



## A Message from our CEO

**2022 marks the beginning of solutions by stc's sustainability journey.**



Dear valued stakeholders,

I am writing to you with great enthusiasm as we celebrate a significant milestone in our commitment to corporate sustainability practices here at solutions. From our inception, we have held steadfast to the belief that doing business the right way is not just a goal, but a fundamental responsibility. Today, we are taking that commitment to the next level by embarking on an even more determined journey towards sustainability and the integration of ESG (Environmental, Social, and Governance) principles into the core of our operations.

Our journey began with a dedicated effort to identify, measure, and mitigate ESG challenges while seizing the opportunities they present. We initiated several sustainability programs and successfully executed various initiatives. This reflects our dedication to addressing our responsibility as a corporate entity to our planet, society, and our stakeholders.

We fully acknowledge that our business operations have a direct and indirect impact on the environment and society. Therefore, we are proactively taking steps to amplify our positive influence and minimize any potential negative consequences. In the upcoming year, we will set clear and measurable targets, enhance transparency, and ensure that ESG considerations are integral to our strategic decision-making process.

On the social front, we are strengthening our commitment to our employees. We will promote diversity and inclusion, invest in upskilling and reskilling opportunities, and ensure a safe and healthy work environment. We understand that our success is inseparable from the well-being of our employees and the communities we serve. Our focus is on establishing sustainability practices internally so that we can magnify their impact externally.

Governance, as a key pillar of ESG, remains a paramount focus. We are dedicated to upholding ethical conduct, transparency, and robust stakeholder engagement. Our governance structures will be further fortified to ensure accountability and the inclusion of all stakeholder voices in our decision-making processes.

This journey we embark upon is just the beginning. We are excited about the road ahead and understand that achieving our ESG goals is an ongoing commitment that demands unwavering determination and attention to ensure consistent progress. In this sustainability report, we look forward to sharing the details of this journey with you. Together, we will make solutions a more sustainable, responsible, and ultimately, a more successful company.

Thank you for being an essential part of this journey. Your support and engagement are pivotal as we collectively strive for a brighter, more sustainable future.

**Eng. Omer Alnomany**  
Chief Executive Officer (CEO)



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# About this Report

Welcome to solutions' inaugural Sustainability Report. This report aims to provide a comprehensive overview of the company's Environmental, Social, and Governance (ESG) performance during the period from January 1, 2022, to December 31, 2022, together with insights into solutions' ongoing sustainability endeavors.

## Reporting Frameworks

This report was developed with reference to the GRI Standards 2021. It showcases solutions' commitment to uphold the principles and pursue the objectives of the UN Sustainable Development Goals (SDGs), Tadawul ESG disclosure guidelines, the Future Investment Initiative (FII) Institute's ESG Framework, the Sustainability Accounting Standards Board (SASB), and Saudi Vision 2030.

## Reporting Period

January 1, 2022 to December 31, 2022.

## Reporting Boundaries

Unless stated otherwise, all financial and all non-financial data shown in this report relate only to solutions.

We welcome feedback on our report and sustainability performance through the communication channels listed below. For investors, please use the specified email address provided.

+966115251111

<https://solutions.com.sa/contact/>

### Investors

[IR@solutions.com.saccontact/](mailto:IR@solutions.com.saccontact/)



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# About solutions

## Vision, Mission, and Values

### Our Purpose

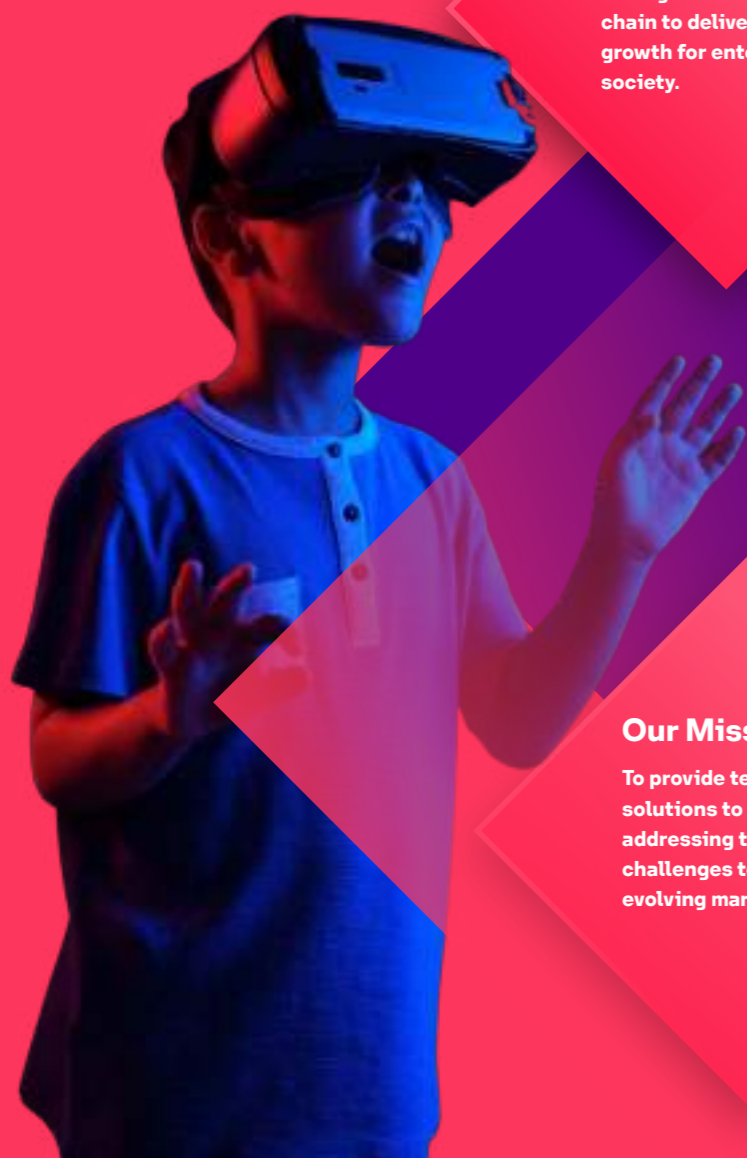
Drive human-led digitization through the entire IT value chain to deliver significant growth for enterprises and society.

### Our Vision

To create a digital ecosystem enabling our customers to achieve sustainable growth, regionally and globally.

### Our Mission

To provide technology solutions to businesses addressing their needs and challenges to succeed in evolving market conditions.



## Who We Are

solutions by stc, referred to as solutions throughout the report, is the leading enabler of digital transformation and the number one IT service provider in the Kingdom of Saudi Arabia. Our IT solutions empower the public and private sectors to transform and scale into a new digital age. We take pride in being a trusted partner that offers comprehensive IT services and solutions, adopting a holistic "one-stop-shop" approach across the entire IT value chain. This encompasses core ICT services, IT managed and operational services, as well as digital services, all meticulously designed to meet our clients' evolving needs. Our overarching objective is to foster digital ecosystems that empower our customers, enabling them to realize sustainable growth, both regionally and on a global scale.

Part of the Saudi Telecom Company (stc), solutions has more than 25 years' experience of providing innovative, integrated technology solutions to enterprises and Saudi society, with over 24,000 clients across the Kingdom.



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# Corporate Strategy

As a leading ICT service provider, our aim is to strengthen our broad portfolio enabling **one-stop shop offerings** to the B2B sector and become the **top digital enabler** in the Kingdom.

## Commercial Initiatives

**Lead in managed and professional services**

**L**

**Expand product portfolio and market reach**

**E**

**Strengthen and expand capabilities**

in multi-cloud service and managed services categories

**Expand the market reach and portfolio**

focus on new sectors and segments with relevant offerings

**Continue capability enhancements**

across application professional services, cloud services, and BPO

**Protect the core businesses and expand into**

digital consulting and emerging technologies

## Enabling Initiatives

**Achieve excellence in total experience**

**A**

**Promote internal efficiencies and collaboration**

**P**

**Deliver best in class experience**

for all stakeholders and continually improve the total experience

**Promote internal collaboration** to achieve growth for the business through digitization and automation of processes

**Expand partner ecosystem** and explore innovative business models to address customer needs throughout the digital journey

**Optimize investments in** building a strong culture of innovation and adopting the best sustainability practices

Our strategy aims to solidify solutions' leadership in IT services by focusing on customer-centricity, continuous innovation, and expansion into adjacent domains. We aspire to differentiate ourselves through exceptional customer experiences, strong partnerships, and through diverse offerings. While sustainability currently resides within the 'P' pillar of our LEAP strategy, our aim for 2023 is to establish a dedicated ESG strategy that comprehensively addresses the multifaceted aspects of sustainability management.

# Awards and Recognitions

solutions is proud to have received a number of awards in 2022, with some notable recognitions reflecting our commitment to enhanced governance and a focus on improving the experiences of our employees, partners, and customers. Awards included:



## Best Workplace Awards

- ◆ Best Workplaces in the Technology Sector in the Middle East 2022
- ◆ Best Workplaces in the KSA
- ◆ Best Workplace in Asia 2022
- ◆ Best Workplace for Saudi Nationals



## Glotel Awards

- ◆ Innovation in Digital Infrastructure Award



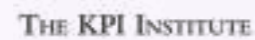
## Saudi Capital Market Award

- ◆ Most Notable Listing Award in the Saudi Market



## Telecoms World

- ◆ Middle East Best Digital Transformation for Operators Award



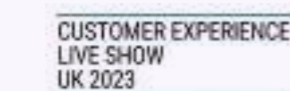
## The KPI Institute

- ◆ Integrated Performance Excellence Award



## Middle East and North Africa Stevie® Awards

- ◆ Most Exemplary Employer
- ◆ Most Valuable Corporate Response



## Customer Experience Live Show UK 2022

- ◆ Best Voice of Experience Award
- ◆ Best Change Management Award



## iCXA™ 22

- ◆ International Customer Experience Gold Award



## CISO 50 Awards

- ◆ International Customer Experience Gold Award



## CISCO

- ◆ Cloud Partner of the Year 2022



## IPMA Global Project Excellence Awards

- ◆ ICT Silver Award
- ◆ Changing Management and Product Silver Award
- ◆ Mega Projects Bronze Award



## Global Business Outlook

- ◆ Best IT Service Provider in Kingdom of Saudi Arabia



## Telecoms World

- ◆ Middle East Best Digital Transformation for Operators Award



## CommScope

- ◆ Strategic Partner of the Year 2022



## NetApp – Partner Summit

- ◆ Cloud Partner of the Year 2022



## Ministry of Labor

- ◆ Best Work Environment



## Huawei Middle east Virtual partner forums 2022

- ◆ The Fellow Traveler Award 2022
- ◆ Enterprise Networking Partner of the Year 2022
- ◆ The Partner of the Year 2022 - GITEX
- ◆ Excellent Global Sales Partner Award 2022 - China Huawei Connect Event



## NetApp – Partner Summit

- ◆ Cloud Partner of the Year 2022



## Fortinet

- ◆ Telecom Partner of the Year 2022
- ◆ OT Preferred Service Partner



## Palo Alto Networks

- ◆ Partner of the Year 2022



## Palo Alto Networks

- ◆ Partner of the Year 2022



## Trend Micro

- ◆ Enterprise Partner of the Year 2022
- ◆ Tiering Up Partner of the Year 2022



## Cloudera

- ◆ Partner of the Year 2022



## VMware

- ◆ Partner of the Year 2022
- ◆ Sovereign Cloud Provider in the Kingdom of Saudi Arabia 2022 & Cloud Verified Status 2022



## SAP

- ◆ Highest Sales Revenue Award On-Prem of the Year 2022



## Hewlett Packard Enterprise

- ◆ MESA Rising Star of the Year 2022



## Starlink

- ◆ Partner of the Year 2022



## Dell

- ◆ Dell Cloud & Services Partner of the Year 2022 by Mindware
- ◆ Excellence Award by Mindware
- ◆ CSP Platinum Partner
- ◆ MSSP (Power Store & vXRAIL) - Preferred Service Partner
- ◆ Excellence in Storage Sales Awards 2022

# Certifications

**solutions is dedicated to consistently pursuing and achieving the highest industry standards. Our organization holds numerous certifications and accreditations that attest to our well-governed policies and practices, including, but not limited to:**

CIPS Certificate of Procurement and Supply	STC ITCC Data Center, Riyadh <ul style="list-style-type: none"> <li>◆ Tier IV Design, Uptime Institute Certification</li> <li>◆ Tier IV Facility, Uptime Institute Certification</li> <li>◆ Tier IV Operations, Uptime Institute Gold Certification</li> </ul>
Compliance with PCI DDS Certification (2022 audit, Riyadh)	ISO 9001:2015 Quality Management System (2022)
Compliance with PCI DDS Certification (2022 audit, Jeddah)	ISO 14001:2015 Environmental Management System (2021)
eTom 20.5 Implementation Conformance Certificate	ISO 22301 Business Continuity Management (2020)
STC Jeddah Data Cente <ul style="list-style-type: none"> <li>◆ Tier IV Design, Uptime Institute Certification</li> <li>◆ M&amp;O, Uptime Institute Approved</li> </ul>	ISO 22320 Emergency management (2022)
	ISO/IEC 27001:2013 Information Security (for IOC and COE Lab) (2022)

ISO/IEC 27017:2015 Cloud Information Security (2022)	EFQM C2E Committed to Excellence
ISO 27018:2019 Identifiable Information Security in Marketplace	HIPAA Protected Health Information and e-PHI (2022)
ISO 31000:2018 Risk Management (2022)	National Cybersecurity Authority (NCA) Essential Cybersecurity Controls certified
ISO 37301:2021 Compliance Management System (2022)	National Institute of Standards and Technology (NIST) cybersecurity certified
ISO 45001 Occupational Health and Safety Management System (2021)	National Cybersecurity Authority Cloud Cybersecurity Controls (NCA CCC) certified
ISO 41001 Facility Management Services	National Cybersecurity Authority Data Cybersecurity Controls (NCA DCC) certified
CSA Cloud Control Matrix (2022)	PCI DSS Payment Card Industry Data Security Standard
Cloud Security Alliance STAR Certification	





## Chapter I

# Sustainability at solutions

In an era where the principles of ESG have become pivotal to corporate strategy, long-term viability, and stakeholder management, leading organizations across industries are embarking on transformative journeys to align their strategies with these imperatives. Among these leaders stands solutions by stc, as the market leader in IT, committed to create a purposeful impact for our customers, society, and in the overall dynamic world of technology.

Our internal Sustainability Policy serves as our compass on this journey, while ensuring our sustainability activities and programs are aligned with national and international initiatives, such as the Saudi Vision 2030 and the UN Sustainable Development Goals (SDGs).

Our sustainability journey is set to advance further under the guidance of our proactive Sustainability Committee, which will lead, endorse, and report on forthcoming sustainability initiatives. Our business unit leaders also play a pivotal role in upholding the Sustainability Policy at solutions, and engagement from our entire stakeholder community will help us further strengthen our future-oriented sustainability goals.

Sustainability is currently nested under the "P" pillar of our LEAP strategy, and we are actively working towards establishing a dedicated ESG Strategy, slated for completion in 2023. This strategy will outline our ambitious ESG goals and initiatives, shaping the direction of our operations and value chain.



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# Materiality Assessment

As the leader in IT industry, we recognize the importance of responsible corporate behavior in the face of rapid technological advancement and the increasing awareness of our global impact. As part of our commitment to sustainability management, we have conducted a rigorous materiality assessment this year. The assessment resulted in a list of material ESG topics that capture areas of solutions' impact on the economy, environment, and people, including impacts on their human rights.

