing impairments but also made significant progress towards creating a more sustainable future.



e-sports and gaming platform

There has been significant growth in the electronic sports and gaming (e-sports or e-gaming) sector in recent years, making it an independent technological economy in itself. stc seeks to expand its services along several new and unconventional paths to accommodate growing customer demands and needs. stcplay, our e-sports and gaming platform, provides casual and professional gamers access to online tournaments, content, and gaming merchants all in one platform.

This innovative platform is an incubated startup within stc and aims to access inorganic potential growth in digital platform gaming. stcplay is already the leading gamer-engagement platform in the KSA, bringing all types of gamers, players, content creators, and influencers together. It offers gaming ecosystem service providers the opportunity to get connected with an engaged gamer base within one comprehensive digital user experience.

In 2023, stc play recorded more than 3 million registered users, representing a significant increase from a registered user base of just over 1.2 million in 2022.



e-education services

At stc, we aim to empower students by providing them with access to educational platforms and content at the tip of their fingers through advanced innovative technologies.

Solutions by stc works closely with the Saudi Ministry of Education to promote digital transformation throughout the education sector, ensuring students in the KSA continue to receive a world-class education and immersive classroom experience. We currently provide over 7,000 schools with Managed Router Services and have integrated all these educational facilities into one digital platform.

Entertainment platform

Through Intigral by stc, we offer world-class entertainment, with best-in class content, including premium TV services, and an unforgettable consumer experience. Capitalizing on our technological capabilities, stc tv –our entertainment-streaming platform – warrants an uninterrupted viewing experience with availability across all devices.

This innovative platform provides access to digital products and services, direct carrier billing to various cards, and coupons from other stores, enabling customers to manage their plan in real-time. In 2023, stc tv recorded 3.6 million authorized subscribers.



Smart home services

Designed to provide added convenience, smart home technologies can remotely perform daily tasks such as setting thermostat levels, checking-in on loved ones, monitoring utility usage, and more. We believe that it is important to identify what would best help the customer before offering recommended smart tech, and for that reason we provide onsite expert consultations for our customers to help them assess their potential service needs.

Our product portfolio covers a wide range of use cases including smart protection, smart lighting, energy management, and home automation. In 2023, we continued to develop creative add-ons and bundled them with fiber packages to enhance the customer experience, including Wi-Fi extender devices and smart home additions that enhance customer security and home control through IoT devices such as home surveillance cameras, door alarms, and controllers with affordable pricing options.

Digital signature for digital documentation

The most important feature of digitalization is to provide effective and secure solutions to customers. With this, we have developed the digital signature service, which enables enterprises to manage document workflows through a secure digital signature. The service is licensed by the CST and approved by the National Center for Digital Certification (NCDC) to guarantee the privacy and validity of data and approvals.

Sayen's Digital Signature service has significantly improved business interactions for numerous customers, touching on areas such as retail, banking, procurement, and HR. This technology offers a competitive edge by enabling secure digitization of operations for both government and private sectors through cryptographic digital signatures, which offers substantial benefits as digital signatures are legally binding, ensure authenticity and integrity, and prevent repudiation. As a licensed PKI and DTS provider authorized by local government bodies for digital certificates, Sayen aids in streamlining operations while maintaining security.

In the retail and banking sectors, Sayen has facilitated over 142,000 transactions, resulting in a 90% reduction in processing time and saving approximately EUR 500,000 in costs. This has significantly enhanced experiences for customers, vendors, and employees alike. For procurement and HR, Sayen has facilitated more than 64,000 transactions, resulting in the conservation of more than 640,000 pieces of paper and saving more than EUR 240,000 in costs. These advancements have led to improved vendor management and heightened employee satisfaction. This case study exemplifies how digital transformation can yield positive sustainability outcomes alongside operational efficiencies.

Leading Fintech in Saudi Arabia

As we continue to successfully execute our dare 2.0 strategy, we have further strengthened our position as the lead enabler of digital life.

In 2023, stc pay initiated the transformation from being one of the first electronic wallets originating from the KSA to becoming STC Bank, one of the first digital banks in the Kingdom. STC Bank is licensed by the Saudi Central Bank (SAMA) to carry out digital banking activities. Midway through 2023 the beta version of STC Bank was launched as a testing phase for a select, but growing, segment of customers, though eventually all stc pay wallet accounts will evolve to become a digital bank account. STC Bank's active user base grew 23.2% in 2023.

Boosting the digital economy through InspireU

InspireU, one of our top startup incubator programs, serves as a catalyst for boosting digital innovation and nurturing entrepreneurs within local communities and economies in which we operate. By providing startups with the necessary resources, mentorship, and support, we not only stimulate economic growth but also cultivate a culture of entrepreneurship that drives positive change.

Through InspireU, we aim to empower individuals thereby contributing to the long-term wellbeing and resilience of our economy. The program has made significant progress in nurturing startups through a holistic support system encompassing co-working spaces, financial aid, and strategic networking. This approach has successfully incubated over 100 startups with over SAR 12 billion in valuation, driving both economic growth and global integration, which aligns with the Invest Saudi initiative.



In 2023, InspireU help its 9th incubated batch, which included a special track to supports startups in the field of cybersecurity in co-operation with sirar by stc, the digital cybersecurity service provider This track aims to promote local content and enable digital cyber projects, through several workshops and specialized technical advisory sessions. During the past year we also brought InspireU program to Kuwait. The InspireU program in Kuwait aligns strategically with stc Kuwait’s corporate strategy, focusing on market potential and feasibility. This initiative seeks out innovative ideas through a comprehensive intake process, with a committee evaluating submissions for their potential business impact and strategic fit.

Over a six-month acceleration process, selected ideas are cultivated, aiming for inclusion in the Products & Services portfolio with prospects for financial return upon successful mergers and acquisitions. The program is set to launch a new intake batch in 2024, demonstrating stc Kuwait’s commitment to innovation and support for entrepreneurial projects.

InspireU	stc KSA		
	2021	2022	2023
Number of incubated startups	10	17	20
Investment to support digital innovation (SAR)	More than 1B since 2015 to date		
Jobs created through the start-ups	More than 650K jobs created		
Percentage of women owned start-up or investees	10%	18%	20%
Startup survival rate	100%	100%	100%
Number of companies still operating after they've left the accelerator	10	16	20
Mentorship opportunities	10	17	26

* InspireU runs across KSA only; Kuwait’s first intake is planned in 2024.



Driving innovation

Continuous creativity is a key element of stc's digital transformation strategy. We utilize research and development (R&D) and "experiment by doing" methodology to test the latest ideas and technologies before bringing them to life and getting them to market. We are committed to growing and evolving our R&D practices to improve efficiencies, enable innovative products and services, and instill a culture of innovation.

Across stc Group we have established three cutting-edge innovation labs strategically positioned to drive forward-thinking and technological advancements, two of which are owned by stc KSA and one by TAWAL.

Our FWD Innovation Lab is the epicenter of innovative ideation and co-creation for stc and beyond. In addition to hosting innovative events, the lab has also been used to organize extensive ideation sessions and hackathons for use case development.

Our innovation strategy, rooted in creating value for Technology & Operations (T&O) within the business, guides the journey from ideation to realization while considering intellectual property. stc manages innovation through a strategy focused on emerging technologies and market trends, aiming for continued growth and development.

stc Group's commitment to innovation was focused on many issues over the past year surrounding the utilization of emerging technologies like blockchain and IoT to address growth opportunities and market trends. Notable projects that were started in 2023 included Data Integrity (using blockchain), Billing Charging Evolution (with blockchain integration), NTN-IoT applications, a Digital Marketplace, AIOPs systems, a Digital Twin collaboration with KACST, and 5.5G use cases. These initiatives were aimed at enhancing operations and the customer experience, predicting and resolving IT issues with AI and fostering interoperability in telecom equipment.

In 2023, stc Group was presented with three awards in recognition of the company's culture of digital innovation from MEA Business in coordination with SAMENA Telecom Council. These awards were given in three categories: Innovation in Track Award, e-Commerce Innovation Track Award, and Innovation Path Award in Primary Sector Technologies.

Innovation	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Investment in R&D and Innovation (million SAR)	23.11	29.85	31.20	29.01	42.15	40.2
Number of users of entrepreneurship and innovation platform	140	435	1,800	190	735	2,200

Innovation	stc KSA		
	2021	2022	2023
Awarded patents	-	2	5
Number of labs	1	2	2
Number of R&D employees in the lab	9	8	19
Number of Non-Saudi employees working in R&D in the lab by nationality:			
Number of Saudi employees working in R&D	-	11	15
Number of Non-Saudi employees working in R&D	-	6	4
Number of Non-Saudi employees working in R&D in the lab by gender:			
Women	-	3	5
Men	-	14	14

Case study: Solutions by stc Intrapreneurship program

In 2023, Solutions by stc launched the Intrapreneurship program to encourage innovation and foster a culture of Intrapreneurship across Solutions by stc. This approach helps create an environment where creativity and innovation are valued and recognized.

Throughout the course of the initiative, we received over 100 submissions showcasing creativity among the workforce. From these submissions, a rigorous selection process led to the shortlisting of 12 promising ideas. Subsequently, five of these ideas progressed to the development phase, where they underwent further refinement and validation. Ultimately, the top three ideas emerged, representing innovative solutions poised to deliver tangible results and drive innovation.

Our people

Working within different countries, communities, and cultures, we know that our people are the key to our success, bringing a diverse array of skills and perspectives to the organization. Embracing a diverse workforce, promoting inclusivity, and reflecting the diversity of the communities we engage with are regarded not only as ethical imperatives but also as strategic business priorities.

As an equal opportunity employer, stc provides an equal and inclusive work environment that attracts, develops, and retains the best and most talented individuals, regardless of their background. In addition to securing the safety and well-being of our workforce, we seek to create a work environment that enables people to thrive at stc.

Diversity, equity and inclusion

Diversity, equity, and inclusion are cornerstones of stc's People strategy endeavors. Our commitment to diversity and inclusion not only enriches our workforce but also propels us towards greater inclusivity within the stc Group.

We firmly believe that diversity is not just a buzzword, but rather a catalyst for progress. Throughout stc, diversity fuels our innovation and underpins our achievements. We actively foster a culture that nurtures curiosity, and values uniqueness among our team members, recognizing that diverse perspectives drive our collective success. We also acknowledge that our strength lies in our ability to cultivate an environment of equity and inclusion, where every voice is valued and heard.

