stc

small move.

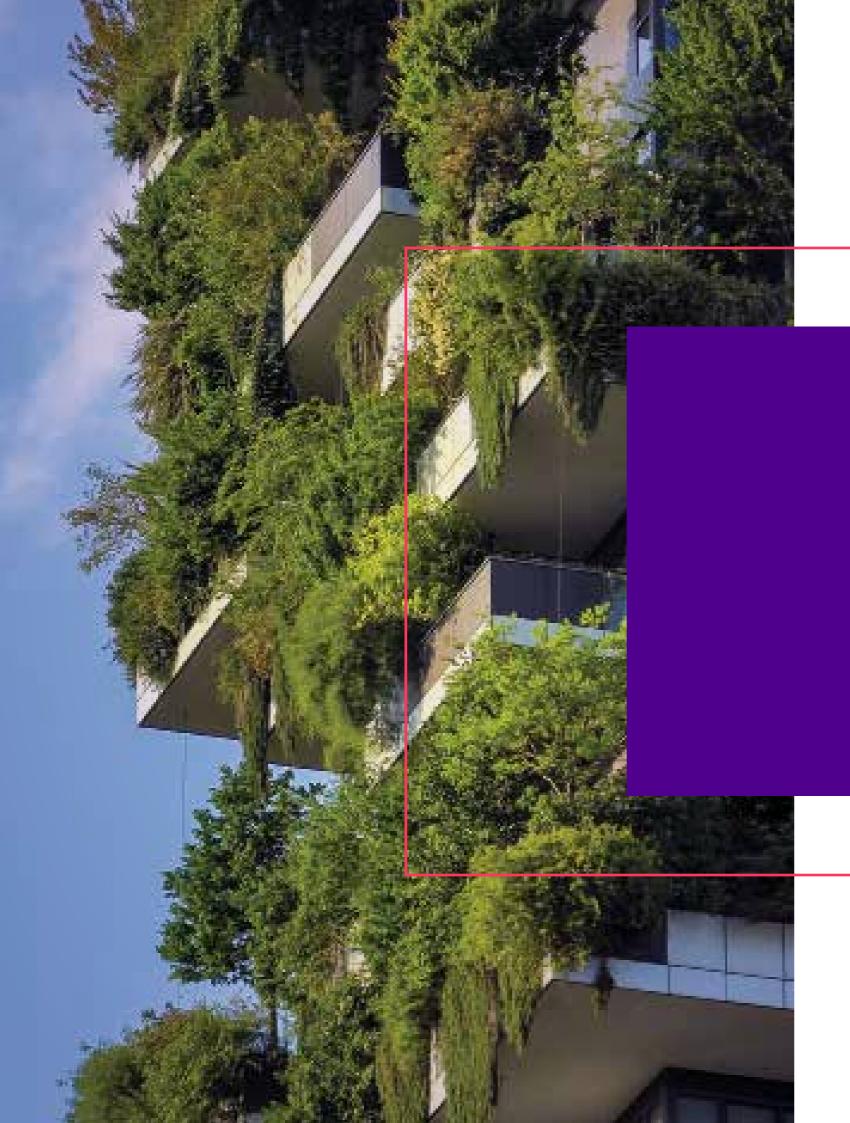# Big Impact.

Sustainability Report
2023

stc.com.kw

stc.com.kw

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About
this report

About
this report

Sustainability being a cornerstone of our business philosophy, embodying a commitment we approach with utmost seriousness. It's with great pride that we unveil **stc Kuwait's** first annual sustainability report, a testament to our activities and performance in the realms of environmental, social, and governance sustainability. Notably, this report stands as the first-ever standalone publication of its kind in the nation within the telecommunications industry, reflecting our dedication to transparency and accountability in the pursuit of sustainable practices.

This comprehensive report is dedicated to our esteemed stakeholders who seek a thorough understanding of **stc**'s strategic framework, commitments, and operational initiatives in the realm of sustainability. It offers a detailed overview of our engagement within the organization, the communities we serve, our environmental footprint, and our contributions to the economic landscape. We highly value your input on our sustainability progress and objectives, and we extend an invitation for your feedback at sustainability@**stc**.com.kw. Your insights are integral to our continuous improvement and commitment to excellence.

Cautionary message:

This report contains statements that may be deemed as "forward-looking statements" that express the way in which **stc** intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events or results "may", "could", "should", "might", "will", or "would" be taken or be achieved. **stc** has made every effort to ensure the report is as accurate and truthful as possible.

However, by their nature forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond **stc's** ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

Our commitment is demonstrated through the adoption of eco-friendly standards across our operations, the implementation of a robust corporate social responsibility framework, and the integration of sustainable innovation in our products and services. By doing so, we aspire to generate a significant and enduring impact, ensuring that our growth is both responsible and beneficial for all our stakeholders.

The pivotal role of sustainability in ensuring **stc**'s resilience, enhancing our societal impact, and safeguarding future generations also comes recognized by the Board of Directors at **stc Kuwait**. This acknowledgement drives the commitment to integrate sustainability into the very fabric of our operations.

We are dedicated to setting and adhering to the highest standards of governance and performance in sustainability, ensuring that our actions today pave the way for a prosperous, equitable, and environmentally conscious tomorrow. Our adherence to these standards is manifested through rigorous governance frameworks, transparent reporting mechanisms, and proactive stakeholder engagement, aiming to provide clarity and confidence in our sustainable practices.

Chairman's message
[GRI 2-22]

In an era where the intersection between innovation and integrity shapes the future, sustainable and responsible practices, especially amongst corporates, have become a foundational pillar for enduring success.

This report reflects the valuable contributions from you, in various capacities, which have been instrumental in shaping a sustainable path for **stc Kuwait**. It is without a doubt that the encouragement and confidence we have received in implementing our vision have been essential, empowering us to integrate sustainable practices seamlessly within our business model, while championing the cause of environmental stewardship and social responsibility across the communities we serve.

The Board of Directors at **stc Kuwait** believes in the importance of ethical leadership, responsible actions, and a relentless pursuit of creating long-term value for our community and environmental ecosystem. This vision is guided by our core values and principles, positioning us as pioneers in the Kuwaiti telecom and digital solutions landscape.

As we unite in our commitment to a sustainable future, we are motivated by the knowledge that our journey brings to the community and its long-lasting impact. This further builds on our persistence to ensure that our growth and achievements contribute positively to environmental stewardship and social progress.

Our collective stance on advancing sustainability reflects our dedication to a future where innovation and digital transformation go hand in hand with sustainable living and enhancing the well-being of our communities. Looking ahead, we remain committed to pushing the boundaries of the sustainable impact and influence that we can implement within the telecom sector. Through strategic initiatives, responsible practices, and collaborative efforts, we aim to take on the challenges of today and address the needs for a brighter future.

In closing, I extend my deepest appreciation to all our shareholders, stakeholders, and the dedicated team at **stc** for the continued support and commitment to our sustainability journey. Together, we look forward to working together for the betterment of our community and envisioning a sustainable future that will serve the generations to come.

Dr. Mahmoud Ahmad Abdulrahman
Chairman

CEO's message

It is an honor and privilege to join the stc family in 2024 as a Chief Executive Officer of stc that marks my first year in this position. And it is with immense pride and a profound sense of responsibility that, on behalf of stc Kuwait and our distinguished Board of Directors, I present stc Kuwait's first Sustainability Report for the year 2023.

This report is a compilation of our achievements, unwavering commitment and holistic approach to sustainability, a testament to the strides we are making towards a future where innovation, responsibility, and prosperity coexist in harmony. As pioneers within the telecom sector, **stc Kuwait** embraced a visionary role from an early stage, facilitating the integration of rigorous sustainable practices and Environmental, Social, and Governance factors into the core of our operations. Our vision towards sustainability goes beyond adhering to policies. It represents a fundamental shift in our corporate ethos, influencing every aspect of our decision-making processes.

This strategic prioritization of sustainability ensures that our commitment extends beyond mere compliance, embedding environmental stewardship, social responsibility, and ethical business practices into the essence of our day-to-day operations and long-term planning. Our comprehensive sustainability framework is designed to set new benchmarks for the industry, demonstrating that a telecom provider can operate sustainably while still achieving its business objectives. Through this approach, we aim to not only meet the current standards, but also anticipate and shape the future landscape within our sector and beyond. Through this report, we aspire to showcase our progress and utilize various factors of our sustainable impact to introduce new concepts that align with our forward-thinking approach. Innovation and collaboration have been essential to the strategic objectives behind our sustainability initiatives. **stc Kuwait** believes in the importance of forming powerful collaborations with key players in the market to spread a more positive and wider impact in the community.

Our initiatives and partnerships are designed with specific objectives and goals that align with the framework defined under our extensive sustainability program. Recognizing the dynamic nature of the telecom industry, we continuously seek to innovate and adapt our strategies to meet emerging challenges and opportunities. Our commitment to transparency and accountability guides our actions, ensuring that we measure and report our progress against our sustainability goals, fostering a culture of continuous improvement and stakeholder engagement.

The commitment we uphold to being leaders in sustainability stems from our core values which revolve around integrity, innovation, and community. Throughout our various endeavors, our focus is to go beyond mere compliance as we aim to lead by example. This also entails acting with the highest levels of integrity and contributing to meaning causes within the global sustainability agenda. Our active role, which was implemented upon establishment, has provided us with a clear guide to create a path in which others within our industry can follow to amplify their unique objectives. Despite the challenges we face, we remain dedicated to serving the objectives under our sustainability program, which we plan to develop continuously. Through our initiatives we look to continue driving positive change, fostering innovation, and creating shared value for all our stakeholders. This unwavering commitment is renewed daily, and builds on the conviction that our actions today will pave the way for a brighter, more sustainable tomorrow.

This Sustainability Report is a reflection of our achievements and provides a glimpse into **stc**'s ongoing journey towards a sustainable future. It embodies our values, our vision, and our steadfast commitment to making a tangible difference in the world. The path to sustainability is long and challenging, but together, we are making strides towards a better world for the generations to come. Thank you for your continued support and partnership on this journey. Let us continue to pioneer, innovate, and lead the way towards a sustainable future for all.

Eng. Muataz Abdullah Aldharrab
Chief Executive Officer

CSO's message

As 2024 marks my first year in my capacity as stc's Chief Strategy Officer, I am delighted to present our first standalone sustainability report, marking a significant milestone in our journey towards sustainability.

Recognizing its pivotal role in business success and societal progress, we prioritize sustainability, ensuring transparency, accountability, and environmental stewardship in all our operations. Aligned with Kuwait's Vision 2035, we actively support national sustainable development initiatives, positioning ourselves as leaders driving positive change.

This report reflects our ongoing commitment to aligning with environmental, social, and governance principles, ensuring resilience and responsiveness to stakeholder needs. I extend my deepest gratitude to all stakeholders for their unwavering support, as we strive to create a sustainable future where business excellence and environmental responsibility are synonymous, leaving a lasting legacy for future generations.

In line with our sustainability objectives, we continue to prioritize initiatives that encompass caring for the environment, empowering people, promoting digital innovation and technologies, improving standards of living, and operating with integrity, ensuring our commitment to sustainability remains steadfast across all aspects of our operations.

Caring for the Environment
"At **stc**, we weave sustainability into the fabric of our business, pioneering eco-friendly solutions and streamlining operations for a healthier planet."

Empowering People
"**stc** thrives on empowered individuals. We unleash their potential by giving them the freedom to decide, the tools to succeed, and the recognition they deserve."

Promoting digital innovation & technologies
"**stc** is committed to digital equity. We emphasize innovation, strategically leveraging technology to expand our reach, foster inclusive growth, and empower a more connected future."

Improving standards of living
"At **stc**, we don't just envision a better future, we engineer it. We advocate for sustainability, a cornerstone for individual and community well-being, paving the way for a more prosperous world."

Operating with integrity
"Integrity is our foundation. We build trust through ethical conduct, set ambitious sustainability goals, and leave a positive legacy for future generations."

Mr. Khalid Fahad Al Sudairy
Chief Strategy Officer

Our story
[GRI 2-1]

In 2008, **stc** entered the Kuwaiti telecommunications landscape with a vision to empower individuals and businesses with innovative technology. Backed by the global leader **stc** Group, we were not just about connectivity; we were about fostering a future where progress met sustainability.

Our journey began with a focus on responsible growth. We understood that a thriving digital landscape wouldn't exist without a sustainable foundation. This commitment led us to prioritize energy-efficient solutions in our infrastructure and operations, minimizing our environmental footprint.

As we grew, so did our commitment to Kuwait. We actively supported the nation's vision of becoming a major regional hub. Through strategic acquisitions like Qualitynet General Trading and Contracting Company and e-Portal Holding Company, we expanded our reach, offering comprehensive digital solutions that catered to every aspect of a connected life. Here, sustainability remained paramount. We ensured our services, from high-speed internet to advanced IT solutions, were designed with eco-efficiency in mind.

But our story isn't just about technology. It's about people. We believe in empowering our employees and fostering a culture of environmental responsibility within our organization. Through training programs and awareness initiatives, we strive to make sustainability a core value for everyone at **stc**.

Today, **stc** stands tall as the fastest growing telecom operator in Kuwait, boasting a loyal customer base of 2.3 million. This success wouldn't be possible without an unwavering commitment to both innovation and sustainability. As we look towards the future, we pledge to continue pioneering a digital landscape that thrives in harmony with the environment, propelling Kuwait towards a bright and sustainable future.

stc's journey

2023
- stc and Samsung ink new partnership, expand availability of smart solutions
- stc Kuwait and Huawei Sign MoU on 5.5G Strategic Cooperation, Leading the Digitalization Innovation
- stc shares have been added in a number of the MSCI indexes
- stc Inclusion in a number of FTSE Global Equity Index

2008
- Launches commercially
- stc abolishes incoming calls fees and other operators follow
- First operator in the world to have all IP network

2009
- stc introduces high-speed Mobile Broadband in Kuwait
- stc launches innovative prepaid offerings and acquires 500K customers in one year

2010
- Expands retail network and launches joint promotions with retailers
- stc wins Comms MEA Best Telecom Finance Deal

2011
- First to introduce Apple iPhone
- Strategic partnership with Manchester United
- First to introduce the newest HSPA+ (42.2 Mbps) Broadband network

2012
- stc launches Elite Program for loyal, VIP and high-value customers
- stc turns into profitability during the fourth year of operation
- stc starts deployment of 4G LTE network

2013
- Completes nationwide 4G LTE Coverage and awarded Best LTE deployment in the Middle East
- Number portability and stc acquires majority of ported numbers between operators

2014
- Partnership with Real Madrid
- Listing on KSE
- Retained earnings turned to be positive
- Ranked 2nd in terms of revenue and subscriber market share

2015
- The first in Kuwait to introduce the all-new (VoLTE) technology
- stc branches network reached a total of 70 across Kuwait
- First to introduce the LTE Advanced

2016
- Best Telecom Co. by Arabian Business
- Member of (ITU)
- Awarded as the leading company in the field of Investor Relations
- Business Innovation in Risk Management

2017
- VIP Customer Service Award
- Won the "2017 Speedtest Award" by Ookla company
- Excellence in Governance Award
- Won the "Best Operator Network" from telecom world Middle East
- 5G Innovator of the Year Awards

2018
- Best Network Development Award at 5G MENA
- stc reaps three accolades at ME Call Centre Awards
- Wins "Advertising Creativity Award" at Arab Media Forum

2019
- stc wins Sharjah Gulf Top 10 Business Award 2018
- Acquisition of Qualitynet General Trading and Contracting Company – the leading ISP provider in Kuwait
- Launched 5G services in June
- stc and Huawei sign MOU to develop 5G services
- Launches the new brand stc

2020
- stc Group was ranked the 1st in the MENA region, by Forbes "Global 2000" list
- stc Rebrands "Qualitynet General Trading and Contracting Company" to **solutions by stc**
- stc signs an AoA for establishing Connect Arabia W.L.L. with Mobility Telecom Kuwait Limited (BVI) which will be the main partner

2021
- stc obtained the approval from the Communication and Information Technology Regulatory Authority's (CITRA) to launch the first-of-its-kind mobile virtual network operator (MVNO) license to launch Virgin Mobile Kuwait in partnership with Virgin Mobile Middle East & Africa
- stc signed a binding agreement to fully acquire e-Portal Holding Company and its subsidiaries, which specialize in the Information and Communications Technology sector in the State of Kuwait

2022
- stc acquires e-Portal Holding Company and its subsidiaries – the leading ICT services provider in Kuwait
- stc increases its shared capital to reach KD 99.9 mn through the distribution of 100% bonus shares
- stc's total revenue has reached its highest level since inception

Our mission

- End-to-end digital experience
- Enhance core performance
- **Reinvent customer experience at world-class standards**
- Leveraging on group synergies

Our vision

A world-class digital leader providing innovative services and platforms to customers, and an enabler of the digital transformation in Kuwait.

Our values

Drive
Moving forward and enabling best possible solutions for our clients and employees. We are proactive, inventive and inquisitive.

Devotion
Determined to be a "customer centric" company for our clients and an inspirational workplace for our employees. We are caring, committed and trustworthy.

Dynamism
Outstanding energy to enhance and enrich our performance. We are agile, collaborative and fresh.
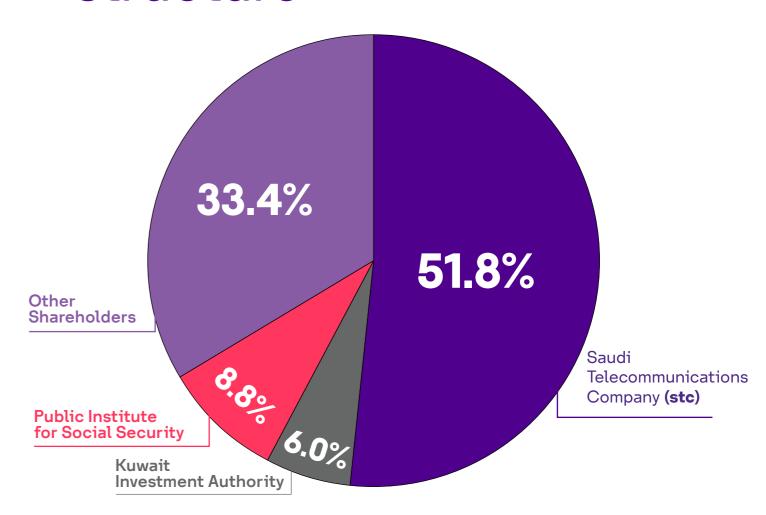
stc's financial performance 2021 - 2023

	2021	2022	2023
Subscribers (mn)	2.0	2.3	2.3
Revenues (KD million)	296.3	336.4	351.4
EBITDA (KD million)	79.6	82.0	85.1
EBITDA margin (%)	26.9%	24.4%	24.2%
Net profit (KD million)*	44.9*	33.2	32.7
Net profit Margin (%)	15%	9.9%	9.3%
EPS fils	45**	33	33
Shareholder's equity (KD million)	237.2	241.4	243.9
BVPS (Fils)	237**	242	244

* Net Profit in 2021 included nonrecurring and extraordinary gains from legal claims.

** The BVPS and EPS 2021 has been restated based on the distribution of 100% bonus shares in 2022.

*** On 06 February 2024, the Board of Directors has recommended distributing cash dividends of 35 fils per share representing 35% of the share's nominal value for the year ended 2023. This recommendation is subject to the approval of the General Assembly of the company.

Shareholders structure

- 51.8% Saudi Telecommunications Company (stc)
- 33.4% Other Shareholders
- 8.8% Public Institute for Social Security
- 6.0% Kuwait Investment Authority

Our business model

stc is a leader in telecommunications and digital products, leveraging advanced technology to serve a diverse customer base. We are committed to responsible business practices, diversity, inclusion, and collaborating with suppliers to drive innovation and sustainability. We address ethical risks and support small and medium businesses, strengthening our brand and the ICT sector.

How we create value:
[GRI 2-6]

▬ Customers

- Enhanced network and services: We offer 24/7 support through various channels, including call centers, social media, a user-friendly app, and website.

- Security and convenience: We ensure secure transactions and account management, with features like eSIM and PACI Kuwait Mobile ID integration.

- Focus on customer experience: We prioritize exceptional experiences, fostering loyalty and satisfaction through continuous improvement and feedback mechanisms.

▬ Shareholders

- Financial growth: We're committed to revenue growth and profitability through strategic investments.

- Strong governance: We prioritize robust corporate governance with best practices, transparency, and ethical conduct, building trust with all stakeholders.

▬ Employees

- Talent development: We invest in talent acquisition and development through flexible work arrangements, leadership programs, and educational opportunities. We actively engage with universities and foster young talent through internships. We offer comprehensive employee benefits to empower the next generation of industry leaders.

- Employee engagement: We cultivate a healthy work environment with initiatives that promote well-being, career development, and innovation. We encourage employee participation and contributions to our shared success.

▬ Local Community

- Corporate social responsibility: We're dedicated to corporate social responsibility, supporting initiatives in education, sustainability, sports, youth empowerment, and entrepreneurship. We partner with government bodies and businesses to drive positive societal change.

- Sustainability: We're committed to minimizing our environmental impact, empowering our workforce, driving responsible digital innovation, and fostering a culture of integrity. We strive for sustainable initiatives that benefit individuals and communities worldwide.

▬ Our subsidiaries:

solutions by stc

- **stc** completed the acquisition of Qualitynet (Solutions by **stc**) on 11 November 2019, enhancing its business solutions, internet services, and fixed broadband offerings. This integration strengthens **stc**'s position in the telecom and ICT sectors, benefiting both individual and enterprise customers by facilitating the achievement of their goals.

e-portalholding Co.
شركة البوابة الإلكترونية القابضة

On 6 April 2022, **stc** completed the acquisition of e-Portal Holding Company and its subsidiaries, bolstering its digital capabilities in ICT, IoT, and Cloud services. This strategic move enhances **stc**'s ability to provide specialized business solutions to Kuwait's institutional sector, marking a significant advancement in its digital offerings.

Our corporate strategy

"LEAD" strategy 2023-2025

Strategy strikes an equilibrium between short- and long-term goals, enabling the company to attain robust financial performance while concurrently investing in strategic initiatives and capabilities.

This refined strategy focuses on key pillars aimed at fostering efficiency and creating value for a brighter future. Each letter in "LEAD" symbolizes one of these four strategic pillars.

L **ift the core**
by capturing growth opportunities across youth, high-value expat and SME segments

E **xpand ICT**
business in scale and scope and position **stc** as a professional services provider

A **ccelerate innovation**
leveraging group investments, non-telco partners and local startup ecosystem

D **eploy an efficient and digital**
operating model that is fit for growth

Strategic drivers

Growth
Expanding market share and revenue by capitalizing on emerging opportunities, diversifying products and services, and enhancing CeX to meet evolving demands of the digital age.

Efficiency
Streamlining operations, optimizing resource allocation, and harnessing technology to enhance service delivery, reduce costs, and improve organizational agility.

Sustainability
Committing to long-term value creation through responsible business practices, integrating environmental, social and governance considerations, and investing in innovations that ensure resilience.