In this exploration of the Materiality Assessment we have conducted, we delve into the essential prioritization of ESG issues, identifying the most salient concerns for stakeholders, and shaping a sustainability strategy that promises to reshape the IT landscape for the betterment of all involved.

solutions is committed to navigating the intricate web of stakeholder interests and priorities, with a dual aim of charting a sustainable course for our own future and catalyzing meaningful change within the IT value chain. We aspire to resonate with investors, uphold the highest governance standards, engage and inspire our dedicated workforce, and serve as an exemplar in the realm of corporate responsibility.

This journey is not just a corporate endeavor; it is a dedication to fostering positive change, a promise of environmental stewardship, a commitment to creating social impact, and an affirmation of responsible governance.

The assessment included a high-level overview of solutions' activities and business relationships, the sustainability context in which these occur, and an overview of our stakeholders. In alignment with the GRI Standards, significant impacts were identified using various sources. The method integrated both internal and external stakeholder insights, combining extensive desktop research, as well as inputs from executive engagement sessions and from solutions' LEAP strategic framework.

A long list of material topics was identified, which was filtered and reduced to a smaller list of 15 material topics that were ranked based on importance from an external and internal stakeholder perspective. This

process produced a curated list of ESG topics that are material for solutions, grouped into three categories of importance:

◆ **Highly important:** These topics have a significant impact on solutions' business and stakeholders, and they are essential to our long-term success.

◆ **Very important:** These topics have a moderate impact on solutions' business and stakeholders, and they are important to our long-term success.

◆ **Important:** These topics have a lower impact on solutions' business and stakeholders, but they are still important to consider.

We are committed to using the results of our Materiality Assessment to guide our strategic planning and decision-making. We believe that this will help us to create a more sustainable and responsible business that benefits all our stakeholders.



◆ Highly important    ◆ Very important    ◆ Important



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# Stakeholder Engagement

Determining solutions' stakeholders and having a continuous and effective engagement with them is imperative for us to understand and address their needs and expectations, including capturing the topics they deem material.

Our main internal and external stakeholders are shown in the figure below. For a detailed description of our stakeholders and their interests, please refer to Appendix A.

## External Stakeholders



## Internal Stakeholders



# Our Contribution to the Saudi Vision 2030

We take great pride in aligning our efforts with the Saudi Vision 2030. This strategic integration reflects our commitment to furthering the Vision's goals and fostering positive change, both at national and international levels. With a focus on the continuous elevation of our contributions, our initiatives are designed to facilitate a smooth transition in line with the Vision's objectives, national policies and frameworks, ESG standards, and Sustainable Development Goals.

Vibrant Society	Thriving Economy	Ambitious Nation
<p><b>WITH STRONG FOUNDATIONS: EMPOWERING OUR SOCIETY</b></p> <ul style="list-style-type: none"> <li>Interacting with local communities to back education, individuals in vulnerable situations, Saudi culture, volunteer efforts, and concerns related to the environment, health, and safety.</li> <li>Sponsoring Saudi talents to inspire to empower global participation.</li> </ul>	<p><b>REWARDING OPPORTUNITIES: PROVIDING EQUAL OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>Focusing our hiring on promoting the participation of women in the workforce.</li> </ul>	<p><b>EFFECTIVELY GOVERNED: EMBRACING TRANSPARENCY</b></p> <ul style="list-style-type: none"> <li>Maintaining a clean record with <b>zero corruption incidents for consecutive two years.</b></li> </ul>
<p><b>WITH FULFILLING LIVES: LIVING HEALTHY, BEING HEALTHY</b></p> <ul style="list-style-type: none"> <li>Providing a range of policies designed to <b>promote a healthy work-life balance for employees.</b></li> </ul>	<p><b>REWARDING OPPORTUNITIES: LEARNING FOR WORKING</b></p> <ul style="list-style-type: none"> <li>Promoting employee development and training as <b>more than 100,000 hours of training</b> were delivered.</li> </ul>	<p><b>EFFECTIVELY GOVERNED: EMBRACING TRANSPARENCY</b></p> <ul style="list-style-type: none"> <li>Sustaining a record of <b>3 consecutive years without any human rights violations.</b></li> </ul>
	<p><b>REWARDING OPPORTUNITIES: ATTRACTING THE TALENTS, WE NEED</b></p> <ul style="list-style-type: none"> <li>Achieving a percentage of <b>65.5% Saudi employees.</b></li> </ul>	<p><b>RESPONSIBLY ENABLED: BEING RESPONSIBLE TO SOCIETY</b></p> <ul style="list-style-type: none"> <li>Promoting volunteerism to drive development in Saudi Arabia, we initiated various CSR</li> </ul>
	<p><b>LEVERAGING ITS UNIQUE POSITION: SUPPORTING OUR NATIONAL COMPANIES</b></p> <ul style="list-style-type: none"> <li><b>Engaging with 65% local suppliers</b> out of total suppliers</li> </ul>	

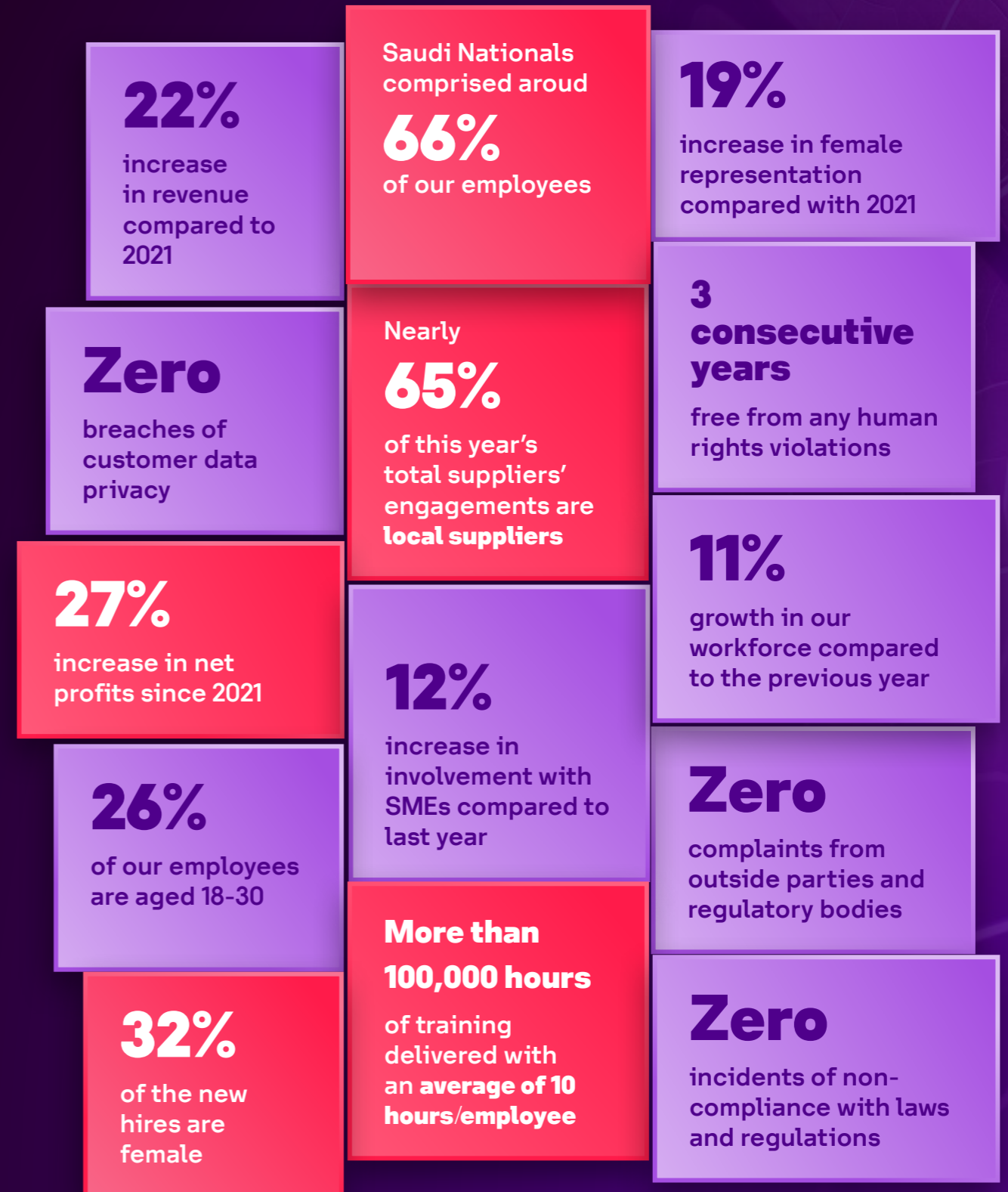


# Our Contribution to the SDGs

To attest solutions' alignment with global sustainability goals, solutions have started to implement formally established sustainability practices, incorporating the UN's Sustainable Development Goals (SDGs) within the company's aspirations and goals. The SDGs were taken into consideration during the Materiality Assessment, and the table below demonstrates how our sustainability concerns align with these global goals.

UN SDG	solutions' contribution
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>Offering flexible hours for employees to better balance personal responsibilities and work life.</li> <li>Prioritizing employee well-being through health promotion campaigns, an annual wellness program, gym discounts, and healthy catering.</li> </ul>
 <p><b>4</b> QUALITY EDUCATION</p>	<ul style="list-style-type: none"> <li>Providing learning and development opportunities to employees through external and internal custom training programs.</li> </ul>
 <p><b>5</b> GENDER EQUALITY</p>	<ul style="list-style-type: none"> <li>Promoting female empowerment by encouraging female participation in the workforce as well as tailored learning and development programs.</li> </ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>Providing guidance for fresh graduates and equip them with valuable skills needed in the Saudi labor market.</li> <li>Providing a work environment that accommodates different employees (women, people with disabilities, youth and others) needs.</li> </ul>
 <p><b>10</b> REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>Attaining a higher female workforce representation through enhanced recruitment strategies, improved employer branding, and use of social media.</li> <li>Ensuring effective grievance resolution, including a confidential whistleblowing channel, addressing potential misconduct concerns.</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>Committing to responsible resource management across our value chain, with clear expectations communicated regularly.</li> </ul>
 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>Prioritizing human rights and the well-being of our team members.</li> <li>Upholding a strict zero-tolerance policy against discrimination.</li> </ul>

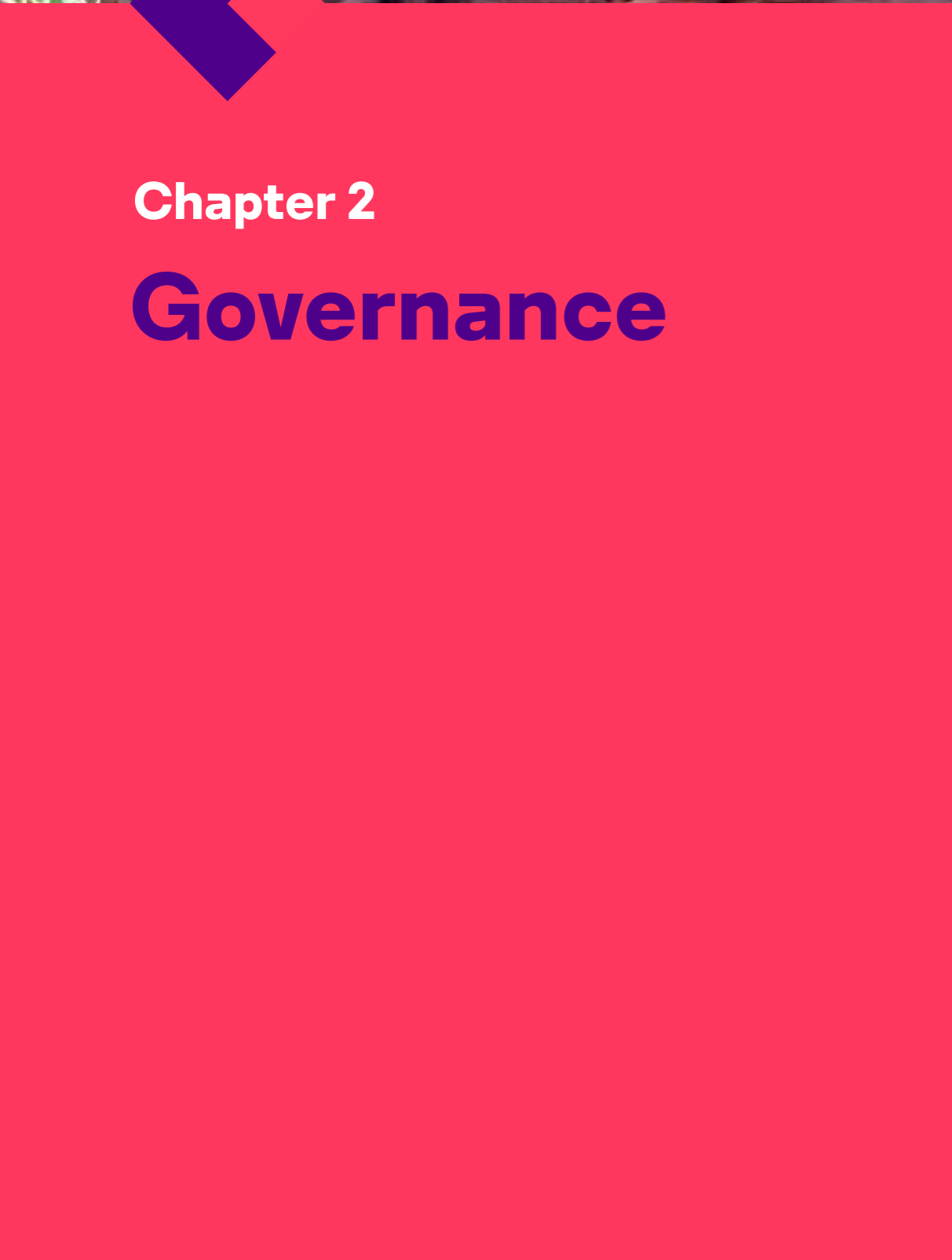
# ESG Highlights







# Chapter 2 Governance



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# Corporate Governance and Transparency

Guided by a steadfast commitment to sound governance practices, solutions acknowledges the pivotal role that corporate governance plays in sustaining a transparent, accountable, and ethically responsible business environment. As an integral aspect of our mission, this commitment is epitomized our [Corporate Governance Policy](#).

Our Corporate Governance Policy outlines the principles and guidelines that guide solutions in adhering to relevant regulations and fostering strong corporate governance practices. It reflects our commitment to these principles and provides a guideline for their implementation.

Built upon solutions' core values of Drive, Devotion, and Dynamism, the Policy draws from industry best practices and governmental supervisory requirements. It serves as a blueprint for aligning our corporate governance mechanisms with our company's fundamental ethos.

Through this Policy, we articulate how solutions harmonizes its operations with a governance approach that is rooted in our organizational philosophy. Our

objective is to ensure transparency, accountability, and ethical conduct in all our endeavors, strengthening our commitment to excellence and responsible business practices.

As evidence of effective implementation of the aforementioned Policy and solutions' commitment to emphasize responsible business practices, in 2022 and there have not been any confirmed incidents of corruption or incidents in which employees were dismissed or disciplined for corruption. The corporate governance practices extend to solutions business partners, where no contracts with business partners were terminated or not renewed due to violations related to corruption.



# Governance Structure

The highest governance body in solutions is the Board of Directors, which consists of nine Directors. The term of each Director, including the Chair, is limited to a maximum of three years per session. These are classified according to the definitions contained in the Corporate Governance Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia and appointed by the Conversion General Assembly of Shareholders.

