

SUSTAINABILITY REPORT 2022



FOREWORD



Message from Mohammed Alhakbani CEO [Chief Executive Officer]

2021 marked a pivotal year in TAWAL's young history with the enactment of our first sustainability strategy to become a more responsible organization.

In line with our 3rd mission statement "Make a positive impact to the local community and ensure environmental sustainability by contributing to community development and promoting renewable energies", TAWAL developed a comprehensive sustainability strategy across 4 pillars which capture our desire to continuously strive to create a lasting positive impact on our environment, community, and stakeholders.

2022 marked the first full year of execution of this strategy which we are proud to present in this first sustainability report. Our goal is to release these reports annually, showcasing our progress and dedication to sustainability.

As CEO, I prioritize sustainability and recognize its importance in driving our success. TAWAL is committed to Vision 2030 and a future where sustainability becomes an integral part of our operations. In doing this we aim to shape a greener Saudi Arabia where communication infrastructure and the environment coexist harmoniously, promoting growth and innovation for generations to come.

FOREWORD



Message from Richard Ltaif CSGO [Chief Strategy & Governance Officer]

As part of developing and driving TAWAL's long-term strategy, we quickly realized the importance of embedding sustainability goals throughout the organization to improve TAWAL's resilience and grow in harmony with our environment and communities. Our commitment to sustainable practices enables us to build a more resilient and innovative organization for the future.

In my role as the CSGO, my team and I are responsible for directing and supervising sustainability initiatives across the organization. It is both a critical and fulfilling task for us to coordinate the implementation of these initiatives, oversee the program execution team, and assist initiative owners as they address any challenges that may arise.

We at TAWAL see ourselves as the leading digital infrastructure service provider in the region, focusing on promoting our services in a more sustainable manner going forward with clear targets on reducing emissions, promoting greener energy, doing business with integrity and empowering our people, amongst others.

Our sustainability strategy encompasses 4 key pillars which will be further detailed in this report:

1. Caring for the Environment
2. Supporting Economic Development
3. Empowering our Community
4. Strengthening Accessibility and Inclusion

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INTRODUCTION TO TAWAL



TAWAL is the largest TowerCo in the MENAP region with 16K+ towers

TAWAL's core business activities include constructing, designing, and managing telecom infrastructure which includes telecom towers, in-building solutions (IBS), and small cells. Our infrastructure enables telecom providers, governments, and private sector businesses to efficiently roll out their networks.

TAWAL has witnessed significant growth since its inception in 2019, It has added more than 2,000 Macro sites to its portfolio and has enabled 1,500+ new co-locations, thus avoiding duplicate towers. In 2022 TAWAL acquired Awal Telecom in Pakistan and aims to continue expanding its operations internationally and domestically.

By the end of 2022 TAWAL employed a diverse workforce of 314 FTEs representing 18 different nationalities.

314 FTEs

16,000+ towers

99% population coverage in Saudi Arabia

2.9 billion SAR in revenue during 2022



TAWAL was launched with the vision to “become the leading regional ICT infrastructure service provider”. This vision is supported by three mission statements, each of which emphasizes sustainability as a priority.

Firstly, we enable operators to enrich the communication needs of customers and accelerate the roll-out of future technologies such as 5G and internet of things (IoT). This supports the Vision 2030 digital transformation and the evolution of Saudi Arabia into a more digitally advanced and sustainable nation.

Secondly, our efforts drive mobile network operators, the government, and businesses to operate more effectively and efficiently by providing shareable

towers. This helps avoid infrastructure duplication and reduces the environmental footprint of network expansion and digitalization.

And lastly, we strive to ensure that the benefits of digitalization are accessible throughout the country, offering our services to all network operators and other potential customers without compromising our commitment to a greener future.

TAWAL's mission statements

1 Enable operators to enrich the communication needs of customers by accelerating the roll-out of future technologies [e.g., 5G, IoT] and supporting the Vision 2030 digital transformation

2 Drive MNOs, the government and businesses to operate more effectively and cost efficiently by enhancing colocation and realising operational efficiencies

3 Make a positive impact on the local community and ensure environmental sustainability by contributing to community development and promoting renewable energies

Our mission statements have enabled us to become a trusted partner for mobile operators, mega-city developers, and regulators. As our footprint grows, we consistently ensure that sustainability remains an integral part of our operations. Our commitment to greener energy solutions, waste reduction, and asset reuse exemplifies our dedication to fostering a more sustainable future.

This report highlights the importance we place on sustainability as a core aspect of our operations. Through this report, we aim to share our progress as we work towards building a more sustainable, digital, and inclusive world.





OUR SUSTAINABILITY STRATEGY

DEVELOPING OUR SUSTAINABILITY STRATEGY

ALIGNMENT WITH INTERNATIONAL AND NATIONAL SUSTAINABILITY PRINCIPLES

At TAWAL we have always been conscious of the importance of sustainability in our business practices. We have strived to participate in and fulfil the various international and national sustainability principles. These principles have been used in establishing our sustainability strategy, and as an ongoing source of inspiration.



The United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) are a set of 17 goals and 169 targets adopted by the United Nations General Assembly in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs aim to promote sustainable development in economic, social, and environmental areas, they provide a framework to guide countries and organizations as they work towards a sustainable future.

The SDGs were a valuable input in developing TAWAL's Sustainability Strategy to ensure that our strategy considered all aspects of sustainability from an environmental, social, and economic perspective.



The Paris Climate Treaty

The Paris Climate Treaty is a global agreement which aims to create a global, unified response to the danger of climate change. Countries agreed to limit the increase to no more than 2 degrees above pre-industrialization global average temperature and work towards reducing greenhouse gas emissions.