Awards
and certifications

Over the years that **stc** has been in operation, we have realized many achievements thanks to the incredible work and drive of our staff, stakeholders, and core partners. We have been fortunate enough to receive recognition and accolades from esteemed organizations in our industry for which we are collectively humbled.

Certification

ISO 22301	Security and Resilience – Business Continuity Management Systems
ISO 9001	Quality Management
ISO 31000	Risk Management
ISO 27001	Information Security, Cybersecurity and Privacy Protection
ISO 14001	Environmental Management System
PCI DSS	Security Standard Council

2023 Awards

- Best ICT Enterprise Digitization Company from International Finance
- Best Community Development CSR Company from International Finance
- Top 10 Strongest Telecom Brand Worldwide from Brand Finance
- Most Valuable Middle Eastern Telecom Brand from Brand Finance
- Best 5G Indoor User Experience at SAMENA Council's LEAD Awards

stc performance highlights 2023

756
Total workforce

2.3m
Number of subscribers

63.4%
Kuwaitization in workforce

3,606
Total training hours conducted

1,431,484
my **stc** app users

87%
Customer satisfaction rate

82%
Customer complaint resolution

100%
Performance review completed

21%
Female workforce

100%
Percentage of 4G and 5G population coverage

37%
Market share

905
Number of attempted cyber breaches

0
Number of actual cyber breaches

57%
Procurement spending on local suppliers

6
Energy efficiency initiatives

4
Sustainable products and services

100%
Procurement process digitization

6
Number of certificates obtained

26
Number of awards received 2020 - 2023

KD 351.4
Total revenue in million

95%
Employee response rate

—— Membership associations

stc is a proactive participant in the broader ICT community, striving to influence and gain insights from other industry leaders. We're involved with and hold memberships in several industry associations and advocacy groups, including the following:

- Kuwait British Factory Co.
- Avetta, Inc
- RIPE NCC
- Kuwait Clearing Company (KCC)
- International TeleCommunication Union (ITU)
- Euromoney Global Ltd
- Boursa Kuwait Securities Company
- Euroland IGS DMCC
- ISN Software UK Limited
- Global System for Mobile Communications (GSMA Ltd)
- Chairman's Club - Kuwait Co.
- SAMENA Telecommunication Council
- Middle East Investor Relations Association (MEIRA)

02

Sustainability at **stc**

Sustainability
Director's note
[GRI 2-22]

I'm thrilled to share **stc Kuwait's** first-ever Sustainability Report! This is a big step towards a future that's not just high-tech, but also good for our planet and our communities.

Technology is amazing, but we also know it's important to protect the environment and help others. That's why sustainability is now a core value that guides everything we do at **stc**.

This report dives into our plan for a more sustainable future. You'll see how we're working to reduce our environmental impact, give back to society, and operate ethically.

We've set clear goals and ways to measure our progress. This report is also about being open and honest. We want to celebrate what we've achieved and learn where we can improve. But we can't do this alone. We invite everyone to join us in building a more sustainable Kuwait.

Together, let's use technology to make a positive difference for our environment, our people, and our nation!

Noura Abdulaziz Al Bshaier
Sustainability Director

New Kuwait
Vision 2035

The New Kuwait Vision 2035 lays the groundwork for a brighter future, emphasizing economic diversification, social development, and sustainability.

As a key player in this ambitious plan, **stc Kuwait** is actively contributing by:

Championing sustainability

We're implementing a program that tackles environmental concerns, encourages social engagement, and ensures ethical governance.

Empowering businesses

Our **"solutions by stc"** fosters economic diversification by providing cutting-edge digital tools and support for businesses venturing into new sectors.

Sustainability
governance model
[GRI 2-9] [GRI 2-14]

Management Committee - sustainability

All CXOs
Reviews and approves strategic sustainability framework and initiatives in line with **stc's** commitments

Supports **stc** to adopt sustainable practices to achieve **stc's** sustainability ambitions, as well as to review and approve annual sustainability report

Sustainability department

General Manager - Corporate strategy and planning
Oversight of the sustainability department and reporting progression to the executive management.

Sustainability Director
Oversight of the sustainability program and the annual sustainability plan as well as initiatives within **stc**.

Sustainability Officer
Supports business areas and group functions in implementing **stc's** sustainability roadmap.

Sustainability Champions

Across all sectors within the organization
Assists integration of strategy and goals by supporting the sustainability team in tracking performance and engaging with their respective teams.

Sustainability framework

Scope

stc is determined to evaluate the organization's performance on its environmental impact, social responsibilities, and governance aspects in accordance to the GRI framework as well as the Boursa ESG guidelines.

Sustainability pillars

Environment	Social	Governance

Themes and objectives

	Environment	Social	Governance
Themes	Caring for the environment	Empowering people	Promoting digital innovations and technnologies
		Improving standards of living	
		Operating with integrity	
Objectives	Protect the environment and minimize our footprint on Earth	Promote fairness and ensure equal opportunities for all people	Adapt corporate gorvernance principles and enforce transparency and accountability

Sustainability themes

Caring for the environment
Caring for the environment by improving our products, operations, and practices to efficiently reduce our environmental impact.

Empowering people
Offering our people the freedom to make decisions, providing them with the tools and training to make a change, celebrating their success, and creating a culture of trust and respect.

Promoting digital innovation and technologies
Promoting digital innovation and best technology solutions to expand our operations and create new market opportunities.

Operating with integrity
Operating with integrity, through building trust and respect with others. Set ambitious goals to create a better world using high sustainable values.

Improving standards of living
Making life better and increasing quality of living for individuals and communities through promoting sustainable practices.

Contributions
to the SDGs
Sustainable development goals

Caring for the environment

06 Clean water and sanitation

07 Affordable and clean energy

15 Life on land

· **stc** is reducing its environmental impact through initiatives like paperless operations, responsible waste management, and CO2 reduction goals.

13 Climate action

14 Life below water

· By minimizing its footprint, **stc** is contributing to a healthier planet. Internally, it promotes sustainable practices among employees, while externally, it engages investors, vendors, customers, and partners to collaboratively create a healthier planet.

Empowering people

03 Good health and well-being

04 Quality education

· **stc** fosters a work culture that encourages professional development, provides opportunities for growth within the company, and values employee contributions. This creates a more engaged and motivated workforce (Culture enhancement program).

05 Gender equality

10 Reduced inequalities

· **stc** empowers its employees and customers to be innovative and find solutions to problems through initiatives that encourage creativity and collaboration. This can lead to new products, services, and ways of working. (Lamba program).

· **stc** empowers people by providing them with the skills and knowledge they need to use technology effectively. This can include training programs, educational resources, and community outreach initiatives. (**stc** Academy).

Promoting digital innovation and technologies

09 Industry, innovation and infrastructure

12 Responsible consumption and production

· **stc** actively invests in and deploys advanced technologies like 5G networks and next-generation infrastructure. This creates a robust foundation for innovation across various sectors.

· **stc** spearheads digital transformation by embracing cutting-edge technologies (e.g., AI, cloud computing, IoT, big data) to streamline internal processes, enhance customer experiences, and drive operational efficiency.

Improving standards of living

08 Decent work and economic growth

11 Sustainable cities and communities

12 Responsible consumption and production
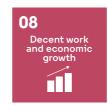
17 Partnerships for the goals

· **stc** prioritizes streamlining the customer experience by enhancing products and services in line with ESG standards, equipping customers with knowledge to make informed, sustainable choices. This approach aligns with UN SDGs for decent work through green jobs, responsible consumption, and reduced inequalities.

· Through awareness programs that empower individuals and communities to make sustainable choices, **stc** fosters a future where quality of life thrives alongside environmental responsibility.

· **stc** integrates Corporate Social Responsibility (CSR) into its core business, promoting sustainability, digital inclusion, and women empowerment, etc. This holistic approach creates positive social impact.

Operating with integrity

08 Decent work and economic growth

10 Reduced inequalities

12 Responsible consumption and production

stc fosters a culture of integrity to earn stakeholder trust.

This commitment is reflected in several key areas:

· Implement rigorous ethical practices throughout all their operations, ensuring transparency and responsible decision-making.
· Build customer trust and demonstrate a commitment to safeguarding information.
· Structure respectful and collaborative relationships is key to **stc**'s approach.
· Empower employees, customers, and communities to actively participate in **stc**'s sustainability efforts.
· Environmental, Social, and Governance (ESG) factors are considered throughout **stc**'s operations to mitigate risks and create a positive impact.
· Establish clear and well-defined processes and policies that guide employee behavior, ensure consistent decision-making, and uphold their commitment to ethical conduct and responsible business practices.

— Sustainability awareness program

stc's Sustainability awareness program goes beyond simply raising awareness. It aims to create a lasting cultural shift towards sustainability throughout the company and its partners.

Aspects	Action
Engaging content	**Kick-off event:** We launched our commitment to sustainability with a company-wide event in **stc** headquarter. This event brought together all **stc** employees and served as a platform to announce our goals and vision for the coming years.
Targeted delivery	We are committed to educating our team on sustainability practices. A variety of workshops and sessions offered to different groups: **Management Committee (MC):** In-depth sessions focused on strategic integration of sustainability into business practices. **Sector management:** Workshops tailored to address sustainability challenges and opportunities within each sector. **Sustainability champions:** Dedicated training to equip these champions with the knowledge and tools to promote sustainability initiatives within their teams. **All stc staff:** Informative sessions to raise awareness and understanding of sustainability, its relevance to **stc**, and how everyone can contribute.
Measurable impact	**stc**'s multi-faceted sustainability roadmap includes initiatives undertaking resource conservation (water, plastic waste), promoting sustainable operations (paperless billing, contracts), fostering stakeholders education through CSR, and prioritizing employee well-being.

small move
**big
impact**

Materiality assessment

[GRI 2-25] [GRI 3-1] [GRI 3-2]

To achieve our ambitious sustainability goals, we prioritized our efforts through a comprehensive materiality assessment. We evaluated our environmental, social, and governance (ESG) impact on stakeholders and business operations within the sustainability framework. Our material issues were identified in alignment with GRI standards, Boursa ESG Guidelines, and our LEAD Strategy.

In 2023, we initiated the assessment to pinpoint the sustainability issues most important to our stakeholders. This process will shape our future reporting and strengthen our sustainability initiatives and goals.

We have completed the initial phase identified with 14 key factors influencing our business and strategic direction. Prioritized by impact, these issues form the backbone of our sustainability reporting. We're leveraging technology to partner with stakeholders in addressing these challenges and driving meaningful change in the near future. The following table summarizes our initial findings:

Category	Material topic	Importance for success	Aspiration plan
Effective	Data privacy and protection	Extremely High	Continue regular audits, provide employee training, maintain a robust incident response plan, and continuously monitor and enhance data privacy measures.
Effective	Board governance	High	Conduct regular board evaluations, promote diversity and inclusion at the board level, update governance policies, and ensure compliance with relevant frameworks and best practices.
Effective	Cybersecurity and IT security	Extremely High	Implement advanced cybersecurity measures, conduct regular security audits, provide employee training on cyber threats, and establish an incident response plan.
Effective	Product and service quality	High	Establish robust quality control processes, invest in R&D for continuous improvement, and conduct regular customer satisfaction surveys.
Partially effective	Process of reporting	Medium/High	Adopt new reporting standards, integrate advanced reporting technologies, streamline reporting workflows, and incorporate stakeholder feedback into reporting processes.
Partially effective	Process of determining materials	Medium/High	Engage stakeholders to identify material issues, develop a comprehensive Sustainability Roadmap and strategy, conduct periodic reviews, and ensure alignment with industry standards.
Partially effective	Energy management and climate change	High	Invest in energy-efficient technologies, explore renewable energy options, and establish energy-saving initiatives to reduce overall consumption, and improve Environmental Management Systems (EMS).
Partially effective	Responsible procurement and supply chain	High	Conduct supplier reviews, integrate sustainability criteria into procurement processes, collaborate with suppliers on responsible sourcing practices, provide supplier support and strengthen supply chain transparency
Partially effective	Diversity and inclusion	High	Conduct diversity training, and set measurable diversity goals.
Partially effective	Economic performance and market presence	High	Monitor the economic performance metrics, engage with stakeholders to communicate financial health, and explore new market opportunities.
To be improved	Stakeholder engagement process	High	Develop a formal Stakeholder Engagement Policy, conduct workshops and surveys, establish regular engagement channels, and create a feedback loop to continuously address stakeholder concerns.

Category	Material topic	Importance for success	Aspiration plan
To be improved	Customer health and safety	High	Obtain ISO 45001 international standard for occupational health and safety (OH&S).
To be improved	Waste management	Medium	Develop waste reduction initiatives, implement recycling programs, and set waste reduction targets.
To be improved	Innovation and digital inclusion	High	Foster a culture of innovation, invest in emerging technologies, and ensure access to digital services for underserved communities.

Key focuses of our materiality approach

- Stakeholder collaboration: we will actively engaging a diverse range of stakeholders to understand their priorities and expectations. This input is crucial for identifying issues that significantly impact our business.

- Prioritization: we will be using a materiality matrix to evaluate the importance of identified issues based on their influence on our business and stakeholders. This allows us to focus resources on high-impact areas.

- Benchmarking excellence: we will be comparing our materiality assessment process to industry leaders and global standards to ensure our approach is robust and aligned with best practices.

- Data-driven decision making: we will rely on both quantitative and qualitative data to inform our assessment, including financial metrics, operational insights, and stakeholder feedback.

- Continuous improvement: we will regularly reviewing and updating our materiality assessment to adapt to changes in our business, industry, and stakeholder expectations.

Stakeholder engagement
a core value
[GRI 2-29]

In today's competitive telecommunications environment, **stc Kuwait** understands that delivering exceptional services is just one aspect of success.

We prioritize cultivating robust and collaborative relationships with our stakeholders, fostering a foundation for mutual benefit and sustainable growth. This commitment is reflected in our recognition for "Outstanding Achievements in Corporate Governance and Stakeholder Protection" in 2021. At **stc**, we hold the belief that strong relationships with all parties impacted by our operations are paramount. This encompasses our valued customers, employees, investors, regulatory bodies, and the communities we serve.

We firmly acknowledge that transparent communication and collaborative efforts are instrumental in achieving our long-term sustainability objectives.

—— Our stakeholder management

Internal stakeholders

- Employees
- Management committee and board of directors

External stakeholders

- Suppliers and business partners
- Investors and shareholders
- Customers
- Regulators and governmental entities
- Local communities

—— Stakeholder mapping

Stakeholder group	Stakeholder expectations	Nature of engagement
Employees	• Career advancement • Recognition of local communities and rewards • Attractive benefits • Safe and healthy working environment • Empowerment and equal opportunity • Open communication channels with management	• Succession planning • Performance • Management and assessment • Newsletters • Training sessions and workshops • Website
Suppliers and business partners	• Timely payments • Open communication channels • Fair and transparent bidding procedures • Access to information about **stc** • New opportunities for interaction and engagement	• Vendor relationship management website • Vendor management team
Investors and shareholders	• Strong balance sheet and healthy cash flow • Consistent history of success and delivering growth in key metrics • Solid market positioning • Dynamic risk analysis and management • Strong brand image. Reliable corporate governance	• **stc** annual report • Opens transparent channels of communication with shareholders • Quarterly presentations governance, risk, and • Compliance committee meetings Website
Customers	• Friendly, personalized customer service • Clear, open and simplified communication • Competitive rates and transparent fees • Convenient access points • Innovative products and services • Data and information security	Social media channels customer feedback from: • Call center complaints handling unit • Customer service offices • my **stc** app • **stc** live chat website
Regulators and governmental entities	• Alignment with national strategies, and visions • Compliance with legal and regulatory requirements • Protecting the consumer	• Internal audit • Risk and compliance committee • Compliance unit • External audit • **stc** annual report
Local communities	• Employment opportunities • Advancing social development • Enriching local human resources • Partnerships on common • social and environmental issues • Addressing environmental risks and opportunities, including climate change	• Awareness social media campaigns • Community outreach programs • Empowering entrepreneurs and digital innovation • InspireU: Employee, volunteering, partnerships and cooperation
Academic institutions	• Raise awareness of students and faculty on various topics • including sustainability. • Alignment to national strategies and communications. • Participate in job fairs.	• Awareness sessions • Digitization services and tools • Career fairs • Events and partnerships • Alignment to national strategies

03

Environment

Caring for
the environment

We can make a lasting difference by **putting sustainability at the heart of everything we do**.

This means designing products that are eco-friendly and built to endure, while also implementing greener practices across all our operations.

stc.com.kw

Energy management and efficiency

[GRI 302-1] [GRI 302-2] [GRI 302-4] [GRI 302-5]

We're dedicated to minimizing our environmental impact through robust energy efficiency initiatives. By implementing advanced technologies and optimizing our energy use, we strive to reduce our carbon footprint and lower operational costs. Our commitment to energy efficiency not only supports environmental sustainability but also enhances the resilience and efficiency of our operations, contributing to a greener and more sustainable future for all.

Base stations	2021	2022	2023
Number of base stations	2,392	2,332	2,492
Number of base stations powered by diesel	478	502	506

Energy consumption by infrastructure (GJ) Gigajoules	2021	2022	2023
Data centers	28,561	26,748	37,408
Base stations	635,107	600,574	630,713
Exchanges	6,383	6,049	5,456
Total energy consumption (GJ)	670,051	633,371	673,577

Diesel consumption (Liters)	2021	2022	2023
Total diesel consumption (Liters)	13,258,696	14,006,171	13,919,207

Our data center operations prioritize sustainability through a holistic approach that integrates operational excellence, strategic policy, and cutting-edge technology. While our data center facilities are strategically leased to optimize cost-effectiveness and flexibility, we remain steadfast in our commitment to minimizing environmental impact. By embedding sustainability considerations into design, procurement, and management processes, we ensure our operations align with both ecological and organizational objectives.

Data centers	2021	2022	2023
Number of exchanges	24	24	24
Power usage effectiveness (Average PUE) of old data centers	2	2	2

Steps towards energy efficiency

1 **Implementation of DG-Battery Hybrid solutions**
for green energy, less carbon emission,
and reduction use of diesel

2 **Adoption of new inverter type air conditioning**
for better cooling efficiency, less power and
fuel consumption with an average consumption saving of 12%
below is a sample demonstrating the effectiveness
of the new inverter adoption

Location	Average consumption before installation	Average consumption after installation	Liters saved	Saving %
1	94	77.06	17	18%
2	120	97.55	23	19%
3	84	83.34	1	1%
4	93	72.545	21	23%
5	80	71.205	9	12%
6	106	96.12	10	10%
7	86	77.62	8	10%
8	97	86.945	10	11%
9	83	76.275	6	8%
Average			12	12%

3 **Modernize telecom hardware**
with new hardware versions with less power consumptions and less heat
emissions

4 **New telecom technology adoptions for energy efficiency**
including wireless power saving features and adoption of hexa-band
antennas

5 **Aligning with CITRA direction**
in shutting downs legacy Technologies, so accordingly we completed
nationwide 3G sunset, which reduced the hardware used in our network
maximize energy efficient utilization

6 **Infrastructure sustainability initiatives**
for less power and fuel consumption including:
· Mega infrastructure sharing as MVNO
· Site infrastructure sharing with other MNOs
· Asset reusability

Network infrastructure
[GRI 305-1] [GRI 305-2] [GRI 305-5]

stc boasts a robust network infrastructure that provides high-speed data,
voice, and multimedia services across Kuwait.

This network, with 100% national coverage, is built with sustainability in mind.
stc uses and explores renewable energy sources to reduce its environmental
impact. We're committed to sustainability extends to using energy-
efficient equipment. By prioritizing sustainability and ensuring ubiquitous
connectivity, **stc** is shaping a future-proof telecommunications landscape
for Kuwait.

Network speed	2021	2022	2023
Average mobile broadband download speed (Mbps)	147	147	164
Average mobile broadband upload speed (Mbps)	9	9	7

Network traffic	2021	2022	2023
Network traffic (Petabytes)	1,406	1,441	1,549

GHG (Green House Gas) emissions

GHG emissions (tCO$_2$e)	2021	2022	2023
Direct GHG emissions (Scope 1)	41,273	42,943	44,752
Indirect GHG emissions (scope 2)	121,729	115,110	120,887
Total GHG emissions	163,002	158,053	165,639

Waste management

[GRI 306-1] [GRI 306-2] [GRI 306-3] [GRI 306-5]

stc is committed to minimizing its environmental impact. Through a strategic partnership with a leading local waste management company, established in 2023, we are actively managing e-waste, plastics, and paper to significantly reduce our waste footprint. we're also developing comprehensive waste management procedure for **stc** operations, aligned with strict environmental standards.

Waste generated in 2023 by category	
Office waste (trash bins) kg	3,700 – 3,900
Plastic kg	12,857
Paper kg	8,832

── **Water management**

In line with **stc's** sustainability commitments, we implemented water conservation measures in 2023. A key initiative involved installing aerators in all headquarters bathroom faucets. By optimizing water flow without compromising pressure, these aerators reduced water consumption by up to 60% for these fixtures. As part of our ongoing dedication to water stewardship, we're committed to exploring additional opportunities for water reduction across our operations.

Sustainable
products and services

eSIM

eSIM (Embedded SIM) technology, introduced globally in 2016 and adopted by **stc** in Kuwait in 2018, represents a significant advancement in mobile connectivity. Unlike traditional SIM cards, eSIMs are built directly into devices, allowing users to switch carriers and plans digitally without physical SIM cards.

Drivers:
· Reducing the environmental footprint
· Reductions in carbon emissions, plastic SIM cards
· Elevating customer experiences

Challenges:
· Security concerns
· Widespread adoption
· Device compatibility

Approach:
1. Modifying the infrastructure and systems to accommodate eSIM adoption
2. Identifying device combative with eSIM activation
3. Integrating systems to provision eSIM across various device models
4. Enhancing the eSIM experience- by introducing a direct download option, eliminating the need for QR code scanning

Outcomes:
1. Reduction in Environmental waste
2. Enhancement of customer experience and reducing (operation cost) by offering the self service options

Next steps
Planned initiatives for 2024 to include eSIM across eStore on multiple channels such as app and web, for GAs, visitors and outbound roamers, targeting both postpaid and prepaid services. Moreover, the strategy includes the creation of specialized products and services and a comprehensive go-to market plan aimed at specific sub-segments, such as youth

Digital billing

In December 2023, **stc Kuwait** introduced digital billing, a service that replaces traditional paper invoices with electronic versions. This initiative aligns with our commitment to sustainability by significantly reducing paper usage and the associated environmental impact. Digital billing not only offers convenience and quick access to billing information for our customers but also contributes to our environmental goals. Detailed figures on the environmental benefits and adoption rates of this service will be included in the 2024 sustainability report.