We uphold a resolute stance on non-discrimination in the selection process and policy for the Board and Board committees. This ensures that the appointment of Board and committee members is transparent, fair, and free from bias, with a focus on their possession of the requisite personal and professional skills and experience, while diligently avoiding any conflicts of interest.

The Board represents all shareholders and is responsible for the company's business and managing its affairs, although it delegates certain powers to committees and individuals within the business. In 2022, the Board convened six times with 100% attendance.

The Board is supported in its decision making and company oversight by four committees:



More information on the selection process and working of the Board and its committees can be found in the [Governance Report](#) within our [Annual Report](#).

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Board of Directors	Units	2020	2021	2022
Total number of Board members	#	5	9	9
<b>Independence</b>				
Independent <sup>1</sup> members of the Board of Directors	#	0	3	3
Non-independent members of the Board of Directors	#	5	6	6
<b>Executive Membership</b>				
Executive members of the Board of Directors	#	0	0	0
Non-executive members of the Board of Directors	#	5	6	6
<b>Gender Profile</b>				
Male members of the Board of Directors	#	5	9	9
<b>Age Profile</b>				
Number of board members aged under 30	#	0	0	0
Number of board members aged between 30 to 50	#	5	7	7
Number of board members aged over 50	#	0	2	2
<b>Nationality</b>				
Number of Board Members who are Saudi Nationals	#	5	9	9

<sup>1</sup>An independent director is one who, apart from receiving a director's remuneration, does not have any other material pecuniary relationship or transactions with the company, its promoters, its management, or its subsidiaries, which in the opinion of the board would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In other words, an independent director has no material relationship with the company, either directly (as an employee) or as a partner, shareholder, or officer of an organisation that has a relationship with the company.

# Business Ethics and Compliance

**solutions maintains a steadfast commitment to upholding internal policies, rules, and external legal and regulatory requirements. Central to this commitment is our Code of Ethics and Business Conduct, which mandates adherences for all employees, shaping our interactions with partners.**

Our unwavering commitment to ethical conduct is demonstrated through a series of deliberate actions. The Board of Directors (BoD) has approved solutions' [Anti-fraud and Corruption Policy](#) demonstrating their dedication to these values. Furthermore, each BoD member has undergone training covering conflicts of interest matters. Our drive for transparency extends to our workforce and external stakeholders, as all employees can readily access the policy via the internal portal and the solutions website. Reinforcing this ethical stance, multiple fraud awareness initiatives are carried out across solutions, utilizing diverse channels

such as virtual sessions, periodic letters addressing fraud concerns, and informative fraud awareness emails.

Currently underway is a comprehensive assessment of fraud and corruption risks across solutions. As a part of this process, we are poised to evaluate corruption in our operations in 2023.

To gauge the efficacy of our business ethics and compliance efforts and promptly address any concerns, solutions employs several Key Performance Indicators (KPIs) monitored by our Ethics and Culture Committee.



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## Ethics and Culture Committee

In 2022, solutions inaugurated an Ethics and Culture Committee with a primary mandate encompassing the review and monitoring of pivotal ethical risks, violations, and undesirable behaviors that could detrimentally affect the company's reputation and performance. This committee additionally assumes the responsibility of supervising culture, integrity, gender equity, and other ethical dimensions throughout the organization.

Key responsibilities of the committee entail:

**Evaluating and overseeing potential ethical risks, ensuring the implementation of suitable mitigation measures and controls.**

**Ensuring adherence to the company's Code of Conduct and suggesting revisions when needed, informed by lessons drawn from any breaches.**

**Investigating and resolving diverse types of violations and inappropriate behaviors, regardless of whether they are initiated by employees or representatives, even if situated outside the company's headquarters.**

**Overseeing whistleblowing reports and measures that cultivate a culture of open communication, encouraging employees to report unethical practices or concerns.**

**Monitoring anti-fraud reports relevant to fraud risk assessment and awareness. This encompasses reviewing disciplinary actions involving implicated employees, proposing remedies when essential, assessing reports and actions post-breaches of ethical values or allegations of employee misconduct, and ensuring effective awareness and training programs on ethics and anti-fraud throughout all organizational tiers.**

solutions' commitment to enforcing ethical business practices has resulted in two consecutive years free of incidents of non-compliance with laws and regulations.

Non-compliance with Laws and Regulations	Units	2020	2021	2022
Total number of incidents of non-compliance with laws and regulations	#	2	0	0
Number of instances for which fines were incurred	#	2	0	0
Number of instances for which non-monetary sanctions were incurred	#	0	0	0
Total amount of legal and regulatory fines and settlements	SAR	5,250,000	0	0

Anti-competitive Behaviour	Units	2020	2021	2022
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	#	0	0	0
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.	SAR	0	0	0

## Risk Management

solutions is dedicated to ensuring robust risk management practices across its operations. Oversight is provided by the Audit Committee, conducting regular assessments of our internal control systems. This commitment to improvement is highlighted by our ISO 31000 accreditation.

Our risk management efforts focus on three key areas: foreign currency exposure, profit and liquidity rates, and credit risk. To address these concerns, solutions has a comprehensive risk management policy aligned with our corporate objectives. This is supported by a risk management framework overseen by executive management.

This framework empowers solutions' leadership to assess risks, including emergent and those tied to changes in organizational, market, political, regulatory, and environmental factors. It guides the development of remedial plans when necessary and supports business units promoting risk management awareness. Regular reviews keep the framework in line with industry best practices.

In 2022, solutions successfully implemented an organizational risk management appetite statement aligned with Board direction. The year before brought achievements, including ISO 31000 Risk Management Certification, and ISO 22320 Emergency Management Certification, and the update of our Risk Appetite framework.

We foster holistic awareness and interactive learning through engaging activities dedicated to Governance, Risk, and Compliance (GRC) and Enterprise Risk Management (ERM). These ongoing interactive

communications with employees at all levels ensure that we address any queries related to these topics effectively.

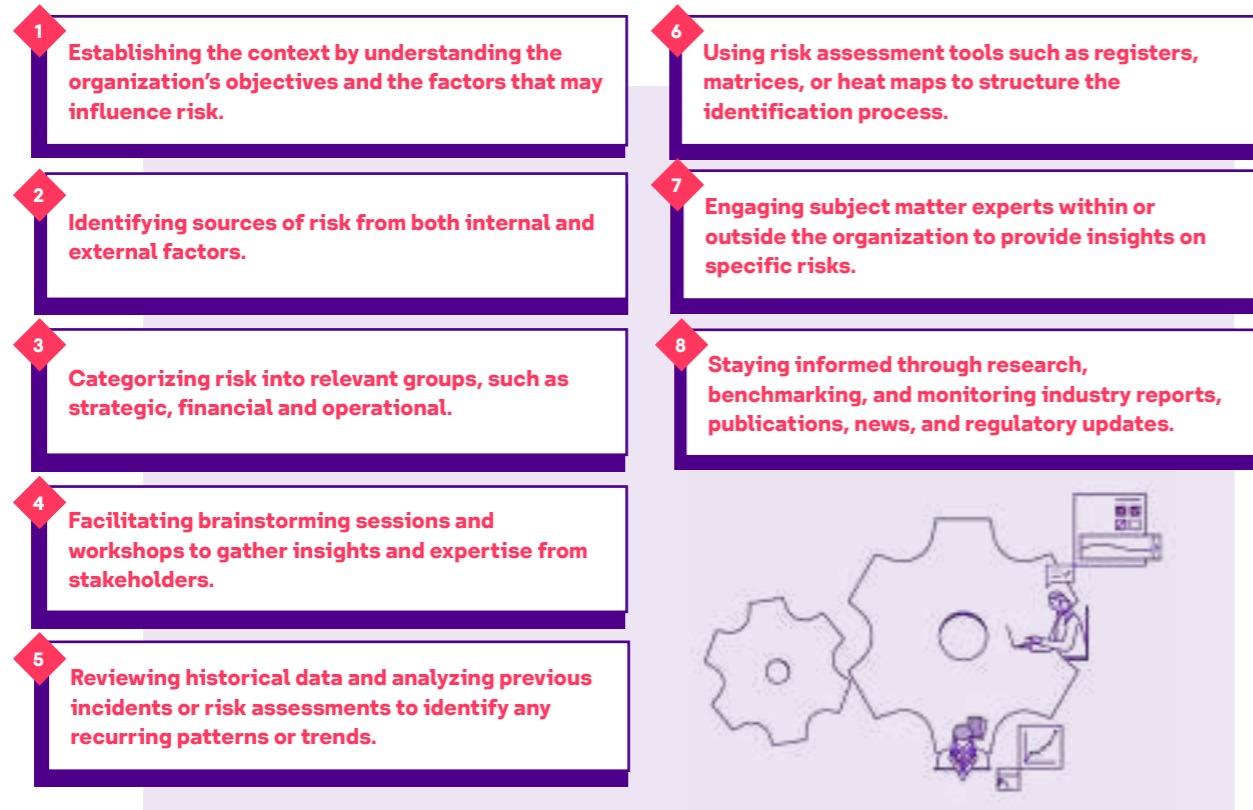
New hires learn about GRC during induction, and a company-wide Business Continuity Management (BCM) awareness week highlights preparedness through engaging activities.

In anticipation of the upcoming year, we are resolutely focused on our Key Performance Indicators (KPIs) and the performance targets they encompass. Our commitment to advancing risk management is underscored by our ERM Annual Activity and Improvement Plan for 2022. With a proactive approach, we are dedicated to ensuring the timely completion of planned activities, reflecting our commitment to operational agility. The Corporate KPI – GRC Index serves as a metric of our dedication to governance, risk management, and compliance practices. As part of our ongoing pursuit of excellence, we prioritize the enhancement of capabilities through training initiatives. Additionally, we are committed to the thorough closure of audit observations and findings, aligning with our proactive approach to quality assurance. These collective efforts signify our unwavering commitment to fostering a future characterized by robust risk management practices and organizational resilience.





solutions maintains an Enterprise Risk Management (ERM) process that assists in identifying and managing risks across the company's operations. The sequence of the ERM process is as follows:



Risks and their meanings to solutions identified in 2022:

Risks	Definition
Data Privacy	The risk of failure in protecting sensitive/confidential data resulting in reputational, regulatory and financial implications.
Merger & Acquisition Risk	The risk of insufficient M&A governance and monitoring, impacting solutions' reputation, operations and financials.
Regulatory Risk	The risk of non-compliance with new or current laws and regulations (national and international) that would result in legal and financial implications
Cyber Security (CS) Risk	The risk of growing sophistication and variety of cyber-attacks, resulting in reputational and financial damages.
Talent Management	The risk of inability to maintain solutions' leading position as an employer of choice, resulting in reputational damage and shortage of skilled resources; and acquiring, upskilling, and retaining the right talent to achieve their objectives.
Competition Risk	The risk of inability to respond to market competition/demand or inability to maintain quality standards, resulting in non-achievement of strategic objectives and consequent financial implications.
Project Risk	The risk of inability to develop or implement projects within agreed-upon objectives, required timelines, budget, scope, stakeholder expectations and profitability, resulting in financial losses and customer dissatisfaction.
Business Continuity	The risk of inability to ensure continuous operations and high availability due to lack of disaster response and Business Continuity Plan (BCP) capabilities.
Financial Risk	The risk of material financial impacts e.g. deviation in targeted revenue, failure to maintain acceptable liquidity ratio, or a change in economic status.

## Business Continuity

Business continuity risks can have a significant impact on an organization's ability to maintain operations during and after unexpected events, such as natural disasters, power outages, cyber-attacks and pandemics. To address these risks, solutions has implemented a Business Continuity Management Policy. The Policy is designed to:

- ◆ Enable continuity of operations during disruption to ensure that key activities are resumed within agreed and pre-established timeframes.
- ◆ Minimize the impact of business disruptions, specifically health & safety, financial, operational, legal/regulatory and reputational impacts.
- ◆ Safeguard the interests of solutions' internal & external Stakeholders.

The Policy sets out in detail how solutions shall prepare for and respond to major disruptions. This includes embedding business continuity in our culture through the establishment of a Business Continuity Management program and Governance, Risk, and Compliance champions, who cascade the importance of BCM to our staff. Through the policy, solutions has put in place specific actions to ensure any disruption to the business is minimized, including:

- ◆ **Business continuity Plans (BCP).** Each department has a business continuity plan that outlines how it will respond to different types of disruption. Plans include identifying key personnel, defining their roles during disruptions, detailing communications plans, and outlining recovery strategies for various scenarios.
- ◆ **Testing and updating of BCPs.** BCPs are tested regularly to identify any gaps or areas for improvement. Tests range from tabletop exercises to simulations and full-scale drills. BCPs are also updated regularly to reflect any changes in the organization or relevant department.
- ◆ **Risk assessment and management.** Regular risk assessments are carried out to identify potential threats and vulnerabilities. Risk management strategies are also implemented covering areas such as risk avoidance, risk reduction, risk sharing, and risk retention. The risk management framework in place helps in creating Business Impact Analyses.
- ◆ **Data back-up and recovery.** A robust data recovery process is in place, with regular data backup procedures and the use of cloud storage solutions, off-site storage, and other forms of data backup.

- ◆ **Employee training.** All managers and employees receive training in the company's BCP and their roles during disruptions, in addition to BCM awareness training.
- ◆ **Supply chain and partner resilience.** We work with suppliers and partners to ensure they have their own continuity plans. This helps prevent disruptions in the supply chain or other areas on which we rely.

To further develop our Business Continuity Management, we developed Threats guidelines and a Facility Management Emergency Response Plan, focusing on practical preparedness. To put these management practices in action, we conducted quarterly disaster recovery exercises. Our Incident Management Team activated based on incidents, and a Crisis Simulation exercise honed our response capabilities.

In 2022, an Audit surveillance for ISO 22301 Business Continuity Management certification was successfully conducted.





# Internal Audit

**The Internal Audit (IA) function carries out systematic, comprehensive, and independent evaluations of solutions' activities, processes, and controls. Through assessing risks, conducting internal audits, and evaluating the effectiveness of internal controls, IA provides management and the Board with impartial assurance regarding operational efficiency, effectiveness, and integrity, along with compliance practices.**

Key audits include financial assessments, which ensure the accuracy, completeness, and reliability of financial information, while confirming compliance with accounting principles. IT audits focus on the effectiveness of IT controls, data security measures, system reliability, and adherence to IT policies and regulations, including data privacy and cybersecurity measures. Business audits analyze processes for potential risks, inefficiencies, and opportunities for enhancement. Corporate audits provide comprehensive reviews of governance, risk management, and compliance with laws, regulations, and internal policies.

All audits adhere to internationally recognized standards and frameworks, including the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF), International Financial Reporting Standards (IFRS), and Information Systems Audit and Control Association (ISACA) standards.

Recent audits affirm the effectiveness, efficiency, and compliance of solutions' operations with relevant laws, regulations, and internal policies, while also highlighting areas of excellence and insights for further improvement.

In addition to its assurance role, IA also offers advisory services that provide valuable insights, guidance, and recommendations to management. These recommendations aim to enhance processes, refine risk management practices, and promote compliance with corporate policies and regulations. IA's advisory services extend beyond audits, contributing to operational efficiency, workflow optimization, and governance framework reinforcement.



The 2022 Internal Audit Plan encompassed 17 projects, combining 14 from the audit plan and three additional assignments, all of which were successfully executed. Noteworthy projects comprised the Project Multi-Stage Audit (PMSA), encompassing 19 critical projects valued at 1.8 billion and enabling swift management actions for issue resolution. Digital Assurance Services introduced 230 digital controls for operational and transactional mega-business processes, enhancing risk identification and mitigation capabilities through continuous review of over 2.7 million transactions.