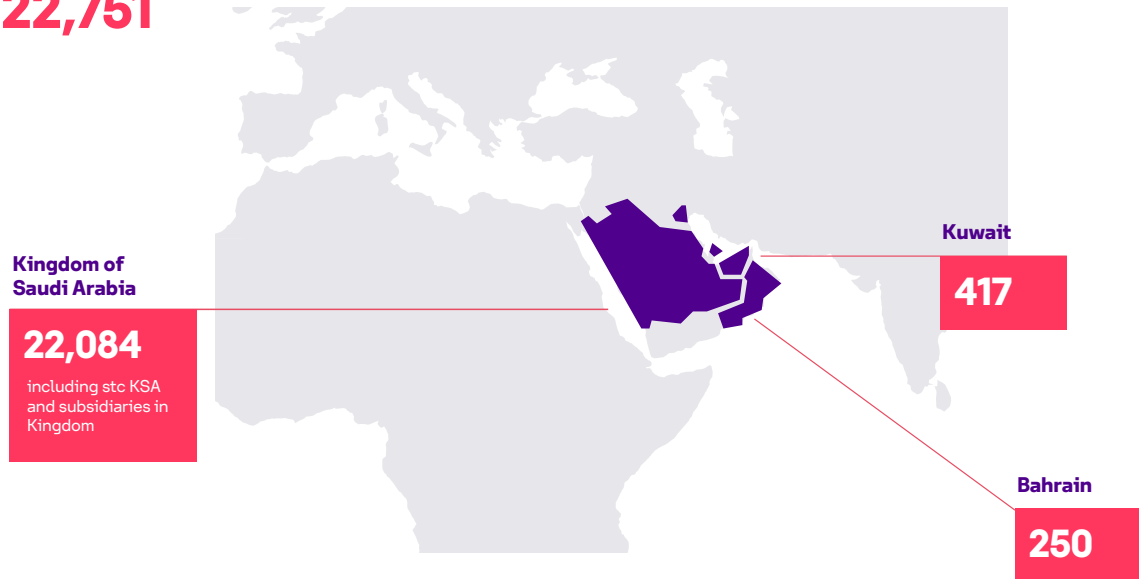
With a workforce spanning three countries and comprising over 22,751 employees, we are unified in our mission to foster a culture of care and belonging. To uphold our commitment to diversity and inclusion (D&I), we prioritize three key areas: [women in leadership](#); [culture and ethnicity](#); and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

Throughout 2023, the Diversity and Inclusion (D&I) team implemented numerous initiatives and achieved significant milestones, which aimed to serve different segmentations of our employees such as people with disability employees (PWD), women and multinational employees.

stc group workforce

total workforce

22,751



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

31.6%

women hiring rate

14%

women employees

22%

employees aged 18 - 30

50+

Nationalities

104

people with disability

We established comprehensive guidelines for Diversity and Inclusion, outlining essential terms, definitions, and best practices. These guidelines encapsulate the fundamental principles guiding our dedication to cultivating a diverse and inclusive workplace environment. In engaging with our stakeholders, we ensure a collaborative effort to incorporate these guidelines into their daily operations. The guidelines address various aspects and provide insights of how to make different domains and touchpoints more inclusive, including technical services, facilities and fleet, communication practices, HR services, etc.

Nevertheless, we also placed a significant emphasis on raising awareness about the concept of inclusivity among our employees. This was achieved through internal communication using various platforms to effectively convey our messages. These platforms included emails using the official Diversity and Inclusion (D&I) email (dei@stc.com.sa), campus internal screens, internal events, and more.

In our commitment to fostering an inclusive workplace, stc has implemented initiatives in 2023 aimed at enhancing the experiences of people with disabilities (PWD) within the organization. Through targeted programs focusing on attraction, recruitment, learning and development, benefits, and fostering an inclusive culture, we aim to create an environment where PWDs are valued members of our workforce. Additionally, comprehensive analyses have identified job opportunities tailored to each type of disability, resulting in a 36% increase in their overall employment within stc.

As part of our dedication to empower women at stc Group and fostering an inclusive workplace, stc has made extensive efforts 2023 focused on advancing the representation and empowerment of women within the organization. Programs such as the High Potential (HIPO) and Emerging Leaders aim to upskill high-achieving women, positioning them as future leaders within stc. Additionally, approximately 64% of the total Talent Incubation Program (TIP) hires in 2023 were female, underscoring our dedication to gender diversity in our workforce.

Diversity and Inclusion (D&I) in stc is crucial as it encourage creativity, innovation, and collaboration among our diverse workforce. By embracing different perspectives and backgrounds, we can better understand and serve our customers and communities. Ultimately, prioritizing D&I not only strengthens our company's culture, but also drives our business success and positive impact.

International standards certifying workplace quality

We understand the importance of adhering to recognized standards and best practices to uphold quality and foster a conducive environment for our employees. We understand that maintaining high standards not only ensures the delivery of exceptional results but also cultivates a culture in which individuals thrive.

With this in mind, securing international certifications like ISO 9001 for Quality Management, ISO 45001 for Occupational Health and Safety Management, ISO 41001 for Facility Management, and ISO 29990 for Learning Services for Non-Formal Education and Training becomes imperative. This approach showcases our steadfast commitment to excellence and the well-being of our entire workforce.

Employee workforce profile

stc strives to attract the best talents with inclusivity in mind, bringing valuable talents with various backgrounds and expertise to meet its expanding scope and future ambitions.

In 2023, the total number of stc group employees reached 22,751. Over 87% were employed on an indefinite or permanent contract, indicating a high job security, and women employment reached 14% compared to 12.5% in 2022 indicating a steady progress towards gender diversity and inclusivity in the workplace. Furthermore, and as part of addressing youth unemployment and attracting fresh minded and talented young professionals, stc has recorded 22% youth employment for people under 30 years. Additionally, in 2023, no major layoffs occurred.

Workforce profile	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Number of employees (excluding trainees, students and outsourced staff)	12,900	13,237	12,643	-	22,168	22,751
Employees on a fixed term or temporary contract	1,255	1,882	1,786	-	2,238	2,961
Employees on an indefinite or permanent contract	11,645	11,355	10,857	-	19,930	19,790
Total Full-Time Equivalent (FTE) Employees*	12,900	13,237	12,643	-	22,168	22,751
By age						
• <30	1,824	2,136	2,158	-	3,812	5,072
• 31-50	9,846	9,693	9,300	-	16,055	16,149
• >50	1,230	1,408	1,185	-	2,301	1,530
By gender						
• Women	903	1,208	1,365	-	2,790	3,204
• Men	11,997	12,029	11,278	-	19,378	19,547
By employment level						
• Executive/Senior management	159	200	229	-	392	483
• Middle management	1,364	1,399	1,520	-	2,549	2,794
• Staff	11,377	11,638	10,894	-	19,227	19,474
Inclusion and diversity:						
Number of employees with disability	70	67	70	78	76	104

*stc does not have part-time employees

Award-winning work environment

We take pride in cultivating an award-winning work environment that fosters excellence, collaboration, and innovation. Our commitment to creating an outstanding workplace has been recognized by numerous entities, acknowledging our dedication to employee wellbeing, professional development, and exceptional organizational culture.

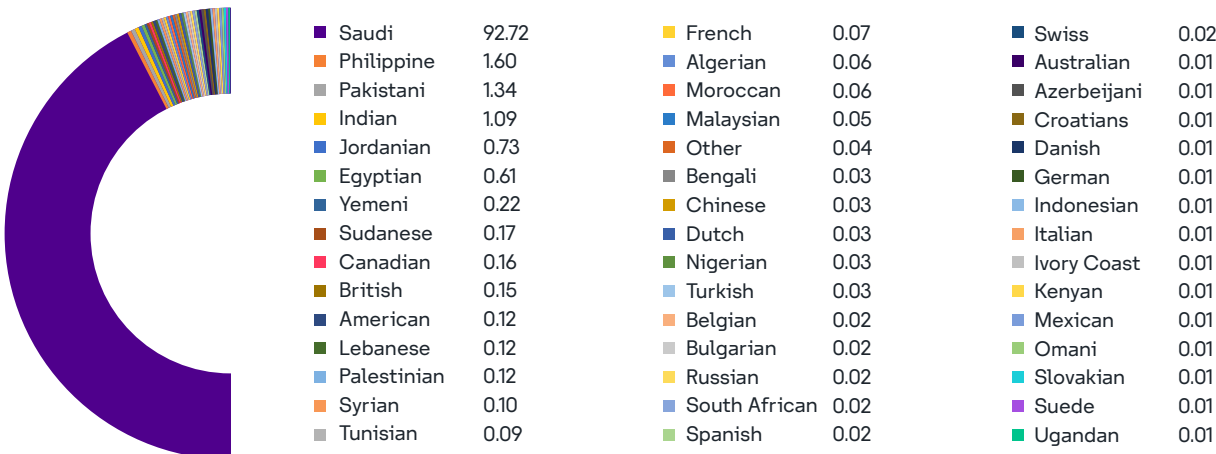
In 2023, stc was honored with multiple awards, recognizing the entire group's unwavering dedication to creating an exceptional workplace environment. stc Group received 11 awards recognizing various aspects of workplace excellence, while subsidiaries also received several awards for exemplary employee engagement, diversity and inclusion, training and development, and workplace culture. A detailed list of these awards can be found in the [Awards and Recognition section](#) of this report, as well as [stc's awards page](#) on the company website.



Culture and ethnicity

Even though our nationalization rates are high, our workforce includes people from different ethnic backgrounds and cultures. We pursue self-identification efforts to help us further understand our organizational structure regarding culture and ethnic representation, and we seek to continuously listen and learn from our colleagues to ensure a welcoming and nurturing work environment.