Drivers:
Shifting from paper based billing towards self-service will improve eco friendliness and reduce waste

Challenges:
Customer adaptation to the digital billing methods

Approach:
1. Introducing PDF monthly invoices available through IVR, SMS, app, and website, with plans to extend to WhatsApp by Q1 2024.
2. Selection of appropriate digital billing platforms and providing educational materials and marketing campaigns to bring exposure of benefits of billing strategy

Outcomes:
1. Departure from paper based methods
2. Enables individual or full contract bills through digital channels
3. Offers detailed charges by item and offers payment options such as QR code scanning with the same document - further increasing customer convenience

Next steps
Educational materials and marketing campaigns are in the pipeline to communicate the benefits of digital billing. There is a proactive effort to train the customer support team for a smooth transition, ensuring they're well equipped to assist customers with the new billing system

Digital contracts/ receipts

Drivers:
· Reducing the environmental footprint
· Reductions in carbon emissions
· Elevating customer experiences

Challenges:
security concerns, widespread adoption, device compatibility

Outcomes/ benefits::
Since early 2023, stc Kuwait has advanced digitization efforts in activating prepaid lines, reducing service times and minimizing paper waste by capturing customer ID information digitally.

Device trade-in program

Drivers:
1. Allows customers to assess and trade in old devices for cash value in their **stc** e-wallet
2. Promoting sustainability and customer engagement
3. Prolong the lifespan of devices and reduces electronic waste, which aligns with environmental sustainability

Challenges:
1. Limited awareness, logistics for device collection and evaluation
2. Addressing privacy concerns related to customer information

Approach / steps:
1. Establishment of clear objectives - aligned with **stc**'s goals
2. Defining precise criteria - for traded devices to maintain quality standards
3. Providing marketing campaigns with understandable instruction - to bring awareness/ participation
4. Staff training for accurate device evaluation and efficient customer experience
5. Logistics and operations of device handling techniques including recycling traded devices
6. From back end - integrating with global partners such as Apple

Outcomes:
1. Reducing recycling devices and extending the lifespan of the devices
2. Creates positive customer relationship
3. Lower cost of new devices for customers
4. Creating new revenue stream
5. Trade-ins actively participate in a circular economy

Realized benefits:
Number of devices in "Trade-In Program"
Number of devices traded-in 1,000+ smartphones and routers

Partnerships with Vendors for this initiative:
Smartphones: North ladder
Routers: Huawei

04

Social

Empowering
people

We unleash our people's potential by **equipping them with the tools and training they need to make decisions, drive change, and be celebrated for their successes.**

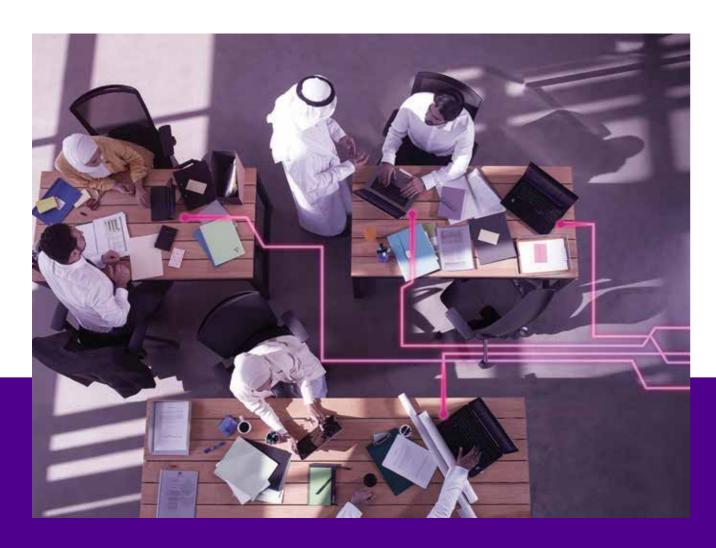This fosters a trusting and respectful environment where everyone thrives.

stc.com.kw

Our workforce

[GRI 2-7] [GRI 2-8]

In stc, our Human Resources plays a pivotal role in fostering sustainability throughout the organization.

By prioritizing employee well-being, diversity and inclusion, and professional development, HR ensures a resilient workforce capable of driving sustainable practices and innovation.

Moreover, HR initiatives focus on minimizing turnover rates and maximizing employee satisfaction, contributing to long-term organizational stability and environmental sustainability through reduced resource consumption associated with recruitment and training processes.

Workforce profile	Unit	2021	2022	2023
Total number of employees (excluding trainees, students and outsourced staff) stc FTE	#	462	434	417
Total number of employees (excluding trainees, students and outsourced staff) solutions FTE	#	258	273	339
Total Full-Time Equivalent (FTE) employees	#	720	707	756
stc outsource employees	#	118	126	117
solutions by stc outsource employees	#	261	300	311
Total outsource employees	#	379	426	428
By type of employment				
Employees on an indefinite or permanent contract	#	8	8	7
Number of employees with disability	#	0	0	0

Talent management

In today's competitive landscape, retaining and developing top talent is critical for sustained business success. That's why we prioritize employee growth.

We offer a range of development opportunities to help our people unlock their full potential and build fulfilling careers. Furthermore, our commitment extends to the future. Through a robust talent identification process and succession planning, we cultivate our next generation of leaders, ensuring ongoing business continuity.

Kuwaitization

Kuwait's initiative to increase Kuwaiti participation in the private sector's "Kuwaitization", is a critical step towards a more diversified and sustainable economy. At **stc Kuwait**, we're firmly committed to supporting this national goal.

Here's how we're actively contributing to Kuwaitization:

Recruitment

We prioritize attracting and recruiting qualified Kuwaiti candidates for various positions within **stc**. We actively participate in job fairs and career development events focused on Kuwaiti graduates and professionals.

Training and development

We offer comprehensive training and development programs designed to equip Kuwaiti employees with the skills and knowledge necessary to thrive in their roles. This empowers them to excel in their careers and contribute significantly to **stc**'s success.

Positive work environment

We strive to create a positive and inclusive work environment that attracts and retains top Kuwaiti talent. We offer competitive benefits packages and a culture of work-life balance.

Career progression

We're committed to fostering a culture of internal mobility that provides opportunities for Kuwaiti employees to grow within the company. We offer clear career paths and mentorship programs to help them reach their full potential.

By actively participating in Kuwaitization, **stc** is not only contributing to the national development but also investing in the future of our company. A strong Kuwaiti workforce brings diverse perspectives, fosters innovation, and ensures our long-term success in the ever-evolving telecommunications landscape.

stc has continuously maintained a 63.4% Kuwaitization rateover the years

stc Kuwaitization in 2023
[GRI 202-2]

19 Number of Kuwaitis in senior management level — **53%**

5 Number of Kuwaitis in executive level — **63%**

250 Number of Kuwaitis in total workforce — **64%**

Learning and development

At **stc**, we recognize our workforce as the engine of our success. In today's rapidly changing landscape, continuous learning and development (LandD) is no longer optional – it's the foundation for sustainable growth. By fostering a culture of continuous learning, we empower our employees to not only excel in their current roles but also stay ahead of industry trends. This fuels innovation, drives efficiency, and ensures long-term business viability – all essential elements of a sustainable future.

Number of training hours completed by stc staff within 2023:
[GRI 404-1]

2,233 Total (in class) training hours for employees

1,373 Total (eLearning) training hours for employees

3,606 Total training hours for employees

4.8 Total average training hours per employee

Self-development program
[GRI 404-2]

The Self-Development Program (SDP) at **stc** is a two-year program in colaboration with **stc** KSA, is designed to train people for careers in telecommunications and IT. The program focuses on giving participants the skills and knowledge they need to succeed in this ever-changing field. Participants take classes in areas like network infrastructure, software development, and cybersecurity.
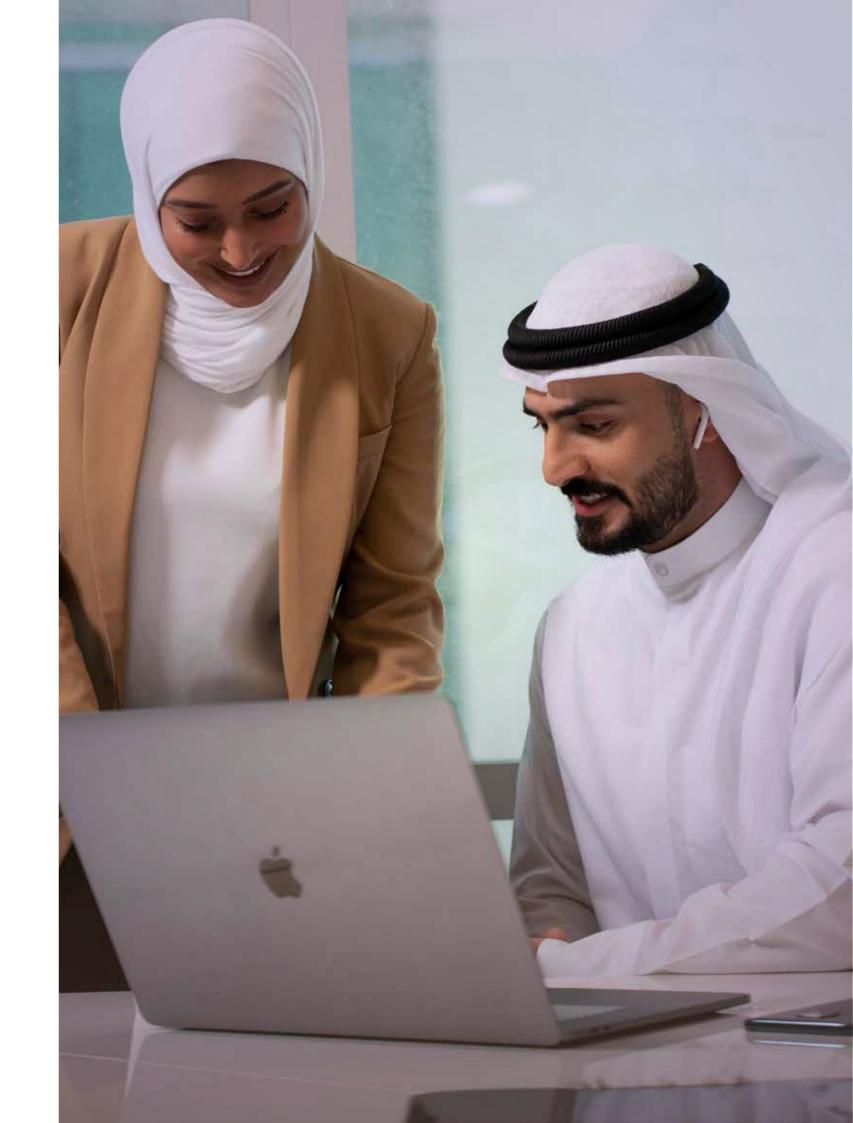They also get hands-on experience with new technologies.
The program is designed to help **stc** stay ahead of the competition by training the next generation of leaders in the telecommunications and IT industries.

High-potential program
[GRI 404-2]

stc's HIPO program in collaboration with **stc** KSA, is a three-year leadership development program designed to identify and groom high-potential employees for future leadership roles. The program equips participants with the skills and knowledge needed to be successful in the telecommunications industry through training, mentorship, and coaching.

By investing in its high-potential talent, **stc** ensures a strong leadership pipeline for continued success.

Performance management

[GRI 404-3]

In today's dynamic environment, **stc** recognizes that a strong workforce is the cornerstone of long-term success. This commitment extends beyond simply hiring talented individuals; it encompasses fostering their growth and development through a robust performance management system.

This system isn't just about individual achievements, it plays a critical role in ensuring the overall sustainability of the company. By effectively managing performance, **stc** can cultivate a culture of continuous improvement, optimize resource utilization, and empower employees to contribute meaningfully towards the company's sustainability goals.
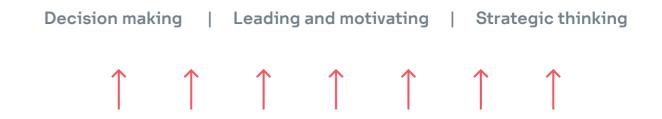
stc Kuwait completed 100% FTEs who received a performance review

Performance evaluation is based on a 5-point rating scale

Rating	Score	Description
4.6-5	5	Outstanding
(3.7 - 4.5)	4	Exceeds expectation
(2.8 - 3.6)	3	Meets requirement
(1.9 - 2.7)	2	Needs improvement
(1 - 1.8)	1	Weak

70%

30%

Objectives assessed by line manager

stc competency framework

Leadership competencies

Decision making | Leading and motivating | Strategic thinking

Job family competency

Consumer - sales and customer care | Rest of consumer and solutions
Technology | Finance | Human resources
Corporate affairs | CEO office and PR | Corporate strategy
Chairman office, internal audit and risk management
Clerical / administrative

Core competencies

Collaborative | Commitment | Honesty and transparency
Proactivity | Aspiration

stc vision, mission and 3D values

Performance management cycle

1 — **Objective settings**
Setting SMART KPIs for employees in January

2 — **Mid-year review**
Mid-year performance review by line managers with all the staff on objectives and competencies in July

3 — **360 appraisal**
360 peer group selection for behavioral evaluation employees are to be evaluated by 360 peer group in November

4 — **Objectives appraisal**
Annual appraisal process for all employees on objectives and competencies in December

5 — **Performance calibration**
Calibrating the final rating for all employees as per approved distribution and the approval of final rating in January

Diversity and inclusion
[GRI 2-21] [GRI 202-2][GRI 202-1] [GRI 405-1] [GRI 405-2]

A diverse and inclusive workforce is the cornerstone of a sustainable stc Kuwait. We value the unique perspectives and experiences each employee brings, fostering an environment where everyone feels empowered to contribute.

This focus on diversity and inclusion fuels innovation, strengthens our connection with customers, and ultimately, drives our long-term success. In the following sections, we explore our commitment to these values and the concrete steps we take to make **stc** a leader in diversity and inclusion.

	Unit	2021	2022	2023
stc workforce by age				
Workforce by age 18-30	#	53	60	55
Workforce by age 18-30	%	11%	14%	13%
Workforce by age 31-50	#	385	354	340
Workforce by age 31-50	%	83%	82%	82%
Workforce by age 51+	#	24	20	22
Workforce by age 51+	%	5%	5%	5%
stc workforce by gender				
Women	#	96	94	88
Women	%	20.78%	21.66%	21.10%
Men	#	366	340	329
Men	%	79.22%	78.34%	78.90%
Gender pay gap at stc				
Average remuneration ratio females to males	Ratio	100*	97	98
Average remuneration ratio females to males by employee category				
Executive management	Ratio	NA	NA	NA
Senior management	Ratio	106	96	98
Middle management	Ratio	95	88	95
Team leaders	Ratio	101	101	104
Professionals	Ratio	97	102	96
Staff / team members	Ratio	101	100*	99.56
• 100 = zero difference in remuneration				
By employment level				
Executive management	#	-	8	7
Senior management	#	43	39	36
Middle management	#	129	123	129
Junior management	#	-	39	41
Staff	#	-	272	252
Nationality representation				
Total number of ethnic minority employees	#	29	27	26

New hires and turnover

At **stc** Kuwait, we're constantly searching for talented individuals who share our commitment to innovation and excellence.

We believe the new hire experience is the first step towards building a successful and fulfilling career at **stc**. Our goal is to ensure a smooth transition for all new recruits, equipping them with the tools and resources they need to thrive.

37	**27**	**10**
Total new employees hires	Total of male	Total of female

stc turnover trend 2021-2023

Year	Turnover %
2021	11.9%
2022	12.1%
2023	9.9%

A commitment to efficiency: The taleo advantage

As part of our dedication to continuous improvement, we've embraced Taleo, a leading applicant tracking system, to streamline our new offer process.

This digital move reflects our commitment to sustainability and offers several advantages for both **stc** and our new hires

Simplified application process:
Taleo provides a user-friendly platform for submitting applications and tracking status, keeping candidates informed throughout the process.

Faster decisions:
Our team can efficiently review applications and qualifications, conduct interviews, and make hiring decisions more quickly through Taleo.

Cloud based system:
Using a cloud based system like taleo minimizes human error, as well as allowing for access via laptop, tablet or mobile which allows for quick approvals from necessary stakeholder whether on-site or off-site. Other benefits include digital archiving of candidate offers and expediting offer creation process (from 2 weeks to 4-5 days)

Sustainability in action

Beyond efficiency, Taleo aligns with **stc's** broader commitment to sustainability.

By leveraging a digital platform, we significantly reduce:

Paper consumption:
Paper applications and related materials are minimized, leading to less waste.

Energy expenditure:
Streamlining the hiring process allows for optimized resource allocation during recruitment, minimizing our overall energy footprint.

Candidate impact:
A quicker hiring process reduces the time candidates spend applying and interviewing, potentially lowering their carbon footprint through commutes.

At **stc**, we're dedicated to building a sustainable future for our company, our employees, and the environment. By welcoming new hires through an efficient and digital system like Taleo, we're taking a positive step towards achieving this goal.
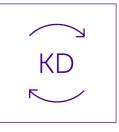
Rewards and remuneration

[GRI 2-19]

As a responsible and sustainable organization, stc recognizes the significant role our employees play in achieving our goals.

We're committed to offering fair and competitive rewards and remuneration that reflect not only industry standards, but also individual performance and contributions.

KD

Competitive salary structure

We conduct regular market analysis to ensure our salaries are competitive and attract top talent within the telecommunications sector.

Performance-based incentives

Our rewards program acknowledges and incentivizes outstanding performance, motivating employees to go the extra mile and contribute to the company's success.
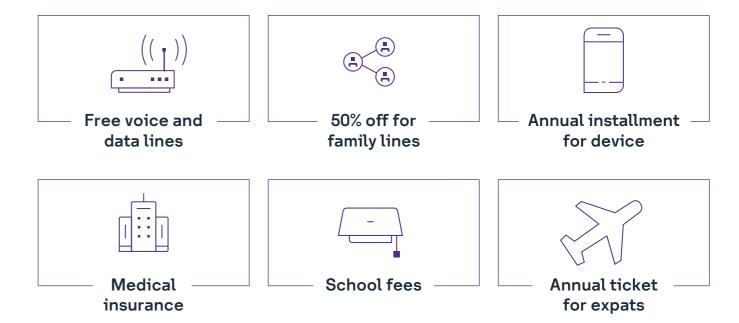
Comprehensive benefits package

We offer a well-rounded benefits package that extends beyond basic health insurance, encompassing programs that promote employee well-being, financial security, and work-life balance.

By investing in our people through fair rewards and remuneration, we foster a culture of engagement, motivation, and long-term commitment to **stc's** sustainable growth.

— Employee benefits

[GRI 401-2]

Free voice and data lines	50% off for family lines	Annual installment for device
Medical insurance	School fees	Annual ticket for expats

— Working hours

Empowering employee choice and well-being

At **stc**, we understand the connection between working hours and employee engagement, retention, productivity, and overall well-being. That's why we prioritize giving our employees a voice in shaping their work experience.

In 2019, we conducted a survey to empower employees to choose between two work schedule options. We believe in freedom of expression and providing flexibility to select timings that optimize their personal productivity.

Additionally, we implemented a system of adjustable working hours to create a more relaxed work environment that fosters a positive company culture.

Leaves at stc Kuwait
[GRI 401-3]

Annual leaves

Executive Management *45 days*	Senior Management *35 days*	Junior-Managerial *30 days*
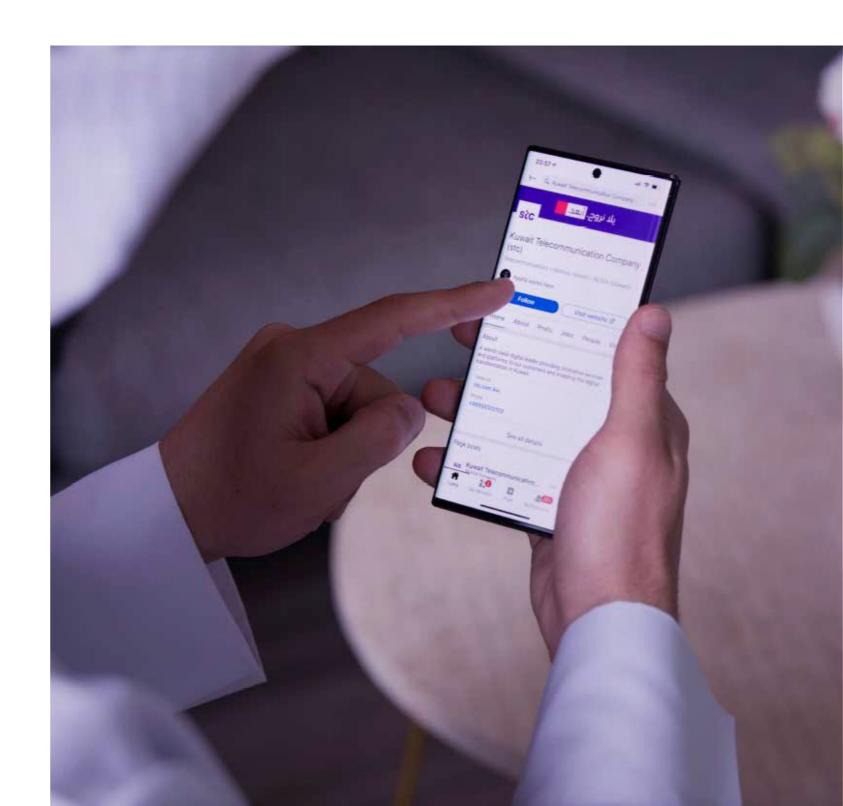
Other leaves

Sick leave *5 days*		Maternity leave *70 days*
Unpaid leave *30 days*		Paternity leave *2 days*
Exams leave *10 days*		Hajj leave *21 days*
Condolence leave *3 days*		Marriage leave *7 days*
Emergency / casual leave *5 days*		Patient accompanying leave *15 days*

Mechanisms for seeking advice and raising concerns
[GRI 2-26]

We emphasize the importance of open communication and transparency. We have set up clear mechanisms for employees and stakeholders to seek advice and raise concerns. Our dedicated channels, including a confidential reporting system, guarantee that all issues are promptly and appropriately addressed. We encourage everyone to voice their concerns without fear of retaliation, fostering a culture of trust and integrity within our organization.

Occupational health and safety

[GRI 403-1]

At **stc**, we're committed to fostering a safe and healthy work environment. This commitment is not only about protecting our employees and contractors from injury and illness but also about enhancing productivity, improving work quality, and boosting employee and contractor morale.

We prioritize a safety-first culture rooted in awareness, prevention, and care. Our management commitment to **Health and Safety Policy** reflects our top leadership's unwavering dedication to a secure and healthy workplace. This policy outlines our commitment to adhering to all relevant health and safety standards, laws, regulations, and procedures, ensuring both individual and organizational compliance.

To further demonstrate our commitment to occupational health and safety, we are actively working towards obtaining ISO 45001 certification. This globally recognized standard provides a framework for implementing an effective occupational health and safety management system. By achieving ISO 45001 certification, we aim to:

Enhance our credibility: Demonstrate to our stakeholders, including employees, clients, and partners, that we prioritize the safety and well-being of our workforce.
Improve our performance: Systematically identify and address hazards and risks, leading to a reduction in accidents and illnesses.
Optimize our processes: Streamline our health and safety management practices, making them more efficient and effective.
Foster a strong safety culture: Promote a culture where safety is a top priority for all employees.