Integration of the Archer platform streamlined IA's combined assurance activities, promoting transparency and collaboration. The establishment of a Predictive Analysis and Health Indices project amplified analytical capabilities for proactive risk management and decision-making, covering indices related to financial health, ethics, culture, and internal control.

IA's advisory services witnessed 18 requests in 2022, spanning business policy/process reviews, external oversight authorities, committee participation, and special assignments. Leveraging technology, IA automated advisory service provision, enhancing guidance and recommendation delivery to streamline risk management and governance effectively.

Looking ahead, IA has set the following indicators and associated performance targets for the upcoming years to align with its strategic objectives:

**Assurance and advisory value: Increase the number of high-impact insights and value-added recommendations provided to the board and management through assurance and advisory services.**

**Internal capabilities in audit and data analytics: Develop and enhance internal capabilities in audit and data analytics by conducting regular training and upskilling programs for the audit team.**

**Expanding data analytics and predictive analysis: Implement advanced data analytics and predictive analysis capabilities to identify emerging risks and opportunities.**

**Automation for IA activities: Achieve full automation of internal audit activities, including digital audit services, by implementing advanced automation tools and robotic process automation.**

By successfully meeting these targets, IA aims to score in the highest category of the Internal Audit Ambition Model within the next three years, demonstrating excellence in audit practices and strategic impact on the organization.



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## Digitizing Internal Audit

The project aimed to enhance internal efficiency, collaboration, and operational agility through the automation and digitization of Internal Audit processes. Key drivers included embedding a continuous risk sensing process utilizing internal and external data sources, uncovering behavioral trends, and automating repetitive tasks to focus on strategic insights. A more flexible operating model with dynamic teams following the three lines of defense risk management framework was sought.

The initiative faced challenges stemming from the existing reliance on traditional approaches, adapting automation and analytical tools in audit procedures, and fostering a shift towards a strategic focus for IA employees. Ensuring suitable IT infrastructure, quality data, and support from other business units were also hurdles.

The project's initial phase defined the methodology, technology, and talent requirements for digital transformation. This involved designing the internal audit approach, embedding analytics in risk assessment and audit testing, improving agility and reporting accuracy, and aligning transformation initiatives with the IA team structure. Technological considerations spanned automation and data analytics deployment, integrating new tech with existing systems, and enhancing data management processes.

Successful completion of this transformative initiative will enable IA to be a trusted advisor to the company by:

<p><b>enabling the delivery of objective assurance on the effectiveness of solutions' internal controls</b></p>	<p><b>providing analysis and perspectives on the root causes of issues identified in audits to facilitate corrective actions by business units</b></p>
<p><b>taking a proactive stance in suggesting meaningful improvements</b></p>	<p><b>offering value-added services and proactive strategic advice to the business well beyond the execution of the audit plan.</b></p>



## Internal Audit Predictive Analytics

Digital disruption and transformation have elevated expectations for internal audit functions. They're now anticipated to transcend their conventional role of providing assurance and adopt a more proactive business-enabling stance, positioning themselves as trusted advisors to stakeholders. This project was initiated to fulfill this aspiration, employing data analytics, technology, and tools to amplify risk and control performance. Predictive measures were integrated to unlock genuine value across the entire internal audit lifecycle.

The project began with a thorough assessment of prevailing pain points and identification of data prerequisites for a novel analytics model. Stakeholder consultations followed to pinpoint scenarios conducive to predictive analytics application. This paved the way for a comprehensive roadmap outlining the incorporation of predictive and advanced analytics tools, encompassing foreseeing events and advising stakeholders accordingly.

Concrete instances illustrate how data analytics now fortifies performance. Procurement reports encompass item specifications, quantity, and price, while profit margin projections employ a random forest regression model. Inventory analysis is conducted, and the new processes uncover themes and trends that, although individually inconsequential to risk or control performance, gain significance when combined. This enhanced analytical capability also facilitates a quantitative evaluation of potential non-compliance impacts.





## Financial Performance

The Finance Division leads and directs financial planning, budgeting estimates, developing short- and long-term divisional goals, supporting accounting practices, structuring credit and control activities and providing relevant advice and guidance to business units as required to ensure alignment and compliance with the company's strategy and objectives. It also helps to uncover growth opportunities by evaluating our financial performance against benchmarked competitors and implementing ways to improve performance.

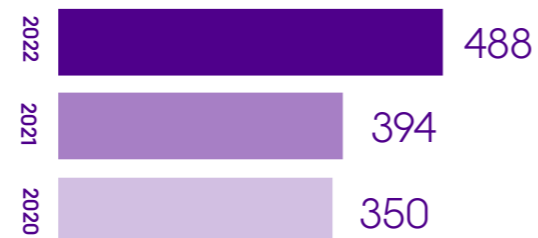
In 2022, the Finance Division underwent a significant restructuring aimed at enhancing operational efficiency and effectiveness. A notable outcome of this effort was the establishment of a dedicated mergers and acquisitions (M&A) department.

In tandem with its strategic initiatives, solutions experienced growth in 2022 through the acquisitions of Giza Systems and ccc, leading players in application integration and business process outsourcing, respectively. Complementing this inorganic expansion, we witnessed exceptional year-on-year revenue growth, marking a highly successful year.

The Finance Division's achievements in 2022 extended beyond acquisitions. Notably, it earned additional awards, including the titles of CFO of the year and

corporate treasury team of the year, further affirming its excellence in the financial arena. This year, solutions' revenue increased by 22% compared to last year in addition to an outstanding 26% increase in net profits.

### Employee wages and benefits (million SAR)



**22%**  
increase in total revenues  
since 2021

Financial Performance	Units	2020	2021	2022
<b>Direct economic value generated</b>				
Revenue	million SAR	6,891	7,208	<b>8,805</b>
Net profit for the year	million SAR	702	833	<b>1,054</b>
Gross profit	million SAR	1,422	1,708	<b>2,011</b>
Dividends declared	million SAR	0	400	<b>475</b>
<b>Economic value distributed</b>				
Operating costs <sup>2</sup>	million SAR	6,134	6,309	<b>7,645</b>
Employee wages and benefits	million SAR	350	394	<b>488</b>
Payments to providers of capital	million SAR	0	400	<b>490</b>
Non-operating profits	million SAR	2	2	<b>28</b>
Zakat and taxes	million SAR	52	71	<b>118</b>
Investment to monitor and protect the organization's data and privacy	million SAR	44	54	<b>61</b>
Investments in research and development	million SAR	-	-	<b>15</b>
Payments to government (by country)	million SAR	52	71	<b>118</b>
Economic value retained	million SAR	757	428	<b>552</b>
EBTIDA	million SAR	812	1,107	<b>1,392</b>

<sup>2</sup>An organization can calculate operating costs as cash payments made outside the organization for materials, product components, facilities, and services purchased, property rental; license fees; facilitation payments (since these have a clear commercial objective); royalties; payments for contract workers; training costs, if outside trainers are used; personal protective clothing.

## Remuneration

In a competitive market, retaining talent is an essential part of solutions' strategy for success. We aim to be in a strong position for retaining its executive talents and attracting new, top-level talent, with a rewards strategy based on a larger part of the pay mix falling under variable pay.

Remuneration at solutions is overseen by the Nominations and Remuneration Committee that communicates directly with the Board of Directors. We also have a standalone [Nomination and Remuneration](#)

[Policy](#) that determines Board and Executive Management remuneration in accordance with all relevant internal and external laws and regulations.

The company has a robust system of measuring performance based on Balanced Scorecard (BSC) metrics of financial, customer and stakeholder, internal business process, human capital, and governance. Remuneration and rewards for senior executives are based directly on performance against these metrics.



## Data Privacy and Cybersecurity

**Cybersecurity, including data privacy, is overseen by our internal Corporate Cybersecurity Policy, which is effectively implemented through the Corporate Governance and Compliance (CGC) function. The CGC not only formulates, but also supervises the execution of our comprehensive corporate cybersecurity and data privacy strategy, ensuring solutions' steadfast adherence to pertinent laws and regulations.**

This encompassing approach involves establishing a sturdy infrastructure to systematically identify cybersecurity risks and vulnerabilities, maintaining a robust Cybersecurity Compliance Management program, embedding cybersecurity requisites across our operational spectrum, and nurturing a cybersecurity culture across the organization.

Augmenting solutions' Cybersecurity Policy is an array of internal standards, protocols, and frameworks that collectively safeguard our customers, personnel, and valuable information assets. Our cybersecurity measures align with ISO 27001, National Institute of Standards and Technology (NIST), and the National Cybersecurity Authority Essential Cybersecurity Controls (NCA ECC) standards. Moreover, solutions is committed to annually implementing a plan aligning with stc Group's S.A.F.E strategy. The plan applies best practices in security aspects and covers 14 domains related to cybersecurity. We have achieved a high level of compliance significantly enhancing solutions' performance related to security.

A critical facet of our cybersecurity vigilance entails regular assessments of our policies and standards

by the Internal Audit Division. This process ensures compliance with both internal guidelines and external regulatory benchmarks while identifying and mitigating potential system and process vulnerabilities.

To bolster our cybersecurity architecture, we uphold industry-standard protocols and configurations across systems and applications. Evaluating potential disruptions, we leverage a GRC business continuity framework to assess potential losses.

We are steadfast in equipping our staff to navigate the evolving cybersecurity landscape. Regular cybersecurity training, ongoing data privacy awareness activities, and quarterly phishing tests are integral parts of our efforts. Our participation in national events like Data Privacy Day and National Cybersecurity Month is accompanied by quarterly cybersecurity awareness training sessions for our customers, enhancing collective preparedness.

Apart from the various international [certificates](#) obtained this year, solutions has been able to achieve a compliance score above 90% with the NCA CCC.



**Zero**  
reported breaches  
of customer data  
privacy in 2022



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We undertake a series of audits to meticulously uphold the integrity of our established cybersecurity systems. In 2022, four such audits were conducted.

Cybersecurity Audits	Units	2020	2021	2022
Number of external information system audits	#	2	3	4

Customers' privacy is a major concern of ours throughout all our operations. Therefore, solutions has not received any complaints from regulatory bodies or outside parties regarding breaches of data privacy in the last three years.

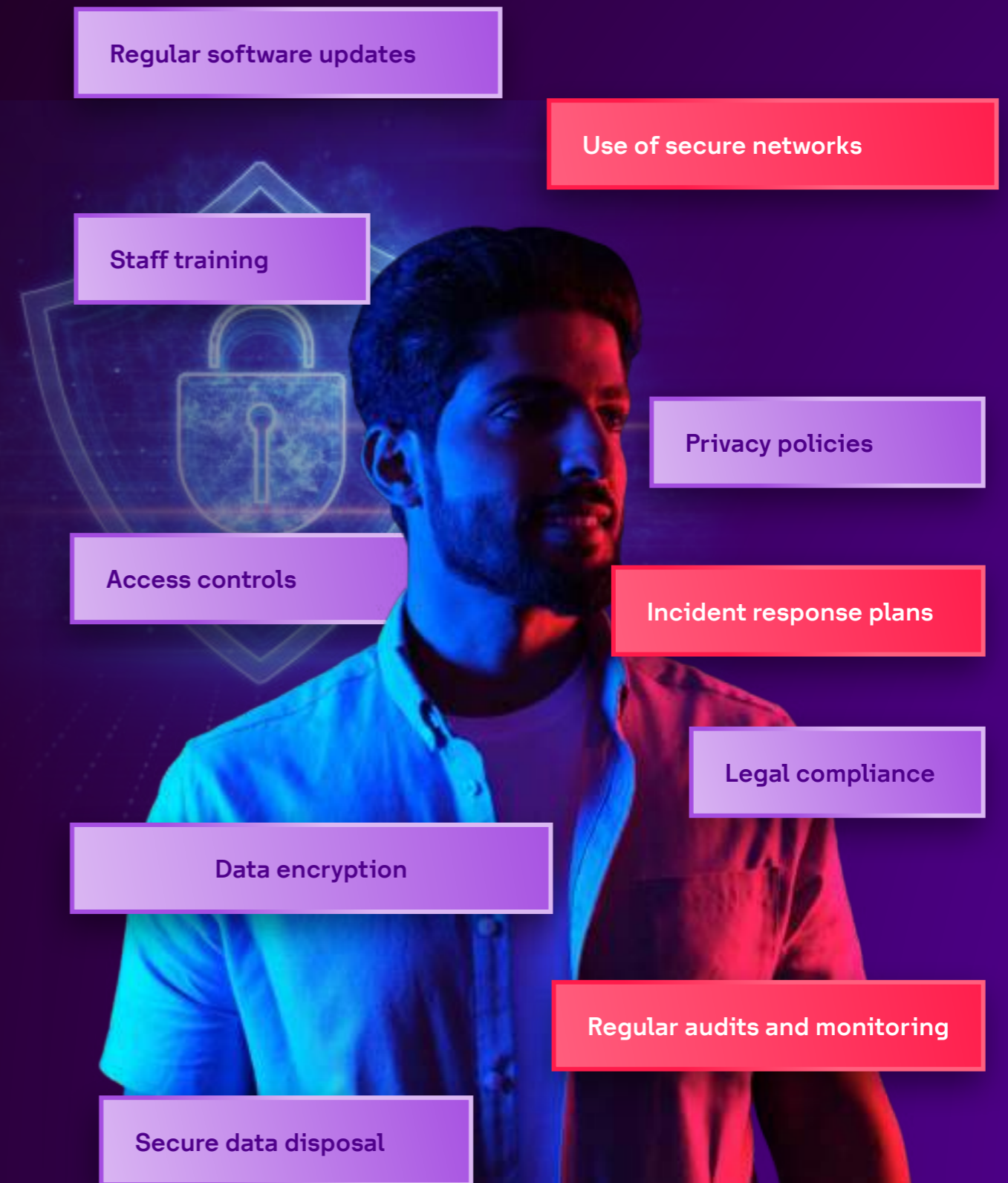
Data Privacy	Units	2020	2021	2022
Total number of substantiated complaints received concerning breaches of customer privacy	#	0	0	0
Total number of identified leaks, thefts, or losses of customer data	#	0	0	0
Complaints received from outside parties and substantiated by the organization	#	0	0	0
Complaints from regulatory bodies	#	0	0	0



**Zero** identified leaks, losses and thefts for three consecutive years

## Protecting Customer and Employee Data

solutions takes data privacy very seriously, so we employ a range of measures to protect the misuse or theft of employees' and customers' data. These include:



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## Combating IT Risks

solutions continually works to assess and combat any risks to the company's IT infrastructure. Penetration Testing and Vulnerability Assessments are conducted annually against critical applications, as well as on-

demand before each service iteration/change goes live. We also have a 24/7 Security Operations Center, which monitors for threats using machine learning, threat intelligence feeds, and security experts.



# Digital Innovation, Transformation, and Ethical Technology Use

## Innovation at solutions

In today's rapidly evolving technological landscape, solutions is at the forefront of enabling sustainability through innovation. We have incorporated innovation at our core to achieve our vision of creating a digital ecosystem that enables our customers to achieve sustainable growth, both regionally and globally. Recognizing the interconnectedness of innovation and sustainability, solutions has strategically harnessed both aspects to fulfill our strategic aspirations.

Innovation and sustainability are the cornerstones of our LEAP strategy, and our outcomes are laser-focused on several key areas: fostering an innovative culture, adopting innovative business models, enhancing efficiencies, excelling in customer experience, contributing to the Kingdom's innovation and sustainability goals, leading in transformative technology, and creating new revenue streams.