Under the National Determined Contributions defined under the Paris Treaty, Saudi Arabia aims to avoid 278 million tons of GHG emissions¹ by 2030. TAWAL has developed its sustainability strategy to support the achievement of this goal.

Vision 2030 and other National Commitments

Vision 2030 is a unique transformative economic and social reform blueprint that is opening Saudi Arabia up to the world. Digitalization and sustainability are two key pillars identified to enable Saudi Arabia to achieve Vision 2030.

Vision 2030 includes mega-projects such as NEOM, The Red Sea and AIUla. All have been built upon core sustainability principles, including resource efficiency, renewable energy integration, responsible waste management, local community engagement, and preserving biodiversity.

As Saudi Arabia ushers in this new era, it has set the target of achieving net zero emissions by 2060. The vision of becoming net zero by 2060 will require all companies to become more sustainability conscious and contribute to this goal. Our sustainability strategy aligns with the blueprint set out in Vision 2030 of a more sustainable Saudi Arabia.

We are proud to be contributing to this vision and doing our part to enable a digital and sustainable future.



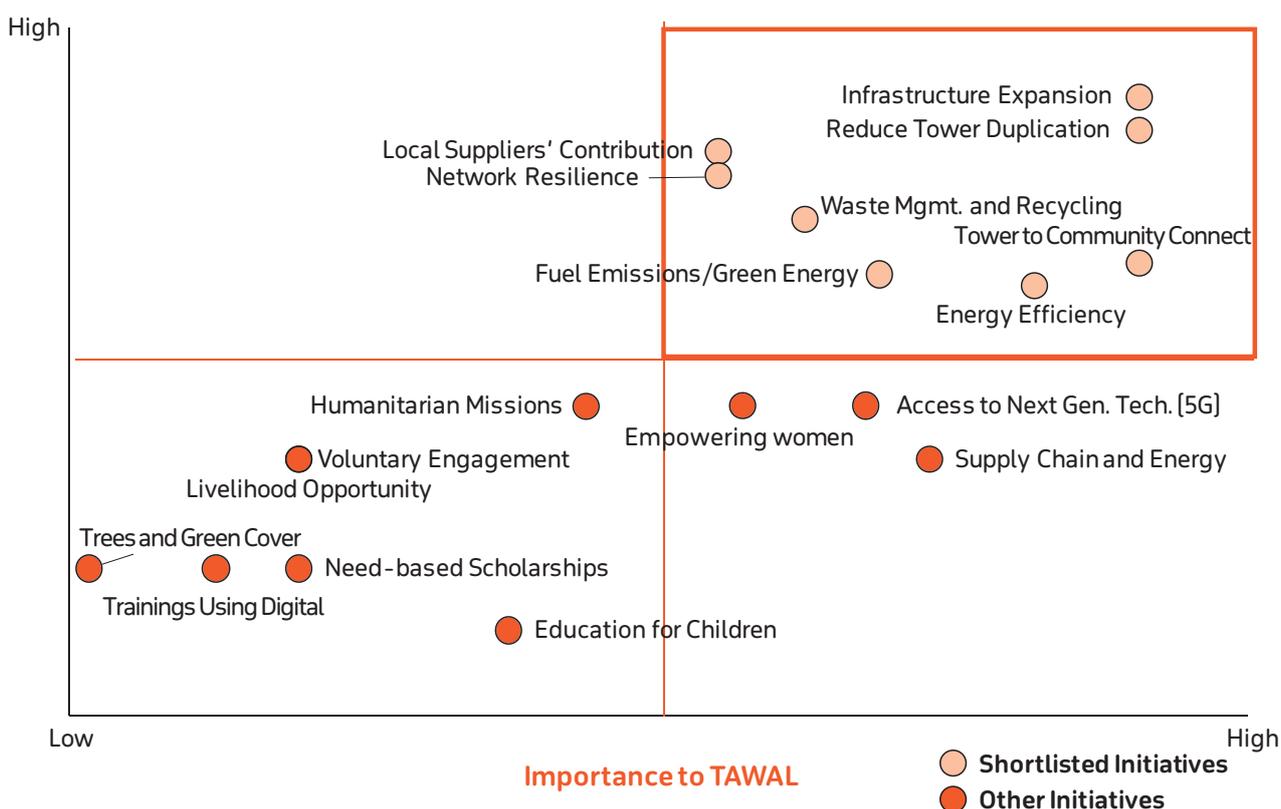
¹Greenhouse gas emissions are represented as tons of CO₂ equivalent

SUSTAINABILITY INITIATIVE MATERIALITY ASSESSMENT

In 2021, TAWAL first developed a long list of potential ESG initiatives based on the best practices of leading ICT infrastructure providers, regional sustainability champions, and key regulatory trends. To identify key sustainability initiatives where TAWAL will focus in 2022 and beyond, a materiality assessment of the long list of potential ESG initiatives in reference to GRI Standard was conducted. The key aspects considered as part of the materiality assessment were Importance to Stakeholders² and Importance to TAWAL³, detailed as follows:

- **Importance to Stakeholders:** Evaluates impact on employees, customers, communities, and investors. Higher ratings for initiatives addressing pressing environmental and social issues, enhancing stakeholder engagement.
- **Importance to TAWAL:** Assesses alignment with business strategy, values, and long-term goals. Higher ratings for initiatives contributing to value creation, risk management, innovation, and competitive advantage.

Importance to stakeholders



After the assessment, 8 ESG related sustainability initiatives were selected [upper-right quadrant] for reporting and dedicated actions. Through this report, TAWAL will highlight the key actions taken on these initiatives and will report progress made on KPIs in reference to GRI Standards.

² Importance to stakeholders combined the rankings on Alignment with National priority and TAWAL potential to influence.

³ Importance to TAWAL combined the rankings on Alignment with TAWAL objective and Ability to implement.