By successfully achieving ISO 45001 certification, we will solidify our position as a leader in occupational health and safety, demonstrating our unwavering commitment to the well-being of our employees and contractors.

Proactive risk management for a safer workplace

[GRI 403-2]

stc prioritizes occupational health and safety by conducting comprehensive risk assessments twice a year. These assessments are aligned with the international standard ISO 31000, which provides a framework for effective risk management. The process involves iden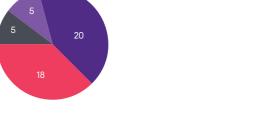tifying potential hazards, assessing their likelihood and severity, evaluating the risks associated with each hazard, and implementing appropriate mitigation measures to reduce or eliminate them. Incident investigations are also conducted to learn from past events and prevent future occurrences, further enhancing the company's HSE practices.
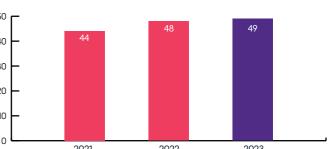
Risk assessments were conducted at four **stc** locations: Olympia HQ, Call Center, Data Center 1, and Data Center 2. Specific risks were identified at each site presented in the pie chart:

- ■ **stc** HQ
- ■ Call Center
- ■ Data Center1
- ■ Data Center2

Pie chart values: 5, 5, 20, 18

Risk assessments resulted in a year-over-year increase in the identification and mitigation of HSE risks, demonstrating the company's commitment to occupational health and safety.

Bar chart: 2021: 44, 2022: 48, 2023: 49

— Assessment case study: blocked water sprinklers

Risk: A fire hazard was identified due to blocked water sprinkler covers.
Observation: During a routine safety inspection, it was observed that all sprinkler covers on the building's roof were obstructed and stuck due to recent painting work. This prevented the sprinklers from functioning as intended in the event of a fire.
Recommendation: To ensure the effectiveness of the fire suppression system, it was recommended to inspect and clear all sprinkler covers on every floor of the building. This would allow the sprinklers to be activated quickly and efficiently in an emergency.
Mitigation plan: A two-month project was initiated to address the issue. All water sprinklers were inspected, and any blocked covers were removed. This involved careful work to avoid damaging the sprinklers or the building structure. The mitigation efforts successfully restored the proper functioning of the fire suppression system.

Environmental health and safety trainings
[GRI 403-5]

stc is committed to providing comprehensive training to its employees on environmental health and safety matters. Our training programs address specific work-related hazards, activities, and situations across all sectors. This ensures that our employees are equipped with the knowledge and skills necessary to: identify and mitigate potential risks, comply with environmental regulations, protect their own health and safety and safeguard the health and safety of others. Refer to the table below for 2023 trainings:

Training title	Number of sessions	Employees covered
Environmental health and Safety	52	10-15 (per session)
Work in heights	4	25
First aid	4	25
Electrician	4	25
Kuwait Fire Force (Fire safety and awareness)	1	39

Employee health and well-being
[GRI 403-3] [GRI 403-4] [GRI 403-6] [GRI 403-7] [GRI 403-8] [GRI 403-9] [GRI 403-10]

To support our employees' health, **stc** has implemented the following occupational health and safety practices:

Identify and mitigate workplace hazards: Continuously assess potential risks

Provide high-quality health services: Expert care and support, ensuring well-being.

Foster employee access to health resources: Providing essential medical services

Protect data privacy: Strict confidentiality to safeguard employee health information.

Encourage worker participation: Providing channels of open communication and suggestions.

Promote health and well-being: Promoting voluntary health services to workforce.

Cover all employees: OH&S management system covers both direct and indirect workers.

Maintain high standards: Regular internal audits and external certifications.

Workplace-related fatalities/injuries	2023
Employee work related fatalities	0
Contractors work related fatalities	0
Employee total recordable injuries	0
Employee occupational illnesses	0
Heat stress events	0
Rate of fatalities as a result of work-related injury	0
Incident rate of recordable work-related injuries	0

HR programs

In support of **stc**'s sustainability goals, HR has implemented several impactful programs throughout 2023.

Innovation program "Lamba"

"lamba" is an innovative initiative at **stc** designed to harness the creativity and ingenuity of our employees. This platform empowers our workforce to propose new ideas and solutions that have the potential to positively impact **stc**'s operations and services.

Through "lamba," employees are encouraged to think outside the box and present their ideas, knowing that they will be rewarded with monetary incentives if their suggestions are deemed beneficial and applicable to **stc**'s objectives. This initiative not only fosters a culture of innovation and continuous improvement but also demonstrates **stc**'s commitment to valuing and rewarding the contributions of its employees.

By tapping into the collective knowledge and creativity of our workforce, "lamba" drives efficiency, effectiveness, and innovation across the organization, ultimately enhancing our ability to meet the evolving needs of our customers and stakeholders.

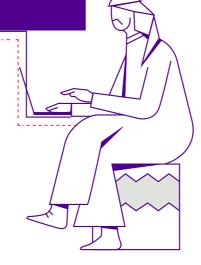Below are the results of the inaugural launch of the program:
• Total number of ideas submitted - 7 ideas
• Total number of employees contributed to ideas - 7 employees
• Total number of ideas, shortlisted for implementation - 2 ideas
• Benefits realized after implementation - TBD

Well-being program "HR Counseling"

At **stc**, our HR Counseling service, facilitated by HR Business Partners, serves as a cornerstone for nurturing employee well-being and career development. Our dedicated HR Business Partners provide personalized counseling to employees, offering support and guidance to overcome any challenges they may encounter in the workplace with over 100 cases covered in 2023

Whether it's addressing performance issues, navigating career advancement opportunities, or resolving conflicts, our HR professionals are committed to assisting employees in finding effective solutions. Through one-on-one sessions, HR Business Partners offer insights, advice, and practical strategies tailored to each individual's needs and aspirations. By fostering open communication and trust, they create a safe space for employees to voice their concerns, seek guidance, and explore potential avenues for improvement.

Moreover, our HR Counseling service is not solely focused on addressing immediate concerns but also on empowering employees to take proactive steps towards personal and professional growth. HR Business Partners offer mentorship, coaching, and resources to help employees enhance their performance, develop new skills, and advance their careers within **stc**.

By providing comprehensive support and guidance, our HR Counseling service aims to increase employee satisfaction, engagement, and overall well-being. Ultimately, it contributes to creating a positive work environment where employees feel valued, supported, and empowered to achieve their fullest potential.

Empowering new stc internship program

The Internship Program at **stc** serves as a dynamic platform for identifying and nurturing potential talent from universities and colleges in Kuwait.
Designed to bridge the gap between academic learning and real-world experience, our internship program provides students with invaluable insights into the professional world while equipping them with essential skills and knowledge for their future careers.

Through hands-on experience and mentorship from seasoned professionals, interns gain a deeper understanding of the telecommunications industry and the specific functions within **stc**. They have the opportunity to work on meaningful projects, collaborate with diverse teams, and contribute to innovative initiatives that shape the future of our organization.

Moreover, the internship program serves as a two-way learning experience, where interns bring fresh perspectives and ideas to the table while also benefiting from the guidance and expertise of their mentors. By immersing themselves in the day-to-day operations of **stc**, interns develop critical skills such as communication, problem-solving, and teamwork, which are essential for success in any professional setting.

Beyond skill development, the internship program offers students a glimpse into potential career paths within **stc**. By exposing them to different roles and responsibilities, interns can explore their interests, strengths, and aspirations, gaining clarity about their future career goals.
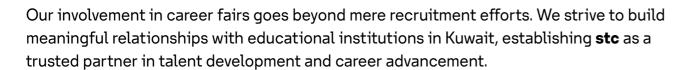
Overall, the internship program at **stc** is not only about providing students with practical experience but also about nurturing talent, fostering innovation, and building a pipeline of future leaders in the telecommunications industry.
It embodies **stc**'s commitment to investing in the next generation of talent and empowering them to succeed in their professional endeavors through out the year 2023, **stc** has had a total of 8 interns enroll in this program, 6 males and 2 females, with an 80% acceptance rate out of the total applications received.
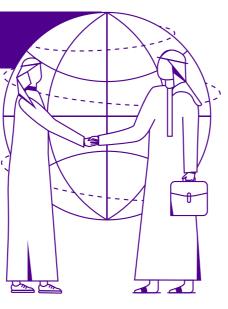
Career fairs

stc recognizes the importance of fostering strong ties with Kuwait's universities and colleges to identify and acquire fresh talent. As part of this commitment, we actively participate in various career fairs and recruitment events participating in 4 throughout the year 2023 across the country.

These events serve as invaluable platforms for us to engage with students, showcase career opportunities at **stc**, and identify promising candidates who align with our organizational values and goals.

Our involvement in career fairs goes beyond mere recruitment efforts. We strive to build meaningful relationships with educational institutions in Kuwait, establishing **stc** as a trusted partner in talent development and career advancement.

Through these partnerships, we collaborate on initiatives such as internships, co-op programs, and educational workshops, providing students with opportunities to gain real-world experience and develop relevant skills for the workforce.

By actively engaging with Kuwait's universities and colleges, **stc** not only strengthens its talent pipeline but also contributes to the overall development of the local community. We believe in investing in the next generation of leaders and innovators, empowering them to succeed in their academic and professional journeys. Through our partnership with educational institutes, we aim to nurture a skilled workforce that drives growth, innovation, and prosperity in Kuwait and beyond.

Employee Experience Index (EEI) survey

The "EEI" survey stands as a cornerstone initiative within **stc**, meticulously designed to gauge the health index of the company while ensuring utmost confidentiality and transparency. This confidential survey provides a platform for all employees to candidly voice their concerns, air grievances, and offer constructive feedback on various aspects of the organization, thereby offering a truthful and unfiltered perspective into the internal workings of **stc Kuwait**.

What sets the "EEI" survey apart is its strict adherence to confidentiality and its direct reporting mechanism to the **stc** Group, bypassing any intervention from management within **stc Kuwait**. This ensures that the survey results are devoid of any influence or bias, allowing for the most honest and accurate portrayal of employee sentiments to reach the highest levels of the organization.

Upon receipt of the survey results, the **stc** Group undertakes a thorough review, carefully analyzing the feedback provided by employees. In many cases, this feedback serves as a catalyst for meaningful change, prompting the implementation of corrective measures and initiatives aimed at addressing identified issues and enhancing employee satisfaction and well-being.

The "EEI" survey thus plays a pivotal role in fostering a culture of transparency, accountability, and continuous improvement within **stc Kuwait**. By providing employees with a confidential avenue to voice their opinions and concerns, and by ensuring that their feedback directly influences decision-making at the highest levels of the organization, **stc** demonstrates its unwavering commitment to fostering a supportive and conducive work environment where every employee's voice is heard and valued.

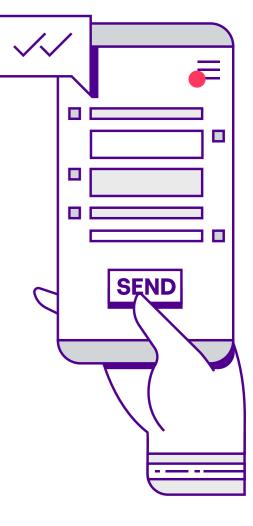## stc Kuwait achieved 95% response rate on EEI survey

MyHR App

With over 934 downloads, 769 requests fulfilled and counting the "MyHR" app revolutionizes the employee experience at **stc**, providing a seamless and efficient platform accessible to all staff members. Through this innovative app, employees can effortlessly access a wide range of HR services and resources, transforming traditional paper-based processes into streamlined digital workflows.

With "MyHR," employees can securely retrieve their official documents with just a few taps, eliminating the need for cumbersome paperwork and reducing administrative burden. From employment contracts to salary statements, all essential documents are conveniently accessible anytime, anywhere.

Furthermore, the app enables employees to manage their attendance records with ease, allowing them to track their work hours, view their attendance history, and submit attendance requests digitally. This not only enhances transparency and accountability but also promotes flexibility in managing work schedules.

In addition to document retrieval and attendance management, "MyHR" offers a host of other features to enhance the employee experience.

Employees can create and customize their digital business cards, facilitating networking and professional communication within the organization. Moreover, the app simplifies leave management by enabling employees to apply for leaves, track leave balances, and receive notifications on leave approvals - all within a user - friendly interface.

Overall, the "MyHR" app epitomizes **stc**'s commitment to leveraging technology to empower its workforce and enhance operational efficiency. By digitizing HR processes and providing employees with a convenient and user-centric platform, **stc** is redefining the employee experience and fostering a culture of innovation and productivity.

Improving
standards of living

Making life better and **increasing quality of living for individuals and communities** through promoting sustainable practices.

Cybersecurity

[GRI 418-1]

Protecting the privacy of **stc** customer's personal data is equal to securing our customers trust. There is no room for toleration, we're committed to it to the farthest extent.

Cybersecurity stands as a paramount priority within **stc**, reflecting our unwavering commitment to safeguarding sensitive data, ensuring uninterrupted services, and maintaining the trust of our customers and stakeholders. In the year 2023 alone, **stc** faced a staggering 905 attempted cyber-attacks, a testament to the ever-evolving threat landscape in the digital realm. However, thanks to robust cybersecurity measures and proactive defense strategies, **stc** successfully thwarted each of these attempts, with zero breaches occurring. This remarkable achievement underscores the effectiveness of our cybersecurity protocols and the dedication of our cybersecurity professionals.

—— Data privacy and protection

stc Kuwait, as a leader in the telecom industry took the data privacy a step further by early adoption of a strict data privacy and protection framework, the framework developed with consideration of compliance with the local regulation requirements (CITRA), EU General Data Protection Regulation (GDPR) best practices, additionally when it comes to financial information, the Payment Card Industry Data Security Standard (PCI DSS) enforce additional layer and requirements to implement and comply with **stc** as a PCI-DSS certified entity.

The framework developed as top-down model, detailing the core pillars for data privacy and protection from governance level down to the advanced technical level controls and all in between of process, policies and procedures.

To ensure **stc** network security and data as the crown jewels asset of the network an agile cybersecurity strategy has been developed and adopted to address all the data. Mitigating advanced privacy threats that look beyond standard and traditional cyber security controls and safeguards to a more profound level we adopted the Zero Trust architecture and a data-centric approach to cybersecurity. We undertake a series of audits to uphold the integrity of our established cybersecurity systems. In 2023, seven such audits were conducted.

Furthermore, **stc** is proud to affirm its 100% compliance with legal regulations and cybersecurity requirements, adhering meticulously to industry standards and best practices. By staying abreast of evolving threats, investing in cutting-edge technologies, and fostering a culture of cybersecurity awareness, **stc** remains steadfast in its commitment to fortifying its digital infrastructure and ensuring the integrity and confidentiality of customer data. As cyber threats continue to evolve in complexity and sophistication, **stc** remains vigilant, continuously enhancing its cybersecurity posture to stay ahead of emerging threats and preserve the trust and confidence of its stakeholders.

905 Number of attempted cyber attacks

100% of compliance with legal, regulatory and cyber security requirements

0 Number of Cyber breaches

100% of frameworks, policies and standards fully aligned with legal and regulatory requirements

12 Number of internal information system audits

7 Number of external information system audits

2,245,497 Number of spam messages report handled

65,400 Number of scam phone numbers handled

65,000 Annual number of targeted cover fraud incidents identified and successfully intervened

0 Complaints from regulatory bodies

0 Total number of identified leaks, thefts, or losses of customer data

0 Number of data security breaches

0 Number of data security breaches involving customers' personally identifiable information (PII)

0 Total number of substantiated complaints received concerning breaches of customer privacy

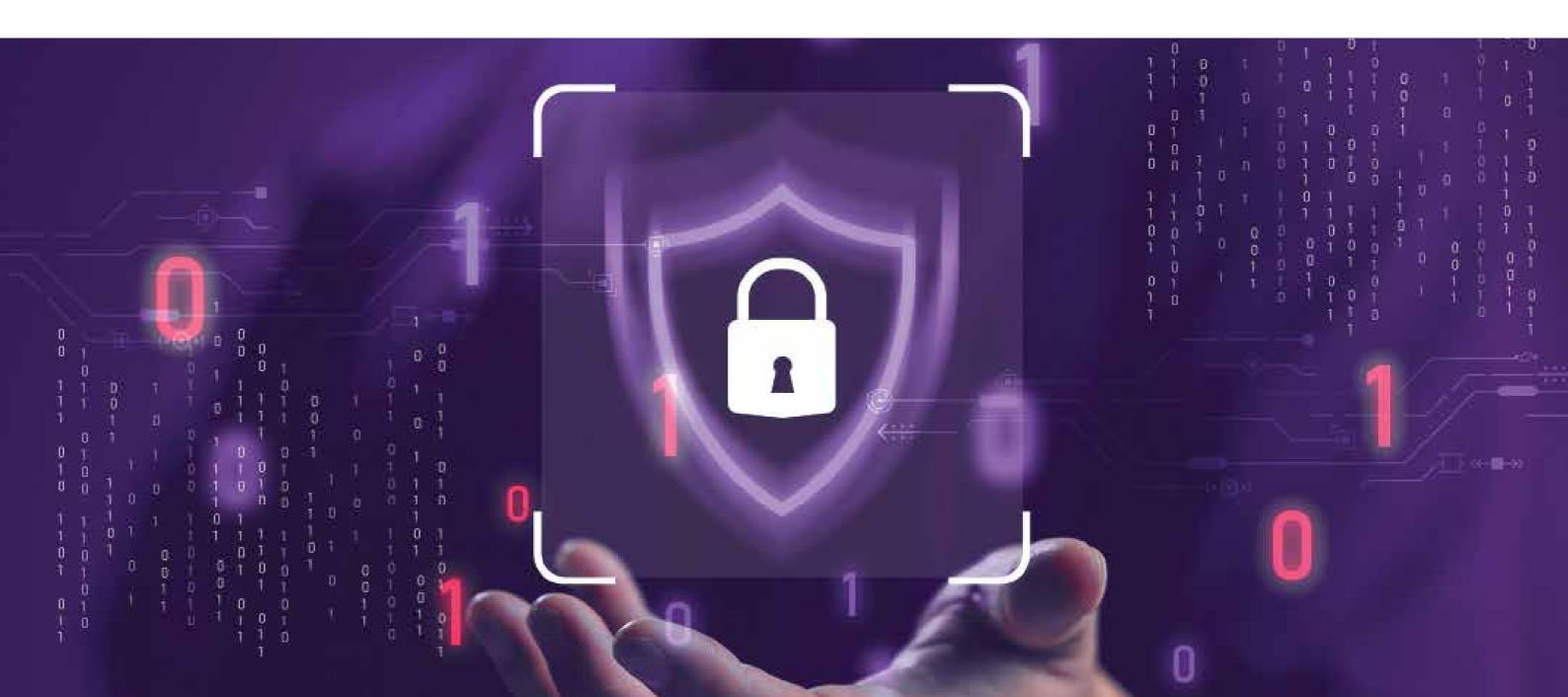**0** Complaints received from outside parties and substantiated by the organization

Training and awareness

We pay great attention to spreading the culture of cybersecurity awareness and best practices because of its pivotal role in securing and protecting company and customer information, cybersecurity is part of our mandatory employee training. In 2023, we conducted numerous cybersecurity campaigns on topics ranging from data privacy and security to phishing and ransomware that we shared with our employees, contractors, and the public. All new staff members are mandated to attend induction cybersecurity training to gain a clearer understanding of **stc**'s policies and procedures surrounding this matter.

Security awareness campaigns rolled out in 2023

- Online training assignment on a monthly basis for all **stc** employees and contractors, 12 trainings in total to ensure that all employees are up to date with the latest security trends

- Conducted a three phishing attack simulations measuring employees' and contractors security sense and level of awareness and observed a significant improvement in staff reaction towards phishing techniques

- Conducted a data privacy and classification campaign

- 40+ cybersecurity induction trainings conducted for new joiners in 2023

- 5 cybersecurity public workshops at universities and schools in Kuwait

Corporate social responsibilities

Supporting the community in various ways has been a longstanding commitment under **stc**'s extensive and sustainable corporate social responsibility (CSR) program. Considering its role as a pioneer in Kuwait's telecom market, **stc** leveraged its resources and expertise to launch or participate in community-driven initiatives that have a far-reaching and positive impact on the community. With a focus on key areas such as education, environmental sustainability, sports, youth empowerment, and entrepreneurship, **stc** has implemented programs that aim to foster long-term growth and development in the community. These programs are designed to empower individuals and businesses, especially the younger generation, SMEs, and entrepreneurs, by providing them with the knowledge, support, and opportunities to succeed. Through these efforts, **stc** has established itself as more than just a telecom provider, but a strong contributor to the social and economic fabric of Kuwait.

stc's programs and initiatives in 2023 were diverse and sustainable, each targeting specific community needs and causes that coincided the Company's values and beliefs. These efforts were reflected through various programs, including the three primary initiatives launched under the CSR agenda. Under the 'weyak' umbrella, the first of **stc**'s three primary initiatives for the year, the emphasis was on supporting young entrepreneurs, business start-ups and SMEs, capitalizing on the strong momentum gained from previous campaigns. The second primary initiative was the educational 'upgrade' umbrella, which aims to contribute towards empowering the youth and supporting the local education initiatives. The last primary initiative is the 'Because we care', which aims to spread awareness on health and wellness, environment and other humanitarian causes. Numerous activities were organized under each initiative in line with **stc**'s approach to creating lasting positive changes and building a better future for the younger generation in Kuwait.

Driven by a commitment to create a meaningful difference in the community, **stc** effectively orchestrated, led, and engaged in a range of initiatives designed to uplift and empower Kuwaiti society. These initiatives, reflecting **stc**'s dedication to social responsibility, were executed in partnership with an array of key players, including the Kuwaiti Government institutions, well-established businesses, small and medium-sized enterprises (SMEs), specialized service providers, and community members. This collaborative approach ensured the successful implementation of various projects and programs that aligned with **stc**'s CSR framework, demonstrating the company's holistic and inclusive strategy in addressing societal needs and fostering positive change.

Looking ahead, **stc** is set to build on the solid foundation established through its comprehensive and sustainable CSR program over the years. This past year has been a testament to **stc**'s unwavering commitment to creating a positive and lasting impact in the community through various sustainable initiatives, a dedication that is expected to grow stronger in the future. The focus for the upcoming year is to nurture and expand the relationships formed, emphasizing collaborative efforts as a central driver of societal progress. **stc** envisions a sustainable future where its partnerships with government bodies, private sector entities, and community organizations will continue to address a broader spectrum of societal needs and challenges, combining diverse perspectives and expertise to create more effective and sustainable outcomes.

Total amount spent on CSR initiatives in 2023	125,000 KWD
% of projects completed	100%
SROI (Social Return On Investment)	Gain loyal potential base from the local communities and the youth segment / gain brand awareness nationwide.

"upgrade" —— **Education**

Empowering the youth
through Al Qabas Master Class

stc sponsored the Al-Qabas Master Class summer program held at the American University of the Middle East (AUM). **stc**'s sponsorship of the program falls under the company's educational "upgrade" initiative which aims to contribute towards empowering the youth and supporting local education initiatives and activities. The Master Class is held in two different phases over the course of 4-weeks at AUM with over 150 participating students. The program was designed to assist students in enhancing their skills in line with the highest professional and creative standards in the local market.