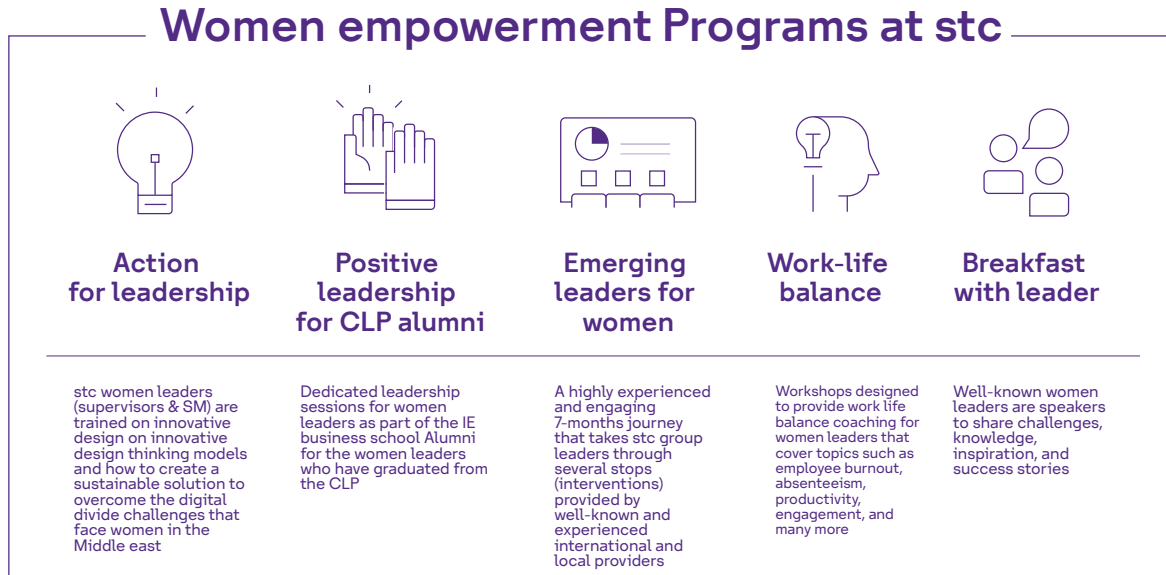
In 2023, stc Group recorded a diverse mix of more than 50 different nationalities, reflecting the company's commitment to fostering an inclusive and multicultural environment.



Women empowerment

Women form an integral part of stc's business. We not only value the incredible contributions that women bring to the company, we also seek to foster an environment that creates meaningful careers for women.

With this in mind, stc has developed several talent development programs with competitive compensation for women.



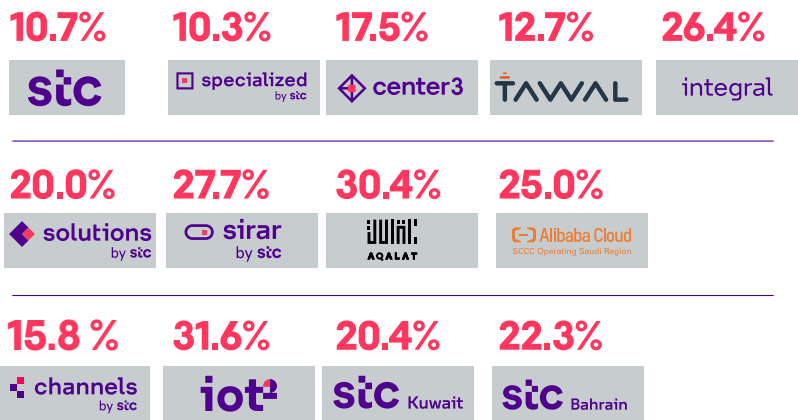
In 2023, stc Group achieved a women's hiring rate of 31.6%, with 8.9% of middle management positions and 5.2% of senior management positions being held by women. While these numbers represent positive improvements compared to past years, we remain dedicated to further enhancing gender diversity at all levels. We are committed to implementing initiatives and programs that promote gender diversity and inclusion, ensuring all talented individuals have equal opportunities to thrive and advance within stc Group.

	stc KSA			stc Group		
Women employment	2021	2022	2023	2021	2022	2023
Number of new women employees	215	287	223	-	693	552
Women hiring rate	37%	37.66%	34.17%	-	31.4%	31.6%
Percentage of women in middle management	4.47%	6.08%	6.84%	-	8.46%	8.9%
Percentage of women in senior management	2.52%	6.00%	6.9%	-	4.85%	5.2%

* Group data for 2021 is not available. Accurate calculations were initiated starting 2022.

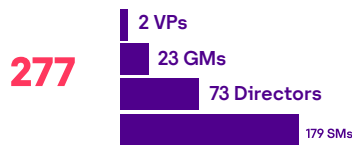


Women representation in each entity

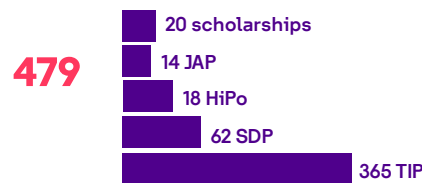


stc group

women in leadership roles

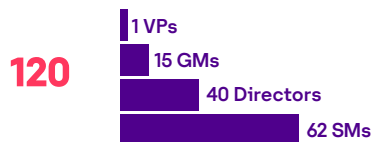


women in development programs

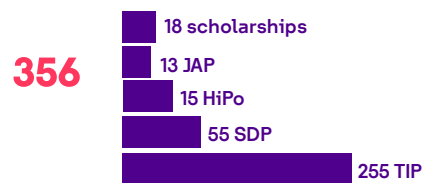


stc KSA

women in leadership roles



women in development programs



Inclusion of people with disabilities

As part of our commitment to fair employment and integrity in the workplace, we strive to create an inclusive culture that values all employees. Our D&I efforts integrate all employee segments to ensure they are included, respected, and empowered.

We collaborate with "Qaderoon," the Business Disability Network, to assess how to best integrate persons with disabilities as equal and effective members of the workforce. Our facilities are "Mowaamah"-certified and approved by the Ministry Labor and Social Development, declaring the adoption of best practices and standards in creating work environments suitable for people with disabilities.

Across stc Group, buildings have been equipped with disability-friendly features such as accessible parking, wide doors, ramps, grab rails, and more. Through our Employment Mapping tool, we have identified the best roles suitable for people with various disabilities, helping to ensure that all employees are placed in roles that best suit their abilities, supported by an environment that considers their needs in terms of physical accessibility, technology, and communication.

In 2023, the percentage of recruiting PWD fresh graduate in stc KSA have been increased approximately by 12% of the total fresh graduate recruiting in TIP as well has been increased in the COOP program.

Across the group, in 2023 we increased the number of employees with disabilities from 76 to 104 across stc Group, representing a 36.8% increase from previous year. Other initiatives that helped this increase include:

- Rolling out Sign Language and Deaf Culture workshops for all employees.
- Conducting strategic collaborations with disability advocacy groups and educational institutions to create a supportive ecosystem for all employees.
- Solutions by stc rolling out a disability social responsibility program policy that encourages the integration of people with determination into our workforce.
- Sirar is laying the groundwork for creating an inclusive workplace; this preparation included making their physical workspaces, digital platforms, and communication materials accessible, alongside adopting inclusive hiring practices that emphasize the active recruitment and consideration of candidates with disabilities.



78 **76** **104**
FY'2021 FY'2022 FY'2023

	stc KSA			stc Group		
Inclusion and diversity	2021	2022	2023	2021	2022	2023
Number of employees with disability	70	67	70	78	76	104



People with disabilities inspiration program

The PWD inspiration program at stc seeks to create an inclusive workplace for people with disabilities. This initiative focuses on several key areas to ensure comprehensive support and integration, including:

- **Attraction, Recruiting, and On-boarding**

Streamlining hiring processes to provide a welcoming experience for new hires with disabilities.

- **Learning & Development**

Offering tailored development opportunities for career growth

- **Benefits & Compensation**

Ensuring equitable access to benefits, reflecting the diverse needs of our workforce.

- **Communication & Culture**

Cultivating an organizational culture that values diversity and inclusivity.

- **Physical & Digital Accessibility**

Enhancing both physical and digital environments to meet the unique needs of employees with disabilities

Significant outcomes included the integration of individuals with disabilities into stc's Talent Incubation Program (TiP) and COOP program, recording five and eight new hires through these programs, respectively.

Protecting labor rights

Protecting labor rights is part of our core values and principles. Putting mechanisms, procedures, and policies in place that align with the KSA's laws that specifically and strictly prohibits violations of labor laws as stated by the International Labor Organization (ILO), of which Saudi Arabia is a proud and active member.

Through our Labor Committee, we seek to ensure labor rights are protected across stc Group and that people's voices are heard on critical labor issues such as wages and working hours. Committee members, nominated by their colleagues, engage in negotiations with management to ensure good working relationships and protect labor rights.

In 2023, the Labor Committee convened its 6th session in 18 years, with 18 nominated representatives from 5 different regions. Several impactful initiatives were spearheaded over the past year to enhance work conditions and the overall work environment. Among these achievements was the implementation of the contract documentation initiative, which streamlines documentation processes and ensures clarity and fairness for all parties involved, as well as launching medical insurance coverage for parents of employees, providing further support for their well-being. Moreover, the Committee has been instrumental in the successful rollout of mandatory health and safety training, ensuring the workforce is well-equipped with necessary knowledge to maintain a safe culture and environment.

In addition to the above, the Labor Committee ensures maintaining open communication channels with employees across various regions and to receive complaints and suggestions, as well as to listen to employee needs and expectations. In 2023, the Committee received over 750 complaints and suggestions from our employees, many of which were promptly addressed and resolved.

Lastly, the Labor Committee also supported several employees with covering medical treatments that are typically not covered by insurance, facilitated by HR teams as well. This included helping an employee add their foster orphan children to their medical insurance plan, supporting employees facing special circumstances to secure Takaful non-refundable loans, and ensuring that any deceased employee is enrolled in the Wafa program to safeguard ongoing support for their families.

Internal grievance reporting

stc is strongly committed to protecting the rights of employees and stakeholders by providing them with effective internal control mechanisms. We have given our employees the confidence to speak up to ensure we are living our corporate values.

All stc employees are mandated to abide by the stc Code of Ethics highlighting the company's Fair Employment Policy, ensuring the respect of workplace diversity and prohibiting harassment, bullying, and unfair employment practices in all their forms. Violations of these policies are strictly dealt with by the appropriate personnel, and all employees are to report such violations through SPEAK-UP (whistleblowing) channel. All grievances are handled in a professional and discrete manner with external supervision.