OVERVIEW OF OUR SUSTAINABILITY STRATEGY

Our Sustainability Strategy consists of four pillars which contain eight initiatives:

Caring for the Environment

- 1 Reduce Fuel Emissions and Promote Green Energy
- 2 Promote Energy Efficiency
- 3 Waste Management and Recycling
- 4 Promote Tower Sharing
- 5 Increase the local Suppliers' Value Contribution



Empowering our Community

- 6 Tower to Community Connect
- 7 Network Resilience
- 8 Infra. Expansion In Under-served Areas

Supporting Economic Development

The four pillars provide a holistic view of sustainability and encompass environmental, social, and governance considerations. For us, sustainability is people living in harmony with the planet.

As part of our mission to become the leading regional ICT infrastructure service provider, we focus not just on network expansion, but on sustainable network expansion.

Strengthening Accessibility and Inclusion

In developing our four pillars and eight initiatives, we considered which areas are most aligned with our mission and where we could have the highest impact.

Our sustainability strategy was developed on top of our existing governance framework and principles. To allow us to focus on the four pillars, we set up dedicated governance processes to guide and execute our sustainability strategy.



OUR KEY ACHIEVEMENTS

“ 2022 marked our first year of sustainability strategy execution, and we already witnessed positive progress across all initiatives ”

Mohammed Alhakbani, TAWAL's CEO

We defined aggressive targets across various metrics for all eight initiatives identified as part of our sustainability strategy

These metrics allow us to observe how our conscious efforts are positively contributing to the environment, empowering the community, enabling greater inclusion, and supporting economic development.

| INITIATIVES | | KEY ACHIEVEMENTS IN 2022 |
|--|--|--|
| CARING FOR THE ENVIRONMENT  | 1 Reduce Emissions & Promote Green Energy | 22,000 tons of GHG emissions reduced compared to 2021 |
| | 2 Promote Energy Efficiency | Improved energy intensity by 2% compared to 2021 on EPA basis, despite addition of energy intensive 5G equipment |
| | 3 Waste Management and Recycling | 767 tons of waste diverted from disposal to recycling |
| | 4 Promote Tower Sharing | 631 additional colocation sites and avoided duplicate towers roll-out |
| ECONOMIC DEVELOPMENT  | 5 Increase the Local Suppliers' Value Contribution | Increased local content score ⁴ to 69% |
| COMMUNITY EMPOWERMENT  | 6 Tower to community | Contributing SAR 1.5 million to four community initiatives including planting 1,500 trees and the renovation of Jabal Abu Makhroug |
| ACCESSIBILITY AND INCLUSION  | 8 Network resilience | Reduced number of outages per site by 27% |
| | 9 Infrastructure expansion in underserved areas | 500+ sites added ⁵ , in remote regions, new regions, and mega-projects |

We will explore these achievements in more detail through this report

⁴ The local content score is calculated by the Local Content & Government Procurement Authority to evaluate how much companies spend locally as a proportion of their total spend over 4 measures: [1] Goods and services [2] Depreciation of Capital and assets [3] Capacity building [4] Labor compensation

⁵ Including colocation sites

MAKING A DIFFERENCE



TAWAL's commitment to sustainability is supported by initiatives implemented throughout the company

In this section, we highlight our achievements across our sustainability strategy's four pillars:

1. Caring for the Environment
2. Economic Development
3. Community Empowerment
4. Accessibility and Inclusion

CARING FOR THE ENVIRONMENT



As a company that operates an extensive network of over 16,000+ telecom towers throughout Saudi Arabia, we recognize that TAWAL can make a positive impact on the environment by optimizing our energy mix and reducing waste.

As TAWAL enables essential network services in Saudi Arabia, we remain committed to equipping sites with a resilient main or backup power source. To address this challenge, we have focused our efforts on evaluating and deploying the most appropriate, reliable, and sustainable power source for each site.

In this section, we outline our approach to environmental sustainability and highlight the progress we have made across the four key initiatives under the Caring for the Environment pillar. Our initiatives are selected based on their potential to minimize our environmental impact and promote sustainability.

CARING FOR THE ENVIRONMENT

| | | | |
|--|--|---|--|
| <h1 style="font-size: 2em; margin: 0;">01</h1> <p style="margin: 0;">Reduce Emissions & Promote Green Energy</p> | <h1 style="font-size: 2em; margin: 0;">02</h1> <p style="margin: 0;">Promote Energy Efficiency</p> | <h1 style="font-size: 2em; margin: 0;">03</h1> <p style="margin: 0;">Waste Management and Recycling</p> | <h1 style="font-size: 2em; margin: 0;">04</h1> <p style="margin: 0;">Promote Tower Sharing</p> |
|--|--|---|--|

“ As the largest TowerCo in the MENA region, we are strongly committed to championing sustainability across our operations. We have embarked on a comprehensive program to reduce carbon emissions, promote green energy, and support local economic development, while ensuring the resilience of our telecommunications network. ”

Mohammed Alhakbani, TAWAL's CEO

1. REDUCE EMISSIONS AND PROMOTE GREEN ENERGY



Our first initiative aims to reduce our GHG emissions by promoting the use of renewable and other sustainable sources of energy. We have invested significant CAPEX into converting sites running on dual diesel generators to using the grid or implementing hybrid solutions [deep discharge batteries] throughout our network.

Our performance engineering team regularly reviews the most environmentally sustainable and cost-effective solutions for each site. We assess factors, such as site design requirements, commercial and technical feasibility, and power needs, to identify alternative energy sources.

| INDICATOR | 2020 | 2021 | 2022 |
|--|------|------|------|
| With dual diesel generators | 9% | 7% | 6% |
| Percentage of sites in network with hybrid solutions | 5% | 7% | 7% |

40%

reduction in number of sites running on Dual generators

Connecting to the grid offers two key environmental benefits. To start with, it immediately reduces the environmental footprint associated with these sites as the electric grid has a lower GHG emission intensity compared to existing diesel generators.⁶ Secondly, as Saudi Arabia's energy system transitions to lower carbon generation through the introduction of more renewables into the power mix, it will further decrease the GHG emissions associated with our operations.