Innovation holds a pivotal role in enabling solutions to adopt a more customer-centric approach and effectively address the Kingdom's ESG goals. As we move forward

into 2023, our strategic plan involves the introduction of our Ambidextrous Innovation framework, which will serve as the catalyst for our intrapreneurship program. Our overarching objective is to proactively explore and capitalize on emerging opportunities, thereby creating innovative products and services that, in turn, contribute significantly to the ICT ecosystem.

Currently, solutions has embedded the key tools and principles of innovation, such as design thinking, at the core of our offerings. We boast a dedicated team of design thinking experts who collaborate with customers to identify and address challenges, ultimately creating tailored solutions that align with their needs.

This dynamic commitment to innovation propels solutions toward consistently pushing the boundaries of technology. Our relentless pursuit of progress enables us to make substantial advancements in fostering a more sustainable ICT ecosystem, all the while maintaining our competitive edge in the market.



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## Technology at Core

Our digitalization strategy focuses on exploring and adopting new digital tools to enhance and accelerate our daily operations with greater productivity and efficiency, aligned with our business goals and customers' needs.

The demand management process is a pivotal aspect of our operational strategy. Its primary objective is to scrutinize and evaluate the incoming requests from our esteemed business units. This allows us to ascertain the nature of each demand and determine whether it should be approached as a new project, an enhancement to an existing one, or a modified change request. A Paperless program was completed in 2019, and all our internal services are now automated through our Throw Enterprise Technology Demand Management process.

Our IT function runs multiple digitization and transformation programs, including iTransform and employee services, like Takkyah and NOW.

Our Digitization program takes a systematic approach to assess business need and pain points, analyze market trends, identify emerging technologies and innovative tools, and evaluate the benefits and feasibility of these new technologies to ensure they have the highest

potential for success within solutions and align with our overall strategic direction. We employ a five-step process to enable digitization:

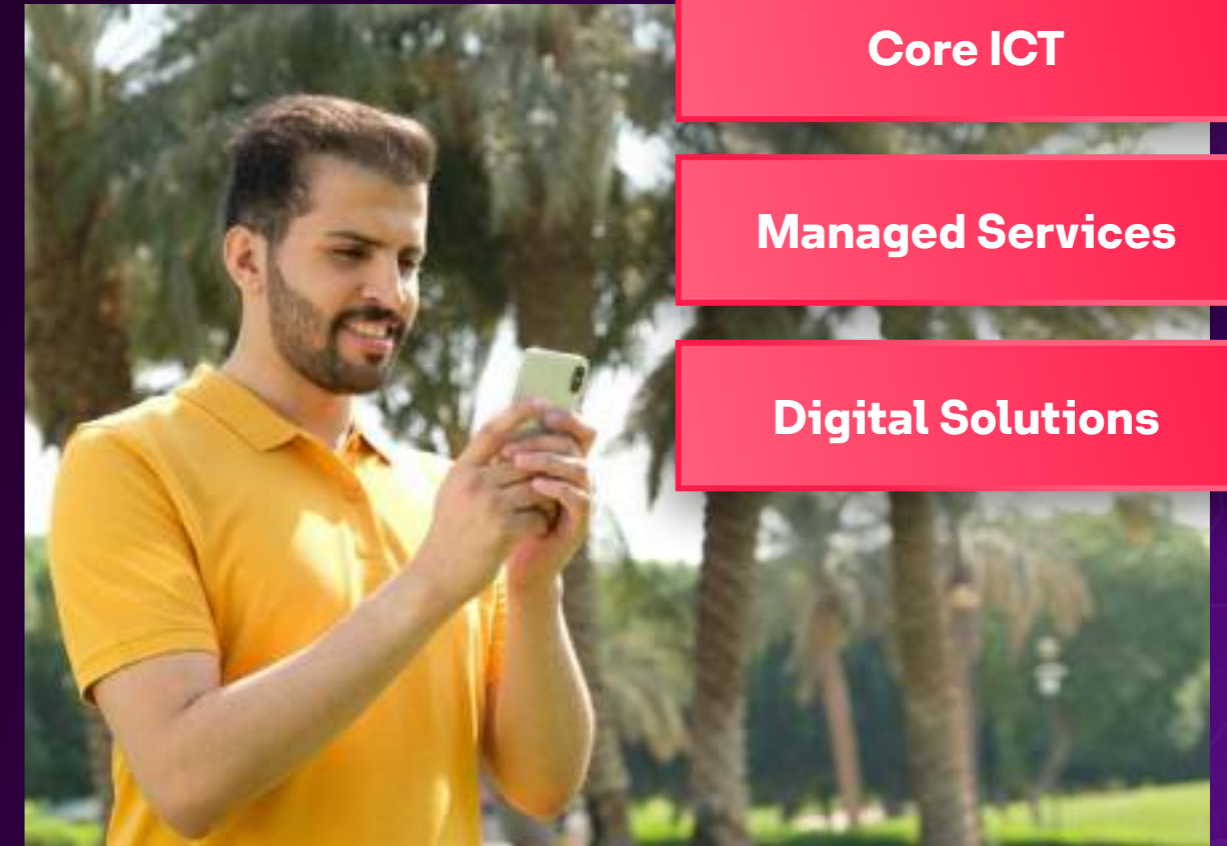
- ◆ **Identify opportunities and challenges** where digitization could lead to significant improvements
- ◆ **Assess the available and emerging technology and tools**, both internally and externally
- ◆ **Prioritize initiatives**, considering expected returns on investment, alignment with business goals and potential risks
- ◆ **Stakeholder involvement** to ensure those who will use the new technology, including employees, customers, or partners, as well as senior management, can input into decision making, and
- ◆ **Final selection and roadmap creation** to ensure implementation is carefully and efficiently planned.

Two solutions that have proven particularly effective in better managing day-to-day operations are Robotic Process Automation (RPA) and process automation through Business Process Management (BPM) platforms. RPA automates repetitive, time-consuming tasks, thereby increasing productivity and streamlining operations, while BPM digitalizes business processes.



## Products and Services

solutions stands out in the marketplace through an approach based on key offerings that span across the entire value chain for our customers:



Our commitment to delivering unique offerings is underpinned by core values that define our approach and drive our dedication to fostering positive change within the IT industry:

- ◆ **Innovation:** We continuously provide our customers with cutting-edge products and services that leverage the latest technological advances.
- ◆ **Quality of service:** We prioritize delivering exceptional service quality, ensuring reliable connectivity and optimal performance.
- ◆ **Customer-centric approach:** We put our customers at the heart of everything we do, striving to understand their unique needs and challenges and tailoring our products and services accordingly.
- ◆ **Sustainability:** We are committed to sustainable business practices and minimizing our environmental impact through eco-friendly products and services.

- ◆ **Comprehensive service portfolio:** Our diverse range of services caters to a wide spectrum of needs, from individual consumers to large corporations.
- ◆ **Local expertise:** As a local company, we understand the needs of our market better than competitors from elsewhere. We leverage this expertise to tailor our offerings accordingly, providing solutions that genuinely resonate with our local customers.

solutions is constantly upgrading and enhancing its performance on many frontiers to ensure that our products are up to date with the market's and customers' needs.



# Customer Satisfaction and Experience Enhancement

solutions provides a range of digital software services to enhance our to enhance the customer experience and ensure customer-centricity.

**Digital Transformation Solutions** provides a suite of software to help businesses streamline their operations, increase efficiency and improve decision making.

**Data Analytics** offers advances data analysis services to enable our customer to gain valuable insights, leading to more informed decision making and strategic planning.

**Cloud Services** help businesses to shift from traditional on-premises systems to more flexible and scalable cloud-based solutions, reducing infrastructure and facilitating remote working, collaboration, and business continuity.

Our technology and design thinking experts work with customers to understand their needs and provide customized solutions. The Service Management Department acts as a strategic bridge between customers and our internal operations team, and proactively develops long-term relationships with clients.

Customers also have access to a dedicated portal where they can find documentation, knowledge base articles, and raise inquiries and support tickets. The ticketing system includes a customer survey questionnaire that captures feedback on the ticketing experience, and periodic Deep Dive Analysis Reports that assess the quality of the ticketing system and the effectiveness of enhancements.

In 2022, the ticketing system was enhanced to provide customers with more flexible control over their tickets (self-service, opening, tracking, reporting), as well as internal stakeholders through the development of a dashboard and reporting that allows effective tickets tracking. To further improve the ticketing system, real-time tracking has been enabled through an internal escalation matrix and a Robotic Process Automation (RPA) has been implemented to create accurate ticket documentation and categorization, faster analysis time, and ultimately enhance customer experience.

To ensure that the provided services meet customers' expectations and to establish a firm customer-centric culture in solutions, we have emphasized the importance of client satisfaction by offering customer centric training for all employees whether at the front

or back end, as well as conducting awareness sessions during CX day. solutions has introduced an employee engagement program (We CARE) in which the employees engage in customer-centric activities emphasizing the significance of their work in delivering meaningful customer experiences. Our efforts have not stopped at spreading awareness, rather we went as far as intent to obtain international associations' recognition by offering CCXP Exam preparation.

With regards to solutions efforts to digitize and enhance the customer experience, the company has received several globally recognized awards.

**Customer Experience Live Show UK 2022**

- ◆ Best Voice of Experience Award
- ◆ Best Change Management Award

**iCXA™ 22**

- ◆ International Customer Experience Gold Award

# Partnerships and Collaborations

We believe that more can always be achieved working together than alone. Maintaining a strong partner ecosystem plays a key role in the company's plans for growth and business sustainability. We also consider ourselves to be an integral partner in the digital transformation and growth trajectories of hundreds of public and private organizations throughout the Kingdom. Our partnership with stc and more than 170 trusted innovative technology providers enables us to draw upon a large institutional base of knowledge, customer reach, physical infrastructure, and innovative technology. When building new partnerships, we always consider global and local ESG factors to ensure potential partners are aligned with our values.





# Sustainable Procurement

solutions has a centralized procurement function which is part of the Supply Chain Management department. The department sets the rules for the company's procurement and contracting transactions, determines the main duties and responsibilities of stakeholders involved in procurement, and manages the relationships with the company's suppliers.

All suppliers registered with solutions' suppliers must comply with our Supplier Code of Conduct, which includes environmental and sustainability-related practices that we intend to develop to include ESG factors in suppliers' screening process. Supplier surveys provide feedback on issues such as communications, supplier relationships, and the iSupplier platform which is a part of the Oracle ERP and contains all suppliers' information including registration.

As part of our sustainability efforts, solutions places a focus on localizing procurement throughout the Kingdom and is developing policies, procedures, and an operating model to further this aim. In 2022, 34% of the company's spend was locally sourced, up from 29% in the previous year.

Throughout 2022, the department played a pivotal role in advancing solutions' achievements through several notable contributions:

**Realized substantial cost savings amounting to SAR 87 million.**

**Facilitated the issuance of approximately 60 saber certificates and 300 shipment certificates, resulting in substantial savings of around SAR 9 million.**

**Efficiently centralized supplier contracts under the purview of the company's legal department.**

**Earned the esteemed CIPS recognition for the Best Supplier Relationship-Management Initiative.**

Further enhancing operational efficiency, we introduced a ticketing system to promptly address any issues that rise between solutions and our valued suppliers. This initiative was accompanied by monthly meetings with suppliers to collaboratively resolve concerns and foster effective collaboration.

Looking ahead, we aim to initiate local content end-to-end processes and guidelines between procurement and other departments across the company; automate the contract process between the Procurement and Legal departments; develop an end-end RFQ process and integration with our Enterprise Resources Management system; link our P&A portal with our supplier portal; and link the company's vendor complaint management process with our whistleblowing and fraud investigation mechanisms.

## Accelerating Local Content

As part of solutions' efforts to be a sustainable business, we are placing increasing focus on procurement from suppliers with a high local content (LC) score. We initiated a project to maintain an LC score of 40% or above.

To help achieve this, solutions developed a fully automated dashboard for procurement reporting. By reinforcing local content, suppliers will be encouraged to open local branches across the Kingdom for strategic vendors and to enable ordering and invoicing in SAR.

Our aim is to increase the amount of local content sourced and lead the ICT sector in this respect.



**100%**  
Reduction of paper-based documents

In the last three years, solutions' has been conducting its procurement processes electronically, including invoicing and placing orders. To further imbed this e-transaction culture into suppliers' activities and streamline the process, solutions offers training in electronic management of negotiations, orders, and invoices.

e-procurement	Units	2020	2021	2022
Reduction of paper-based documents with the electronic procurement process	%	100	100	100
Number of digitally signed contracts	#	148	206	244
Percentage of electronically issued invoices	%	100	100	100
Percentage of electronic orders sent to suppliers	%	100	100	100
Number of suppliers that were trained in the electronic management of negotiations, orders, and invoices	#	300	320	120

Supplier Audits	Units	2020	2021	2022
Suppliers with which improvements were agreed upon as a result of audit	#	6	7	-
Suppliers with which relationships were terminated as a result of audit	#	0	2	-

In 2022, solutions has engaged with 419 local suppliers, which constitute almost 65% of all suppliers engaged. solutions has been actively engaging more SMEs, prominent in the 12% increase in the number of SMEs engaged compared to 2021.

Local Procurement	Units	2020	2021	2022
Total number of local suppliers engaged	#	397	408	419
Total procurement spending	Billion SAR	4.30	4.20	4.55
Procurement spending on local suppliers	Billion SAR	2.78	2.63	3.17
Percentage of total procurement spending on local suppliers	%	64.60	62.80	69.67

## Increasing total procurement spending on local suppliers



Sustainable Procurement	Units	2020	2021	2022
Total number of suppliers engaged	#	1,579	1,556	646
Total number of SME suppliers engaged	#	161	138	154
Total number of women-owned suppliers engaged	#	65	66	13

## 13 Total number of women-owned suppliers engaged

Total number of local suppliers engaged







## Chapter 3

# Environment

In an era where the principles of ESG have become pivotal to corporate strategy, long term viability, and stakeholder management, where leading organizations across industries are embarking on transformative journeys to align their strategies with these imperatives. Among these leaders stands by, as a prominent IT player poised to redefine its role and impact in the dynamic world of technology and business.

Our internal Sustainability Policy serves as our compass on this journey, while ensuring our sustainability activities and programs are aligned with national and international initiatives, such as the Saudi Vision 2030 and the UN Sustainable Development Goals (SDGs).

Our sustainability journey is set to advance further under the guidance of our proactive Sustainability Committee, which will lead, endorse, and report on forthcoming sustainability initiatives. Our business unit leaders play a key role in upholding solutions' sustainability policy. Furthermore, active engagement from our entire stakeholder community will serve to reinforce our future oriented sustainability goals

Sustainability is currently nested under the "P" pillar of our LEAP strategy, and we are actively working towards establishing a dedicated ESG Strategy, slated for completion in 2023. This strategy will outline our ambitious ESG goals and initiatives, shaping the direction of our operations and value chain.



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# Energy Management and Climate Action

## Energy

solutions is committed to decreasing energy usage as part of our wider efforts to be a sustainable business and to protect the environment. solutions is looking to develop data collection in the future to give us greater insights into all our energy usage and ways to reduce it.

**17,172 GJ**  
Indirect energy consumption for 2022



Energy Consumption	Units	2022
<b>Non-renewable fuel consumed</b>		
Petrol consumption from vehicles	L	85,381 <sup>1</sup>
<b>Electricity, heating, steam purchased for consumption</b>		
Electricity purchased for consumption (office, storage, facilities, etc.)	kWh	4,770,000
<b>Energy consumption</b>		
Direct energy consumption	GJ	2,977 <sup>1</sup>
Indirect energy consumption	GJ	17,172

<sup>1</sup>Figure excludes February 2022

## Emissions

Through our ESG strategy solutions aims to develop ways to gather data on emissions to enable us to identify ways to enhance our environmental performance and reduce our impact.