In addition to having a solid framework in place for grievances, we aim to reduce the total number of grievances that arise in the first place. We have dedicated two channels to answer all employee inquiries related to HR policies and procedures, and tickets are issued to monitor and ensure closure of issues raised. We also continuously increase employee awareness on updated policies and procedures through emails and SMS notifications. Furthermore, all stc subsidiaries have grievance mechanisms in place, reinforcing our overarching commitment to addressing and preventing human rights violations, discrimination, or harassment across the entire Group.

In 2023, there were zero reported grievances related to human rights violations, discrimination, or harassment.

Incidents reported through internal incidents reporting	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Number of incidents reported (internal grievance system)	1,276	1,116	1,407	-	1,136	1,448
Percentage of these incidents addressed or resolved (internal grievance system)	100%	100%	100%	-	100%	98%

*Group data exclude Aqalat, Intigral, and channels
*Group data not available for 2021



Talent management

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

Learning and development activities are carried out through different methods, such as classroom and digital training, which are monitored and evaluated according to specific standards, methods, goals, and performance indicators that are tracked to ensure effectiveness. Learning and development programs are implemented in accordance with the approved policy and procedures and learning and development are managed through the Learning Management System (LMS).

In addition, the stc People sector is ISO- 29990 certified for "Learning services for non-formal education and training - Basic requirements for service providers" as well as ISO 29993 "Learning Services Outside Formal Education," both renowned international standards designed to enhance transparency and allow comparison with learning services worldwide.

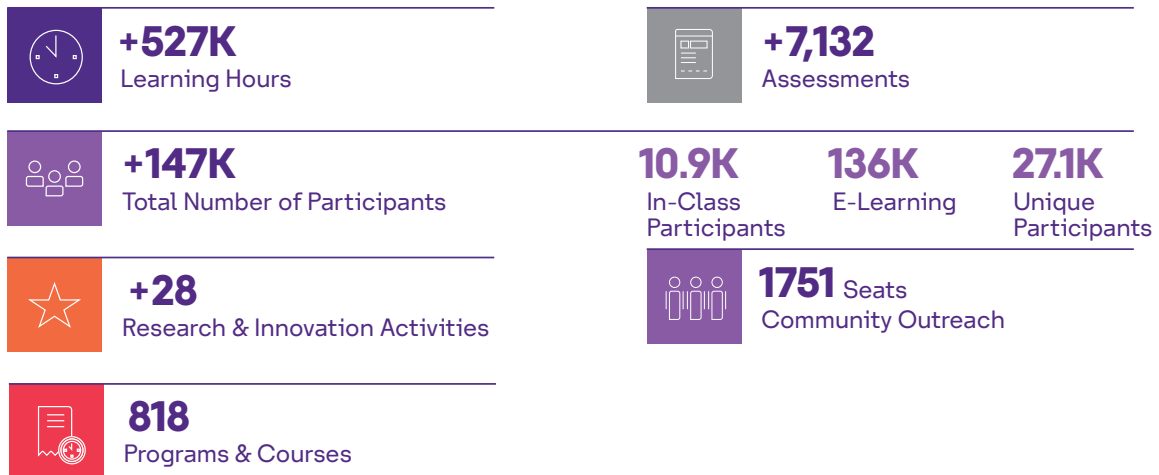
Training and development - stc Academy

stc is at the forefront of the fourth industrial revolution and right at the cutting edge of innovation. Our overarching purpose is to prepare the next generation for a completely different technological reality, and our [Training and Development Policy Statement](#) outlines our commitment to investing in both personal and professional development for our employees while maintaining equal opportunities.

Through stc Academy, we:

- Follow a customized learning approach and adopt best practices
- Design customized learning solutions to build targeted employee's capabilities based on business needs
- Deliver tailored level learning solutions to uplift the capabilities on sector level based on top common competencies, Jadara gaps, business customized need and business vendor engagement
- Partner with top training providers to support in delivering best learning solutions

stc Academy in numbers:



The Training and Development framework encapsulates stc Academy's commitment to fostering employee growth and professional advancement. The Individual Development Plan (IDP) is central to this framework and overall strategy, and is considered a pivotal tool that tailors development activities to ensure alignment with evolving business needs. The IDP is a collaborative effort between leaders and employees to nurture and grow personal development.

Our comprehensive assessment process, integrating psychometric and behavioral aspects, identifies both strengths and areas for development. This is complemented by an array of self-development resources such as state-of-the-art digital libraries, which are competency-driven and curated to support learning journeys for leaders and professionals alike.

stc Academy leverages mentorship and coaching programs to practically reinforce new skills. These programs are designed to facilitate the transfer of knowledge back into the workplace, enhancing on-the-job performance. Supporting the entire learning ecosystem is the Academy's effective Learning Management System (LMS), a cornerstone of stc's Learning and Talent Development Policy. The policy encompasses various components, including:

- Self-Development initiatives
- The Individual Development Program (IDP)
- A suite of development programs tailored for different talent segments
- Access to extensive E-Learning Libraries and online schools including: (stc E-Learning Library, Coursera, LinkedIn Learning, Skillsoft, and Bookboon)

These elements collectively ensure that all stc employees are equipped with the necessary skills and competencies to meet business demands, thus contributing to the realization of stc's strategic objectives.

 Leaders School	 Professionals School	 Business Enablement
Description The leaders school objective is to develop and enhance capabilities within the organization. Additionally, the leaders school is responsible for managing the group-level scholarship program to support leader's continuous learning and qualified development.	Helps employees present jobs performance and prepare them for their next step in their future career path. Professional development courses are offered through stc Academy, digital libraries, and partnership with prestigious institutions both in class and virtual.	Through the business enablement track, we aim to enhance employees' skills & productivity through a number of business development skills including: partnerships initiation, assessments, research & development, digital learning, knowledge management among others.
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 The LEAD - integral by stc ONE finance development program	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	Corporate social responsibility (CSR) 21 research & innovation sessions 3 Whitepapers + multitude undergoing review / research process 4 publications and research papers 6 learning partnerships 1751 seats in community outreach Business continuity program

stc Academy Development Programs	stc Group			
Leadership development	Total number of training hours		Average number of training hours	
	Women	Men	Women	Men
Leadership Development courses	15,472	72,522	81	29
Professional development	Total number of training hours		Average number of training hours	
	Women	Men	Women	Men
Professional Development courses	50,680	99,874	43	11
Business enablement & development	Total number of training hours		Average number of training hours	
	Women	Men	Women	Men
Digital Learning	26,193	213,360	19	19

Summary of employee training

In 2023, more than 530,073 hours of training were provided to stc Group employees, with 52% of those training hours provided in-person and the remainder through e-learning platforms. Each employee received an average of 39 hours of training.

We also prioritized diversity and inclusion by implementing a comprehensive training program across stc Group. This initiative focused on fostering a culture of respect, acceptance, and understanding throughout our workforce. In 2023, more than 5,318 hours of training was provided to employees in this area.

[GRI 3-4]

Trainings & Development	stc Group		
	2021	2022	2023
Total hours of training for employees	449,160	470,398	530,073
Training by type:			
● In Class	4,904	213,459	276,206
● eLearning	444,256	256,939	253,867
Total hours of training for employees by gender			
● Men	328,823	382,048	420,287
● Women	120,337	88,350	109,786
Total hours of training for employees by job category:			
● Senior management	697	6,905	8,724
● Middle management	60,150	78,980	78,328
● Staff	388,313	384,513	443,021
Total hours of training for employees by nationality:			
● National employees	427,548	445,259	459,004
● Non-National employees	21,612	25,139	71,069
Total hours of training for employees by age:			
● <30	201,435	143,732	264,432
● 31-50	219,579	297,051	243,320
● >50	28,146	29,615	22,321
Average training hours			
Average hours of training / employee	38	40	39
Average training hours by gender:			
● Men	28	37	36.7
● Women	10	85.7	80
Average training hours by job category:			
● Senior management	28	43	37.8
● Middle management	42	58	55.3
● Staff	38	38	39.6
Average training hours by age:			
● <30	134	91	129.9
● 31-50	26	35	27.7
● >50	18	19	11.1

Average training hours by nationality			
● National employees	40	42	40.6
● Non-National employees	22	26	46.7
Diversity and inclusion training**			
● Total number of training hours provided to employees on diversity and inclusion	-	-	5,318
Data privacy and security training**			
● Total number of training hours provided to employees on data privacy and security	-	-	22,422
Human rights training			
● Number of hours devoted to training on human rights-related policies or procedures concerning aspects of human rights that are relevant to operations	40,724	196,034	151,559
● Percentage of employees trained in human rights-related policies or procedures concerning aspects of human rights that are relevant to operations.	100%	100%	100%

* Restated figures for group for improved and unified calculation methodologies of training hours across entire Group following implementation of stc Group latest GOM through the Academy

** Training program rolled across entire group only in 2023.

Diversity & Inclusion training

Upholding diversity and fostering inclusion are core values that drive our organizational culture. We recognize the importance of embracing diversity and ensuring inclusivity among our customers, employees, and stakeholders. In 2023, we provided trainings on diversity and inclusion for our employees at stc KSA.

Data privacy and security training

Ensuring data security and respecting privacy regulations are fundamental aspects of our operations. Our customers, employees, and stakeholders entrust us with their personal information, and it is our duty to protect it with the utmost care. This responsibility is one we take very seriously. In 2023, we continued to prioritize this commitment by providing mandatory data privacy and protection training for our employees at stc KSA. Additionally, in Q4, we extended this mandatory training to our subsidiaries and contractors, building upon successful training sessions from previous years.

Human rights training

At stc, we focus on training our employees to uphold human rights principles within the organization. Our main policy pertaining to addressing human rights issues is our Code of Ethics, which covers key human rights related areas such as Fair Employment, Health & Safety, and fostering a Speak Up Culture. Additionally, we provide other human right related training including but not limited to Data Protection & Privacy, including specific courses for Contractors. These training courses are mandatory and all employees must complete them at least once. In 2023, six mandatory courses were offered, totaling approximately 13.8 hours per employee compared to 23 courses with 32 hours in 2022. This decrease is primarily attributed to the fact that the majority of employees had already completed the required courses in previous years, resulting in fewer individuals needing to retake them in 2023.

Youth development programs

Through an attractive and an award-winning work environment with unique incentives – and through internal youth empowerment programs – stc is making considerable strides in empowering youth and increasingly including them within the workforce mix.