In locations where we have been unable to connect to the grid, we are increasingly introducing a hybrid solution that combines lithium-ion batteries and generators. Such batteries have deep discharge, i.e., longer backup, which significantly reduces the generator runtime. Furthermore, long-life lithium-ion batteries reduce waste as they only need to be replaced after seven years or more, compared to three to five years for normal batteries.



⁶ The amount of GHG emissions per unit of energy

The number of sites with hybrid solutions has increased from 1,050 in 2021 to 1,085 in 2022, and we have achieved up to 14 hours per day battery running hours for these

solutions. Since 2021, we have had more sites operating using the hybrid solution than sites utilizing the dual generator setup.

| INDICATOR | 2019 | 2020 | 2021 | 2022 |
|---|------|------|-------|-------|
| Total number of dual diesel generator sites converted to hybrid solutions [EoP] | 506 | 788 | 1,050 | 1,085 |

60% 

reduction in diesel generator running hours by using deep discharge batteries

In pursuing this initiative, TAWAL has significantly reduced GHG emissions. In 2022, our focus on site electrification and alternative energy solutions resulted in a 28% reduction in total GHG emissions compared to 2019.

Our total Scope 1 GHG emissions decreased from 139 thousand tons in 2021 to 117 thousand tons in 2022. Similarly, our emission intensity decreased from 0.88 ton per effective projected area [EPA] in 2021 to 0.69 ton per EPA in 2022, a 22% improvement compared to the previous year.

| INDICATOR | 2019 [Inception year] | 2020 | 2021 | 2022 |
|---|--------------------------|------|------|------|
| GHG emissions by the organization [thousand tons] | 161 | 152 | 139 | 117 |
| YoY reduction percentage | - | 6% | 9% | 16% |
| Total reduction percentage [since inception] | - | 6% | 14% | 28% |

16% 

YoY GHG reduction achieved

28%

reduction in GHG emissions since inception

We continue to explore opportunities to reduce our environmental impact and promote sustainable energy solutions that meet the specific needs of our clients and the communities we serve. One such initiative is the

construction of new solar-powered sites. This project will help to reduce our reliance on fossil fuels and continue to decrease our carbon footprint.⁷

⁷<https://saudi.tpg.media/saudi-arabias-tawal-plans-to-add-200-telecom-towers-annually/>

CASE STUDY: ELECTRICAL VEHICLE [EV] CHARGING INFRASTRUCTURE



We are constantly pursuing opportunities at the cross-section of building a sustainable world and leveraging our expertise at TAWAL. One opportunity is using our digital infrastructure to charge EVs.

We are partnering with Electromin to enhance Saudi Arabia's EV charging infrastructure.⁸

Through this collaboration, we aim to expand the roll-out of EV charging stations in the country.

This initiative has the potential to revolutionize e-mobility solutions in Saudi Arabia and contribute to the Saudi Green Initiatives' goal of achieving net-zero emissions by 2060 as well as our initiative of promoting green energy.

We plan to work with government entities, private sector companies, and mega-city developers. Providing solutions and necessary infrastructure to enable the transition to EVs and meeting the ambition of having 700,000 EVs in Riyadh by 2030.⁹

2. PROMOTE ENERGY EFFICIENCY



Our second initiative is to promote energy efficiency by using advanced technology and smart management systems to optimize our energy consumption.

Energy efficiency is a priority area for us at TAWAL. Despite the roll-out of 5G across 25% of our existing sites in 2022 and the addition of new sites, the overall increase in energy consumption was only 6% [1,092GWh in 2021 vs 1,159GWh in 2022] and energy consumption per EPA was maintained at the same level. This is achieved by using innovative solutions such as energy-efficient cooling systems, lighting, and remote monitoring.

As part of this initiative, we have partnered with Ericsson¹⁰ to implement a new energy management system that will help us optimize our energy consumption and reduce our carbon footprint. The system includes advanced analytics and real-time monitoring capabilities, which will allow us to identify energy-saving opportunities and make data-driven decisions about our energy usage. Through this partnership, we will be able to leverage Ericsson's expertise in energy management and reduce energy consumption at our sites in the future.

⁸ <https://www.arabnews.com/node/2248091/saudi-arabia>

⁹ <https://apricum-group.com/challenges-and-opportunities-in-saudi-arabias-green-mobility-expansion-plans/>

¹⁰ <https://www.ericsson.com/en/press-releases/5/2023/tawal-reaps-benefits-of-ericsson-energy-infrastructure-operations-in-saudi-arabia>

We have also made considerable progress in implementing the SMART Tower Project, which includes the installation of smart locks, smart meters, and Remote Monitoring Systems (RMS) at selected sites. The usage of these SMART solutions increases the security of sites, decreases the need for physical inspections, and results in more efficient operations.

We have adopted the use of outdoor units (ODUs), designed with special cabinet insulation that result in lowering the need of higher power AC consumption, an approximate reduction from 2500 KW to 1500 KW.

One of our major achievements is the reduction in electromechanical design requirements based on real time profiling of telecom equipment performance, resulting in lower power consumption and enhanced carbon emission reduction.



To date, we have installed **over 1,800 fence locks, 1,100 outdoor unit locks, 1,500 shelter locks, 1,900 smart meters, 81 DC power meters, and 922 RMS.**

Automatic lighting solutions with 'sleep mode' have been implemented throughout our headquarters. The system detects motion and switches off lights when offices are empty, thereby reducing energy consumption and minimizing energy waste.