GHG Emissions	Units	2022
Direct GHG emissions (Scope 1)	metric tons of CO <sub>2</sub> eq	200
Indirect GHG emissions (Scope 2)	metric tons of CO <sub>2</sub> eq	2,709
Total GHG emissions	metric tons of CO <sub>2</sub> eq	2,909
GHG emissions intensity	metric tons of CO <sub>2</sub> eq/ employee	1.69



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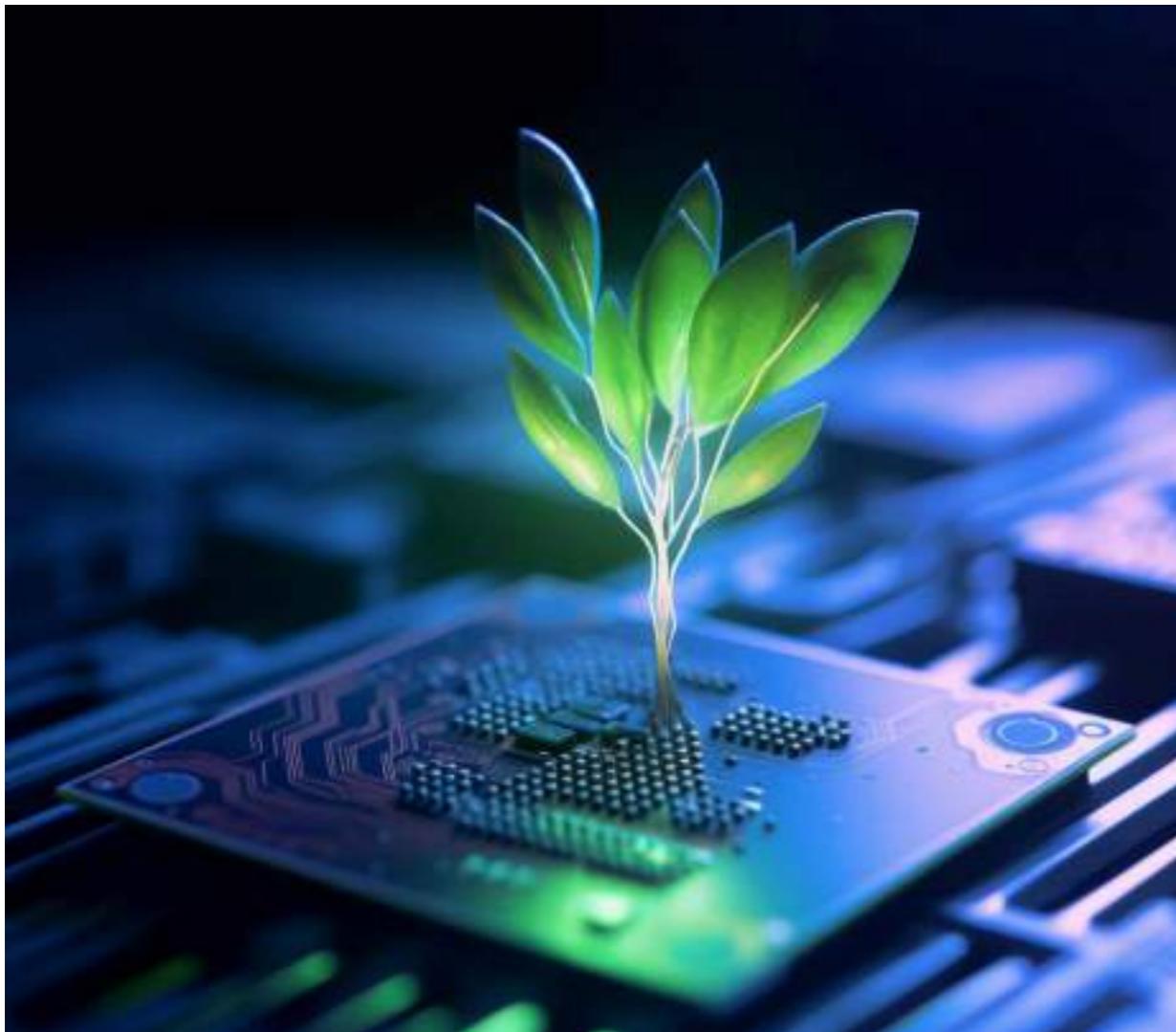


## Responsible Resource Management

We are committed to managing resources responsibly. We encourage the same approach from our staff and suppliers, and regularly communicate our expectations to them.

### Waste

In alignment with our ESG strategy, we are dedicated to devising methodologies for waste data collection. This strategic pursuit aims to empower us in identifying avenues for elevating our environmental practices and minimizing our ecological footprint.



## Water and Effluents

solutions' commitment to the ESG strategy propels us to explore innovative means of data acquisition. This proactive approach will equip us to uncover opportunities for refining our environmental stewardship and diminishing our ecological impact.



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# Chapter 4 Social

At solutions, we believe that success as a business is built upon a motivated, highly skilled workforce. We aim to provide a welcoming workplace that encourages diversity and inclusion and supports people to develop their talents to help maximize their potential and enjoy fulfilling careers.



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## A Year of Recognized Excellence

In 2022, our commitment to creating an inclusive and innovative workplace was recognized with several prestigious awards, spanning regions from KSA to the broader Middle East and Asia.

### Great Place to Work Awards

- ◆ Best Workplaces in KSA
- ◆ Best Workplaces for Saudi Nationals
- ◆ Best Workplaces in the Technology Sector in the Middle East
- ◆ Best Workplaces in Asia

### KPI Institute Awards

- ◆ Integrated Performance Excellence Award

### Ministry of Labor (MoL) Labor Awards

- ◆ Best Work Environment

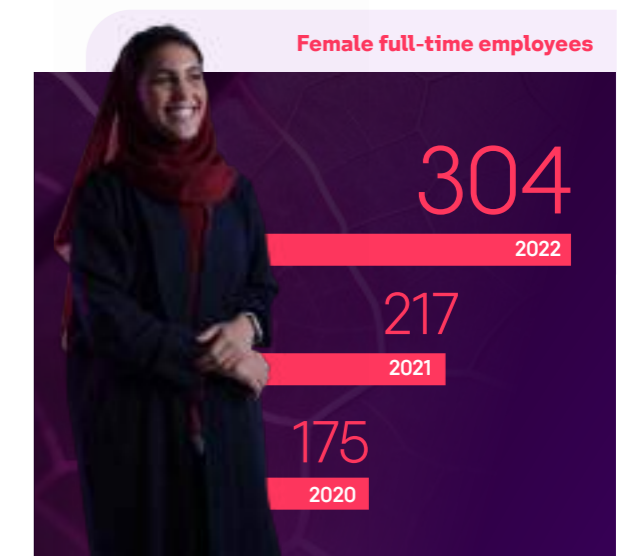
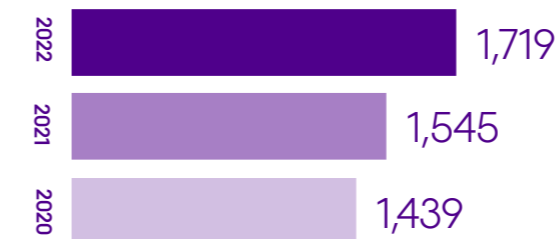
### GCC Gov HR Awards

- ◆ Outstanding Change Management Strategy

## Our Workforce

solutions aims to attract and retain the finest talent available to us, and makes great efforts to recruit the best people. We currently employ 1,719 people (as of 31 December 2022), an increase of more than 11% from last year. All our staff are full-time, around 18% of whom are women. We are working to increase the proportion of women within the business to about 19%, and as a result, we welcomed 111 new female employees to our company in 2022.

### Total number of employees



Workforce Profile	Units	2020	2021	2022
<b>Workforce size</b>				
Total number of employees	#	1,493	1,545	1,719
Full-time employees	#	1,493	1,545	1,719
Total number of consultants/ contractors	#	-	18	25
<b>Full-time employees by gender profile</b>				
Female full-time employees	#	175	217	304
Male full-time employees	#	1,318	1,328	1,415
<b>Full time employees by employment level</b>				
Senior management	#	22	24	30
Middle management	#	190	214	252



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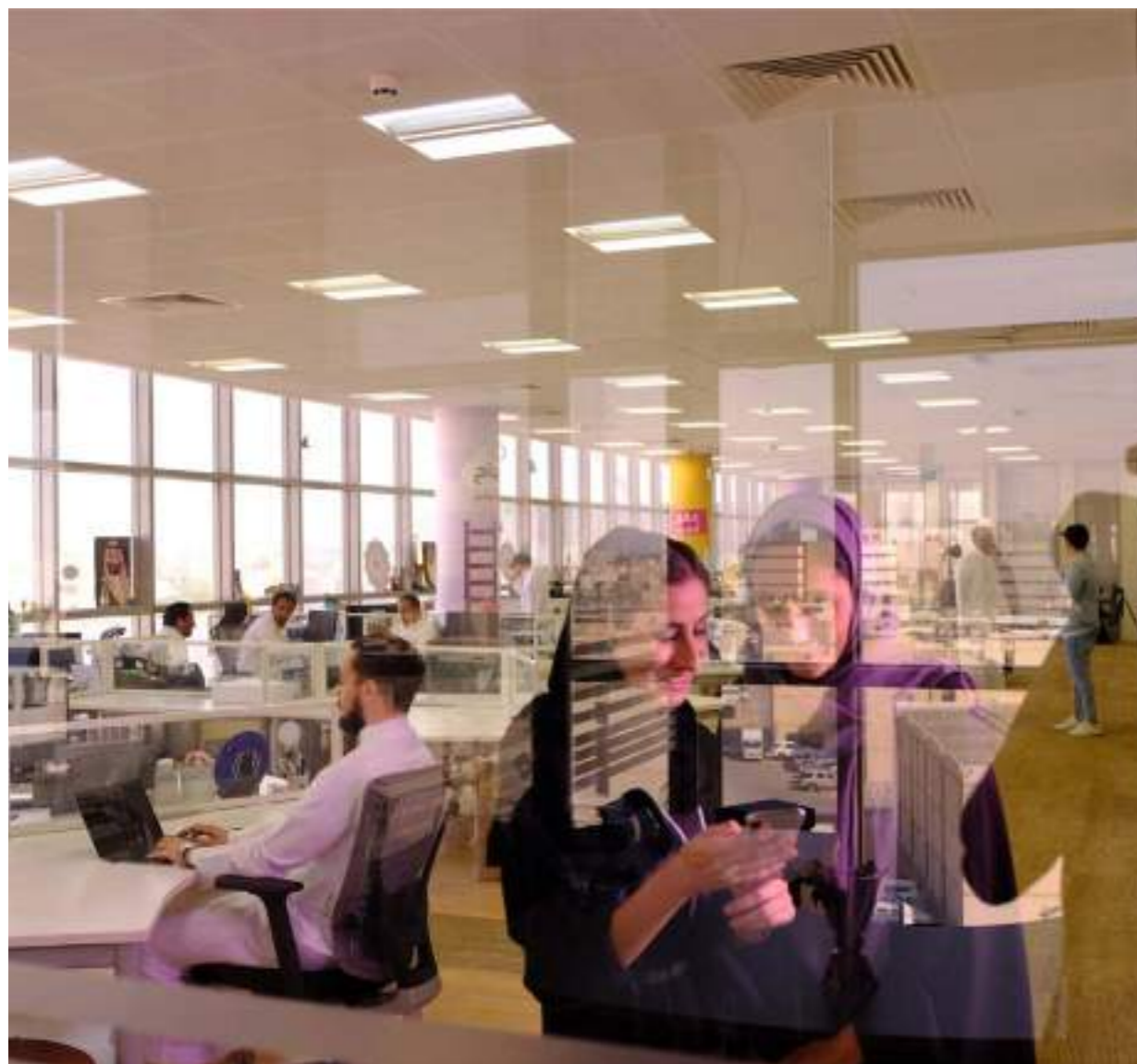
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Workforce Profile by Age and Gender	Units	2020	2021	2022
Total employees aged 18-30	#	445	384	441
Female	#	126	144	192
Male	#	319	240	249
Total employees aged 31-50	#	998	1,115	1,220
Female	#	49	73	112
Male	#	949	1,042	1,108
Total employees aged 51+	#	50	46	58
Female	#	0	0	0
Male	#	50	46	58



## Talent Retention, Development, and Succession Planning

Talent retention and development is essential for ensuring the long-term success and sustainability of business. This is especially so in our highly competitive sector. We offer all our employees development opportunities to help them learn new skills and maximize their potential, so they can achieve fulfilling careers.

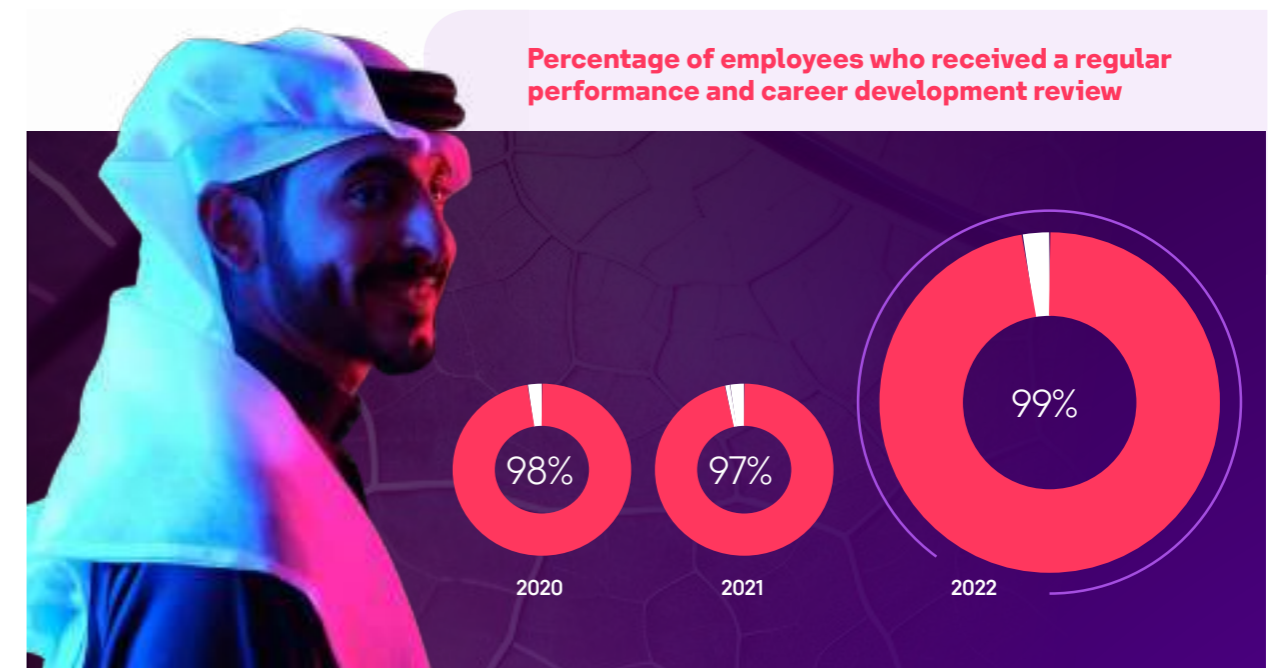
Moreover, as part of solutions' talent identification process, we have a succession planning mechanism to develop our future leaders and help ensure business continuity.

### Performance Review

Understanding our employees and their thoughts and concerns is essential to provide the best possible workplace. Annual performance reviews provide clear communication channels and facilitate two-way feedback, our employees receive regular reviews of their performance which help to identify training and development needs and opportunities. In 2022, 1,690

employees – 99% of the workforce – received such a review.

