

Our Sustainability Vision for 2025

In 2025, stc Kuwait is redefining what sustainability means for a digital-first organization. Our vision goes beyond compliance, it is about creating shared value for our stakeholders and society while accelerating Kuwait's digital transformation. Sustainability is embedded in every decision we make, from network infrastructure to customer experience, ensuring that innovation and responsibility go hand in hand.

This year marks a turning point as we integrate ESG principles deeper into our business model. We are committed

to reducing our environmental footprint, empowering communities through technology, and maintaining the highest standards of governance. By leveraging advanced technologies such as AI, automation, and smart energy solutions, we aim to deliver sustainable growth that aligns with Kuwait's Vision 2035 and global sustainability frameworks.

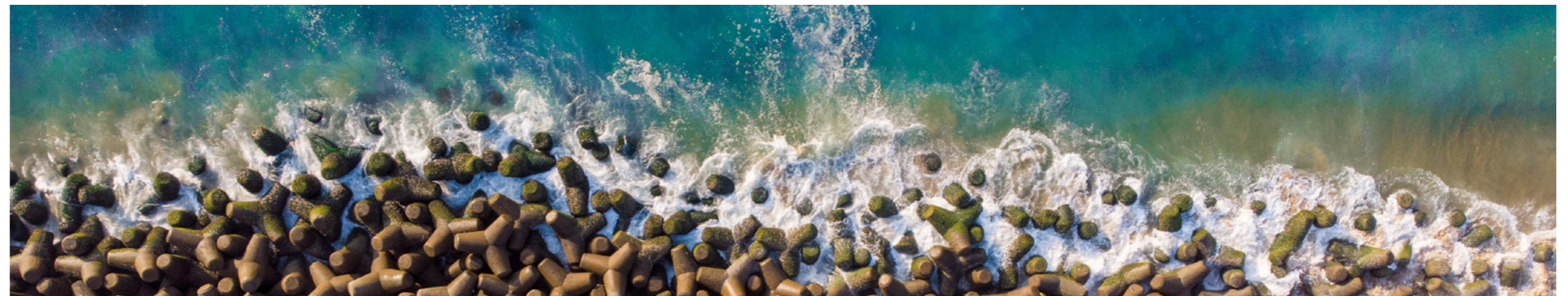
Our vision is clear: to lead the telecom sector in ESG performance, foster resilience in a rapidly changing world, and create a future where connectivity drives progress for all.

The ESG Momentum: Driving Change in 2025

The world is experiencing an unprecedented shift toward sustainability, and 2025 stands out as a defining year for action. Global challenges such as climate change, resource scarcity, and social inequality are reshaping expectations for businesses, governments, and communities. ESG performance is no longer a secondary metric, it is a core driver of resilience, competitiveness, and trust.