To support internal development and innovation, we have doubled investment in research and development (R&D) to SAR12.3 million from SAR5.9 million in 2021. As part of this effort, the number of R&D employees increased to 25 (from 15), and the number of users of the entrepreneurship and innovation platform grew to 300 (from 50).

We have explored innovative use cases using artificial intelligence (AI), including the 'AREF' and 'YAMAMA' AI agents. These AI agents make use of historical data from all sites to recommend the assets to install in a new site, based on the minimum number of outages associated with each asset type. The system also uses AI to monitor sites and alert users if a site requires asset replacement. The agents also create prioritized preventive maintenance requests (PMRs), to create a PMR schedule for our operation teams.



3. WASTE MANAGEMENT AND RECYCLING



In 2022, we began fully implementing a waste management project for responsible waste handling. We signed a service agreement with Holoul E-Waste treatment where Holoul will collect, recycle, and reuse electrical equipment waste from TAWAL's towers.

In 2022, we generated 19,019 pieces of network waste materials weighing 984.5 tons. Of these, over 767.4 tons of waste materials (78%) have either been recycled or are planned to be recycled. We have received certificates confirming the recycling work completed.

78% of network waste has been recycled

In our endeavor to further reduce waste, we will be enhancing the scope of recycling to include operational and maintenance waste such as engine oil or filters which represents 21% of TAWAL's total waste generated.

We also aim to transition into a paperless environment, starting with our procurement operations by using an Enterprise Resource Planning (ERP) procurement module and I-supplier for supplier registration, the bidding process, and negotiation. We believe that a paperless environment will help us to reduce our environmental footprint which will contribute to a more sustainable future.

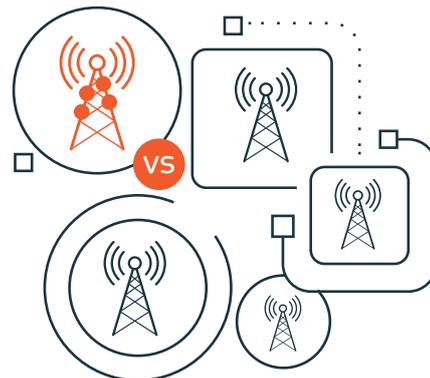
4. PROMOTE TOWER SHARING



Tower sharing is a key pillar in our overall strategy, and we see it as an opportunity to reduce the overall environmental impact of digital and ICT services. We aim to increase tower colocations to minimize the need for new infrastructure development - this reduces the environmental footprint of network services and minimizes the impact on urban aesthetics associated with network equipment.

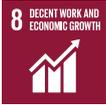
By avoiding duplicated towers, the power consumption and emissions per tenant can be reduced. Shared passive infrastructure and efficiencies of scale lead to significantly lower power consumption per operator and there is no need to roll out separate new towers. Additionally, colocation can have social and economic benefits by allowing for more efficient deployment of mobile networks, thereby increasing access.

We are actively working to promote tower sharing as an efficient and sustainable solution for the telecom industry and have increased the number of colocations from 2,494 to 3,119 in 2022.



| INDICATOR | 2020 | 2021 | 2022 |
|----------------------|-------|-------|-------|
| Total colocations | 1,790 | 2,494 | 3,119 |
| Towers avoided (YoY) | 103 | 704 | 631 |

SUPPORTING ECONOMIC DEVELOPMENT



Economic development and local supplier value contribution are key aspects of sustainability for us at TAWAL. We have a responsibility to support economic growth and development in the communities in which we operate. This includes preferential partnering with local suppliers and contractors to source materials and services to contribute to the local economy. By working with local suppliers, we have reduced our environmental impact by minimizing transportation and associated emissions.

In this section, we outline parts of our approach to support economic growth and highlight the progress

we have made across the key initiative under the Economic Development pillar.

ECONOMIC DEVELOPMENT

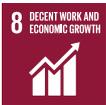


05



Increase the local suppliers' value contribution

INCREASE THE LOCAL SUPPLIERS' VALUE CONTRIBUTION



We prioritize local procurement, supporting small to medium-sized enterprises (SMEs) and localizing high-spend elements. We also invest heavily in R&D to drive innovation, with recent projects including the use of AI to enhance customer experience and optimize asset performance.

At TAWAL, responsible sourcing is a critical aspect of our procurement operations. We hold "Annual Partners' Day" with our suppliers to strengthen our strategic relationship and align future expectations. To ensure fairness and transparency, we use a four-step sourcing strategy that includes two endorsement committees, Strategy and Awarding. They consist of executives and general managers during the sourcing, and all activities are performed by cross-functional teams consisting of staff from both the procurement and business units.

We prioritize local procurement by spending **98% of our total procurement budget in 2022** on local suppliers and most awarded suppliers are SMEs. We have taken the initiative to localize commonly used products in our tower business. To achieve this, we identified commonly used items for telecoms towers, analyzed spending on those items, and mapped our potential demand for each identified item for the next three to five years.

We have an initiative for suppliers to develop renewable or green energy solutions for TAWAL. We will carry out proof-of-concept evaluations with participating vendors, and the most promising solution will be implemented across all suitable locations.

We also worked closely with stc's Rawafid Program¹¹ – whose vision is to champion local content – to explore further synergies and localize products. Currently, we are working on a roadmap for the localization of key items such as batteries, rectifiers, and generators, and defining the preferred models such as partnerships or Memorandum of Understandings [MoUs] with these suppliers.

At TAWAL, we recognize the critical role of local content in the development of a sustainable economy.

Therefore, we are pleased to have achieved a **local content score according to the Local Content and Government Procurement Authority in Saudi Arabia [LCGPA] of 69% in 2022.**

We also comply with the Saudi Nationalization Scheme implemented by the Saudi Arabian government to support local recruitment and workforce participation.