Moreover, we engage employees in our regular 'high stc' surveys to better understand the issues that matter to them and how we can positively impact their experience.





Performance Reviews	Units	2020	2021	2022
Total number of employees who received a regular performance and career development review	#	1,438	1461	<b>1,690</b>
Percentage of employees who received a regular performance and career development review	%	98%	97%	<b>99%</b>
Employees who received a regular performance by gender				
Male employees	#	1,280	1,262	<b>1,394</b>
Female employees	#	158	199	<b>296</b>
Employees who received a regular performance by employee category				
Senior management	#	87	86	<b>106</b>
Middle management	#	127	161	<b>206</b>
Staff	#	1,224	1,214	<b>1,378</b>

## Training and Education

Supporting employees to develop their skills helps them to reach their potential and maximize their contribution to the company, and aids the business in building a talented, motivated, and committed workforce. solutions recognizes this, and in 2022, delivered more than 100,000 hours of training for the second consecutive year, with an average of ten hours per employee.

To make our people ready for the future, solutions has developed a learning and development strategy called Digital Future Talent. The strategy aims to provide long-term development and clear career progression for employees by:

- ◆ Upskilling and reskilling employees to provide them with opportunities for growth
- ◆ Building the organization's digital capabilities and operational agility
- ◆ Supporting talent retention
- ◆ Building a culture of innovation and entrepreneurship

To support this, we have created a diverse range of learning and development programs:

**Specialists Development Program**  
creating in-house experts

**Futurists Program**  
preparing the high-potential leaders of our digital future

**Paths**  
technical development training routes

**Signature**  
a management development program that aims to standardize management practices across solutions' leadership

The new strategy will provide long-term development and clear progression for all our talent, further supporting our talent retention goals.



Training	Units	2020	2021	2022
Number of training hours conducted (YoY)	hours	46,668	116,880	<b>103,120</b>
Number of employees who attended the training	#	553	1,433	<b>1,588</b>
Average training hours per employee	hours	8	14	<b>10</b>
Average training per employee, by gender				
Male employees	hours	7	13	<b>10</b>
Female employees	hours	10	18	<b>11</b>
Average training per employee, by employee category				
Senior management	hours	5,304	1,656	<b>972</b>
Middle management	hours	15,776	33,752	<b>33,252</b>
Staff	hours	25,588	81,472	<b>68,896</b>
Response Rate				
Employee response rate*	%	-	-	<b>50</b>

\*Percentage of employees out of the total employees who have participated in engagement activities, who have responded to surveys meant to evaluate the training.

## Rewards and Remuneration

solutions understands the importance of providing a dynamic rewards and recognition program and so in 2022, to consolidate our position as a market leader in our sector, we revamped our rewards strategy to achieve the following objectives:

**A total rewards package that focuses on enhancing the employee value proposition**

**Developing a diversified portfolio with short- and long-term incentives**

**Creating an action plan for implementing the new strategy**

To implement this, we benchmarked our current practices against market-leading organizations, enabling us to draft a list of recommendations. Later, we created an authority matrix enabling the recommendations to be put into practice before communicating the changes to all relevant stakeholders.

The new strategy is based around three main pillars:

**Monetary reward and benefits**

**Employee recognition**

**Employee wellbeing**



We believe the new strategy will significantly boost our ability to attract and retain talent, helping solutions stand out in a highly competitive marketplace.

## Diversity, Inclusion, and Equal Opportunity

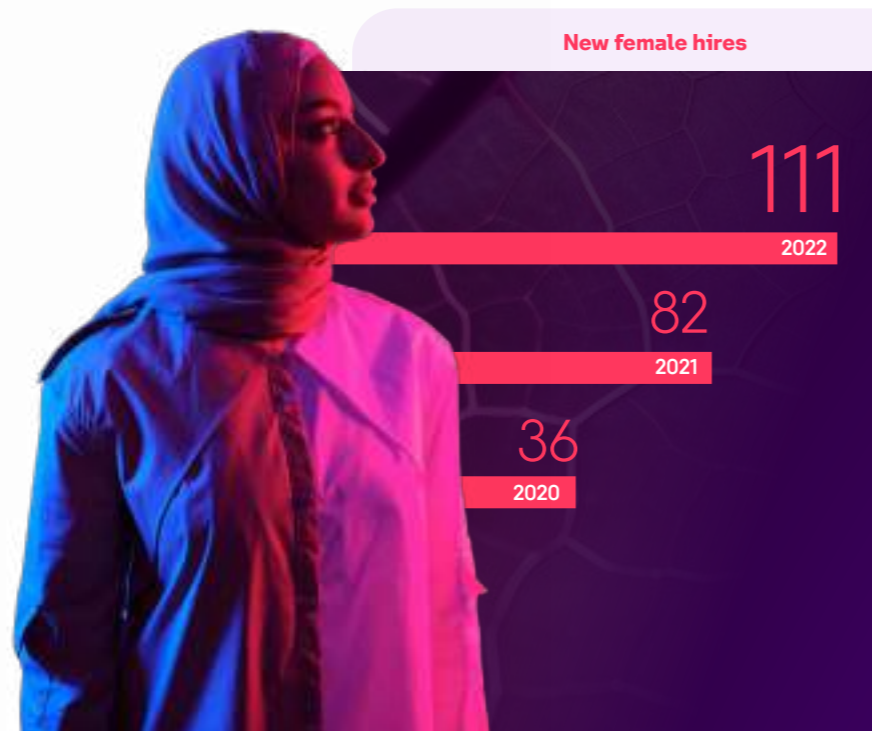
solutions seeks to be a diverse organization. Our Equal Opportunities Policy clearly sets out that no-one is to be discriminated against in terms of age, gender or beliefs, and where everyone has equal opportunities to thrive, develop their careers, and fulfil their potential. We communicate our commitment and policies regarding this to employees through regular emails and social channels. Moreover, solutions is proud to offer opportunities specifically tailored for people with disabilities/special needs. In both 2021 and 2022, we had the privilege of having four employees of determination as integral members of our team.





## New Hires and Turnover

In 2022, we observed encouraging trends in our hiring practices. There was a notable increase in female hires, rising from 36 in 2020 to an impressive 111 in 2022. Moreover, the recruitment of younger professionals aged 18-30 also saw a positive uptick, climbing from 111 in 2020 to 190 in 2022. These numbers underscore our commitment to fostering diversity and investing in young talents, ensuring a vibrant future for our organization.



New Hires and Turnover	Units	2020	2021	2022
<b>New employee hires by gender</b>				
Female	#	36	82	111
Male	#	157	208	235
<b>New employee hires by age</b>				
New employee hires aged 18-30	#	111	151	190
New employee hires aged 31-50	#	81	139	155
New employee hires aged 51+	#	1	0	1
<b>Employee turnover by gender</b>				
Female	#	15	27	24
Male	#	105	105	105
<b>Employee turnover by age</b>				
New employee hires aged 18-30	#	37	43	47
New employee hires aged 31-50	#	83	89	82
New employee hires aged 51+	#	0	0	0
<b>Employee absentees</b>				
Employees absenteeism rate	%	0	0.60	2.30

## Female Participation

### Encouraging female participation

To foster increased female engagement in the workforce and achieve our target of attaining a 19.7% representation of women in the workforce by 2023, our Talent Acquisition and Onboarding team took a number of actions in 2022 to help the company attract more female applicants and recruits, including:

- ◆ Enhancing our employer brand by promoting the benefits we provide to female employees
- ◆ Improving our careers website and applicant journey experience
- ◆ Clearer delivery of job descriptions to potential candidates
- ◆ Greater use of social media for recruitment
- ◆ Engaging with female brand advocates

As a result of these and other efforts, the percentage of women employees within solutions grew further in 2022, and 32% of all new recruits this were female.

We encourage female participation in our management development program, Signature, which offers a clear, structured path for employees to develop management and leadership skills. We are also increasing the number of female employees identified in our succession planning program to further boost female representation within our management.

## Parental Leave

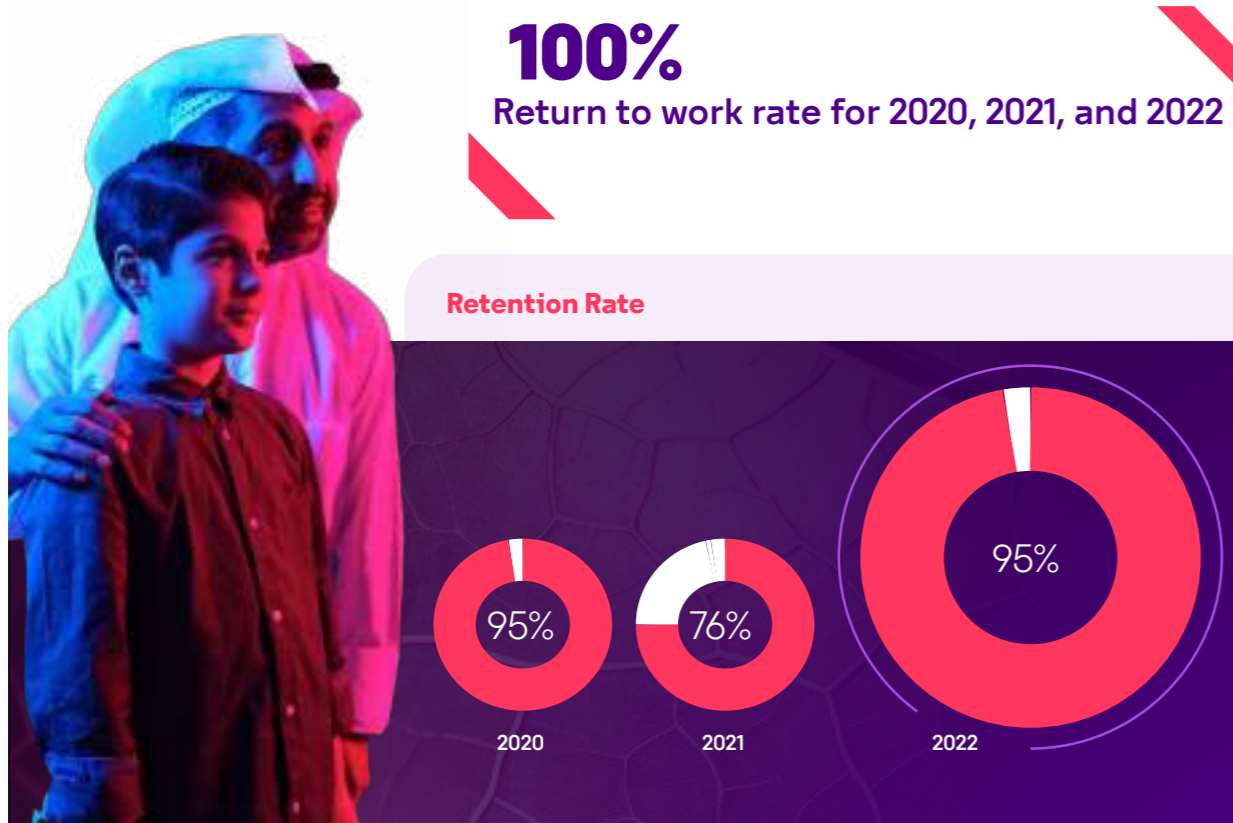
Our commitment to supporting employees during pivotal life moments is clearly demonstrated in 2022. A total of 80 employees took advantage of our Parental Leave Policy, marking an increase from 51 the previous year.

It is especially commendable to note that both men and women have been actively utilizing this benefit, with 68

males and 12 females availing it in 2022. Our dedication does not stop at provision; our retention rate post-leave is a testament to our supportive work environment, standing strong at 95% in 2022, reflecting an upward trend from the previous year's 76%.



Parental Leave	Units	2020	2021	2022
Total number of employees who were entitled to parental leave	#	988	1,026	1,084
Total number of employees who took parental leave	#	59	51	80
Female	#	10	8	12
Male	#	49	43	68
Total number of employees who returned to work after parental leave ended (return to work)	#	59	51	80
Female	#	10	8	12
Male	#	49	43	68
Total number of employees returned from parental leave who were still employed twelve months after return to work (retention)	#	56	39	76
Female	#	10	4	12
Male	#	46	35	64
Return to work rate	%	100	100	100
Retention rate	%	94.90	76.40	95.00



## Nationalization

Nationalization is a cornerstone of Saudi Vision 2030, which aims to ensure ample employment opportunities for Saudi Nationals, enhancing their skill sets and broadening their economic prospects.

In alignment with this Vision, solutions proudly reported that in 2022, Saudi Nationals constituted about 66% of our workforce, reflecting a growth of nearly 5% compared to 2021. We are committed to pushing this momentum further, setting a targeted Saudization rate of 67.5% as our next milestone.

Nationalization	Units	2020	2021	2022
Nationalization rate of senior management	%	91	92	93
Nationalization rate among total workforce	%	58	60.79	65.5
Total number of expat (FTE)	#	632	610	593
Number of nationalities	#	24	20	20
Percentage of employees who are foreign	%	42	39.21	34.5
Percentage of employees who are nationals	%	58	60.79	65.5





# Human Rights Protection and Labor Standards

At solutions, we deeply value the human rights and well-being of every team member, striving always to provide a secure and inclusive workspace.

Over the past three years, there has been zero incidences related to human rights violations, underscoring our commitment. Furthermore, solutions maintain a Zero-tolerance Policy toward any form of discrimination. Proudly, there were no reported instances of discrimination in 2022 as well.

## Grievances

We uphold a robust grievance redressal system, open to all team members, complemented by a confidential whistleblowing channel. This ensures that any concerns related to potential misconduct are heard and addressed promptly.

In 2022, while there was a single grievance reported and substantiated, immediate actions were undertaken.

Employee Grievances	Units	2022
Number of employee grievances reported	#	1
Number of employee grievances substantiated	#	1

**One** employee grievance reported and resolved in 2022



# Employee Engagement, Well-being, and Safety

solutions holds a firm belief in the importance of a corporate culture that is conducive to development and change. By regularly implementing initiatives that best serve our employees, we facilitate creativity and innovation. The corporate culture at solutions aims to:

- ◆ Empower all employees and facilitate knowledge transfer
- ◆ Increase motivation, leading to job satisfaction
- ◆ Communicate accurate information, providing transparency and maintaining professionalism
- ◆ Promote positive change and growth
- ◆ Continuously monitor and improve the work environment
- ◆ Maintain open communication channels between employees and leaders

The development of our culture is driven by five key focus area:

- Enhancing employee awareness: Be aware approach
- Collaboration and cooperation
- Change management and employee engagement
- Fostering a high-performance culture and shared achievement
- Supporting diversity and the well-being of women



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In 2022, solutions implemented an engagement transformation strategy, based on systematic scientific research studies, which significantly impacted the performance, productivity, and effectiveness of the business.

Major initiatives implemented as part of the strategy included:

- Annual Gathering**

  - ◆ An annual gathering for the employees and their families to celebrate their efforts and achievements.

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- Awareness and Motivation Campaign**

  - ◆ A 360 campaign across all communication platforms to raise awareness about health and wellbeing, with employees' achievements shared company-wide to recognize and motivate staff.

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- Abu Abdullah's Takyah**

  - ◆ The company set a goal to build a digitally engaging environment, which was brought to life through a series of nine virtual meetings in the presence of the CEO. Meetings were informal gatherings with specific messages for each division. They centered around pain areas in the division, recognized outstanding efforts on current projects, and included activities and games to break the ice and foster conversation.