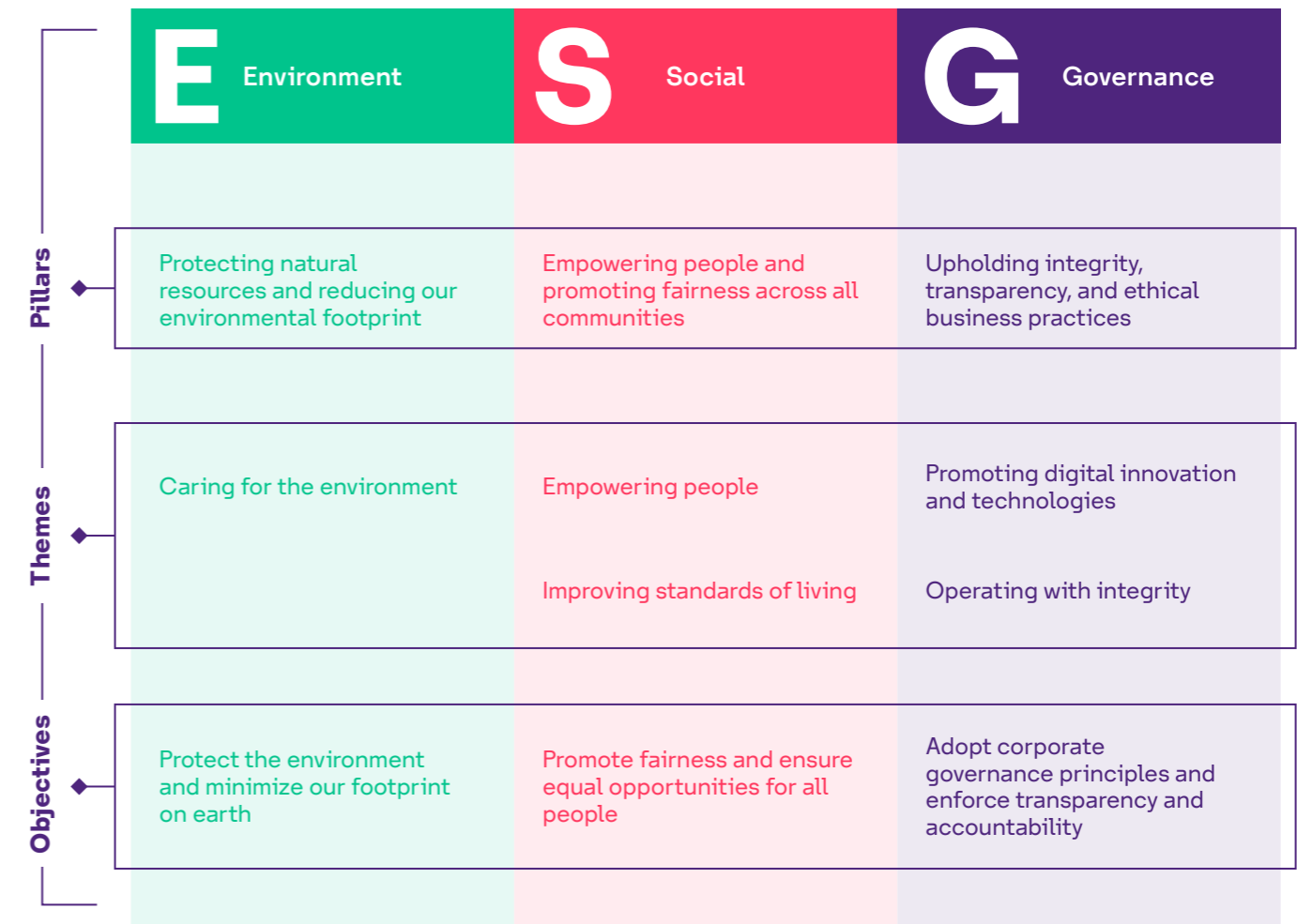
In Kuwait, this momentum aligns with Vision 2035, which emphasizes economic diversification, environmental stewardship, and digital transformation. As a leading telecom and ICT provider, stc Kuwait is uniquely positioned to accelerate this vision. Our infrastructure and services are not just enablers of connectivity; they are catalysts for sustainable progress.

The ESG momentum is clear: stakeholders demand transparency, measurable impact, and innovation that serves both business and society. At stc Kuwait, we embrace this challenge as an opportunity to lead. By leveraging advanced technologies and embedding sustainability into every decision, we aim to create solutions that are inclusive, responsible, and future-ready.



Our Sustainability Themes and Objectives

At stc Kuwait, sustainability is guided by a clear framework built on three pillars: Environment, Social, and Governance; supported by strategic themes and objectives that shape our actions and impact.



These pillars, themes, and objectives serve as the foundation for our sustainability strategy, ensuring that every initiative contributes to long-term value creation for our stakeholders and society.

Our Strategic ESG Priorities

In 2025, stc Kuwait sharpened its focus on four strategic ESG priorities that define our sustainability roadmap and guide every initiative:

These priorities reflect our commitment to creating long-term value for stakeholders while contributing to Kuwait's Vision 2035 and global sustainability goals.

1 Governance Excellence and Transparency

Strong governance underpins sustainable growth. We continue to strengthen our compliance frameworks, enhance risk management, and adopt global reporting standards to ensure transparency and accountability. Our Sustainability Steering Committee plays a pivotal role in embedding ESG principles across all operations.

2 Employee Well-being and Engagement

Our people are the foundation of our success. We prioritize mental health, flexible work models, and career development programs that foster a supportive and inclusive workplace. By investing in our employees, we build resilience and drive innovation.

3 Decarbonization and Energy Efficiency

Reducing emissions and optimizing energy use remain at the core of our environmental strategy. We are accelerating the transition to cleaner energy sources, deploying hybrid power solutions, and investing in smart technologies that minimize our carbon footprint.