¹¹<https://www.stc.com.sa/content/stcgroupwebsite/sa/en/rawafed.html>

EMPOWERING OUR COMMUNITY



Empowering local communities plays a crucial role in our approach to achieve long-term sustainability. As providers of critical infrastructure, we have a responsibility to engage with and support the communities in which we operate. This can include supporting local businesses, investing in education and training programs, and assisting through humanitarian aid. By empowering communities we can build trust, foster long-term relationships, and contribute to the social and economic development of the areas in which we operate.

In this section, we outline parts of our approach to social sustainability and highlight the progress we have made

across the key initiative under the Community Empowerment pillar.

COMMUNITY EMPOWERMENT



06



Tower to Community

TOWER TO COMMUNITY



At TAWAL, we believe an important aspect of our work is to support the community through education, humanitarian aid, and other charitable initiatives.

During 2022, we successfully implemented three initiatives:

- Contributing to afforestation
- Donating to relief effort in the aftermath of the floods in Pakistan
- Supporting employees donate to the Children with Disability Association.



As a part of Vision 2030's Saudi Green Initiative we **planted 1,500 trees** in various districts in the central region in the Kingdom. This was made in addition to the 3,000 trees we planted in 2021. The Saudi Green Initiative aims to offset Saudi Arabia's carbon emissions, combat climate change, and protect the environment. Planting trees also has a range of social benefits, such as improving air quality, reducing soil erosion, and providing habitat for wildlife. TAWAL plans to expand this initiative to other regions of the KSA in 2023.



In 2022 we also donated in the aftermath of the tragic floods in Pakistan through the King Salman Humanitarian Aid and Relief Center (KSRelief). KSRelief has been a UNICEF partner since 2015 and works to provide humanitarian aid and relief, including emergency, food security, shelter, health, and education.



2022 was a year when we also encouraged our staff to make donations. This year the chosen receiver of these donations was the Children with Disability Association. The association works to provide highly professional medical, rehabilitative, and educational services to children with disabilities and their families. Staff charitable donations are an initiative we have encouraged for many years.

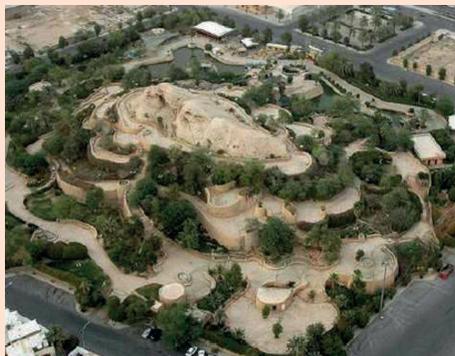
CASE STUDY: PARTNERSHIP WITH KING ABDULLAH UNIVERSITY OF SCIENCE AND TECHNOLOGY TO SUPPORT RESEARCH AND STUDIES USING TAWAL INFRASTRUCTURE



TAWAL has partnered with King Abdullah University of Science and Technology (KAUST) to provide ICT infrastructure services that will expand network coverage within the KAUST premises.

The agreement also allows KAUST to leverage TAWAL's advanced infrastructure to support research and studies. By building ICT infrastructure based on a shareability concept, the partnership aims to reduce environmental impact while increasing mobile network coverage within the KAUST campus. The partnership represents a step towards sustainable growth and research in the region.

CASE STUDY: REDESIGN OF JABAL ABU MAKHROUG PARK



TAWAL donated 1.5 million SAR to support the redesign of Jabal Abu Makhroug park.

Jabal Abu Makhroug park is a historical site located in Riyadh and acts as an attraction for visitors and travelers from all corners of Saudi Arabia.

STRENGTHENING ACCESSIBILITY AND INCLUSION



Network accessibility and inclusion are key factors in our sustainability strategy. As demand for connectivity and internet services continues to grow, tower companies have a responsibility to expand and enhance their networks to ensure that they are accessible to all users, regardless of their location. This can involve investing in new infrastructure to expand network coverage and improve connectivity speeds.

In addition, we work with initiatives that promote access to connectivity in underserved communities, such as rural areas or low-income neighborhoods. By expanding network accessibility and promoting connectivity, we can foster social and economic development, enhance digital inclusion, and increase stakeholder satisfaction. Moreover, by investing in sustainable network expansion, we can reduce our environmental impact while increasing accessibility.

In our infrastructure expansion, we also work to enhance network resilience. This is important to improve infrastructure reliability against potential disruptions.

In this section, we outline parts of our approach to social sustainability and highlight the progress we have made across the two key initiatives under the Accessibility and Inclusion pillar.

ACCESSIBILITY AND INCLUSION

| | |
|--|---|
| <p style="margin: 10px 0;">Network Resilience</p> <p style="font-size: 2em; color: #c85130; margin: 0;">07</p> | <p style="margin: 10px 0;">Infrastructure Expansion in Underserved Areas</p> <p style="font-size: 2em; color: #c85130; margin: 0;">08</p> |
|--|---|



NETWORK RESILIENCE



Network resilience refers to the ability of a network to withstand and recover from disruptions or failures without affecting its overall performance. Our network resilience initiative is our way to ensure excellence in network planning and design. This is important for us to ensure seamless and uninterrupted access for users throughout Saudi Arabia. Our network resilience initiative focuses on reducing the number of outages per site and reducing the outage duration which leads to an improved passive infrastructure (PIN) availability and resilience.