With a growing population of young individuals graduating every year, there is an urgent need to integrate them into the job market and benefit from young talent in the workforce. Our flagship talent development programs help youth achieve their full potential by improving their knowledge, skills, and abilities.

In 2023, we had 678 Tippers across stc Group. We also extended 60 scholarships to employees, with 25 of them from stc KSA. The SDP and HiPo programs are exclusive to stc KSA, and during the year we had 683 employees join the SDP and 80 join the HiPo.



Talent Incubation Program (TiP)

Aims to provide new graduates with a variety of job tasks, wide professional exposure and the opportunity to work at stc. TiP offers 11 different development tracks.



Specialized Development Program (SDP)

Uses mentoring, guidance, and facilitation to help talented stc staff learn. It focuses on developing participants in three areas: consultancy, innovation, and workforce performance.



High Potential Leadership Development Program (HiPo)

Targets an exclusive group of employees to accelerate their development and growth thereby ensuring a robust leadership pipeline in stc and its subsidiaries.

Youth talent development programs	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Specialist Development Program (SDP)	68	162	155	-	175	176
Talent Incubation Program (TiP)	300	631	433	-	739	627
High Potential (HiPo) Leadership Development Program	57	81	43	-	99	56
Scholarships	16	15	25	-	52	60

Note: The SDP and HiPo are programs exclusive to stc KSA.
Restated 2021 and 2022 data for improved data collection methodologies

Nationalization

Reducing the number of unemployed nationals is a common key element across the national visions of the countries we operate within. We are committed to nationalization as part of our effort to improve economic empowerment of local communities.

Our initiatives and programs that aid in supporting the recruitment and retention of national employees include nationalization targets for specific areas (such as enterprise architecture or strategy), a three-year strategic workforce plan program (with mandates to hire, develop and retain nationals in key roles), and talent programs for national employees, which cater to people with different goals. These are in line with national priorities and agendas to boost local talent participation in the workforce and to enhance the economic ecosystems in which we operate. As such, we have recorded nationalization rates of 92.5%, 26% and 53% for senior management across KSA, Bahrain, and Kuwait, respectively.

Nationalization	stc KSA & subsidiaries in the Kingdom			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Nationalization rate of senior management (%)	-	91.5%	92.5%	31%	34%	26%	60%	67%	53%
Nationalization rate among total workforce (%)	-	89.5%	90.1%	53%	51%	51%	64%	65%	64%
Number of women national employees	-	2,365	2,634	52	53	4	66	68	62
Total number of national employees	-	17,536	17,215	129	133	128	268	261	250

* Includes stc KSA and all subsidiaries in the Saudi Kingdom. The data for all in Saudi Kingdom nationalization is not available for year 2021.

Performance review

Through our competency framework "JADARA" we define the shared expectations of skills and performance across core leadership and functional competencies required by specific roles within stc. Following competency assessments, we develop individual development plans tailored to each employee to bridge any competency gaps. We then manage and track the performance of our people through regular check-ins, annual performance reviews, and annual career development sessions for targeted, talented employees. Work performance of each stc employee is evaluated based on specific KPIs set at the beginning of each year.

Performance review	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
% of employees who received a performance development review*	100%	100%	100%	-	82%	91%
% of employees who received a career development review**	10.63%	100%	100%	-	34.79%	35.7%

*Group data not available for 2021 and no data available for center3

**Group data not available for Solutions, integral, and channels

Employee engagement

As the driving force behind innovation, customer satisfaction, and operational efficiency, engaged employees play a critical role in ensuring the long-term success of our business. We continuously seek to understand the needs of our people in an effort to ensure they are engaged and happy in their role.

In 2023, we proudly launched the Employee Experience Index (EEI) on a group level, a powerful tool designed to elevate the voices of our valued employees. This comprehensive framework combines a perception survey and trigger-based touchpoint surveys to gain a deep understanding of employee experiences. The perception survey explores work purpose and enablement, work dynamic and culture, and brand and vision. While the touchpoints surveys gather feedback at critical touchpoints in the employee journey stages like onboarding, post-training and performance reviews.

This insightful data allows us to make strategic improvements, ensuring that we create a work environment where everyone feels empowered, supported, and aligned with our mission. As we move forward, the EEI replaces the stc health index, consolidating our commitment to prioritize employee experience. The score of the 2023 perception survey for stc group was 80.1 and for stc KSA was 80.7. The participation rate reached an unprecedented 90% for stc KSA and 88% for the group companies in comparison with the similar surveys in the last years. This indicates the employees’ trust in the organization and the EEI objectives and their commitment to enhancing their own experiences.

Employee Engagement	stc KSA	stc Group
	2023	2023
2023 Employee experience index	80.7	80.1
2023 engagement rate	90%	88%

Employee compensation and benefits

We strive to provide competitive compensation and benefits, with mechanisms in place to ensure that men and women are paid similarly on average for the same job. We provide our employees with many monetary and non-monetary benefits, including a long-term, stock-based incentive program offered to executives and tied to performance. Currently, this program only applies to 1.3% of the total workforce, but we also provide a performance-based incentive pay scheme for all employees who exhibit high performance at work to encourage achievement, disseminate the spirit of competition, and cement a culture of excellence at stc.

Non-officer employees receive an annual bonus that is based on individual performance while employees working in sales positions receive sales commission payments on a quarterly basis. All employees receive an annual merit increase based on performance, market movement, and inflation rates in addition to a comprehensive range of benefits, ensuring equitable support for both men and women.

Key benefits that are offered include childcare and child education support, helping employees manage their family responsibilities alongside their careers, as well as assisting employees with financial management through home loan and car loan facilities, contributing to overall well-being and financial stability. These benefits are part of the stc Group's commitment to fostering a supportive and inclusive work environment for its diverse workforce.

Performance based pay and benefits	stc KSA			stc Bahrain			stc Kuwait		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Number of benefited employees from performance-based pay	11,162	10,827	10,490	-	244	247	-	434	417

Employee attraction and retention

Our goal is to attract, develop, and retain the best talent to fill all company-wide positions. We also want to ensure that the next generation of leaders are equipped with the tools, skills, and confidence to perform at the highest level. With this, we aim to hire the right people for the right jobs, with succession plans in place to retain key employees.

Employee hires	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Total new employee hires	545	762	597	5,309	5,766	2,386
New hires by gender						
• Women	215	287	218	1,190	2,275	636
• Men	330	475	379	3,319	3,491	1,750
By age						
• <30	370	522	275	3,608	4,190	973
• 31-50	170	231	313	1,383	1,542	1,374
• >50	5	9	9	28	34	39

Employee turnover	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Turnover rate (%)	2.9%	3.54%	2.65%	-	4.4%	3.9%
Number of employees who left	352	413	303	4,678	4,371	1,012
Turnover by gender						
• Women	62	89	73	2,989	2,854	761
• Men	290	324	230	1,689	1,630	251
Turnover by age						
• <30	149	211	158	3,229	2,967	432
• 31-50	180	193	143	1,406	1,384	555
• >50	23	9	2	43	20	25

Parental leave

We want to make it easier for our employees to return to work after parental leave, which is why we support employees through generous parental leave options, childcare options, and assistance in finding nursing care for family members.

Our paid parental leave policy aligns with local labor laws in each the countries we operate within. Through our parental leave policy, women employees are entitled to maternity leave with full paid salary for 10 weeks, to be distributed as desired beginning at maximum 4-weeks prior the probable due date as determined and approved by a licensed medical authority. Men employees are able to take leave with full salary for three business days to enjoy within fifteen business days of the delivery date for their newborn child.

In any instance where a child is born with special needs, women employees are entitled to extend maternity leave for one additional month from expiry of the delivery leave period, with full salary, and shall be entitled to extend the leave for another additional month without salary. Women with kids in pre-school receive a childcare allowance on an annual basis, and further support is also offered for men and women when having a newborn baby.

Entity	2023							
	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	63	553	63	553	100%	100%	100%	100%
stc Group	144	1,021	139	1,021	97%	100%	97%	100%



Health, safety and wellbeing

We prioritize a safe and healthy work environment. This is not only intended to protect employees and contractors from injury and illness, but also to increase productivity, work quality, and raise employee and contractor morale.

Occupational health and safety

Our primary workplace focus is centered on creating a positive safety culture based on principles of awareness, prevention, and proper care. The Management Commitment to [Occupational Health and Safety policy statement](#) affirms stc's top management commitment to occupational health and safety and outlines safety responsibilities to ensure individual and organizational compliance with relevant health and safety laws, regulations, policies, and procedures.

In 2023, stc maintained ISO45001 certification, reaffirming the company's commitment to comply with both national and international OSHMS standards. Our Health & Safety Management System also complies with the following entities and forms our internal regulations:

- National Examination Board in Occupational Safety and Health (NEBOSH)
- Occupational Safety and Health Administration (OSHA)
- Saudi Building Code (SBC)
- National Fire Protection Association (NFPA)
- High Commission for Industrial Security (HCIS) Directives
- Civil defense requirements

Our health and safety system is designed to prioritize the health, safety, and wellbeing of our people at every stage of their work journey. Central to this system is the safety induction program which provides all employees with the necessary knowledge on policies and procedures across stc Group. Regular emergency drills ensure that everyone is prepared to respond effectively to emergencies, fostering a culture of readiness and resilience. Prior to undertaking critical tasks, thorough assessments and work permits are conducted to identify and mitigate potential risks. Additionally, ongoing awareness campaigns, including online training and toolbox meetings with employees and contractors, reinforce safety protocols and promote a culture of vigilance and responsibility. Our commitment extends beyond awareness to action, as regular safety risk assessments and inspections are conducted to assess and address potential risks and hazards or areas of improvement.

In 2023, stc established a Safety Champions Group comprised of dedicated individuals trained in first aid and a variety of safety protocols. This group serves as the extended arm of the health and safety division across the group and serves a vital role in promoting and maintaining a safe work environment. Further enhancing our OSHMS, we utilize sophisticated software to manage safety and security responsibilities, including the recording and tracking of non-compliance reports. Regular inspections of business locations across Saudi Arabia are conducted to ensure safety compliance, with all findings meticulously recorded. When an employee or contractor violates a specific workplace safety standard, regulation, policy, or rule, they are subjected to fines and penalties.