Participation in
AUM 9th Career Fair

stc sponsored the American University of the Middle East's (AUM) 9th Career Fair which falls under the "upgrade" educational initiative which serves as a platform dedicated to **stc**'s contributions towards the educational initiatives. **stc**'s involvement in the AUM career fair demonstrates its robust commitment to drawing in and hiring Kuwaiti talent, aligning with **stc**'s objective of empowering the younger generation in numerous aspects of community life.

Collaboration with the Youth Public Authority
(Future Leaders Program)

In continuation of **stc**'s "upgrade" educational initiative to empower and inspire the youth through a range of activities, the company sponsored the 'Future Leaders Program' in collaboration with the Youth Public Authority. The 'Future Leaders Program' aimed to inspire the youth with 120 participants between the ages of 11 to 17 to instill a set of professional skills that would later assist them in excelling within their chosen career paths.

Honoring students with physical disabilities

stc continued its support for academic excellence by sponsoring the graduation ceremony for disabled students for the second year in collaboration with the Ministry of Education. 100 students with physical disabilities were honored amongst their proud families, friends, and teachers in a celebratory initiative that aligned with **stc**'s core values of promoting leadership and self-growth. It is worth mentioning that **stc** adopted this graduation ceremony for the first time in Kuwait last year as part of the MOE initiative to bring all students together under one roof to celebrate their success.

Celebrating International Day of Education

stc hosted a panel discussion on sustainable education as part of its strategic partnership with the online educational platform, Dawrat and in commemoration of the 'International Day of Education' that is celebrated on January 24. Panelists included representatives from Dawrat, the Kuwait Association for Learning Differences (KALD), Advocates Group Academy, Dasman Bilingual School, Kuwait University, and the Ministry of Education who shared their views on the importance of sustainable education.

Attracting young Kuwaiti talent - Seniors Expo

In line with **stc**'s educational initiative "upgrade" and the company's strategy to attract young Kuwaiti talent, **stc** sponsored 'Seniors Expo' that is one of the largest educational exhibitions organized under the patronage of the Private Universities Counsel. In collaboration with the Ministry of Education, the exhibition saw the participation of all colleges and universities in Kuwait, with over 120 public high schools for girls and boys in attendance.

Continuation of stc Diwaniya sessions

stc held several 'stc Diwaniya' sessions in the presence of social media influencers and media personalities along with young Kuwaiti entrepreneurs at Kuwait University as part of its strategic partnership with Kuwait University to support and empower students. The strategic partnership with Kuwait University aims to provide students with a unique learning curve and a motivational drive that will assist them in reaching their goals and aspirations in their future careers.

Sponsorship of the second Watheefti career fair

With the participation of more than 120 entities from the private and government sectors, **stc** sponsored and participated in the second Watheefti career fair under the patronage and presence of His Excellency the Minister of Education and Minister of Higher Education and Scientific Research, Dr. Adel Ali Al Manea. **stc**'s sponsorship of the fair strongly aligns with its educational 'upgrade' initiative, emphasizing the company's role in bolstering education and supporting local initiatives that provide the younger generation with opportunities to pursue various career paths.

Ocean plastic week

In line with **stc**'s key CSR pillars, the company sponsored the 'Ocean Plastic Week' organized by the PR Club at the Gulf University of Science and Technology. The initiative aimed to spread awareness on the importance of recycling and included a Guinness World Record for the largest word made using bottle caps. **stc**'s participation and sponsorship of this initiative reflects its care for the environment and empowering the youth falls within its "upgrade" umbrella.

"weyak" —— SMEs and start-ups

Local businesses can jumpstart their digital journey with this initiative's special offers on essential tech solutions. SMEs and startups can subscribe to discounted packages for connectivity, mobile devices, IT support, cloud storage, and cybersecurity. These services will boost productivity and efficiency through digital tools, applications, and e-services, all while helping to cut costs.

Enabling COFE App partnership

As part of the "weyak" initiative by **stc** to focus on supporting local SMEs and startups while enabling digital transformation, **stc** continued to enable and activate the strategic agreement with COFE App, the region's premiere online coffee marketplace, through a series of interactive activities including online activations and special events.

Activating Dawrat partnership

Through the strategic partnership between **stc** and Dawrat, which aims to empower and support the community through various sustainable educational programs, **stc** organized several initiatives that included workshops, courses, and specialized sessions to spread awareness and a positive impact within the community. The collaboration builds on **stc**'s corporate social responsibility (CSR) program and falls in line with the "weyak" initiative as well as the company's digital transformation strategy.

The Power of Youths 2023 Forum

In line with **stc**'s commitment to support the community and achieve the core objectives set under the "Weyak" initiative, **stc** sponsored "The Power of the Youth 2023" forum that aimed to showcase the achievements and potentials of Kuwaiti youth in various fields such as medicine, science, engineering, space, technology, sports and art. The event included an exhibition, activities, and discussion panels that focused on the contributions and accomplishments of young Kuwaitis.

inspireU
from stc

Launch of "inspireU" Program in the Kuwait market

stc launched "inspireU", an entrepreneurial state-of-the-art incubator and accelerator designed to support startups and SMEs in Kuwait. This initiative focuses on supporting Kuwaiti SMEs and start-ups as well as other Kuwait-based innovative concepts, which reinforces supporting the youth, entrepreneurs, and innovators to pursue their creative visions.

Three start-ups were selected from the Kuwaiti market in the tenth intake of "inspireU" program hosted by **stc** based on the criteria defined under the program to be among the 20 companies participating in the tenth edition of the "inspireU" program.

Blood donation drive

For the betterment of the community in line with the 'Because We Care' campaign launched under **stc**'s CSR program, a blood donation drive was held for **stc** family in line with World Blood Donor Day and in collaboration with the Kuwait Central Blood Bank.

'Early detection, makes the difference'
Breast cancer awareness campaign

You can make **the difference**

stc launched its breast cancer awareness campaign titled 'Early detection, makes the difference', under the "Because we care" umbrella and in line with international awareness month. The campaign comprised various internal and external activities organized in collaboration with Alia International Hospital and REBEL gym to promote early detection methods and the importance of maintaining a healthy lifestyle.

Our environment, our life

stc celebrated World Environment Day with numerous activities in collaboration with influential Kuwaiti personality, Youssef Al-Omran, also known as "Bu Jarrah", and a large group of volunteers. The activities were launched within **stc**'s latest campaign under the slogan "Our environment, our life", which focused on environmental sustainability and preservation. **stc** collaborated with "Bu Jarrah" to cover a large dangerous enclosure at Abu Al-Hasaniyah Beach, while also cleaning the shoreline. The area was made safe to prevent beachgoers from falling into the hole while ensuring that all waste was removed from the surrounding area.

stc staff padel tournament

stc organized a staff padel tournament to boost employee engagement and encourage a healthy lifestyle while promoting internal team building within the organization in line with the company's sustainable extensive CSR framework.

Eid Al-Adha celebration

stc celebrated the joyous occasion of Eid Al-Adha by extending its support to needy families in Kuwait at its head office in Olympia Tower. The event, organized under **stc**'s dynamic corporate social responsibility (CSR) program with the participation of **stc** voluntary team, aimed to bring happiness and joy to those in need during this special time of the year.

Creating memories at the second season of Winter Wonderland Kuwait

In an effort to empower and enable the youth, **stc** sponsored Winter Wonderland Kuwait, in strategic partnership with TEC as it aligns with the company's commitment to participate in various initiatives that engage with the community, especially in the areas of education, youth empowerment, health, sports, entrepreneurship and others that serve the community.

stc's sponsorship falls in line with the company's extensive corporate social responsibility (CSR) program, which aims to create a positive social impact, especially through strategic collaborations with government entities and companies within the private sector.

Mother's day campaign

Mother! my guardian, my hope

On the occasion of Mother's Day, a full campaign titled "Mother! My guardian, my hope" was created to express the role of the mother in our lives.

Al Qabas second Ramadan padel tournament

stc was the main sponsor of Al Qabas second Ramadan Padel Tournament for the second year in a row, with the participation of 400 teams and 800 male and female players in the tournament. The sponsorship emphasizes the company's role in supporting sports activities that promote a healthy lifestyle and young athletes to focus on mental and physical health and building on vital skills such as teamwork.

stc welcomed the attendees and athletes at **stc** purple village, where it held several interactive competitions with valuable prizes for both winners and participants throughout the tournament. In addition, **stc** organized a special event in cooperation with Canteen to celebrate Gergean with children and their families inside **stc** village.

Celebration of International Day
of persons with disabilities

stc organized a Padel Tournament for people with special needs, in collaboration with the Public Authority for Disability Affairs. The event falls under **stc**'s "Because We Care" umbrella, conducted to commemorate the International Day of Persons with disabilities and **stc**'s commitment towards community inclusion and sustainable development.

Partnership with
flare festival

Through its strategic partnership with Flare Fitness, **stc** sponsored the 8th Flare Festival, one of the largest of its kind in Kuwait, for the fourth year in a row. Our participation and support towards such initiatives within the community builds on **stc**'s strive to promote healthy living, amongst the youth. Flare Festival included diverse competitions and unique events for adults, youth, and children alike.

'Your health your happiness'
awareness campaign

stc launched its prostate cancer awareness campaign under the slogan 'Your health Your happiness' in line with the international men's health awareness month to raise awareness of men's health.

stc organized a challenge in collaboration with Flare Fitness to participate in at its booth in Winter Wonderland Kuwait where winners of the competition got a chance to win one of **stc**'s various gifts while participating in an initiative that helped educate the public on prostate cancer.

Hajj
hospitality

stc surprised passengers at Kuwait International Airport's Terminal 4 departing to Mecca to complete the Hajj pilgrimage with special hospitality. The initiative was organized under the "Because We Care" umbrella to greet hajj pilgrims in collaboration with Kuwait International Airport and the Directorate General for Civil Aviation (DGCA).

Sign language workshops for **stc** employees

As part of **stc**'s extensive CSR framework, the company organized sign language workshops for its employees held under the umbrella of the "Because We Care" campaign. The initiative reflects **stc**'s continuous efforts to have a positive impact on society by engaging more effectively with diverse community segments.

Distribution of Iftar meals throughout different locations in Kuwait

In line with the holy month of Ramadan, **stc** distributed iftar meals throughout the streets of Kuwait in collaboration with the Tarahom Volunteer Team, Sanaa Elkhair, and Flare Fitness. Distributing iftar meals comes as an annual contribution from **stc** to the community and aligns with the company's corporate social responsibility program, which strategically emphasizes both community giveback and strengthening communication channels between individuals in the community to build a more sustainable future.

Empowering the children of Aspire kids club

stc partnered once again with Aspire Kids Club, a local entertainment and educational children's club that aims to promote culture and spread a positive impact in the community in a series of humanitarian initiatives carried out during the month of Ramadan.

The initiatives included distributing iftar meals throughout Kuwait and visiting the Kuwait National Cancer Hospital for children to distribute gifts to patients, nurses, and the hospital's supervisors.

Additionally, the children visited the Al-Shamiah Natural Reserve which features thousands of different types of trees, orchids, flowers, and plants. During the visit, the children planted seeds and created artwork using recycled materials to instill the concept of sustainability and protecting the environment.

"Your calories = internet" Initiative

stc collaborated for the second year in a row with Flare Fitness to host a fitness challenge in 360 Mall during Ramadan to spread a positive impact in the community. "Your calories = internet" initiative aimed to keep track of the number of steps participants will take throughout the activity and donate free data **stc** lines to families in need based on the amount burnt by participants.

Celebrating Kuwait National Days at Al Farsi Kite Festival

In light of **stc**'s celebration of Kuwait national days, the company sponsored Al Farsi Kite Festival under the umbrella of "Because We Care" and in line with the company's corporate social responsibility (CSR) sustainable agenda.

Al Farsi Kite Festival is a unique and enjoyable cultural experience that showcases Kuwaiti traditions and provides fun for all ages during the national holidays. At **stc**, we are keen to support local initiatives that bring joy and entertainment to all families across Kuwait

Supporting humanitarian causes through Tarahom Volunteer Team

stc continued to extend its collaboration with Tarahom Volunteer Team to support the Kuwaiti society through various humanitarian and goodwill initiatives.

This year's campaign consisted of several initiatives that focused on spreading joy and happiness to the hearts of many in the local community throughout the holy month of Ramadan.

Initiatives during Ramadan included distributing iftar meals throughout Kuwait and implementing volunteer programs that aim to emphasize the important impact of volunteer work in the community and its widespread effect as well as distributing free data lines to needy families as part of the "Your calories = internet" initiative.

Our customers

stc serves as a pivotal hub within the telecommunications giant, playing a central role in delivering cutting-edge services, fostering customer relationships, and driving innovation in an ever-evolving industry landscape.

As the primary interface between **stc** and its diverse consumer base, **stc** is tasked with understanding and meeting the evolving needs and preferences of customers while ensuring seamless service delivery and exceptional experiences.

With a relentless focus on customer satisfaction and market responsiveness, **stc** is spearheads initiatives to enhance product offerings, optimize pricing strategies, and expand service reach to cater to the dynamic demands of consumers across Kuwait. From mobile and internet services to digital entertainment and value-added solutions, the department is committed to delivering innovative, reliable, and personalized experiences that empower customers and enrich their digital lifestyles.

stc Kuwait market share in customer base is 29.3%

Moreover, driving growth and competitiveness in the telecommunications sector, leveraging market insights, technological advancements, and strategic partnerships to maintain **stc**'s leadership position and capture new opportunities in the rapidly evolving digital landscape.

In summary, at **stc** embodies the organization's unwavering commitment to customer-centricity, innovation, and excellence, driving value creation, fostering loyalty, and shaping the future of telecommunications in Kuwait.

Through its collaborative efforts and relentless pursuit of customer satisfaction, this department remains at the forefront of **stc**'s mission to connect people, businesses, and communities, enabling a more connected and empowered society.

— Customer experience

Ensuring an exceptional customer experience is paramount for **stc**, as it not only fosters loyalty and satisfaction but also aligns with our broader sustainability goals. By prioritizing customer-centricity, **stc** strives to minimize environmental impact and promote resource efficiency throughout the customer journey.

Streamlining processes, reducing paper usage, and embracing digital solutions not only enhance customer convenience but also contribute to our sustainability efforts by minimizing waste and carbon emissions. Moreover, by delivering reliable services and innovative solutions that meet customer needs, **stc** fosters long-term relationships and trust, driving sustainable business growth and creating shared value for customers, communities, and stakeholders alike.

Ultimately, by prioritizing customer experience, **stc** demonstrates its commitment to sustainability, resilience, and responsible business practices, positioning itself as a leader in the telecommunications industry.

— New services and seamless, secure customer experience

On self-service channels, **stc Kuwait** always ensures that the sensitive transactions such as buying new lines, claiming digital ownership of the account and changing to eSIM are secured by capitalizing on the integration with PACI Kuwait Mobile ID app. This integration enables **stc Kuwait** to confirm the identity of the customer in a matter of few clicks.

stc is focused on digital transformation to enhance customer experience through innovative services by introducing digital platforms and apps that allow customers to manage their accounts, pay bills, and access services easily from their smartphones or computers.

We're increasing our efforts to measure customer's satisfaction in order to ensure a better customer experience for our customers. Therefore, we have started launching customer satisfaction surveys (CSATs) that cover different touchpoints and events in order to have a holistic view of the customer satisfaction at **stc**.

There are currently several CSATs running regularly that cover both postpaid and prepaid consumer customers. Those CSAT surveys measure the customer satisfaction regarding the following events:

Customer satisfaction	2021	2022	2023
Customer satisfaction rate	80%	87%	87%
Number of customers surveyed for satisfaction rate	-	400	400

Customer complaints	2021	2022	2023
Percentage of customer complaints resolved	-	74%	82%
Complaints resolution average time (days)	-	0.45	0.42

— Our services

Retail visit (for bill payment, new purchase, service activation, and line activation)

Network experience 5G and latency

Roaming experience

Competitive rate plan

eStore purchase on app/web/kiosk

Service activation on app/web

Bill payment on app/web

Recharge on app/web

VAS (Value added services)

DCB (Direct Carrier Billing)

Gaming

InsureTech

Streaming services (stc TV)

qitaf loyalty program

— Customer care

stc prioritizes exceptional customer service, ensuring you stay connected to what matters most. We offer multiple channels for immediate and self-service support:

24/7 Call center

Dial 102 to speak with our highly trained agents who can troubleshoot issues, answer questions, and find solutions specific to **stc** services.

Social media

Our social media channels are available for inquiries, and our team can direct the customer towards the most efficient resolution.

my stc App

Manage account, view and pay bills, and potentially chat directly with our team for convenient self-service. View usage, activate services and Add-ons, check roaming destinations, get new lines, buy devices and 3rd party eVouchers as well as manage the qitaf loyalty program.

User-friendly website

Access a wealth of information, troubleshooting guides, and potentially live chat support for real-time assistance.

We are committed to providing a seamless and empowering customer experience.

— Responsible marketing and business

stc Kuwait prioritizes fair and ethical practices in product promotion, service usage, and sales, employing various measures to uphold these principles. Firstly, a comprehensive Code of Ethics outline **stc**'s values, highlighting honesty, integrity, and adherence to regulations in the promotion and selling of products and services.

All marketing and sales communications prioritize transparency, accuracy, and informativeness, ensuring customers receive clear and honest details about offerings. Moreover, strict compliance with local and international laws and regulations governing advertising, marketing, and sales is rigorously followed, with a focus on safeguarding consumer privacy and ensuring fairness.

The establishment of feedback channels allows customers to report unethical practices, fostering an open dialogue for prompt issue resolution. Furthermore, **stc** engages in Corporate Social Responsibility (CSR) initiatives, positively impacting the community and aligning sales and marketing strategies with sustainability goals.

Collectively, these practices guarantee that **stc Kuwait** operates ethically, promotes products and services fairly, and maintains responsible marketing and sales strategies.

— Supporting entrepreneurs and SMEs

solutions by stc launched custom-made and cost-efficient packages for new and existing SMEs, to help take their idea forward and to accelerate their digital transformation.

These bundle packages include services that greatly compliment SMEs, including Fixed and Cloud CCTV and PBX solutions, Cloud solutions like Google workspace and Microsoft 365 and Tajer, a digital starter kit for any business to take their business online or one step forward, including an online store, PoS systems and Payment gateways. We work with regional and global brands to ensure the highest levels of safety and security for our services, and continue to introduce new solutions to empower the segment.

Our tie-up with soft-skill educational platform Dawrat helps SMEs and Entrepreneurs with the necessary skills to take their business ahead. We will also continue our support of organizations that champion the SME segment such as the National Fund, through sponsorships and collaborations.

youth segment
stc has partnered with Weyay Bank and Boubyan Bank to target the youth segment, offering their customers affordable plans and unlimited local benefits, including the latest devices like the iPhone 15.

Elderly segment
stc has created various offers targeting retirees that start from KD 5 only as well as offering aggressive benefits in each plan and the latest devices.

Low income segment
stc has an on-going portfolio of devices with various prices which are affordable for all incomes; for low income specifically, **stc** offers devices that start from its low end plan, KD 10 for free. Additionally, **stc** has recently launched a KD 6 plan which offers low end devices and the option to choose two devices for an affordable price.

Case study: Empowering youth with connectivity and community

Challenge:
University students require robust mobile plans but often face budget constraints. Additionally, they crave a sense of belonging and opportunities to explore their interests.

Solution:
"youth from **stc**" program moves beyond traditional mobile offerings to provide a holistic youth development experience.

• Customized packages:
The program offers university students tailored mobile plans with features like generous data allowances, unlimited calls within the **stc** network, massive roaming data capacity up to 30GB annually while abroad and access to 5G speeds.

• Exclusive rewards:
"youth from **stc**" goes beyond connectivity by providing exclusive discounts and offers on relevant services like fashion, travel, entertainment, and food delivery. These partnerships empower students to stretch their budgets and explore their passions.

• Community building:
The program fosters a sense of belonging by connecting students to a vibrant online community. This fosters peer-to-peer interaction and a sense of shared experience.

Impact:
"**youth from stc**" promotes youth development through:

• Digital inclusion:
Affordable mobile plans bridge the digital divide, ensuring students have access to essential online resources and educational tools.

• Financial empowerment:
Exclusive discounts and offers help students manage their finances effectively.

• Social connection:
The program fosters a sense of community and belonging, promoting positive social interactions.

Conclusion:
"youth from **stc**" demonstrates **stc**'s commitment to social responsibility by empowering young people through innovative mobile solutions and fostering a vibrant student community. This case study exemplifies how business initiatives can contribute to a more sustainable and inclusive future.

05

Governance
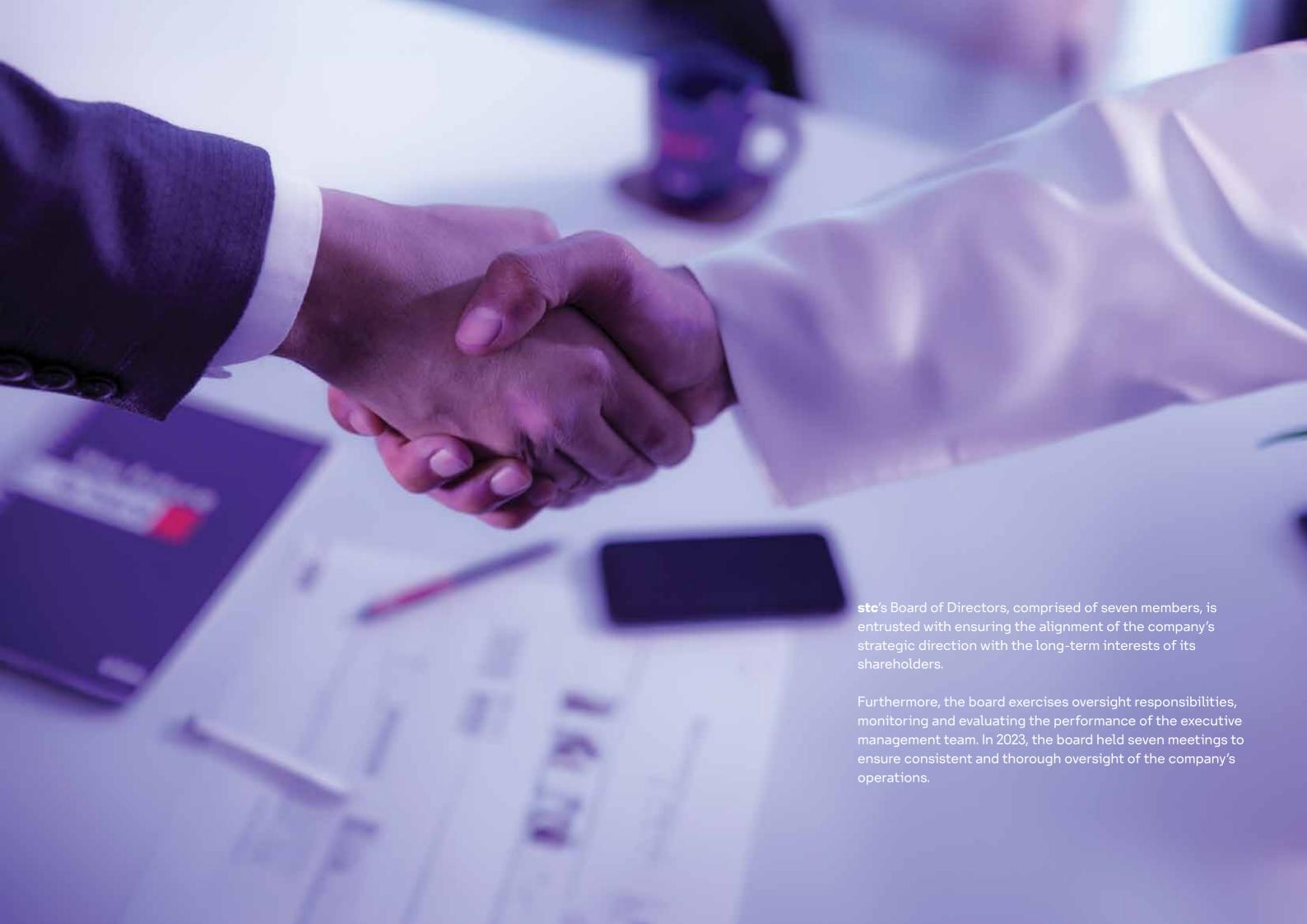
Operating
with integrity

Fueled by integrity, **we build trust and respect through our actions**, fostering a collaborative environment where ambitious goals are set to create a better world, all guided by a strong commitment to sustainable values.

stc's Board of Directors, comprised of seven members, is entrusted with ensuring the alignment of the company's strategic direction with the long-term interests of its shareholders.