4 Digital Inclusion and Social Empowerment

Connectivity is a catalyst for progress. Our goal is to bridge the digital divide by expanding access to advanced technologies, fostering digital literacy, and empowering communities through education and innovation. We are committed to creating opportunities for youth and women in tech, ensuring inclusivity in Kuwait's digital economy.

Driving Impact Through Innovation

Innovation is at the heart of stc Kuwait's sustainability journey. In 2025, we are leveraging advanced technologies to create solutions that reduce environmental impact, enhance operational efficiency, and deliver superior customer experiences. Our approach is rooted in the belief that digital transformation and sustainability are inseparable.

Artificial Intelligence (AI) and automation are enabling smarter network management, reducing energy consumption, and minimizing downtime. Through predictive analytics and intelligent monitoring, we optimize resource use

and improve reliability. Our transition to paperless processes, digital billing, and e-contracts has significantly reduced waste while streamlining customer interactions.

Beyond operational improvements, innovation drives social impact. We are expanding digital literacy programs, introducing AI-powered learning tools, and fostering partnerships that empower communities to thrive in a connected world. By embedding sustainability into our technological roadmap, we ensure that every innovation contributes to a greener, more inclusive future.

Governance & Accountability Framework

Strong governance is the foundation of sustainable growth. At stc Kuwait, we believe that transparency, accountability, and ethical practices are essential to building trust and delivering long-term value. In 2025, we took a major step forward by establishing the Sustainability Steering Committee (SSC), a dedicated governance body that ensures ESG principles are embedded across all levels of the organization.

The SSC, chaired by the CEO and supported by senior executives, provides strategic oversight and drives alignment between sustainability objectives and business priorities. This committee

monitors ESG performance, approves key initiatives, and ensures compliance with regulatory requirements and international standards.

We have adopted globally recognized frameworks such as Global Reporting Initiative (GRI) and Sustainability Accounting Standards (SAS) to enhance the quality and comparability of our disclosures. Regular audits, risk assessments, and stakeholder engagement sessions reinforce our commitment to integrity and continuous improvement. By maintaining robust governance structures, we ensure that sustainability is not just a goal, it is a core part of how we operate.

Embedding Sustainability Across Our Value Chain

Sustainability at stc Kuwait is not confined to isolated projects, it is integrated across our entire value chain. From network operations to customer engagement, we embed ESG principles into every process to ensure measurable impact.

Environmental Responsibility

We are advancing initiatives that reduce energy consumption and minimize waste. Our transition to hybrid power solutions and on-grid conversions significantly lowers emissions, while partnerships with local recyclers promote circular economy practices. By adopting smart energy systems and digital platforms, we aim to achieve operational efficiency without compromising environmental stewardship.

Social Empowerment

Our commitment to people extends beyond connectivity. We foster diversity and inclusion, provide mental health support, and invest in career development programs that empower employees. Community engagement remains a priority, with initiatives focused on education, youth development, and digital literacy to bridge the technology gap.

Governance Integrity

Ethical business conduct and compliance are non-negotiable. We maintain robust risk management frameworks, enforce anti-corruption policies, and ensure transparency through regular audits and disclosures. By embedding governance into our operations, we strengthen trust and resilience across the organization.

Through these integrated efforts, sustainability becomes a shared responsibility; driving progress for our stakeholders, society, and the environment.

Future Outlook: Building a Resilient 2026

As we look ahead, stc Kuwait remains committed to accelerating its sustainability journey through bold, measurable actions. Our roadmap for 2026 focuses on three key areas:

Strengthening ESG Governance and Reporting

We will enhance transparency through advanced reporting tools, stakeholder engagement platforms, and alignment with global standards to ensure accountability and trust.



Expanding Renewable Energy Adoption

We will continue transitioning network sites to cleaner energy sources, reducing reliance on diesel generators, and investing in smart energy systems that optimize efficiency.



Deepening Digital Inclusion

Our goal is to bridge the technology gap by expanding access to advanced connectivity, fostering digital literacy, and supporting innovation programs that empower youth and entrepreneurs.



