

Managing ESG risks

In 2024, we moved closer to further integration of an ESG lens into stc's risk management processes to mitigate potential losses from ESG-related issues. We also promoted opportunities for positive environmental and social impact within our core business operations. We are focused on advancing our ESG risk framework, which will encompass key considerations, including the following.



-  **Establishing effective risk governance structures with defined responsibilities across all lines of defense.**
-  **Enhancing ESG risk culture across the stc Group, emphasizing increased awareness at all organizational levels.**
-  **Identifying essential ESG metrics and key performance indicators (KPI) for effective monitoring and reporting.**
-  **Developing and implementing robust ESG risk assessment tools.**

These efforts strengthen our commitment to sustainability and responsible business practices. For further information on this, please refer to the chapter Risk Management and Business Continuity on page 190.

Forward thinking: IFRS alignment

At stc, we understand the importance of sustainability-related financial disclosures in risk management, to provide stakeholders with insight into an organization's ability to identify, assess, prioritize and monitor sustainability-related risks and opportunities. These disclosures enable our stakeholders to assess the organization's overall risk profile and management practices. Currently, we are improving our systems to be in accordance to IFRS S1 and S2 requirements.

This includes actively aligning with these global disclosure requirements by embedding sustainability-related considerations into our risk management processes. We are leveraging data-driven insight and scenario analysis to identify and mitigate potential risks meanwhile capitalizing on opportunities. We

prioritize ESG factors alongside operational risks, to ensure a balanced approach.

stc is continuously refining its policies and methodologies to stay ahead of evolving standards and stakeholder expectations. By integrating sustainability into our core risk management framework, we aim to increase transparency, improve resilience and foster trust with stakeholders. Through these efforts, stc demonstrates its commitment to sustainability, innovation and long-term value creation, positioning the Group as a leader in sustainable business practices.