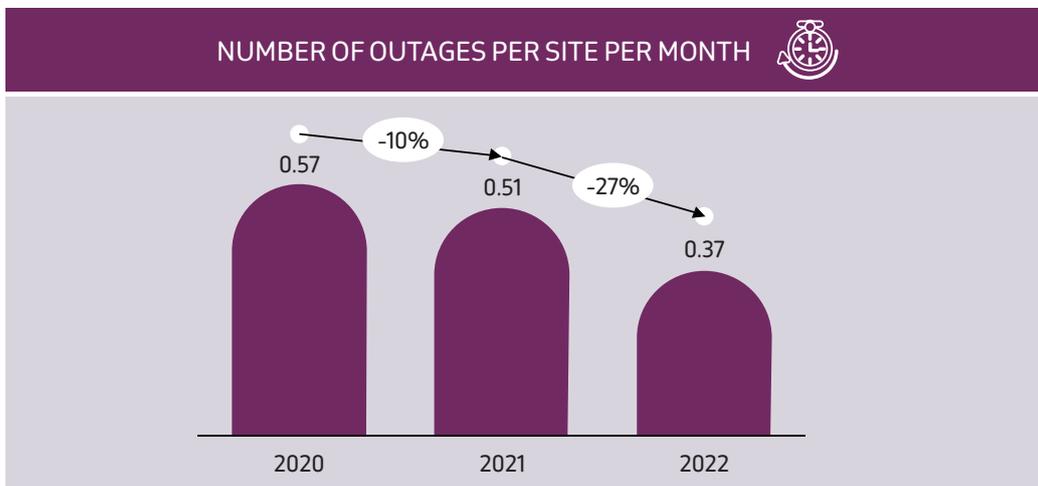
During 2022, we focused our work on PIN impact and identifying root causes of outages. The outage hours registered in 2022 were distributed into different categories. These categories are now being targeted by actions that we have initiated to improve PIN availability and reduce the impact of power outages. One of these actions involves us working closely with Saudi

Electricity Company (SEC) and aims to improve the communication and coordination between TAWAL and SEC to reduce the impact of long and repeated outages. This action includes:

- Creating an outage plan
- Reducing response time
- Reducing usage of overhead lines
- Receiving SEC support to analyze root causes for the highest failures.

In 2022, we reduced the total number of outages per site by 27% compared to 2021. In addition to this, we achieved a PIN availability of 99.9% in 2022.

Figure 1: Number of outages per site per month



INFRASTRUCTURE EXPANSION IN UNDERSERVED AREAS



Access to reliable and affordable telecoms services is increasingly important in today's connected world. However, many underserved areas lack adequate telecoms infrastructure, which can hinder their social and economic development. We recognize the importance of expanding telecoms infrastructure to underserved areas, and we are committed to playing a role in bridging this digital divide.

We are currently working on identifying underserved areas where infrastructure expansion is needed. In these underserved areas, we work with mobile network operators to identify coverage requirements and then lay the foundation to expand our infrastructure to those areas.

Today, we own a portfolio of over 16,000+ towers spread across Saudi Arabia and aim to add up to 600 new towers in 2023 to meet the country's needs. The target sites include urban and semi-urban provinces, remote regions, new regional development, and Saudi Arabian megaprojects.

We also recognize that areas may be underserved with respect to new technologies such as 5G, charging infrastructure, in-building solutions, and smart city amenities. To support this kind of expansion, we are constantly developing our product portfolio to include products like light BTS which have significantly lower CAPEX than a typical BTS site and therefore makes the business case of roll-outs in underserved areas viable and more sustainable.

CASE STUDY: SMART POLES



TAWAL has partnered with Omniflow, Schreder, Calzavara, and Nokia on the deployment of smart poles. Smart poles are an important component of smart city deployment, unifying the infrastructure as well as improving city aesthetics.

The agreements include accelerating the deployment of 5G cells through smart poles that have a more reliable network in high-density areas. It should also assist with unified infrastructure for multiple applications and different use cases. In addition to their utility, several of the smart poles are powered by renewable energy sources including solar panels and wind turbines.

ENABLING OUR SUSTAINABILITY EFFORTS



We recognize the importance of having a solid foundation and support structure. In this section, we will focus on two key areas that are part of our DNA that enable our sustainability efforts:

- Robust governance structure
- Taking care of our people

These enabling activities ensure that we can execute our sustainability strategy and drive the initiatives outlined in the previous section.

ROBUST GOVERNANCE STRUCTURE

This section will cover TAWAL's governance framework, including organizational structure, leadership and oversight, policies and procedures, and risk management practices.

CORPORATE GOVERNANCE STRUCTURE

TAWAL operates with a strong governance structure that ensures transparency, accountability, and ethical behavior at all levels. The Board of Directors and the executive leadership team are responsible for setting and implementing the company's strategic objectives and overseeing its operations. They provide guidance and direction to ensure compliance with laws and regulations, ethical business practices, and sustainable growth.

We have established relevant processes and policies to ensure that the board and committees have the necessary skills, knowledge, and experience to effectively oversee company operations. It includes ongoing training and education opportunities, as well as a formal assessment of the board's composition, skills, and effectiveness.

We have several corporate governance policies and practices, including a code of conduct for all employees, a whistle-blower policy, and regular performance evaluations of the board members and executive officers. The Audit Committee oversees the Code of Ethics, manages ethical issues raised through the internal audit, and implements a whistle-blowing mechanism. Additionally, we have a Nomination and

Remuneration Committee [NRC] approved by the Board of Directors in alignment with the Saudi Arabian Capital Market Authority [CMA] regulation .

We implemented an Integrated Management System [IMS] in compliance with ISO standards [22301, 9001] to enhance customer satisfaction, business continuity, and enterprise risk management. TAWAL is certified with ISO 9001 for Quality Management and ISO 22301 for Business Continuity Management and complies with ISO 31000 Risk Management Guidelines . We are also in the process of implementing a Code of Ethics Program, with expected adoption and alignment of the Code of Ethics and Supplier Code of Conduct by Q4 2023. We have also developed a Corporate Governance awareness procedure that is expected to be rolled out by Q4 2023.