Furthermore, the board exercises oversight responsibilities, monitoring and evaluating the performance of the executive management team. In 2023, the board held seven meetings to ensure consistent and thorough oversight of the company's operations.

Board of Directors priorities
[GRI 2-12] [GRI 2-16]

These priorities are interrelated and require ongoing board oversight.

The board receives regular reports from management on the effectiveness of these functions and take appropriate actions to ensure the organization operates in a controlled, ethical and compliant manner.

1 Corporate Risk Management and Oversight

Internal Control Program
The board ensures the development and implementation of a comprehensive internal control program that identifies, assesses, and mitigates risks across the organization.

This includes reviewing the program's effectiveness regularly and making necessary adjustments.

Internal Audit Department
The board oversees the independence and effectiveness of the internal audit department.

This includes approving the internal audit charter, reviewing the internal audit plan, and ensuring management addresses internal audit findings promptly.

Risk Management Department
The board regularly informed of the organization's risk management framework and ensure it adequately addresses strategic, sustainable, operational, financial, and compliance risks.

This includes reviewing risk assessments and mitigation strategies.

External Auditor
The board establishes relationships with a qualified external auditor and maintains open communication channels.

This includes approving the engagement of the external auditor, reviewing their audit plan and findings, and ensuring management addresses any identified control deficiencies.

2 Corporate Governance and Transparency
[GRI 2-9] [GRI 2-11] [GRI 405-1]

Disclosure and Transparency
The board ensures the organization provides timely, accurate, and transparent disclosures to shareholders and stakeholders.

This includes reviewing financial statements, management discussion and analysis (MDandA), and other regulatory filings.

Code of Ethics and Business Conduct Policy
The board adopted and oversees the implementation of a Code of Ethics and Business Conduct Policy to ensure ethical behavior by all employees.

This includes reviewing the policy periodically and making necessary revisions.

Memorandum and Articles of Association
The board ensures adherence to the organization's governing documents, such as the Memorandum and Articles of Association.

This includes understanding the legal and operational framework established by these documents.

Board of Directors	2021	2022	2023
Total number of board members	7	7	7
Independence			
Independence members of the BoD	1	1	1
Non-independence members of the BoD	6	6	5
Executive membership			
Executive members of the BoD	-	-	-
Non-executive members of the BoD	7	7	6
Gender profile			
Male members of the BoD	6	6	6
Female members of the BoD	1	1	-
Age profile			
Number of BoD under 30	0	0	0
Number of BoD between 30-50	1	1	1
Number of BoD above 50	6	6	5
Nationalities			
Kuwaiti members of the BoD	3	3	2
Saudi members of BoD	4	4	4

Brief overview of how the company defines the tasks, responsibilities, and duties of each Board of Directors member and Executive Management member, along with the powers and authorities delegated to the Executive Management.

Duties and Responsibilities of the Board of Directors:
stc has a Board of Directors' charter, that is fully compatible with the requirements of the Corporate Governance rules which includes defining the tasks and responsibilities of the Board of Directors, including but not limited to:
- Adopting the strategic goals, plans and policies.
- Approving the annual budget estimates as well as the interim and annual financial statements.
- Overseeing major capital expenditure of the company, assets' owning and disposal.
- Ensuring company's commitment to policies and procedures, which ensure **stc**'s respect for applicable internal systems and regulations.
- Ensuring the accuracy and integrity of the data and information that must be disclosed, in accordance with the applicable policies and procedures of disclosure and transparency process.
- Develop a plan/policy to include sustainability factors in the company's overall strategy, main business plans, risk measurement and management process, if necessary.

stc also has job descriptions for the board members, which include a clear definition of the tasks and responsibilities of each board member, as well as the authority matrix, which clarifies the authorities of the Board of Directors, Executive Management and Committees.

The Board of Directors Achievements
Based on the Board of Directors' responsibilities of achieving the optimal financial and operational results and implementing the company's strategic plan at its best.
In its current session, the Board has achieved many achievements for the fiscal year ended 31 December 2023. This includes the harvest of the journey of achievements and successes achieved by **stc** during this year with its tangible positive indicators in various financial, marketing and technical fields. In its fifteenth year of operation, **stc** was able to compete against the intense competition and gain subscribers' satisfaction by offering promotions, competitive prices, new services and enhancing customers' loyalty. This was reflected positively in the level of operating revenues and profitability, which, results in strengthening the role of **stc** and developing the telecommunications sector in the State of Kuwait in a way that serves the Kuwaiti society and contributes effectively in promoting the national economy and achieving attractive returns to its shareholders.

The Board of Directors has continued to apply the best international standards and local regulatory requirements in the Corporate Governance System through the work of the Board committees with the Executive Management.

The Board of Directors Committees:
The Board of Directors has formed a number of independent committees, and the instructions and rules of governance issued by the Capital Markets Authority have been taken into account when forming these committees. The Board has formed 4 committees emanating from it, which are the Risk Management Committee, the Audit Committee, the Nominations and Remunerations Committee, and the Executive Committee.

In 2023, the Risk Management Committee held (4) meetings, detailed as follows:

Committee	Date of formation: 29 March 2021	Committee Term	Number of Members
Risk Management Committee		3 years	4

The Committee performs several duties including	■ Preparing and reviewing the Risk Management strategies and policies, as well as the Risk Appetite before being approved by the Board of Directors. Ensuring the implementation of these strategies and policies, and that they commensurate with the nature and size of the company's activities. ■ Ensuring the availability of adequate resources and systems to manage risks. ■ Ensuring that Risk Management employees have a full understanding of the risks surrounding the company and work to increase employees' awareness of the risk culture & their awareness of it.

Committee's Achievements	The Committee has accomplished many achievements, including: ■ Obtaining the ISO 31000 Certification for Risk Management. ■ Scoring 4.2 / 5 in Maturity Assessment on Risk Management Activities. ■ Scoring 4.41 / 5 in Maturity Assessment on Business Continuity Management Activities. ■ Approval of the Risk Management plan for the year 2024.

In 2023, the Audit Committee held (6) meetings, detailed as follows:

Committee	Date of formation: 29 March 2021	Committee Term	Number of Members
Audit Committee	Re-formation Date: 10 July 2023	3 years	4

The Committee performs several duties including	■ Review the interim financial statements before presenting them to the Board of Directors, and expressing an opinion and recommendation to the Board of Directors in order of ensuring the fairness and transparency of financial data and reports. ■ Examine accounting topics and understand their impact on the financial statements. ■ Evaluate the adequacy and effectiveness of the Internal Control Systems applied within the company and prepare a report that includes the Committee's opinion and recommendations in this regard. ■ Appointing an independent external auditor to examine and evaluate the internal control systems, and submit an annual report to the Committee stating wits opinion and recommendations prior to presenting the same to the Board of Directors and sending it to the Capital Markets Authority. ■ Evaluate the efficiency of the information security's procedures and the internal control system applied in this regard. ■ Technical supervision of the Internal Audit Department activities and reviewing the results of internal audit reports and regulatory authorities. ■ Monitoring the External Auditor's work, and discussing any obstacles or difficulties encountered the external auditor that may include any scope activities limitations of the independent external auditor or obtaining requested information, or any disagreements with the management. ■ Review the reports submitted by the Sharia Supervisory Board, ensure compliance with the provisions of Islamic Sharia, and submit its recommendations to the Board. ■ Ensuring that the company is in compliance with laws, policies, regulations, instructions, and provisions of Islamic Sharia.
Committee's Achievements	The Committee has accomplished many achievements, including: ■ Reviewing the financial statements (quarterly and annually) before submitting them to the Board of Directors. ■ Discussing the reports submitted by the Internal Audit Department related to results of the audit outcome on the company's departments and activities and approve the Annual Internal Audit plan. ■ Discussing the quarterly & annual reports of the Internal Shari'a Audit and the reports of the Shari'a Supervisory Board in the presence of the Shari'a Audit Team and the Sharia Supervisory Board. ■ Discussing the Compliance Reports. ■ Approving the objectives of the Key Performance Indicators (KPIs) of the Internal Audit Department.

In 2023, the Nomination and Remuneration Committee held (5) meetings, detailed as follows:

Committee	Formation Date : 29 March 2021	Committee Term	Number of Members
The Nomination and Remuneration Committee	Re-formation Date : 10 July 2023	3 years	4

The committee performs several tasks including	■ Recommending the acceptance of the nomination and re-nomination of the Board Members and Executive Management. ■ Developing a clear policy for Board Members' and Executive Management's remunerations ■ Determine the appropriate skills required for Board of Directors membership in the Board of Directors and review these requirements on an annual basis. ■ Determine the mechanism for evaluating the performance of the Board as a whole and the performance of each member of the Board and the executive management.
Committee's Achievements	The Committee has accomplished many achievements, including: ■ Obtaining the ISO 31000 Certification for Risk Management. ■ Scoring 4.2 / 5 in Maturity Assessment on Risk Management Activities. ■ Scoring 4.41 / 5 in Maturity Assessment on Business Continuity Management Activities. ■ Approval of the Risk Management plan for the year 2024.

In 2023, the Executive Committee held (9) meetings, detailed as follows:

Committee	Date of formation: 29 March 2021	Committee Term	Number of Members
Executive Committee	Re-formation Date: 10 July 2023	3 years	4

The committee performs several tasks including	■ Discussing the strategy, action plan and estimated budget before presenting it to the Board of Directors. ■ Follow up on the implementation of the strategic plan and performance indicators periodically. ■ Reviewing company's performance in general, the performance of all company's sectors in detail, and discussing deviations from the work plan and the estimated budget.
Committee's Achievements	The committee achieved several achievements, including: ■ Reviewing the strategy and work plan for the next three years ■ Studying the estimated budget. ■ Follow up the operational performance of the company periodically. ■ Studying the investment opportunities.

A summary of how to apply the requirements that allow the Board of Directors members to obtain accurate and timely information and data:
[GRI 2-16]

The Board of Directors has adopted the procedures guide that ensures that the Board Members obtain information accurately and in a timely manner and in accordance with relevant laws and legislation. The guide specifies the mechanism for requesting information and presenting it to the Board of Directors, in addition, the procedures and obligations of the members to maintain the confidentiality of the information that has passed on to them by virtue of their work.

Risk
Management
[GRI 2-13]

Our strategic goals demand a resilient and streamlined 'Risk Management' framework. **stc's** Risk Management System adopts a systematic and disciplined approach, establishing clear responsibility and accountability structures to ensure the effectiveness and efficiency of Risk Management. This underscores the critical significance of ensuring the enduring sustainability of the business.

stc evaluates its Social, Economic, and Environmental impacts through a risk lens, persistently aligning them with the Corporate Sustainability frameworks. These assessments incorporate considerations of climate change-related risks and opportunities, as well as socio-economic risks. Through proactive research and comprehensive stakeholder engagement, we identify the most materially impactful risks related to sustainability, enabling early-stage mitigation planning. We thrive in a changing world and contribute to a more sustainable future with identifying respective potential risk and its mitigation planning.

Furthermore, we continue to utilize an impact-likelihood matrix to determine the risk rating of the events facing the company across its operations. The impacts are assessed across multiple parameters that include Financial, Governance, Regulatory and Compliance, Reputation and Community, Network Reliability, Customer Experience and Services Quality, Human Resources, and Health, Safety and Environmental.

—— Board Risk Management Committee

The Board Risk Management Committee (BRMC) at **stc** diligently supervises the Risk Management Framework, evaluating both current and potential risks along with their corresponding mitigation strategies to guarantee the efficacy of the Risk Management function. Additionally, the BRMC provides comprehensive reports on Key Risk Indicators (KRI), Risk Appetite, and Business Continuity outcomes.

Through quarterly meetings, the BRMC assesses identified risks, the efficiency of mitigation controls, and proactively identifies positive business opportunities associated with these risks.

—— Risk management quality certification

The ISO 31000 Risk management
standard offers an international framework to systematically and effectively manage risks for organizations of all sizes and sectors.

The receipt of the esteemed ISO 31000:2018 compliance letter from 'Bureau Veritas' marks a significant milestone for **stc**, highlighting the company's unwavering commitment to excellence in Risk Management.

Risk management framework
[GRI 205-1] [GRI 205-3]

stc Kuwait's risk management framework has undergone benchmarking against esteemed international standards and guidelines, including ISO 14001, ISO 31000, ISO 22301, and COSO.

The diagram below illustrates the risk management scope, its corresponding framework, and supporting processes, delineating the **stc Kuwait's** approach to risk treatment including the sustainability program.

Principles

a) Creates value

b) Integral part of organizational processes

c) Part of decision making

d) Explicitly addresses uncertainty

e) Systematic, structured and timely

f) Based on the best available information

g) Tailored

h) Takes human and cultural factos into account

i) Transparent and inclusive

j) Dynamic, Iterative and responsive to change

k) Facilitates continual improvement and enhancement of the organization

Famework

Mandate and Commitment

- Design of framework
- Continual improvement of the framework
- Implementing risk management
- Monitoring and review of the framework

Processes

Comunication and consultation

Establishing the context

Risk assessment
- Risk identification
- Risk analysis
- Risk evaluation

Risk treatment

Momitoring and review

---

stc has established a robust risk management framework, underpinned by a suite of governance documents approved by the Board. These documents provide a structured approach to identifying and assessing risks across the organization.

Risk management policy: Outlines the company's commitment to risk management and sets the overall approach.

Risk management plan: Defines the specific actions and responsibilities for implementing the risk management policy.

Key Risk Indicators (KRIs) methodology and framework: Establishes metrics to monitor and measure key risks.

Risk appetite: Defines the level of risk the organization is willing to accept in pursuit of its objectives.

Risk management process: Describes the steps involved in the risk management lifecycle.

Enterprise Risk Management (ERM) framework: Provides an overarching structure for managing and integrating risk across the organization.

In addition to the ongoing risk assessments conducted by each business unit as part of the Enterprise Risk Management (ERM) lifecycle, **stc** has established specialized assurance functions to proactively identify and mitigate corruption risks. These dedicated teams provide an extra layer of scrutiny and focus on areas particularly susceptible to corruption.

Key assurance functions include:
[GRI 205-2]

Revenue assurance and fraud management: This team is responsible for safeguarding the company's revenue by detecting and preventing fraudulent activities, including corruption-related schemes.

Whistleblowing investigation: This function provides a confidential channel for employees to report suspected misconduct, including corruption, and conducts thorough investigations to address these concerns.

By combining the bottom-up approach of risk registers with the top-down oversight of assurance functions, **stc Kuwait** creates a robust framework for managing and mitigating corruption risks.

In 2023, we renewed our Risk Management ISO certification and remain in compliance with ISO31000, as well as all related regulations issued by the governmental bodies in the State of Kuwait.

Business continuity management

At **stc**, we understand that disruptions can occur at any time, and we firmly believe that being prepared is essential for long-term success. That's why we are deeply committed to business continuity, ensuring the ability to maintain critical operations and minimize impacts on our stakeholders in the face of unforeseen events.

—— Our approach to business continuity

Risk management
We proactively identify and assess potential threats to our operations, including natural disasters, cyberattacks, supply chain disruptions, etc. Through ongoing risk assessments and mitigation strategies, we aim to minimize the likelihood and impact of these disruptions.

Business Continuity Planning (BCP)
We have established a comprehensive BCP framework that outlines clear procedures and actions for various disruption scenarios. This plan identifies critical business processes, their recovery time objectives (RTOs), and recovery point objectives (RPOs). Regularly tested and updated, our BCP ensures a swift and effective response to minimize downtime and losses.

Crisis management
We have dedicated crisis management teams equipped to effectively respond to and communicate during disruptive events. Clear roles and responsibilities are assigned in our crisis management plan, ensuring coordinated efforts and timely decision-making. We learn from past incidents and continually improve our crisis management practices.

Sustainability integration
We recognize that sustainable practices contribute to our resilience. We invest in areas such as health and safety, resilient infrastructure, ethical supply chains, and employee well-being. By integrating sustainability into our business continuity approach, we build long-term strength and preparedness.

—— Commitment to continuous improvement

We're dedicated to maintaining and enhancing our business continuity posture. We conduct regular testing and exercises to ensure the effectiveness of our plans and train our employees on their roles and responsibilities. We actively seek feedback and improvement opportunities, striving to be a leader in business continuity preparedness.

By prioritizing business continuity, we aim:

— Safeguard the well-being of our employees and communities.
— Ensure the uninterrupted delivery of our products and services.
— Minimize financial losses and reputational damage.
— Maintain stakeholder trust and confidence.

We believe that a resilient organization is a responsible organization, and we are committed to building a future where we can weather any storm and continue to deliver on our promises.

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stc's pursuit of excellence in business continuity

"A Commitment Recognized with Awards"

At **stc**, our unwavering commitment to business continuity transcends mere preparedness. We actively pursue industry recognition through prestigious awards, not as an end goal, but as a validation of our ongoing efforts to create a truly resilient organization. These awards serve as external testaments to the depth and effectiveness of our business continuity practices, further solidifying our position as a leader in this critical domain.

A culture of continuous improvement

The recognition we receive inspires us to reach even greater heights. Each award fuels our dedication to continuous improvement, prompting us to identify new areas for enhancement and refine our existing practices. We actively engage with industry peers, participate in knowledge-sharing forums, and leverage cutting-edge technologies to ensure our business continuity framework remains adaptable and future-proof.

Logo	Awarding body	Award	2021	2022	2023
bci Leading the way to resilience	BCI	Most Effective Recovery	-	✓	-
CIR	CIR	Global BCM Award	Shortlisted	✓	Shortlisted
CIR	CIR	Global Risk Award	Shortlisted	Highly Commended	Shortlisted
PL PROCUREMENT LEADERS	PL	PL Asia Pacific Risk and Resilience	-	-	Shortlisted

Embracing efficiency

At **stc**, we understand the critical role that thorough and efficient business impact analysis (BIA) plays in ensuring our organizational resilience. However, traditional paper-based BIA processes can be cumbersome, time-consuming, and prone to errors. Recognizing this, we embarked on a journey to digitize both our BIA process, ultimately streamlining operations and gaining valuable insights with greater speed and accuracy.

From Analog ——————— to Agile

Our digital transformation encompassed several key areas

Automated data analysis
By integrating data analysis tools with the survey platform, we can automatically analyze responses, generate reports, and identify critical business processes and potential disruptions, saving valuable time and resources.

Real-time collaboration
Our digital platform facilitates real-time collaboration between departments and stakeholders, enabling swift decision-making and improved information sharing throughout the BIA process.

Reaping the rewards of digitization

This digital transformation has yielded significant benefits:

Increased efficiency
Streamlined workflows and automated data analysis significantly reduced the time and resources required for BIA, allowing us to conduct more frequent assessments and stay ahead of potential risks.

Enhanced accuracy
Automated data collection and analysis minimize the risk of human error, leading to more reliable and trustworthy results.

Improved engagement
User-friendly surveys and mobile accessibility have led to higher participation rates, resulting in a more comprehensive understanding of potential impacts across the organization.

Data-driven decisions
Real-time data analysis provides actionable insights that empower stakeholders to make informed decisions regarding risk mitigation and resource allocation.

stc's commitment to preparedness

At **stc**, we recognize that a prepared workforce is the cornerstone of organizational resilience. That's why we cultivate a culture of preparedness through engaging awareness sessions and impactful training videos, empowering our employees to play a vital role in mitigating risks and ensuring business continuity.

Tailored Awareness Sessions

Targeted approach
We conduct diverse awareness sessions catering to different employee roles and departments, ensuring specific needs are addressed effectively.

Interactive engagement
We employ interactive formats like workshops, simulations, and gamification to foster active participation, knowledge retention, and a spirit of preparedness.

Compelling content
Our sessions leverage multimedia elements, real-life scenarios, and expert speakers to deliver engaging and informative content that resonates with employees.

Impactful Training Videos

Accessibility and convenience
We create concise and easily accessible training videos available on-demand via our learning management system, enabling flexible learning at employees' own pace.

Variety of formats
We utilize diverse video formats, including animation, live-action demonstrations, and expert interviews, catering to different learning styles and preferences.

Regular updates
We continuously update our video library with the latest best practices and emerging threats, ensuring employees stay current with evolving risks.

ISO 22301 certification and maintenance

—— A comprehensive approach

In 2018, Kuwait Telecommunication Company (**stc**) initiated the process of obtaining ISO 22301:2012 certification, demonstrating a proactive commitment to business continuity management. We maintain our certificate on an annual basis, and successfully transitioned to the new 22031:2019 version in 2020.
The certificate is renewed till date.

Business impact analysis coverage — 100%

Mitigated business continuity risks — 100%

Information Technology critical applications drill exercises — 100%

Network nodes critical drill exercises — 100%

Adherence to regulatory requirements related to business continuity — 100%

Success rate of recovery exercises — 100%

Data backup and recovery success rate — 100%

Investor Relations

The Investor Relations team at **stc** is crucial for keeping shareholders and investors informed. They follow strict corporate governance rules and communicate clearly and reliably. The team uses various channels to reach out, like sharing regular financial updates and meeting with analysts and shareholders. This keeps everyone up-to-date on **stc**'s performance.

Because **stc** is committed to sustainability, they emphasize transparency and accountability in everything they do. This builds trust and strengthens the investment community. By having strong relationships with stakeholders, **stc** can communicate effectively during difficult economic times. This allows them to manage risks while maintaining stakeholder confidence and engagement.