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- Talks by solutions**

  - ◆ Sessions during the year addressed targeted topics aligned with solutions' goals and involved employees at all levels. Implemented through WebEx, and featuring both internal talent and external specialists, the sessions provided development and knowledge-sharing opportunities.

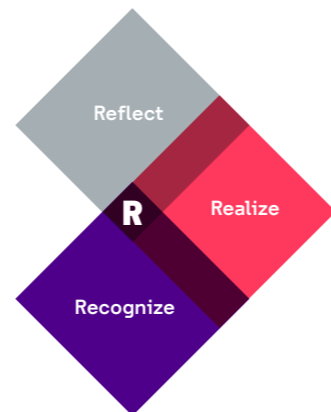
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- Corporate culture calendar**

  - ◆ The company implemented a detailed corporate culture calendar focused on building, maintaining, and refining an engaging workplace environment that fosters employee loyalty, motivation and morale. The calendar featured more than 700 activities with a 67% engagement rate.

**Corporate communications and change-management functions – The 3R's Model**

To drive and sustain momentum in a rapidly changing business environment, solutions developed the 3R's Model for change-management. Developed internally and customized for solutions, the model centers around the most important aspects of the change cycle.



**Promoting a culture of change**

Using a unique approach, change is initiated through communication with employees, first making employees aware of the need for change, then using a model and methodology that invites employees' input and support to convince them of the benefits to them and fostering a desire to participate in the implementation of change.

A new leadership program was implemented through a set of actions with toolkits to leverage those who occupy leadership positions, on exactly how they can immediately increase their ability to inspire and motivate their teams effectively toward a better work culture. Moreover, internal communications and engagement matrix were refined to ensure the most effective timings and channels were used for company communications, and the matrix reviewed quarterly to ensure its ongoing effectiveness. We also leveraged digital capabilities to create virtual events, helping to meet the challenge of employees being dispersed across the Kingdom and enabling them all to participate and feel involved.





## Employee Engagement

A new function was established in 2022, the Total Employee Experience section, to reinforce our commitment to maintaining high standards in impactful employer branding. The new function focuses on

employee engagement and satisfaction, as well as the creation of new strategies for enhancing the total employee experience across the organization.



## Employee Benefits

solutions offers a comprehensive range of employee benefits in line with General Organization for Social Insurance (GOSI) requirements. As part of this, 9% of employees' gross salary, which includes basic and housing allowances, is deducted each month. This deduction serves as a defined benefit, ensuring that retired employees with 40 years of service receive a monthly pension capped at SAR 45,000. solutions matches this contribution equally. Additionally, 1.50% of the basic and housing allowance goes toward unemployment insurance (SANED), with both employees and solutions sharing the cost equally. This insurance provides employees with unemployment pension benefits.



## Supporting Employees

In our commitment to supporting employees, we have implemented various policies aimed at promoting a healthy work-life balance and addressing their diverse needs, including:



### Flexible Working

solutions has introduced flexible working hours to accommodate personal needs, such as childcare or other non-work-related responsibilities.



### Remote/Hybrid Working

By offering employees the option to work from home, we aim to reduce commuting stress and facilitate a better work-life balance.



### Family-Friendly Initiatives

These encompass parental leave, childcare support, child education coverage, 'bring your child to work' days, and extending participation in some company events to employees' families. These initiatives are designed to create a family-friendly and supportive workplace environment.

solutions organized a programming session for employees' children in the age group of 14-17. By the end of this session, participants were equipped to independently complete their own projects.

In addition to these initiatives, we also recognize and reward our hardworking employees through programs like the Devoted Achiever Award. These efforts not only boost morale but also contribute to fostering a positive and motivating atmosphere.



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## Health, Safety, and Well-being

We place a profound emphasis on the well-being of our employees, both in terms of their physical and mental health, recognizing that a healthier workforce is inherently more motivated and productive. Throughout 2022, we implemented a range of initiatives and benefits geared towards enhancing the well-being of our workforce, including:

### Health promotion campaigns

We regularly organize events that disseminate valuable information on various health-related topics such as blood pressure, cancer awareness, and vascular health. These events also encourage employee participation in physical activities like soccer and padel tournaments, as well as the sharing of healthy recipes.

### Annual wellness program

Our annual wellness program encompasses group fitness classes and blood donation campaigns, promoting a culture of physical well-being.

### Gym access and discounts

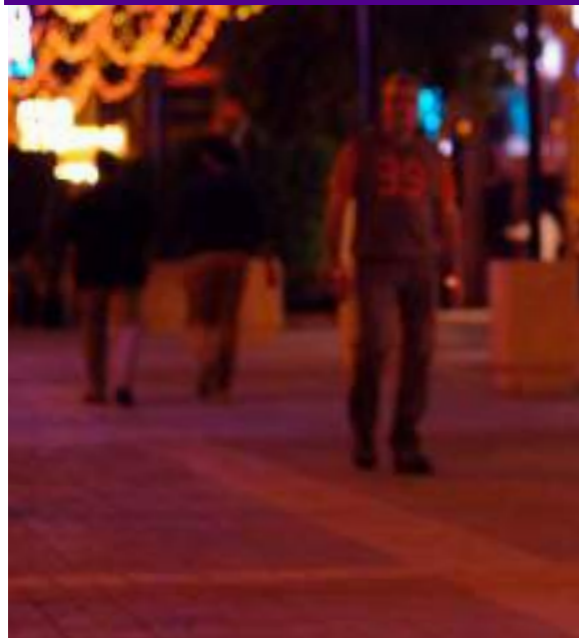
We offer on-site gyms for both men and women at our Employee Service Center. Additionally, we partner with local fitness centers to provide discounted memberships for employees and their families.

### Healthy eating

Nutritious food options are readily available at our Employee Service Center. We extend discounts on healthy meal deliveries to employees and ensure that all team members have designated meal breaks in a comfortable and spacious dining area.

In recognition of the paramount importance of mental well-being, we have established mental health awareness and training courses accessible through our e-learning platform. Our mentorship program is in place to assist employees in navigating personal or work-related challenges. Encouragingly, our managers regularly engage with their teams to gauge their overall well-being. We continuously share resources related to mental health and well-being, ensuring that employees remain informed about effective ways to manage stress, anxiety, and other mental health concerns.

Through these multifaceted approaches, we strive to foster an environment where employees feel genuinely supported, valued, and comfortable seeking help when needed. Our aim is to destigmatize discussions surrounding mental health and guarantee that every member of our team has access to the requisite resources and support necessary to maintain their mental well-being.



## The Change Ambassador Program: Cultivating Progress

The Change Ambassador Program was launched to nurture a proactive culture within solutions, enriching our workplace, promoting collaboration and strengthen the bond between the management and employees by engaging employees in solutions' transformation. The selected ambassadors had to go through a rigorous selection process upon registration, concluding with elections upon approval of the shortlist of nominees coupled with corporate culture recommendations.

Ambassadors serve as focal points, connecting with management, representing their colleagues, attending corporate culture meetings, and participating in company visits. Ambassadors' activities must be in line with sector goals toward change and they must support in solutions' sustainability activities.

Progress, Gains and, Future Steps:

The program notably elevated engagement, fostering feedback and fresh ideas, posts and interactions on Takyah have increased as result of this program. The network bolstered communication and achieved successful selection and implementation, despite the need of ongoing training and motivation.

Next, we intend to expand the program to sister companies, introduce recognition mechanisms, and establish regular feedback sessions.

The Change Ambassador Program has been instrumental in bridging the gap between management and employees, fostering a culture of innovation and collaboration.





## OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety (OHS) at solutions is controlled by our ISO 45001-compliant management system. Regular inspections are conducted across all solutions' locations to identify potential hazards and risks, both to employees and contractors, and any health and safety concerns are documented and reported. The OHS team collaborates with relevant departments to address any issues identified and assists in implementing corrective or preventative

measures. This ensures a standardized approach to dealing with any identified health and safety issues that may arise.

Employees and contractors can also report any hazards or risks they see through a secure email mechanism, and such reports are immediately followed up by the OHS team for evaluation.



## ELEVATING SAFETY STANDARDS

As part of our continuous commitment to workplace safety, we are developing a new safety management system with expert consultants, concentrating on work-related hazards. To support this effort, a dedicated

safety committee will be instituted to guide safety protocols across solutions.

Notably, 2022 saw us equip our employees with evacuation training.



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## Social Investment and Community Development

In line with the Saudi Vision 2030's goal of strengthening the non-profit sector and promoting volunteerism as means of driving development in the Kingdom of Saudi Arabia, solutions undertook numerous corporate social responsibility initiatives to further the cause of social contribution and non-profit organizations spanning across the regions in which we operate.

### Inspiring Saudi youth to shine

solutions sponsored the Saudi National Team in the World Robot Olympiad, which was hosted by the Saudi Wireless Sports & Robot Federation. This effort aimed to motivate and empower Saudi students to participate in global competitions, ultimately increasing the number of wireless sports practitioners in the Kingdom.



### Supporting Saudi youth

solutions collaborated with the Mohammed Bin Salman Foundation (Misk) to support and empower the not-for-profit sector and contribute to maximizing our impact on the community. We achieved this by building, developing, and sustaining the capabilities of non-profit youth organizations through a dedicated volunteering program that leverages our expertise in technology. More than 100 employees registered to volunteer their time and skills, and more activities are planned for the upcoming years.

### Tamheer Program

solutions joined forces with Taqat, the national labor portal and one of Human Resources Development Fund initiatives, in providing an on-the-job training opportunity for Saudi male and female graduates under the Tamheer Program. The program aims at equipping graduates with the experience and skills that are needed in the Saudi labor market. In 2022, the program included 94 candidates.

Furthermore, we organized a campaign in collaboration with the Eyani Association for clothing donations, encouraging our employees to participate and contribute Eid clothing for those in need.

### Supporting local talent and content

We sponsored Thmanyah, the most popular Saudi-based podcast platform and documentary producer in the region. This sponsorship opened new opportunities for Thmanyah's Saudi youth-led team to gain millions of viewers and attract a new generation of audience with its innovative and fresh content. Through this sponsorship, we have contributed toward enriching the Arabic content, supporting local talent, and fostering promising opportunities in Saudi Arabia.





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# Appendix A: Stakeholder Engagement

Stakeholders	Interests
Investors and Shareholders (National & International)	<ul style="list-style-type: none"> <li>◆ Corporate Governance and Transparency</li> <li>◆ Business Ethics and Compliance</li> <li>◆ Partnerships and Collaborations</li> <li>◆ Financial Performance</li> </ul>
Regulators (National & International)	<ul style="list-style-type: none"> <li>◆ Corporate Governance and Transparency</li> <li>◆ Business Ethics and Compliance</li> <li>◆ Data Privacy and Cybersecurity</li> <li>◆ Digital Innovation, Transformation, and Ethical Technology Use</li> <li>◆ Diversity, Inclusion, and Equal Opportunity</li> <li>◆ Employee Engagement, Wellbeing, and Safety</li> <li>◆ Energy Management and Climate Action</li> <li>◆ Social Investment and Community Development</li> <li>◆ Human Rights Protection and Labor Standards</li> <li>◆ Responsible Resource Management</li> </ul>
National Government	<ul style="list-style-type: none"> <li>◆ Corporate Governance and Transparency</li> <li>◆ Business Ethics and Compliance</li> <li>◆ Data Privacy and Cybersecurity</li> <li>◆ Digital Innovation, Transformation, and Ethical Technology Use</li> <li>◆ Diversity, Inclusion, and Equal Opportunity</li> <li>◆ Energy Management and Climate Action</li> <li>◆ Social Investment and Community Development</li> <li>◆ Nationalization</li> <li>◆ Human Rights Protection and Labor Standards</li> <li>◆ Sustainable Procurement</li> <li>◆ Responsible Resource Management</li> </ul>

Stakeholders	Interests
Others (Customers, Suppliers and Community)	<ul style="list-style-type: none"> <li>◆ Customer Satisfaction and Experience Enhancement</li> <li>◆ Data Privacy and Cybersecurity</li> <li>◆ Social Investment and Community Development</li> <li>◆ Partnerships and Collaborations</li> <li>◆ Nationalization</li> <li>◆ Human Rights Protection and Labor Standards</li> <li>◆ Sustainable Procurement</li> </ul>
Internal (Employees & Executive Management)	<ul style="list-style-type: none"> <li>◆ Corporate Governance and Transparency</li> <li>◆ Business Ethics and Compliance</li> <li>◆ Data Privacy and Cybersecurity</li> <li>◆ Talent Retention, Development, and Succession Planning</li> <li>◆ Digital Innovation, Transformation, and Ethical Technology Use</li> <li>◆ Diversity, Inclusion, and Equal Opportunity</li> <li>◆ Customer Satisfaction and Experience Enhancement</li> <li>◆ Employee Engagement, Wellbeing, and Safety</li> <li>◆ Energy Management and Climate Action</li> <li>◆ Social Investment and Community Development</li> <li>◆ Partnerships and Collaborations</li> <li>◆ Nationalization</li> <li>◆ Human Rights Protection and Labor Standards</li> </ul>



# Appendix B: GRI Index

**Statement of use** solutions by stc has reported the information cited in this GRI content index for the period of January 1, 2022 to December 31, 2022 with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	4,8
	2-2 Entities included in the organization's sustainability reporting	4
	2-3 Reporting period, frequency and contact point	4
	2-6 Activities, value chain and other business relationships	8,9,20,47,49,50-53
	2-7 Employees	63,64
	2-9 Governance structure and composition	27,28
	2-10 Nomination and selection of the highest governance body	27,40
	2-12 Role of the highest governance body in overseeing the management of impacts	27
	2-13 Delegation of responsibility for managing impacts	27
	2-15 Conflicts of interest	27,29
	2-17 Collective knowledge of the highest governance body	29,67
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report
	2-19 Remuneration policies	40
	2-20 Process to determine remuneration	40
2-22 Statement on sustainable development strategy	3,16	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-23 Policy commitments	26,29,40,74
	2-24 Embedding policy commitments	26,29,40,74
	2-25 Processes to remediate negative impacts	50,74
	2-26 Mechanisms for seeking advice and raising concerns	30, 74
	2-27 Compliance with laws and regulations	29,30
GRI 3: Material Topics 2021	2-29 Approach to stakeholder engagement	20,88,89
	3-1 Process to determine material topics	18
	3-2 List of material topics	19
GRI 201: Economic Performance 2016	3-3 Management of material topics	18
	201-1 Direct economic value generated and distributed	38,39
	201-3 Defined benefit plan obligations and other retirement plans	68,71,78
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	73
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	84,85
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	52
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	34
	205-2 Communication and training about anti-corruption policies and procedures	29
	205-3 Confirmed incidents of corruption and actions taken	26
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	30
GRI 302: Energy 2016	302-1 Energy consumption within the organization	56



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GRI STANDARD	DISCLOSURE	LOCATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	59
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	57
	305-2 Energy indirect (Scope 2) GHG emissions	57
	305-4 GHG emissions intensity	57
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	58
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	50
	308-2 Negative environmental impacts in the supply chain and actions taken	52
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	70
	401-3 Parental leave	71,72
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	82,83
	403-2 Hazard identification, risk assessment, and incident investigation	82,83
	403-3 Occupational health services	80
	403-4 Worker participation, consultation, and communication on occupational health and safety	80-83
	403-5 Worker training on occupational health and safety	83
	403-6 Promotion of worker health	80
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	67
	404-2 Programs for upgrading employee skills and transition assistance programs	66
	404-3 Percentage of employees receiving regular performance and career development reviews	65,66
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	28,63,64
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	74

GRI STANDARD	DISCLOSURE	LOCATION
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	84,85
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	50
	414-2 Negative social impacts in the supply chain and actions taken	52
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	41,42







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