Workplace-related fatalities/ injuries	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Employee work related fatalities	0	0	0	0	0	0
Contractors work related fatalities	0	0	0	1	0	0
Employee total recordable injuries	0	1	0	0	1	0
Employee occupational illnesses	0	0	0	0	0	0
Heat stress events	0	0	0	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0	0	0	0
Incident rate of recordable work-related injuries*	0.00	0.008409	0	0	-	0

*2022 Group Data not available for "incident rate of recordable work-related injuries" due to incomplete employee work hours data for accurate calculation Note: The occupational injury rates have been calculated based on 200,000 hours worked, in accordance with OSHA standards.

Case study: TAWAL's 4 million working hours with Zero Injuries

Proof of an unwavering commitment to occupational health and safety, TAWAL achieved a significant milestone in 2023: 4 million safe working hours without any injuries.

This accomplishment not only reflects the company's dedication to the well-being of employees, contractors, and stakeholders but also serves as a testament to the efficacy of the Health, Safety, Security, and Environment (HSSE) team's initiatives.

stc's commitment to health and safety is evident in its occupational health and safety management system, which inherently covers workers who are not employees but whose work is controlled by the organization. This comprehensive approach underscores stc's dedication to ensuring a safe and healthy work environment for all individuals involved in its operations.

Workers covered by an occupational health and safety management system	stc KSA		
	2021	2022	2023
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	74	62	152
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	0.64%	0.54%	1.30%

Hazard identification, risk assessments and incident investigation

We constantly identify and assess any and all kinds of potential hazards. These include physical, chemical, biological, or of human factors, arising from materials, machinery and equipment, working environment, or personnel functions involved in all business operations or services of stc Group. We have put in place control measures that are reasonable, effective, and viable to reduce impacts to the safety and health of the personnel of the Group, contractors, and the relevant third parties.

Our manual on safety policies was drafted specifically for the ongoing identification, assessment, and management of risks, as well as the reduction of hazards, risks, and incidents. Per stc policy, all workers are required to receive a copy of this manual to provide an outline of how work activities should be completed safely. Contractors must create and submit all dedicated drawings that show the scope of work and risks, including the proposed location of all equipment, systems, and devices being used, as well as relevant Risk Assessments Control (RAC), Methods of Procedure (MOP), and Risk Assessments & Methods of Statement (RAMS) documentation.

Prior to any workers being allowed on site, the safety and security teams must provide clearance. These teams conduct regular inspections as well as routine testing, measurement, and calibration of finished installations for all active and passive systems related to the safety environment. We identify risks, mitigation measures, and potential outcomes, keeping records of all suggestions and risk assessments for top management available on the Risk Management Monitoring and Reporting Dashboard. Furthermore, we have processes in place for workers to report work-related hazards and hazardous situations. All workers can submit loss-incident reporting form to our Corporate Safety and Security Command Center (SSCC). The Incident Management Team (IMT) filters these forms and if needed escalated to the Incident/ Emergency Manager in accordance with the safety and security escalation matrix.

All stc employees, vendors, suppliers, contractors, subcontractors, and visitors are required to follow our Safety and Security Policy and Procedures and make sure that all accidents, incidents, dangerous occurrences, potential hazards, and near misses are immediately reported to Safety Services so that necessary steps can be taken to reduce risks and protect people. We ensure that employees, vendors, suppliers, contractors, subcontractors, and visitors can remove themselves from work situations they believe could cause injury or ill health, without fear of reprisal. This policy is fundamental to our commitment to a safe working environment, allowing immediate reporting of safety concerns to Safety Services (1616) for prompt risk mitigation. Our approach guarantees that no one is compelled to work under unsafe conditions, protecting all personnel on stc premises from potential hazards. We minimize risks to as low as reasonably practically possible (ALARP).

Emergency preparedness and safety indicants	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Total number of emergency response drills conducted	220	139	128	-	-	382
Safety incident investigations initiated	1	0	6	-	-	29
Safety incident investigations completed	1	1	6	-	-	30

Data not available at group level for 2021 and 2022.

Total number of emergency response drills conducted at group level excluding center3

Working at heights

At TAWAL, critical tower infrastructure is outsourced through managed services providers. Our Managed Service Provider (MSP) has developed a Climbing and Working at Heights policy and all MSP employees have been well-trained on the standards within that policy. These policies are binding for all persons working on height on our towers.

Part of our Health, Safety, and Security policy specifically ensures that only subcontractors with the required certifications and expertise are allowed to climb TAWAL sites and work at heights. We make sure our key contractors have obtained official government-approved certification for Working and Rescue at Height. The scope of this certification includes fall hazard evaluation, elements and components of a fall, positioning and suspension system, rescue and retrieval system, fall arrest system, horizontal and vertical lifelines, body weight calculation, and developing an emergency response plan.

Exposure to Electro Magnetic Field

stc demonstrates a strong commitment to safeguarding employees' health and well-being. We ensure all stc sites are in compliance with relevant governmental regulations and requirements associated with electromagnetic fields (EMFs). stc has implemented strict measures to protect employees from adverse illnesses associated with teleworking and EMF exposure, including on-site medical assistance, first aid kits, proper PPE, and an EMF-specific occupational health and safety toolbox. TAWAL employees and contractors benefit from a reduced risk of direct EMF exposure, as TAWAL's role in the TowerCo industry primarily involves passive factors such as land acquisition and tower construction rather than direct antenna work.

Health and safety training

We are heavily focused on health and safety training through stc Academy, our e-learning platform, ensuring all employees are up-to-date and well-trained with regard to the most important health and safety issues.

In 2023, we rolled out the following main health and safety training and awareness campaigns delivered to both employees and contractors:

1. Safety training workshop: Equip staff with the skills and safety knowledge they need in order to carry out their duties in a manner that is both safe for them and their colleagues.
2. Safety awareness campaigns: Run toolbox meetings with contractors surrounding significant topics related to safe systems of work and to communicate instructions and guidelines for workplace safety through accessible stc media channels.
3. Employee and contractor safety induction programs: Raise awareness of safety policies and procedures and create workplace familiarization with safety culture.
4. Regular emergency and fire drills: Instruct employees and residents on how to respond in an emergency; additionally, make sure the Emergency Response Team (ERT) and available systems are prepared.

Furthermore, to establish a robust culture of health and safety, stc adheres to the following practices:

- **Pre-Event Safety Briefings:** For any event held in a closed space with more than 25 attendees, stc departments must prepare and deliver a safety presentation before the event begins.
- **Employee Training:** stc mandates that all employees receive training on health and safety aspects relevant to their specific job roles prior to engaging in any potentially hazardous work.
- **Crisis Management Training:** The Safety Department is responsible for providing training and briefings on proper evacuation procedures in the case of natural disasters or other crises.

These measures collectively contribute to stc's commitment to maintaining a safe working environment and fostering a culture of health and safety throughout the organization.

In 2023, as part of our health and safety training program, we also offered first aid training to the families of our employees to equip them with the essential first aid skills and empower them to respond effectively to emergencies, and at stc Bahrain, we distributed 700 fire safety kits to employees and their families to emphasize our commitment to the well-being of our people and their families.

Health and safety training	stc KSA			stc Group		
	2021	2022	2023	2021	2022	2023
Total hours of H&S training provided to employees and contractors	9,028	28,000	31,448	10,531	34,244	45,162
Average hours of H&S training per employee and contractors	0.78	2.45	2	-	-	5.32

Promoting employee health wellbeing

As per the stc vision, we always search for new methods to help us motivate our employees and increase loyalty towards the company. We currently provide various services not covered by typical insurance policies, such as the infertility treatments, obesity programs, special needs education allowances, and more. All these services are available through stc HUB (intranet platform).

Furthermore, stc provides other services such as seasonal influenza vaccines, blood drive campaigns, diabetes awareness campaigns, breast cancer awareness campaigns, and obesity competitions, all in an effort to put the employee's health first. Non-occupational medical and healthcare services are also provided under our "special needs fund service" where medical conditions not covered by insurance policies are provided.

Lastly, we help promote a healthy lifestyle and environment through offering a selection of healthy restaurants and supermarkets inside the stc HQ complex, including vending machines with salads and pharmaceutical supplies, as well as raising awareness around physical activities such as marathons and social games for employees and promoting ways to encourage an environmentally conscious and green workplace.

stc Group demonstrates a strong commitment to supporting the community through its blood drive initiatives. In 2023, stc Group organized 8 blood drives, providing opportunities for employees to make a positive impact. The enthusiastic response, with 510 employees volunteering, highlights stc Group's culture of care and its dedication to promoting health and well-being within and beyond the organization.

stc Group	
Blood donation drive	2023
Number of blood drive initiatives held for employees	8
Number of employees volunteered in blood drive initiative	510

Case study: "Your" doctor on site

The "Your Doctor On-Site" initiative at stc underscores our commitment to employee health and wellness. By offering on-site medical services at company headquarters, stc provides staff with convenient access to medical consultations, diagnoses, and minor treatments. This service ensures that employees can receive prompt healthcare attention, reflecting stc's dedication to a supportive, health-conscious workplace.

Case study: stc Kuwait's mental health counseling

In an effort to support employees in overcoming work challenges, provide career counseling, resolve work conflicts, and overcome work stress, stc Kuwait launched a landmark mental health counseling campaign. More than 60 employees benefited from this program and undertook counseling sessions with a focus on psychological challenges by training some staff with therapy skills.

Our community

We understand that community contribution and development are an integral part of ensuring sustainability within large organizations such as stc.

Our approach to ensure this is to focus on helping develop the communities in which we serve through unique services, digital innovation, transformative technologies, and meaningful investments that go beyond regular corporate donations. We are proud to invest in hundreds of local community initiatives and, in addition to providing financial support, we pride ourselves in also supplying digital solutions that allow these initiatives to prosper.

Our broad portfolio of community investments directly supports several UN SDGs and continues to advance progress towards the national visions of all the countries that stc operates within. Our community investment initiatives span various developmental areas such as education, healthcare, digital inclusion, technological innovations, caring for the environment, entrepreneurship, donations, sponsorships, and community investments.