Transparent financial communication
Keeping the investment community well-informed with the latest Investor Relations (IR) news, providing transparent and credible financial information in accordance with corporate governance standards

Regular engagement
As part of its continuous engagement with the investment community, **stc** is also committed to hold quarterly earnings calls after being upgraded to the premier market in February 2023.

Dedicated communication channels
Communicating with both existing and potential investors through various physical and virtual channels. Discussing **stc**'s market position, competitive advantages, strategies, and performance.

Adherence to best practices
Maintaining the highest level of transparency in all activities, in line with global best practices in investor relations and corporate governance which has strengthened our engagement with investors, particularly during economic challenges and potential risks.

Building trust and resilience
Our unwavering commitment to transparency have fostered trust and resilience within the investment community. Through effective communication, we have successfully navigated economic challenges while maintaining strong relationships with current and potential investors.

Commitment to sustainability
Integrating sustainability into investor relations practies. Engaging with investors on ESG-related initiatives.

Success stories

solutions by stc

On 11 November 2019, **stc** completed the acquisition of Qualitynet (**solutions by stc**), the company's arm specializing in providing integrated business solutions, internet services and fixed broadband services, this process was one of the crucial steps in our journey to improving the business solutions that **stc** offers to its customers by combining the strengths of two companies with prestigious and strong position in the telecom and ICT sector, as well as paving the way for both individual and enterprise customers to achieve their desired goals.

100% bonus shares

In the first half of 2022, **stc** has successfully increased its share capital to reach KD 99.9 million through distributing 100% bonus shares to its shareholders. This decision came from **stc**'s positive outlook on creating an added value to its shareholders place their interest on its top priorities. In this regard, **stc**'s management ensures developing long term financial policy to balance between its operational and financial performance that would positively reflect on its solvency and enhance its market position as a leader in the telecom industry and a pioneer in the digital transformation.

e-Portal Holding Company
and it's subsidiaries

On 6 April 2022, **stc** has completed the acquisition of the entire share capital of e-Portal Holding Company and its subsidiaries, specializing in communications and ICT in Kuwait, one of the most prominent companies in this field. The acquisition of e- Portal is a key step to enhance **stc**'s digital capabilities further through owning a specialized arm in the ICT, IOT and Cloud Services aimed at offering business solutions to the institutional sector in Kuwait.

Investor Relations Awards

2021

Best Investor Relations
stc is ranked 1st as the 'Best Leading Corporate for Investor Relations in Kuwait for the year 2021', in addition to it's position amongst the top five companies in the Middle East.

Best Digital Annual Report
stc is ranked 2nd as the best Digital Annual Report amongst mid cap companies in the MENA.

2022

Best Digital Annual Report
stc is ranked 1st as the Best Digital Annual Report amongst mid cap companies in the MENA.

Best Investor Relations Professional for the year 2022

Ranked in the Top 5 Leading Corporate for Investor Relations
stc is ranked 1st as the "Leading Corporate for Investor Relations" in Kuwait and the "Best Investor Relations Professional for the year 2022", in addition to its position amongst the top five listed companies in the Middle East in all sectors.
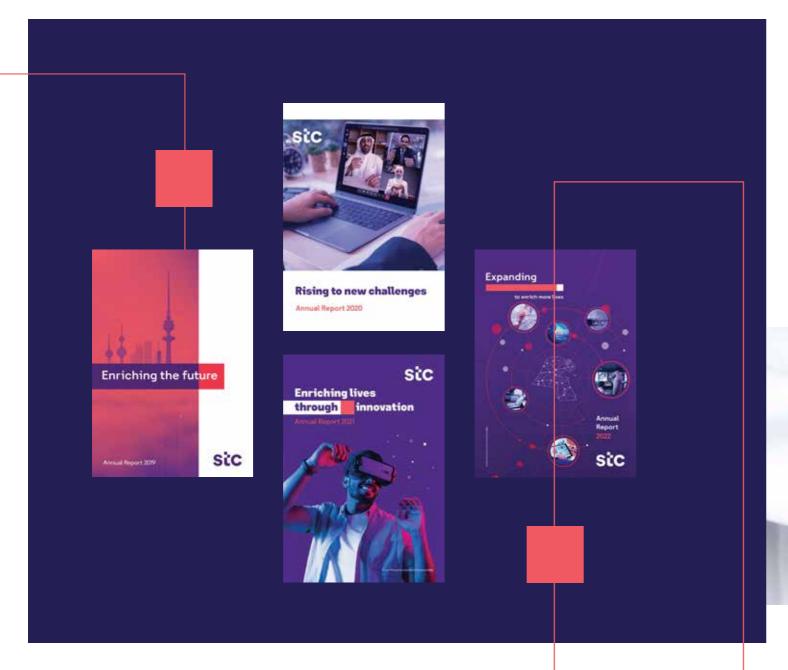
2023

Best Digital Annual Report
stc ranked 2nd as the best Annual Digital Report amongst mid cap companies in the MENA at the MEIRA 2023 Awards ceremony, that was held in Bahrain.

Digital annual reports

Transitioning to digital annual reporting reflects our commitment to sustainability and cost efficiency. By reducing our reliance on printed materials, we're minimizing environmental impact and lowering costs.

This shift not only aligns with ESG principles and enhances accessibility and transparency while optimizing resources. It's a strategic move towards a more sustainable and economically prudent future.

Stakeholder engagement and General Assembly
[GRI 2-29]

Stakeholder engagement and General Assembly represent crucial components of our governance framework, directly impacting the sustainability and success of our company.

We recognize the significance of actively involving stakeholders such as Investor Relations, Compliance, Regulatory Affairs, Legal Affairs, Public Relations, Branding, and Treasury in our decision-making processes. By fostering transparent communication channels and facilitating meaningful interactions through initiatives like General Assembly meetings, we not only strengthen trust and credibility but also ensure alignment with regulatory standards, compliance obligations, and legal requirements.

Through active engagement with our stakeholders, we prioritize ethical practices, uphold our corporate values, and mitigate risks, ultimately enhancing the long-term sustainability and resilience of our operations.

Additionally, by involving Treasury in dividends related procedures, we ensure a balanced approach to financial management that considers both short-term returns and long-term value creation for our investors and the broader community. This integrated approach to stakeholder engagement underscores our commitment to responsible corporate governance and sustainable business practices.
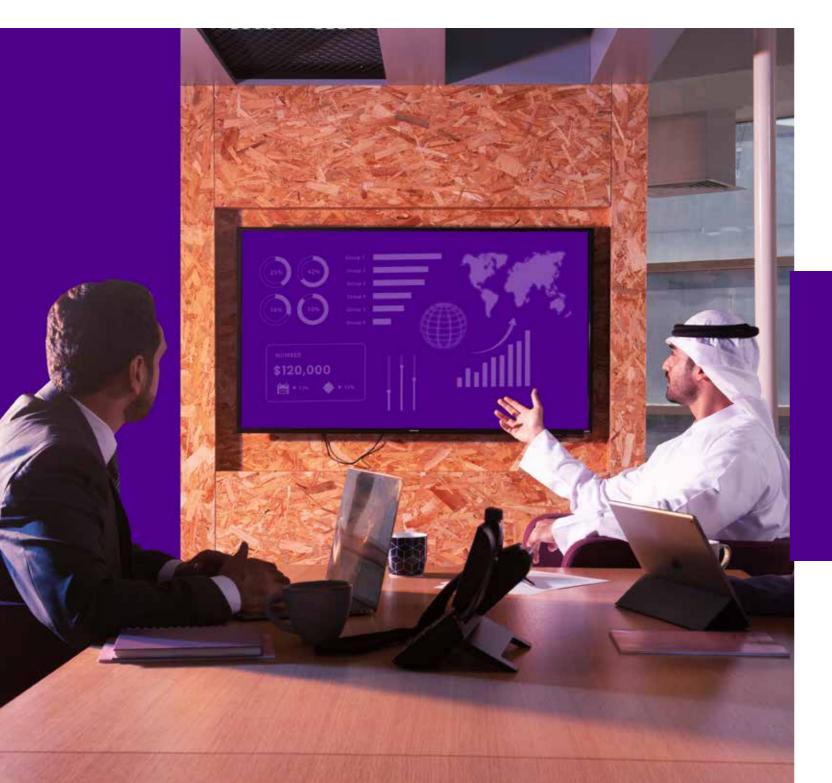
Corporate governance

stc prioritizes strong corporate governance by implementing best practices and adhering to the highest standards. This commitment builds trust with shareholders, customers, employees, and all stakeholders.

Upholding honesty, fairness, integrity, and transparency, **stc**'s governance framework safeguards stakeholder transactions.

Compliance and regulations
[GRI 2-27]

Compliance at **stc** serves as a cornerstone of the organization's commitment to ethical conduct, regulatory adherence, and corporate governance excellence. With the ever-changing landscape of laws, regulations, and industry standards, the Compliance Department plays a pivotal role in ensuring that **stc** operates in full compliance with legal requirements, industry regulations, and internal policies. By establishing robust compliance frameworks, conducting regular audits, and providing guidance to employees at all levels, the department safeguards **stc**'s reputation, integrity, and financial stability. Furthermore, the Compliance Department fosters a culture of accountability and transparency, promoting ethical behavior and responsible decision-making across the organization. Through its proactive approach to risk management and adherence to best practices, the compliance upholds **stc**'s commitment to operating with integrity, trustworthiness, and respect for all stakeholders.

Compliance revamped the compliance management program to be in line with ISO 37301 and facilitate setting-up an effective compliance management process. This means establishing a standardized and effective framework for navigating regulations. This goes beyond mere "ticking boxes" by integrating compliance into the daily operations and enabling a proactive approach. As a structured system, the program ensures **stc** operates within applicable regulations, mitigating risks, fostering trust, and upholding ethical standards. Driven by accountability, transparency, and integrity, it involves identifying potential risks, monitoring regulations, addressing non-conformities, and continuous improvement through ongoing review and adaptation to evolving landscapes. This fosters a culture of integrity and positions compliance as a value driver, supporting **stc**'s long-term success.

— Outstanding achievements

Corporate Governance and Stakeholder Protection Kuwait - 2021

stc awarded Corporate Governance and Stakeholders Protection Award from the Capital Finance International Awards 2021 by the UK-based business and finance publication, Capital Finance International (CFI.co). The judging panel's selection of **stc Kuwait** is due to its consistent record of solid board structure, strength of nomination, specification of director's duties, comprehensive governance code, and transparency and reporting on governance.

stc has adopted a Corporate Governance Framework that enhances the overall governance environment within **stc** in line with applicable laws, regulations and leading practices.

Best Corporate Governance Telecom Company Award Kuwait - 2021

stc awarded the Best Corporate Governance Telecom Company Award from the International Finance Awards as the Best Telecommunications Company in Corporate Governance in the State of Kuwait for the year 2021, in recognition of the company's outstanding achievements and corporate culture based on promoting standards of integrity, transparency and positive communication with all stakeholders.

stc has adopted a Corporate Governance Framework that enhances the overall governance environment within **stc** in line with applicable laws, regulations and leading practices.

Elevating stc's culture of integrity
[GRI 205-2]

To launch **stc**'s new Ethics and Integrity program, the Compliance Department held an interactive workshop with the senior leadership team. The workshop delved into the program's key elements, its approach to fostering a culture of ethical behavior, and its impact on **stc**'s integrity culture. A key topic was ensuring employees feel empowered to report unethical behavior without fear of retaliation.

To support this objective, a new Code of Ethics was launched, providing clear guidance and practical advice for navigating various integrity risk areas. Every leader across all sectors actively participated, rolling out the program through training sessions tailored to their teams, ensuring all employees understand their role in upholding **stc**'s ethical standards.

Internal
audit and controls

As organizations increasingly recognize the importance of sustainable business practices, the integration of sustainability into corporate reporting has become a crucial aspect of overall transparency and accountability. Internal audit department serves as a key enabler of sustainability by providing assurance, evaluating controls, and offering recommendations for improvement through its activities. Internal audit helps organizations integrate sustainability into their business processes, mitigate risks, and demonstrate a commitment to responsible and sustainable business practices.
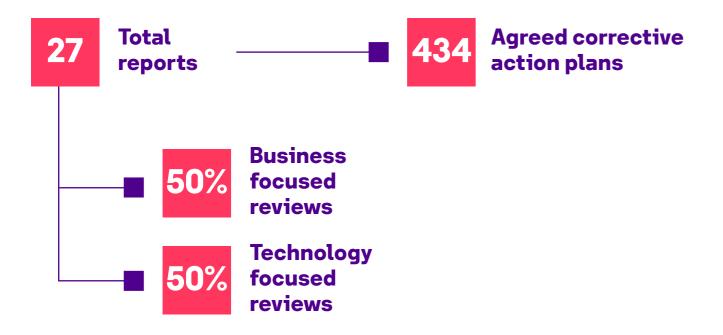

Internal audit qualifications

The Internal Audit Department at **stc** is comprised of a team of highly skilled professionals, the department conducts comprehensive audits and assessments across various business functions to identify risks, evaluate controls, and recommend improvements. Led by individuals certified in advanced leadership skills, CIA, CPA, CFE with (CISA) CISM, ISO BCMS 22301, ISO 31000, ISO 20000, COBIT 5, and ITIL, the team possesses a diverse skill set and expertise to effectively address emerging challenges and opportunities.

Through their rigorous evaluations and insightful recommendations, the Internal Audit Department contributes to **stc**'s ongoing commitment to integrity, transparency, and accountability, driving continuous improvement and value creation across the organization.

— Internal audit activity 2023

27 Total reports ——————— **434** Agreed corrective action plans

50% Business focused reviews

50% Technology focused reviews

— Special activities

3 Special reviews

1 Whistle blowing

161 Key Risk Indicators monitored through data analytics function

— Anti-competition and anti-corruption
[GRI 206-1] [GRI 205-2] [GRI 205-3]

stc is firmly committed to upholding the highest standards of ethical business practices and fostering fair competition in the Kuwaiti telecommunications market. We have zero tolerance for bribery and corruption, and we actively promote a level playing field for all players in the industry.

Our commitment extends to full compliance with all applicable laws and regulations, including law of Competition Protection Law No. (72)- 2020 and its executive bylaw. which strictly prohibits anti-competitive conduct. These regulations guide every aspect of our operations, from daily interactions to product launches and promotional campaigns.

To ensure adherence to these principles, **stc** has established a robust framework comprising:

✓ A comprehensive Code of Conduct that outlines expected behavior for all employees which strictly prohibits anti-corruption conduct.

✓ A whistleblowing policy that empowers employees to report any suspected wrong doing or unethical practices.

These policies are readily accessible to all employees, fostering a culture of transparency and accountability within the company.

By upholding these values, we aim to build trust with our customers, partners, and the wider community. We believe that fair competition ultimately benefits everyone by driving innovation and offering consumers a wider range of high-quality telecommunications services.

While some specific entities undergo more in-depth assessments, we nonetheless seek to address any corruption attempts through internal compliance monitoring, reporting and whistleblowing policies, and the extensive training provided to our people to understand how to fully comply with all laws, regulations, and policies.

Internal compliance monitoring, reporting, and whistleblowing	2021	2022	2023
Number of whistle blowing incidents received	2	4	1
Total number of incidents assessed/resolved	2	4	1
% number of incidents assessed/resolved	100%	100%	100%

stc maintained a clean legal record in 2023 with no public corruption cases filed against the company or its employees. To uphold our commitment to integrity, all employees are required to complete mandatory online anti-corruption training. This training reinforces our zero-tolerance policy and outlines clear expectations for ethical conduct.

Procurement
and Shared Services

The Procurement and Shared Services Department at **stc** plays a critical role in ensuring the efficient and cost-effective acquisition of goods and services essential for the organization's operations. By centralizing procurement processes and leveraging economies of scale, the department streamlines purchasing activities, negotiates favorable terms with suppliers, and drives cost savings across the organization.

The Procurement and Shared Services Department plays a pivotal role in advancing sustainability within **stc**. By adopting sustainable procurement practices, such as sourcing from environmentally responsible suppliers, prioritizing products with minimal environmental impact, and integrating sustainability criteria into supplier selection processes, the department contributes to **stc**'s broader sustainability goals.

Moreover, through the implementation of shared services, the department promotes sustainability by reducing the organization's overall resource consumption, minimizing paper usage, and optimizing energy efficiency in administrative operations. By embracing sustainable procurement and shared services practices, the Procurement and Shared Services Department aligns its activities with **stc**'s commitment to environmental stewardship, social responsibility, and ethical business practices, ultimately contributing to a more sustainable future for the organization and its stakeholders.

Responsible procurement and supply chain

[GRI 204-1]

The Procurement Department at stc plays a pivotal role in ensuring the efficient acquisition of goods and services essential for the organization's operations while driving sustainability initiatives forward. Responsible for sourcing, negotiating contracts, and managing supplier relationships, the department strives to optimize costs, mitigate risks, and enhance value across the supply chain.

In line with **stc**'s commitment to sustainability, the Procurement Department has spearheaded initiatives to digitize and streamline its operations, leading to a significant milestone: 100% of its processes are now paperless. By leveraging digital tools and platforms, such as e-procurement systems and electronic document management solutions, the department has eliminated the need for paper-based workflows, reducing resource consumption, and environmental impact as well as increasing transparency.

This paperless transformation not only enhances operational efficiency but also aligns with **stc**'s broader sustainability goals by minimizing paper usage, reducing waste generation, and promoting a greener, more environmentally responsible approach to procurement. Moreover, by embracing digitalization, the Procurement Department can enhance transparency, accessibility, and data security while enabling remote collaboration and decision-making.

Overall, the Procurement Department's commitment to sustainability and digital innovation underscores **stc**'s dedication to driving positive change, optimizing resources, and fostering a culture of environmental stewardship across the organization. By leading the way in paperless operations, the department sets a precedent for sustainable procurement practices, demonstrating **stc**'s commitment to excellence, efficiency, and responsible business practices.
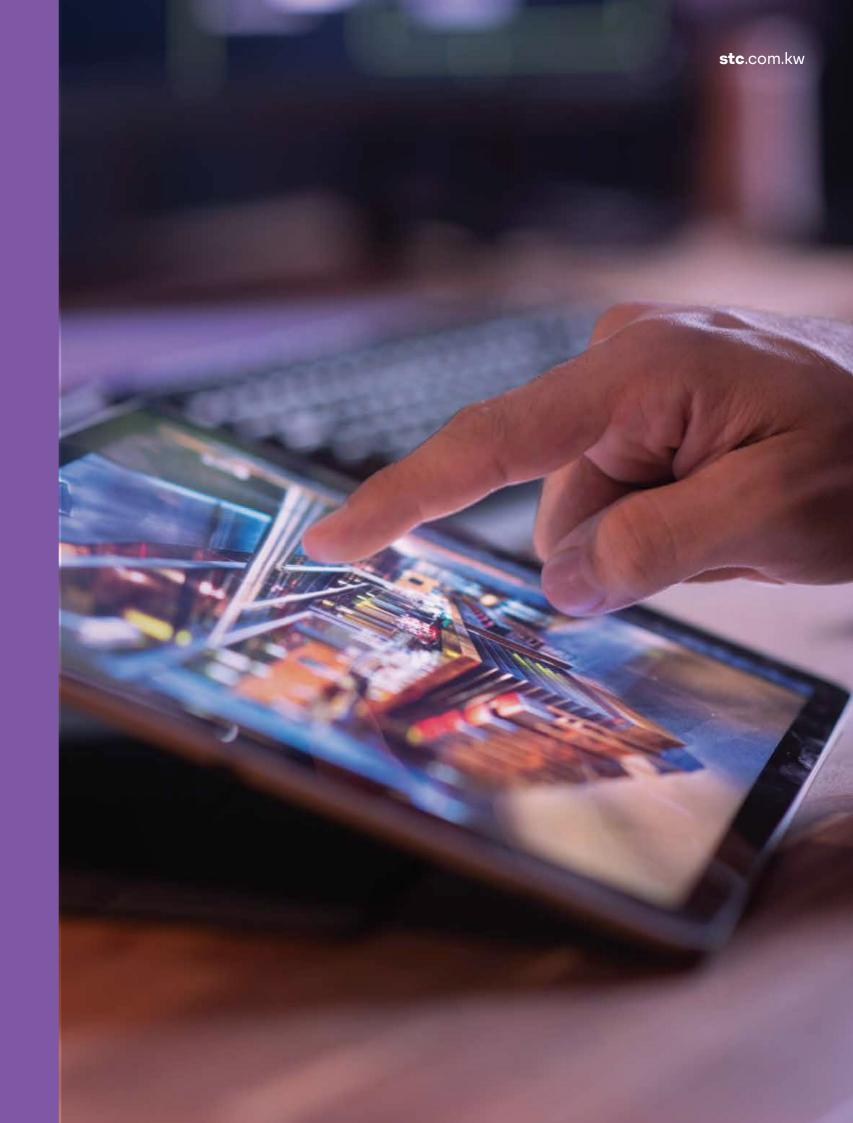
Total procurement spending (KWD)	218,504,030
Amount spent on local suppliers (KWD)	124,325,569
Amount spent on non-local suppliers (KWD)	94,178,461
Percentage of total procurement spending on local suppliers	57%
Number of total suppliers	1,298
Number of local suppliers	1,184
Number of foreign suppliers	114
Reduction of paper-based documents with electronic procurement process	100%
Number of digitally signed letter of award	323
Number of electronic orders sent to suppliers	3,349

Promoting
digital innovation and technologies

By embracing cutting-edge technologies and solutions, **we aim to streamline our operations, optimize efficiency, and unlock new avenues for growth.** This dedication to continuous improvement positions us not only to expand our current market reach but also to explore exciting new opportunities, solidifying our place as a leader in the ever-evolving technological landscape.

Digital transformation of stc

The transformation journey of stc encompasses a comprehensive digital strategy aimed at revolutionizing internal processes, enhancing customer experiences, and minimizing environmental impact. Central to this transformation is the digitization of internal business processes and related documentation, which drives the transition from traditional paper-based workflows to streamlined digital systems.

stc's Internal digitization efforts to date have been aimed at digitizing customer-facing business processes, and their related internal documentation (such as contracts, reports, bills, etc.). In addition, internal digitization efforts had been initiated aimed at automating processes, digitizing policies, reports, memos, etc. thereby enabling effective and efficient collaboration and communication amongst employees to access and share information seamlessly across departments and locations. These initiatives assist in achieving the essence of promoting sustainability by eliminating the need for paper-based documentation, thereby reducing waste.

In addition to internal digitization efforts, stc has focused on revamping customer digital touchpoints (such as applications on Mobile, Web, KIOSK, IVR, etc.) to empower customers with convenient and seamless access to stc business services and information.

These applications provide customers with a unified customer experience across channels and a user-friendly interface to manage their respective accounts, access billing information, and avail of services, digitally. By embracing the new digital era, stc is enhancing customer experiences, driving engagement, customer loyalty and abiding by the vision to LEAD.

On the other frontier, stc is committed to minimizing traditional, wasteful practices and reducing its environmental footprint. This includes initiatives to digitize billing statements, invoices, and other customer communications, reducing paper usage and carbon emissions associated with traditional mail delivery. Additionally, stc is exploring renewable energy sources and energy-efficient technologies to minimize its environmental impact and contribute to sustainability efforts.