By embedding sustainability into every aspect of our business, we aim to create a future that is inclusive, resilient, and aligned with Kuwait's Vision 2035. Together with our stakeholders, we will transform challenges into opportunities and lead the way toward a sustainable digital economy.

stc Kuwait Sustainability Achievements – 2025

In 2025, stc Kuwait made significant strides in advancing its sustainability agenda, aligning with global ESG standards and the Group's vision. Our efforts focused on environmental stewardship, digital transformation, employee well-being, and governance, reinforcing our commitment to creating long-term value for stakeholders. This year marked a turning point as we integrated sustainability deeper into our operations and culture, ensuring that every initiative contributes to a greener, more responsible future.

Governance and Reporting

One of the most notable achievements to strengthen our governance was the **establishment of the Sustainability Steering Committee (SSC)**, chaired by our CEO and comprising senior executives. This committee provides strategic oversight, approves sustainability projects, monitors ESG KPIs, and ensures compliance with regulatory standards. Through these measures, we have embedded sustainability into decision-making processes across the organization.

Another major achievement was the publication of stc Kuwait's second standalone Sustainability Report, a testament to our transparency and alignment with international frameworks.

Environmental Impact

Our environmental initiatives delivered measurable impact. **Diesel generator sites were cut by 31%**. We successfully transitioned 20 network stations from diesel to electric power, reducing reliance on fossil fuels, and hybrid solutions were implemented, reducing generator runtime from 24 hours to just 30 minutes daily. These changes not only lowered emissions but also generated significant cost savings.

Relocating to Assima Tower, a green building, further reinforced our commitment to sustainability. The new headquarters integrates advanced

systems that **significantly reduce environmental impact and optimize resource efficiency**. Among its key features are an ice tank storage system that enhances cooling efficiency, smart meters for electricity that allow real-time monitoring and control, and an automated building management system that centralizes oversight of HVAC, lighting, and other utilities. The building also includes a smart elevator management system that ensures efficient use of elevators and minimizes energy consumption. Additional measures include energy-efficient air circulation systems supported by Variable Air Volume (VAV) HVAC technology, the strategic use of natural daylight to reduce reliance on artificial lighting, and motion sensors for lighting and water fixtures to prevent unnecessary usage. During the relocation process, we maintained our focus on waste reduction by **recycling approximately 350–400 kilograms of paper and 1.63 tons of e-waste** through our partner Tadwire.

We also strengthened our circular economy efforts by partnering with Kiswa, **recycling 200 kilograms of clothing in Q4, and Naemati**, a Kuwaiti initiative dedicated to reducing food waste and protecting the environment.

Digital Transformation

In 2025, stc Kuwait accelerated its efforts to transform the customer experience through comprehensive digitalization. **We replaced traditional paper-based processes with innovative solutions** that streamline interactions and reduce environmental impact. Paperless forms were introduced, enabling customers to complete transactions electronically with ease. Our QMatic system eliminated paper tickets by shifting to QR-Code notification, ensuring a seamless and efficient service experience. Additionally, the rollout of a robust CRM platform delivered an end-to-end digital journey, from contract handling to e-invoicing and WhatsApp integration. These initiatives not only minimized paper consumption but also enhanced convenience, speed, and accessibility for our customers.

Innovation and AI

Innovation played a pivotal role in 2025. As part of our move to our new head office, we deployed nine AI-enabled systems to detect network issues and introduced AI use-cases in call-center operations.

Our flagship event, AI Week, held from December 2–4, featured keynote sessions, ten AI labs, and participation from global leaders such as Google and Microsoft to help **raise our staff awareness and understand of the various AI tools** and how to integrate them into their daily workload. To build future capabilities, we launched recruitment initiatives, including university roadshows and a strategic partnership with Coded.

Employee Well-being and Engagement

Our people are at the heart of our sustainability journey. In 2025, we organized mental health and family day events, youth focus groups, and awareness campaigns to foster a supportive work environment. Annual initiatives such as blood donation and breast cancer awareness continued to strengthen our social impact.

The **Employee Experience Index** improved dramatically over the past three consecutive years, **rising from 60.3 to 75.8 then surpassing 88**, placing us among the top companies in the Group. Workplace enhancements, including rest areas and upgraded lounges, complemented our flexible work approach. We also initiated sustainability training for all employees, reinforcing our cultural transformation toward ESG principles.



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