Community contribution and development

Community investment and development is paramount at stc, and features prominently into the Group's corporate strategy, particularly under the strategic objective of "enriching people's lives" for better sustainability. Our strategy for ensuring the best community development results is based on six key pillars: Education, Environment, Sports & Health, Entrepreneurship, Community Development, and Youth Empowerment. In addition, stc's [Community Investment Policy statement](#) further enables support for issues that are deemed most relevant to long-term, business objectives and where the greatest impact can be felt.

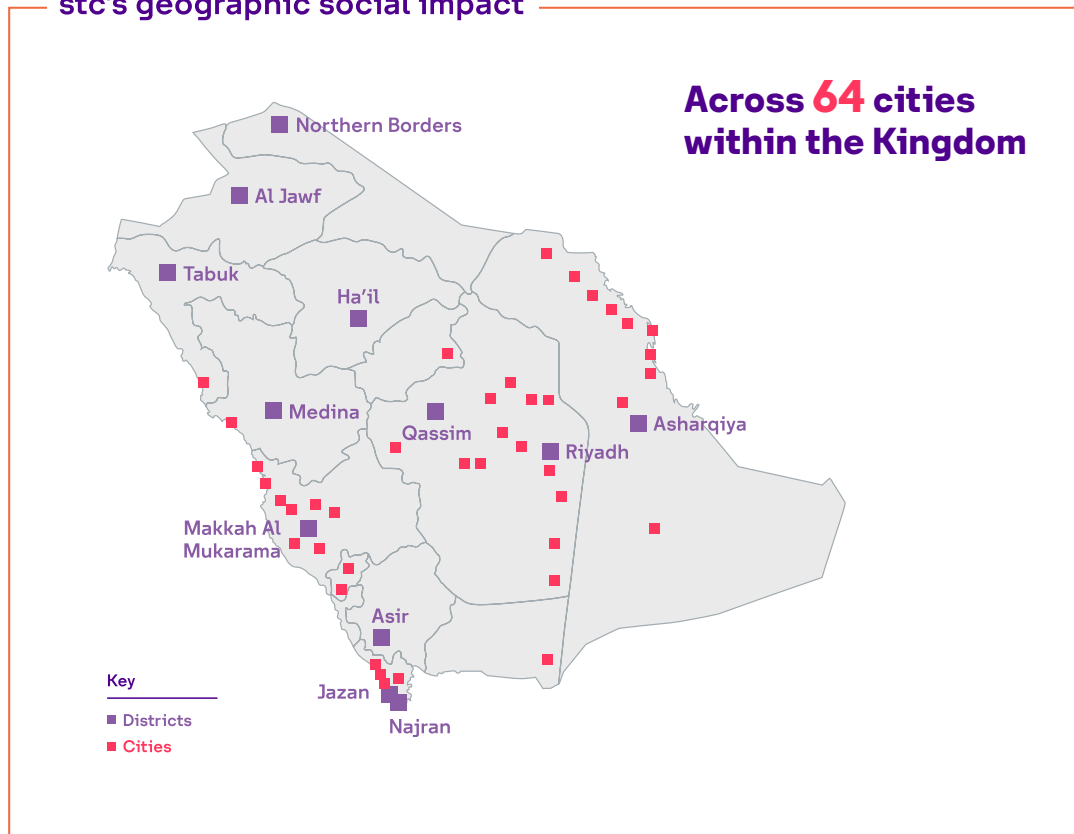
We are committed to delivering the most positive community development impacts possible by leveraging our key strengths as the leading telecom and ICT service provider in the Gulf and greater MENA region. stc continuously monitors and measures the results of our ongoing community investment activities to assess performance and guide plans on how to further maximize positive impacts on local communities. Our success in this area is not by the undertakings themselves, but by whether or not they achieved the stated goal of contributing to improved community development.

In 2023, stc contributed more than SAR 14 million towards community programs across Saudi Arabia, reflecting the company's commitment and ambitious strategy to develop communities and maximize positive impacts on the people within them. We reached 8 more cities over the past year, bringing the total to 64 cities, across 12 districts, that have benefited from these programs, including remote and underserved locations.

stc Group (in Saudi Kingdom)			
Community investment	2021	2022	2023
Total community investment (SAR)	32.5 million	14 million	14 million

*Restated 2021 value due to enhanced data collection methodology

stc's geographic social impact



Sponsorship

stc’s approach to sponsorship is guided by the company’s Sponsorship Policy and Strategy for Relations and Partnerships, with a focus on evaluating potential sponsorships while assessing reputational and noncompliance risks. The sponsorship selection process is based on specific criteria that ensure selected initiatives are in line with our strategy, values, local market, target audience, vision, and objectives. Sponsorship allows us to support our sustainability objectives and endorse our core values in addition to extending our reach and raising brand awareness.

In 2023, we proudly sponsored 111 projects spanning across the KSA, Bahrain, and Kuwait. These sponsorships demonstrate our serious commitment to deliver positive impacts for the communities we operate within. Through our sponsorship support, we aim to influence and bolster programs and initiatives that hold significant importance to our communities, focusing on key areas such as investment, sectoral development, and recruitment.

Sponsorship	stc group	2021	2022	2023
Number of projects sponsored	stc KSA	91	124	59
	stc Bahrain	14	23	29
	stc Kuwait	19	32	23



Social development across KSA

In Saudi Arabia, 11 flagship programs have been established as of 2023, with each strategically deigned to address critical issues and opportunities across four overarching themes. These programs serve as pillars for creating long-lasting impacts that positively affect local communities and the environment. This involves utilizing our unique resources and expertise to effectively to drive meaningful change and empower communities in the areas of digital inclusion, education and health, volunteering and entrepreneurship culture, and welfare and quality of life.

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

Our flagship programs across KSA














Technical enablement program

With this program we seek to empower non-profit organizations (NPOs) through digital solutions (administrative, financial, and operational) that can usually be expensive, helping these organizations to cut costs, improve operational efficiencies, and increase reach and impact.

In 2023, NPOs that utilized this program increased operational efficiency, enhanced beneficiary satisfaction, and reduced technical operational costs, saving more than SAR 56 million in the process.

We offer 13 different digital cloud-based solutions through the platform, as listed below:

Services...

 Online store	 Live lectures (Webinar)	 Meeting management
 Event management	 Training management	 Membership management
 Technical licenses	 Gift cards (Donation)	 Election management
 Website building	 Consulting management	 Grant management
 ERP systems		

2023 social impact:

	Offered 1,055 technical services		to 446 NPOs
	across 50 cities		serving 8,000 users







Smart truck

In a joint effort with select partners, stc created the Education4ALL Digital Inclusion Action Plan in 2023. Through this initiative, the smart truck project was launched in an effort to reach remote areas and fill the growing gap between elderly populations and fast-developing digital technologies.

The smart truck includes a digital classroom, which is mobilized across the Kingdom and tailored specifically for elderly individuals, aimed at empowering them with the necessary digital skills to navigate governmental applications and other important apps both safely and securely.

This initiative helps to bridge the digital divide and foster digital literacy among the elderly population, enhancing their independence, connectivity, and overall quality of life in an increasingly digital world.

2023 social impact:

	2003+ of elderly beneficiaries		6 of Apps(Absher, Najiz, Sehaty, Tawaklna, Tawaklna services, mystc)
	150 of awareness sessions		11 of governorates
	48+ promoters & trainers		27 volunteers from stc

Knowledge sharing program

The knowledge sharing program aims to help in building capacity and increasing knowledge and awareness toward sustainability-related subjects. It has been delivered in partnership with specialized agencies, targeting audiences in leadership positions or those specialized in areas related to sustainability and social investment.

In 2023, more than 40 people from within stc Group and from non-profit organizations attended the workshops.

2023 social impact:

	2 training workshops conducted		14+ of our partners in the non-profit sector & various government sectors
	40+ from entities, non-profit organizations and internally		

Educational grants

Among the prioritized United Nations Sustainable Development Goals that best reflects our business strategy is SDG #4 – Quality Education, which mission is to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” Through the support of education and skills development, we aim to strengthen our workforce and the economy at large while helping to create a more educated and interdependent society.



In 2023, a strategic partnership agreement was signed with the Ministry of Human Resources & Social Development and Ta’alum to aid in furthering SDG #4. This project was designed to support social security for families, which in turn will help increase access to quality education and improve quality of life.

Overview of social impacts from educational grants:

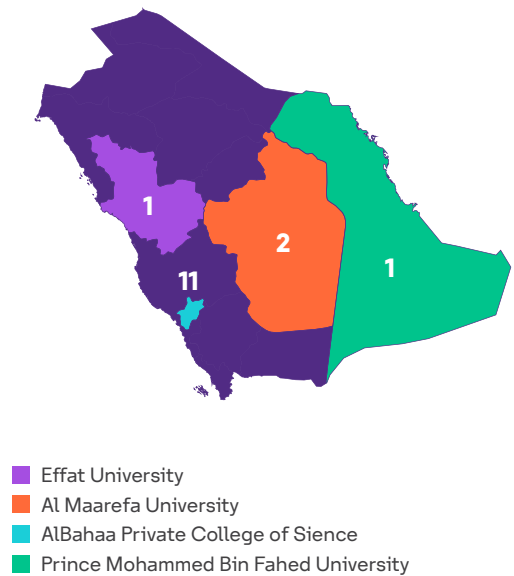
	Supporting 15 male & female students		In the technology field
	For 4 years		Amount of 3 million SAR

Overview of typical educational grant beneficiary profile:

Percentage ditribution of new male and female students

		
	Male	Female
Riyadh	2	0
Jeddah	1	0
Dhahran	0	1
Al Bahah	3	8
Total	6	9

Geographical distribution of male and female students according to universities



Electronic waste recycling and refurbishment

We seek to serve the digitally disadvantaged while simultaneously tackling the critical issue of e-waste disposal.

The lifespan of typical electronic devices averages out to only three years; to avoid unnecessary disposal of electronic devices, we donate electronic devices to national non-profit organizations such as “Ertiqā” for proper recycling, refurbishment, and disposal.