Overall, the digital transformation of stc encompasses a holistic approach that combines approaches to both analog and digital activities, and efforts to minimize traditional, wasteful practices.

By leveraging innovation through technology advancements, stc is not only enhancing operational efficiency and customer experiences but also demonstrating its commitment to sustainability and environmental stewardship.

2023 Digital users

| Average app monthly traffic | 1,564,238 |
| Average website monthly traffic | 984,184 |

Digital achievements (B2C)

stc has effectively deployed and utilized virtual chatbot technologies to automate routine digital processes, leading to a 40% decrease in incoming support requests and enhancing overall customer experience through increased efficiency.

We have undergone a transformative process by re-envisioning its digital experiences tailored for roamers. By implementing further optimizations, the company observed a significant increase of 20% in activation rates. This strategic initiative reflects **stc**'s commitment to enhancing user engagement and delivering an improved digital journey for individuals on the move.

The company has incorporated a multitude of journey enhancements customer interactions into a cohesive and action-driven holistic experience. These initiative led to a notable 30% increase in service activations from 2022 to 2023.

We have successfully introduced digital eVouchers, incorporating sought-after gift cards such as Amazon, PlayStation, Xbox, iTunes, Google, and various others on its digital channels. This initiative has resulted in a notable increase of up to an additional 5% in digital sales, highlighting **stc**'s commitment to innovation and convenience in addressing the diverse needs of its customer base.

We also incorporated widely-used payment methods to elevate the customer experience, introducing Apple Pay as an additional payment option across its digital channels for services and bill payment.

stc launched its next-generation KIOSKs with a focus on customer services, aiming for a fully automated digital branch concept encompassing everything from onboarding to SIM issuance to self-care services.

We have leveraged on official government authentication API's as an added layer of protection where **stc** directly interfaces with Kuwait ID, further amplifying its customer experiences and actively contributing to the prevention of digital fraud.

We have also introduced cutting-edge services that enable its customer base to seamlessly transition to a digital eSIM through its self-care services, marking another milestone in innovation.

stc utilized innovative solutions, enabling **stc** partners to utilize OCR scanning technologies for the efficient registration and collection of customer data, further reducing the need for human intervention.

stc enabled the capability to capitalize on customer interactions through a data-driven methodology by targeting tailored offers depending on customer behavior and engagement patterns.

Sales transactions	2022	2023
mystc sales transactions	28%	28%
Other sales transactions (SSM+SMS+outlet) without mystc	72%	68%

Digital support channels	2022	2023
Digital self-service assisted support	60%	57%
Human interaction support	40%	43%

Digital achievements (B2B)

Launch of My Business digital selfcare portal
solutions by stc has launched the My Business digital self-care portal, empowering businesses to manage their accounts and access services while promoting sustainable practices. The portal allows businesses to reduce paper waste by providing digital billing and subscription management options leading to an 11% increase in digital transactions.

Launch of Chatbot
In its commitment to sustainability and exceptional customer service, **solutions by stc** has introduced an AI-powered chatbot designed to assist business customers. This innovative virtual assistant helps reduce the need for phone calls and physical interactions. **solutions by stc** observed a 7% decrease in direct interactions.

Lauch of Digital Trouble Tickets
solutions by stc has implemented a digital trouble ticket system for its business customers, promoting sustainability through streamlined processes. By eliminating the need for physical interactions and paperwork, businesses can report and track technical issues digitally, minimizing their environmental impact. This initiative led to 8% decrease in direct interactions.

Launch of Kiosk Payments for B2B customers
As part of its sustainable practices, **solutions by stc** has introduced kiosk payments for its B2B customers, providing a convenient and eco-friendly payment option. By encouraging self-service payments through kiosks, **solutions by stc** Kuwait reduces the need for paper invoices and receipts.

Launch of Digital Dashboard through Tableau
solutions by stc has launched a Digital Dashboard powered by Tableau, enabling the team to access real-time insights while embracing sustainability. By consolidating data and analytics in a digital format, businesses can minimize their reliance on printed reports, reducing paper consumption.

Launch of Email Management System
In line with sustainability goals, **solutions by stc** has introduced Email Management System for its internal team. By providing a centralized platform for email management,this system offers an organized approach to managing business emails, ensuring efficient handling, tracking, and response to customer inquiries and requests. By implementing the Email Management System, **solutions by stc** has elevated the communication experience enabling them to streamline their email interactions and enhance productivity.

Launch of Digital Leads
solutions by stc has launched Digital Leads through customer website, allowing customers to submit their interest in our products and services. These leads are captured in a lead portal, ensuring efficient management and follow-up from our sales team. This digitalized process reduces paper waste and enables seamless communication between our customers and sales representatives.

Launch of Quick Pay
solutions by stc has introduced a convenient and secure Quick Pay feature on their website where customers can perform payments at both the contract and individual subscriber levels with ease. This digital payment solution simplified the process, reduced the need for paper invoices and reduced branch visits by 30%.

Quality
assurance

—— Automated documentation system

stc has revolutionized its document approval process through the implementation of automated systems, marking a significant shift from traditional manual methods. This innovative approach has streamlined the approval process, leading to a notable increase in efficiency and productivity throughout the organization.

Before the adoption of automated systems, document approval was often a time-consuming and labor-intensive process, characterized by manual handling, paper-based workflows, and multiple layers of approval. This manual approach was prone to delays, errors, and inefficiencies, resulting in bottlenecks and hindrances to timely decision-making.

However, with the introduction of automated systems, we haveundergone a transformative change. The new system leverages cutting-edge technology to digitize and automate the entire document approval workflow, from initiation to final approval. Documents are now routed electronically, with predefined workflows and approval hierarchies, ensuring seamless and transparent processing.

By eliminating manual intervention and automating routine tasks, the new system has significantly reduced the time and effort required for document approval. Approval requests are swiftly routed to the appropriate stakeholders, who can review and sign off on documents with just a few clicks, regardless of their location.

Moreover, the automated system provides real-time visibility into the status of approval requests, allowing stakeholders to track progress, identify bottlenecks, and take proactive measures to expedite approvals as needed. This enhanced visibility and transparency have empowered decision-makers with timely insights, enabling faster and more informed decision-making.

Overall, the implementation of automated systems for document approval at **stc** has brought about a paradigm shift in efficiency and productivity. By embracing digital transformation, **stc** has optimized its operations, reduced processing times, and enhanced collaboration and communication across the organization, positioning itself for continued success in a rapidly evolving digital landscape.

To ensure that **stc** subsidiaries operate in accordance with laws regulations and best practices, it is imperative to provide effective engagement with the subsidiaries to ensure a best-in-class Governance and Quality model. By implementing this measure, the group can safeguard the interests of its stakeholders and achieve leading Governance and Quality principles.

stc has achieved 3.7 ratings out of 4 in the last KSA Governance and Excellence Assessment which is one of the highest ratings among subsidiaries where the rating of each domain is shown in image shown here.

There is a regular task of document review and approval cycle in **stc** and based on the complexity of company's processes, the number of their processes increased and then then approval process also which is taking too much time from process stakeholders so just to reduce the approval time and to make all documents online in a portal, we have implemented a SharePoint portal where all **stc** documents exist.

stc Kuwait has achieved 3.7 **rating out of 4** in the KSA governance and excellence assessment

We have implemented the automated systems for document approval which streamlines the approval process and increased the efficiency. As of now there are 859 documents are uploaded on our **stc** documentation portal for each sector of **stc**. All **stc** employees have access on this portal to review the needed documents such as Policy, Process, Procedure, Manual, Charter, etc.

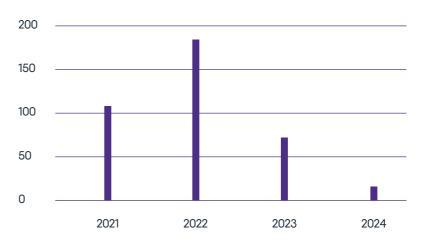**stc Kuwait** approved 859 digital documentation as of 2023

This initiative saved a big number of paper printing i.e. we went from paper based to paperless environment also there is fast processing of review and approval process, so finally the efficiency increased.

Find below the audit issues as well as areas of improvements identified by the Quality Assurance department:

Year	OFI	ISO Certificate
2021	105	ISO 9001 | 27001
2022	178	ISO 9001 | 27001
2023	72	ISO 9001 | 14001 | 20000 | 27001| 22301| 31000
2024	7	ISO 9001 | 14001 | 20000 | 27001 | 22301 | 31000

Total identidied
Audit issues / Areas of improvements

Operational policies and commitments
[GRI 2-23] [GRI 2-24] [GRI 205-2] [GRI 2-15]

Throughout our operations and interactions with our stakeholders, a variety of policies are set in place with the goal of improving ESG performance. These policies are periodically reviewed and updated, with the CEO's approval, to ensure we maintain open, transparent, and responsible practices. Below is a brief list of **stc** policies that are currently implemented and will be available publicly in the near future.

- Anti-fraud corruption policy
- Code of ethics and business conduct
- Conflict of interest policy
- Nominations and remunerations committee charter
- Audit committee charter
- Data privacy policy
- Corporate cyber security policy
- Corporate social responsibility policy

- Procurement policy
- Risk management policy
- Shareholders rights protection policy
- Stakeholders rights protection policy
- Sustainability policy
- Whistleblowing policy
- Compliance policy
- Code of conduct policy
- Integrated management systems policy

Quality assurance achievements

stc has achieved many ISO certifications which shows our commitment towards the implementation of international best practices in various types of areas such as Environmental, Quality, Information Security, IT Service, Business Continuity and Risk.

stc has Quality, Information Security, Environmental, IT Service, Business Continuity and Risk Management certifications where our Quality Assurance Department managed the ISO internal audits as needed by ISO best practices to identify the areas of improvement.

These ISO certifications assure our stakeholders that we are dedicated towards excellence. As of 2023 **stc Kuwait** is certified with:

ISO 14001:2015
Environmental Management Systems

ISO 9001:2015
Quality Management Systems

ISO 27001:2022
Information Security Management System

ISO 20000-1:2018
IT Service Management Systems

ISO 22301:2019
Business Continuity Management Systems

ISO 31000:2018
Risk Management Systems

stc Kuwait has approved and completed 100% of the audit findings related to documentation

Innovation

Shaping the future: Innovation at stc Kuwait

Imagine a world where technology seamlessly connects us, empowers businesses, and protects our environment. At **stc Kuwait**, this vision is more than just a dream – it's the driving force behind our constant pursuit of innovation.

Cutting-edge technology: 5G revolution

stc has emerged as a pioneer in Kuwait's telecommunications landscape with its groundbreaking implementation of the 5G network, underscoring its commitment to technological innovation and unparalleled service delivery. As the first service provider in Kuwait to upgrade to 5G, **stc** has set a new standard for connectivity, ushering in a new era of high-speed, low-latency communication that revolutionizes how individuals and businesses interact with digital technology.

With its 5G network, **stc** delivers lightning-fast speeds, enhanced reliability, and unprecedented bandwidth capabilities, empowering users to unlock the full potential of next-generation applications and services. From ultrahigh-definition video streaming and immersive virtual reality experiences to real-time gaming and IoT-enabled smart devices, the possibilities enabled by **stc**'s 5G network are virtually limitless.

Moreover, **stc**'s relentless pursuit of excellence extends beyond innovation to encompass accessibility and inclusivity. With 100% coverage in Kuwait, **stc** ensures that every corner of the country is seamlessly connected to its advanced 5G network, democratizing access to cutting-edge technology and bridging the digital divide.

Through its leadership in 5G deployment and comprehensive coverage, **stc** reaffirms its position as a trailblazer in Kuwait's telecommunications industry, driving progress, empowering communities, and shaping the future of connectivity.

As the world becomes increasingly interconnected and reliant on digital infrastructure, **stc** remains at the forefront, delivering transformative solutions that enrich lives, fuel economic growth, and propel Kuwait towards a brighter, more connected future.

06

Appendices

Appendix A — GRI content index

GRI content index	
Statement of use	**stc** has reported the information cited in this GRI content index for the period Jan 1st - Dec 31st, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard / other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation

General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	13			
	2-2 Entities included in the organization's sustainability reporting	Entity included in the sustainability reporting is **stc**			
	2-3 Reporting period, frequency and contact point	6			
	2-4 Restatements of information	Does not apply (inogural report)			
	2-5 External assurance	No external assurance			
	2-6 Activities, value chain and other business relationships	21-22			
	2-7 Employees	63-65			
	2-8 Workers who are not employees	63			
	2-9 Governance structure and composition	34, 130, 135-136			
	2-10 Nomination and selection of the highest governance body	138			
	2-11 Chair of the highest governance body	130			
	2-12 Role of the highest governance body in overseeing the management of impacts	129-133			
	2-13 Delegation of responsibility for managing impacts	137-138			
	2-14 Role of the highest governance body in sustainability reporting	34			
	2-15 Conflicts of interest	178			
	2-16 Communication of critical concerns	129-133			
	2-17 Collective knowledge of the highest governance body	This information is available in the **stc** website under «investor relations - corporate governance « - link to be added (https://www.stc.com.kw/en/about/corporate-governance)			
	2-18 Evaluation of the performance of the highest governance body	**stc** BOD has a self-assessment process with each member evaluating the other. Along with An external company from **stc** group, analyzing the evaluation of the committees and the board as a whole.			

GRI standard / other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation

General disclosures					
	2-19 Remuneration policies	75-76			
	2-20 Process to determine remuneration	-		Confidentiality constraints	
	2-21 Annual total compensation ratio	72			
	2-22 Statement on sustainable development strategy	7-12, 32-40			
	2-23 Policy commitments	178			
	2-24 Embedding policy commitments	178			
	2-25 Processes to remediate negative impacts	41-42			
	2-26 Mechanisms for seeking advice and raising concerns	78			
	2-27 Compliance with laws and regulations	154			
	2-28 Membership associations	28			
	2-29 Approach to stakeholder engagement	43-44, 152			
	2-30 Collective bargaining agreements	All **stc** employees have formal individual labor contracts, and are covered by regional work conditions standards and their terms of employment are determined based on the same. No collective bargaining agreements as per prevalent laws in Kuwait.			

GRI standard / other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation

Material topics

GRI standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-1 Process to determine material topics	41-42			
	3-2 List of material topics	41-42			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	66,72			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	72			
	202-2 Proportion of senior management hired from the local community	66,72			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 163-164			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	27, 163-164			
Business ethics and governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	139-140,157,160,176			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	139-140			
	205-2 Communication and training about anti-corruption policies and procedures	140,157,160,176			
	205-3 Confirmed incidents of corruption and actions taken	139-140, 160			
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	160			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	160			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	50			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	50			
	302-2 Energy consumption outside of the organization	50			
	302-3 Energy intensity	-		Information unavailable/ incomplete	This is a work in process and will be considered to be added in future sustainablility reports
	302-4 Reduction of energy consumption	50			
	302-5 Reductions in energy requirements of products and services	50			

GRI standard / other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	-			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	-		Not applicable	
	303-2 Management of water discharge-related impacts	-		Not applicable	
	303-3 Water withdrawal	-		Not applicable	
	303-4 Water discharge	-		Not applicable	
	303-5 Water consumption	-		Information unavailable/ incomplete	This is work in prgress, we will consider including this in the upcoming sustainability reports.
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	52			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	52			
	305-2 Energy indirect (Scope 2) GHG emissions	52			
	305-3 Other indirect (Scope 3) GHG emissions	-		Information unavailable/ incomplete	This is work in prgress, we will consider including this in the upcoming sustainability reports.
	305-4 GHG emissions intensity	-		Information unavailable/ incomplete	This is work in prgress, we will consider including this in the upcoming sustainability reports.
	305-5 Reduction of GHG emissions	52			
	305-6 Emissions of ozone-depleting substances (ODS)	-		Not applicable	Does not apply to telecom
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-		Not applicable	Does not apply to telecom
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	53			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	53			
	306-2 Management of significant waste-related impacts	53			
	306-3 Waste generated	53			
	306-4 Waste diverted from disposal			Information unavailable/ incomplete	This is work in prgress, we will consider including this in the upcoming sustainability reports.
	306-5 Waste directed to disposal	53			

GRI standard / other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	-		Information unavailable/ incomplete	This is work in progress, we will consider including this in the upcoming sustainability reports
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	-		Information unavailable/ incomplete	This is work in progress, we will consider including this in the upcoming sustainability reports
	308-2 Negative environmental impacts in the supply chain and actions taken	-		Information unavailable/ incomplete	This is work in progress, we will consider including this in the upcoming sustainability reports
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	73, 76-77			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	73			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	76-77			
	401-3 Parental leave	77			
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	-			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	**stc** adheres to Kuwait labor law, specifically Article 32, ensuring that any operational changes are communicated at least three months prior to any layoffs.			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	79-82			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	79			
	403-2 Hazard identification, risk assessment, and incident investigation	79			
	403-3 Occupational health services	82			
	403-4 Worker participation, consultation, and communication on occupational health and safety	82			
	403-5 Worker training on occupational health and safety	81			
	403-6 Promotion of worker health	82			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	82			

GRI standard / other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	82			
	403-9 Work-related injuries	82			
	403-10 Work-related ill health	82			

GRI standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	66-67 , 69			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	66			
	404-2 Programs for upgrading employee skills and transition assistance programs	67			
	404-3 Percentage of employees receiving regular performance and career development reviews	69			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	72,130			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	72,130			
	405-2 Ratio of basic salary and remuneration of women to men	72			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	-			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Incidents of discrimination & corrective actions taken for the year 2023 is zero			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	95-114			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	95-114			
	413-2 Operations with significant actual and potential negative impacts on local communities	There were no such operations in the year 2023			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	-			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	-	Information unavailable/ incomplete	This is work in progress, we will consider including this in the upcoming sustainability reports	
	414-2 Negative social impacts in the supply chain and actions taken	-	Information unavailable/ incomplete	This is work in progress, we will consider including this in the upcoming sustainability reports	
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	91-92			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	91-92			

Appendix B - Boursa ESG guidelines

Environmental					
Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Status / location
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable) E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	13 - Climate Action	GRI 305: Emissions 2016	Living Environment	GHG scope 1 & 2 Available p. 52 GHG scope 3 N/A
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	13 - Climate Action	GRI 305: Emissions 2016	Living Environment	We are finalizing to decide the denominator of this indicator
Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	12 -Reponsible consumption and production	GRI 302: Energy 2016	Living Environment	p. 50
Energy Intensity	Total direct energy usage per output scaling factor	12 -Reponsible consumption and production	GRI 302: Energy 2016	Living Environment	We are finalizing to decide the denominator of this indicator
Energy Mix	Percentage: Energy usage by generation type	7 -Affordable and clean energy	GRI 302: Energy 2016	Living Environment	p. 50
Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	6 - Clean Water and sanitation	GRI 303: Water and Effluents 2018	Living Environment	We are in the process of calculating water consumption figures by estimation methods
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No E7.3) Does your company use a recognized energy management system? Yes/No	N/A	GRI 305: Waste 2020	Living Environment	E7.1: yes E7.2: no (in process) E7.3: no
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	N/A	GRI 102: General Disclosures 2016	Living Environment	Yes p. 129-130
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	N/A	N/A	Living Environment	Yes p. 34
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	13 - Climate Action	N/A	Living Environment	N/A

Social

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Status / location
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	5 - Gender Equality	GRI 405: Diversity and Equal Opportunity 2016	Human Capital	p. 72
Employee Turnover	S2.1) Percentage: Year-over-year change for full-time employees S2.2) Percentage: Year-over-year change for part-time employees S2.3) Percentage: Year-over-year change for contractors and/or consultants	N/A	GRI 401: Employment 2016	N/A	p. 64
Gender Diversity	S3.1) Percentage: Total enterprise headcount held by men and women S3.2) Percentage: Entry, and mid-level positions held by men and women S3.3) Percentage: Senior and executive-level positions held by men and women	5 - Gender Equality	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 405: Diversity and Equal Opportunity 2016	Human Capital	p. 72
Temporary Worker	S4.1) Percentage: Total enterprise headcount held by part-time employees S4.2) Percentage: Total enterprise headcount held by contractors and/or consultants	N/A	GRI 102: General Disclosures 2016 GRI 401-Employment 2016	N/A	p. 64
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	10 - Reduce Inequalities	GRI 406: Non Discrimination 2016	Public Administration	Yes - (HR policy)
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	3 - Good Health and Well-Being	GRI 403: Occupational Health and Safety 2018	N/A	Zero
Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	3 - Good Health and Well-Being	GRI 103: Management Approach 2016	N/A	yes p. 82
Child & Forced Labor	S8.1) Does your company follow a child and/or forced labor policy? Yes/No S8.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	8 - Decent work and Economic Growth	GRI 408: Child Labor 2016	Economy	s8.1: yes s8.2: yes
Human Rights	S9.1) Does your company follow a human rights policy? Yes/No S9.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	10 - Reduce Inequalities	GRI 412: Human Rights Assessment 2016	Public Administration	s9.1: yes (HR Policy) s9.2: yes (HR Policy)
Nationalization	S10.1) Percentage of national employees S10.2) Direct and indirect local job creation	8 - Decent work and Economic Growth	GRI 202: Market Presence 2016	Economy	p. 66

Governance

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Status / location
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	10 - Reduce Inequalities	GRI 405: Diversity and Equal Opportunity 2016	Public Administration	p. 130
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No G2.2) Percentage: Total board seats occupied by independents	N/A	GRI 102: General Disclosures 2016	N/A	p. 130
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	N/A	GRI 102: General Disclosures 2016	N/A	No, but there are plans to implement in the future
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	10 - Reduce Inequalities	GRI 102: General Disclosures 2016 GRI 407: Freedom of Association- and-Collective Bargaining 2016	Public Administration	All stc employees have formal individual labor contracts, and are covered by regional work conditions standards and their terms of employment are determined based on the same. No collective bargaining agreements as per prevalent laws in Kuwait.
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	12 - Reponsible consumption and production	GRI 102: General Disclosures 2016 GRI-414-Supplier Social Assessment 2016	N/A	G5.1: yes G5.2: 100% p. 161
Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/ or Anti-Corruption policy? Yes/No G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy	16 - Peace, Justice and Strong Instituitions	GRI 102: General Disclosures 2016 GRI 205: Anti-Corruption 2016	N/A	G6.1: yes G6.2: 100% p. 157-160
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	N/A	GRI 103: Management Approach 2016 GRI 418: Customer Privacy 2016	N/A	G7.1: yes G7.2: yes p. 91-92
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No G8.2) Is sustainability data included in your regulatory filings? Yes/No	N/A	N/A	N/A	G8.1: yes G8.2: yes
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	N/A	N/A	N/A	G9.1: yes G9.2: yes G9.3: yes p. 36-38
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No	N/A	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016 is to be used in combination with the topic specific standards	N/A	No external assurance & will be considered to be implemented in future reports

stc

Inquiries and feedback

Inquiries, feedback or suggestions are welcome at:

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