In 2023, the following impacts were realized:

	100 non-profit organization benefited from the project		4,862 devices donated
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Medical cameras

The smart medical camera initiative supports a breakthrough AI-driven eye exam system that identifies and detects eye disease early, while also utilizing digital technologies for retinal care in diabetic retinopathy. This initiative brings expert surgical consultations closer to remote and underserved areas and provides excellent healthcare in an easy-to-access manner at lower prices.

stc’s role:

stc supported in installing 2 devices with a value of SAR 160,213 in hospitals and health centers within the Jazan region, as a continuation of social investment efforts in the field of health.






social impact:

- Speed up the patients’ access to the service and obtain appropriate treatment without the need to travel to specialized hospitals
- Reduce high waiting lists due to the increase in the number of patients and the scarcity of specialization

Home renovation

In collaboration with Emirate of Riyadh represented by the Women’s Committee for Community Development, we aim with this project to restore and maintain a number of homes for needy families in Riyadh region and its initiative existed in continuation of stc efforts to support and empower the less fortunate people in society and supporting the quality of life programs for needy families in those areas.

Number of renovated Homes (contributed towards by stc) **40**

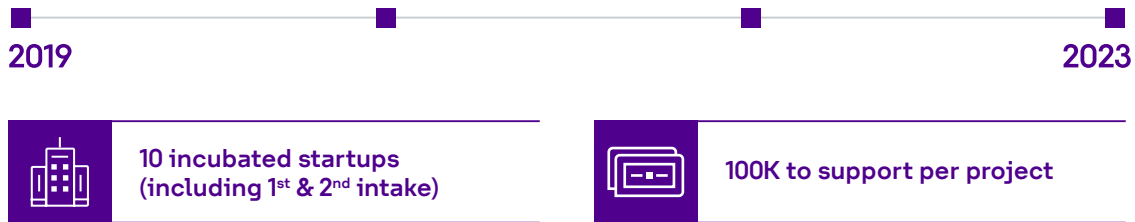
	40 houses to be renovated and connected to network		Total of SAR 2 million awarded for renovation works
	Over a period of 16 months		Across 8 governorates in Riyadh
	Targeting (divorced womens, widows, orphans, the elderly and people with disabilities, children of martyrs and participants in the southern border)		

ImpactU

ImpactU is a social incubator designed to support social and environmental projects that address relevant UN SDGs, with a focus on empowering entrepreneurs whose core business ideas foster sustainability-related solutions, such as improving environmental, health, and education outcomes.

Through ImpactU, stc provides direct training and consultancy in the field of social and environmental sustainability and entrepreneurship.

No intake in 2023, however since the program started

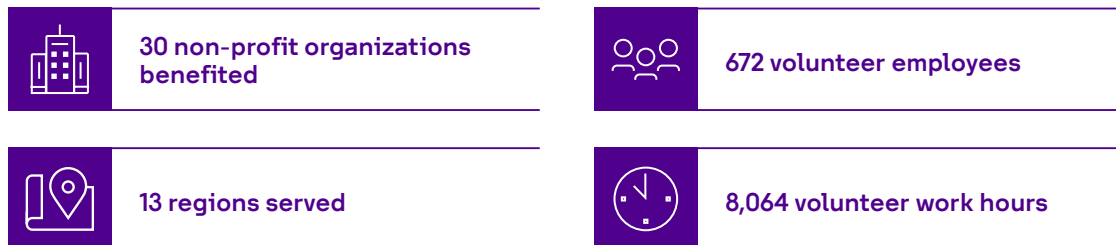


Volunteering platform

The volunteering platform aims to empower organizations in the non-profit sector by supporting them with specialized human cadres from stc, which in turn enhance their participation in sustainable community development.

The ethos of volunteering is greatly aligned with stc's values of dynamism, devotion, and drive, all of which contribute to stc's vision. Through the volunteering program, we aim to embed a culture of purpose and giving while simultaneously helping to meet the UN SDGs and improve employee engagement and workplace wellbeing.

2023 Social impact...



We also roll out volunteering opportunities across the entire group. In 2023, we recorded 907 volunteers across the stc Group.

Volunteering in 2023	stc KSA	stc Group
Number of volunteers	672	907
Number of volunteering hours	8,064	-

Furniture donation

Through stc's furniture donation program, new material usage is decreased while simultaneously improving the environmental footprint of both stc and the recipient of these donations. By donating furniture to those in need, we aim to reduce the demand for new manufacturing processes and carbon emissions associated with production and transportation of new furniture, thereby conserving valuable resources and minimizing waste, all while recipients benefit from receiving essential furnishings.

This program underscores our commitment to environmental and social responsibility as we strive for a more equitable future.

2023 Impact

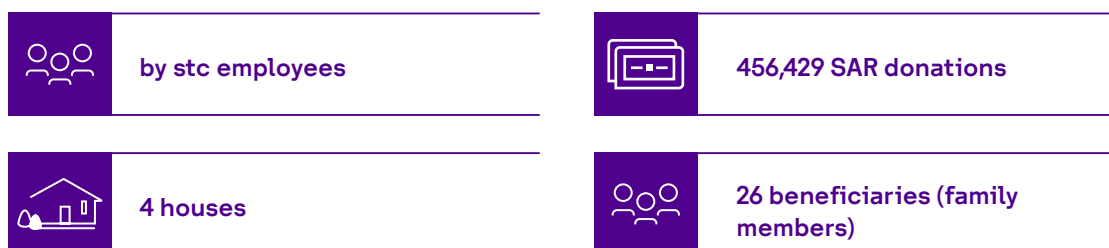


Jood Eleskan

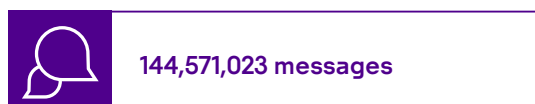
This ongoing non-profit community initiative, which started in mid-2020 during the height of the COVID-19 pandemic, aims to empower the non-profit housing sector by encouraging all stc employees, private individuals, and the public sector to provide a donation for families in need of housing.

2023 social impact

stc supported in installing 2 devices with a value of SAR 160,213 in hospitals and health centers within the Jazan region, as a continuation of social investment efforts in the field of health.



In 2023, in addition to providing donations, we also used our digital communication channels – internally through the SMS messaging centre and externally through social media accounts – to raise awareness and encourage greater donations for this national initiative.



Other programs across KSA:

In 2023, TAWAL engaged in several community development programs, demonstrating an ongoing commitment to social responsibility. These initiatives included a SAR 45,000 donation for children with disabilities in partnership with Children with Disabilities Association (CWDA) and distributing food baskets to low-income families during Ramadan, with a total of 40 food baskets distributed by TAWAL's employees, as well as a blood donation drive, which was organized in collaboration with Tawuniya Insurance Company and drew 122 participants.

In an effort to monitor the effectiveness of these initiatives and ensure they deliver value, TAWAL has developed relevant sustainability KPIs across each strategy pillar, which are reported to TAWAL management on a quarterly basis.

Continuing with impactful initiatives such as Network Resilience, TAWAL ensures superior network planning for uninterrupted access across the Kingdom and infrastructure expansion in underserved areas, which resulted in releasing a concept paper defining the product(s) to enhance network coverage. Additionally, aligned with the Saudi Green Initiative, TAWAL partnered with the Environmental Green Horizons Society to plant 1,500 trees in Um Alshquoq Park in 2023, supporting air quality improvement, soil erosion reduction, and wildlife habitat provision. Over the last 3 years, TAWAL has planted 4,500 trees. These efforts demonstrate TAWAL's dedication to environmental sustainability and community welfare, as well as the adherence to a well-designed long-term sustainability strategy.

Solutions by stc showcases a bold commitment to Corporate Social Responsibility (CSR) by empowering NPOs through volunteering programs that offer digital services and mentorship, including partnerships with Misk and the King Khalid Foundation. Furthermore, Solutions has signed an MOU with Estidamah, a joint venture between SABIC & MEWA, to support sustainable agriculture in the Kingdom through digital transformation. The company also facilitates educational workshops for children aged 8 to 13, teaching them programming languages and digital awareness, demonstrating Solutions by stc's dedication to nurturing future innovators and promoting digital literacy.

SCCC champions knowledge sharing and technological advancement with focused CSR initiatives that enrich the community. Through cloud computing events, the company connects experts and enthusiasts to enhance understanding and application of cloud technologies. Training bootcamps offer in-depth knowledge, preparing participants with ACA and ACP certifications critical for cloud computing proficiency. Additionally, Alibaba Cloud Online Courses extend valuable cloud education to a wider audience, supporting ongoing learning, and hackathon events facilitated by SCCC encourage innovative solutions to real-world challenges, fostering a culture of creativity and problem-solving. These diverse efforts underscore SCCC's dedication to driving technological knowledge and innovation within the community.

Social development across stc Kuwait

In collaboration with the Ministry of Education and other partners, stc Kuwait hosted a Graduation Ceremony to honor the 100 top students in 2023. This was part of a broader initiative that included updating the Sponsorship Procedure on the QMS portal to streamline educational sponsorships, reflective of stc Kuwait's social responsibility efforts which show through their diverse community initiatives.

Additionally, stc Kuwait implemented several community-focused initiatives, including a Back to School program providing essential supplies to students, a summer camp offering developmental activities for youth, Ramadan Charity Campaigns aiding families in need, a Special Needs Graduation celebrating students with disabilities, support for orphanages with resources and mentorship, and housing initiatives for the elderly to improve their quality of life.

In 2023, stc Kuwait also organized a Paddle Tournament for people with special needs, in collaboration with the Public Authority for Disability Affairs. The event commemorated the International Day of Persons with Disabilities and stc's commitment towards community inclusion and sustainable development. Nearly 100 talented young athletes from special education schools competed in this friendly tournament.

These efforts highlight stc Kuwait's commitment to social responsibility and its impact on various community segments.

Social development across stc Bahrain

stc Bahrain's dedication to positive community change is showcased through its comprehensive CSR strategy, focusing on four main pillars: Family, Eco, Tech, and Community. The company has launched several key initiatives such as Conserving Bounties, providing digital inclusivity through postpaid lines and WiFi, and the Students 5G Campaign, offering complimentary 5G to students.

stc Bahrain's commitment to youth and education were further shown in 2023 with Battle of the Schools and partnerships with Al Sanabel Orphan Care Society to deliver laptops and educational resources to orphans, alongside the Fereej stc project which equips orphan students with fully furnished study rooms.

The Ramadan program Ana Laha, which has reached nearly 150 million views, and stc Bahrain's Internship Program, which offers professional development opportunities to students, further highlight stc Bahrain's role in fostering community spirit and nurturing future professionals. Through these initiatives, stc Bahrain is not just enhancing community development but also contributing to sustainable social growth.