TAWAL is committed to ensuring that our corporate governance policies and practices remain effective with the evolving needs of the business and the expectations of our stakeholders. We continuously evaluate and update our policies and practices to promote accountability, transparency, and ethical behavior throughout the organization.

GOVERNANCE FOR SUSTAINABILITY INITIATIVES

The sustainability program at TAWAL has direct sponsorship from the CEO who oversees and monitors the overall execution and resolves cross-sector obstacles to execution.

The ownership of our sustainability program lies with our CSGO. He leads the execution of initiatives, oversees the program execution team, and supports initiative owners to resolve obstacles to execution.

Program Execution is handled by the Strategy Management and Performance team. They coordinate and facilitate alignment and initiative execution meetings. Additionally, they validate and challenge initiative progress reporting and escalate and support the resolution of issues and risks.

Our initiative owners are general managers and directors. They are responsible for executing the

initiatives, reporting indicator progress and they resolve or escalate internal challenges and obstacles.

As the sustainability governance structure evolves, we plan for the Board of Directors to have an oversight of sustainability while also having the responsibility to set the sustainability strategy. The CEO will be responsible for sustainability performance and the program management will still be handled by a dedicated sustainability team focusing on day-to-day work. This evolution in the coming years will allow us to enhance our sustainability performance by strengthening our sustainability governance structure; this will ensure greater transparency and accountability across all levels of the organization.



REGULATORY COMPLIANCE AND LEGAL RISKS MANAGEMENT

TAWAL is committed to complying with all applicable laws and regulations.

We have implemented robust compliance and oversight mechanisms to manage legal risks and ensure regulatory compliance. We have established internal controls and a risk management framework to identify, assess, and mitigate risks.

TAWAL places great importance on compliance and regulatory affairs, and we are proud to report that we have not received any reports of material non-compliance from regulators. There have been no incidents of non-compliance with laws and regulations related to society and national economy regulations, no incidents of non-compliance with environmental laws and/or regulations, no non-monetary sanctions for environmental, society, or national economy regulations, and no legal or regulatory fines or settlements for environmental, society, or national economy regulations.

Our Regulatory Affairs team conducts regular awareness sessions for relevant departments in TAWAL

to increase their knowledge of laws and regulations, as well as periodic assessments to determine their level of compliance with environmental laws and regulations.

Additionally, we ensure that any new site adheres to applicable regulations, such as those set by Communication, Space and Technology Commission [CST] and Ministry of Municipal and Rural Affairs and Housing [MOMRAH]. We conduct an annual compliance assessment and work to enhance regulatory knowledge over environmental laws and regulations within related departments. As part of our compliance processes, we conduct site assessments to identify areas of critical ecological concern prior to beginning any work. In 2022, we carried out pre-feasibility and environmental impact assessments for every site added to our portfolio.

As part of our commitment to reducing our environmental impact we have also pushed to form an Electricity Delivery to Towers Committee with MOMRAH, Ministry of Energy, CST, SEC, and the operators to find suitable solutions to all challenges and obstacles confronting TAWAL in connecting towers to the grid.



INTERNAL CONTROLS AND ENTERPRISE RISK MANAGEMENT

We developed our Enterprise Risk Management (ERM) process based on ISO 31000 (Risk Management) guidelines, which continually assesses our enterprise risks on a quarterly basis. We use the guidelines for emerging risk and develop a risk statement for our core and supporting activities. The scope includes external risks related to the environment, natural disasters, compliance, and technology.

The Board of Directors at TAWAL are responsible for understanding key risks and the strategy decided for managing them, while the Risk Management Committee (RMC) oversees the execution of the risk management process throughout TAWAL. The RMC is chaired by TAWAL's CEO and its members comprise of various Chiefs. The risk management function reports to the Governance, Risk, and Quality Assurance general department under the Strategy and Governance sector, and the risks are overseen by the RMC, which meets quarterly. Our ERM policy and framework are approved by the Board of Directors, and risks are reported quarterly to the Audit Committee and Board of Directors.

To mitigate risks, we conduct comprehensive analysis of root causes and risk controls, and develop plans to enhance controls – with target dates and key risk indicators – which are periodically updated and presented to the RMC.

We also have a comprehensive business continuity management system (BCMS) based on ISO 22301 (Business Continuity Management) and Business Continuity Institute (BCI) guidelines, which includes a business continuity management policy and framework, business impact analysis and risk assessment, business continuity strategy, business continuity plans, exercise and testing, and continuous awareness.

TAWAL has obtained a multitude of enterprise -level certifications, including ISO 22301 (Business Continuity Management), ISO 27001 (Information Security, Cybersecurity and Privacy Protection) and ISO 9001 (Quality Management Systems).

Going forward, TAWAL will continue to engage with internal and external stakeholders by detailing roles and responsibilities in the risk management policy and framework, periodic reporting to top management, and engaging with regulators through regulations review, reporting of risks, and compliance.



ETHICS AND INTEGRITY

At TAWAL, we are committed to upholding the highest standards of ethics and integrity in all aspects of our operations. Our culture of ethics and integrity is reflected in the policies and procedures we have in place to prevent corruption/bribery and whistle-blower protection.

TAWAL's anti-corruption and anti-bribery policies and procedures prohibit any form of bribery, whether in cash or in kind, including facilitation payments. Our policies and procedures are based on international best practices and comply with local and international laws and regulations. We regularly review and update our policies and procedures to ensure their effectiveness, relevance and that they are formed in accordance with industry best practice.

Our stance on anti-corruption and anti-bribery is documented in:

- TAWAL Suppliers Code of Business Conduct and Ethics
- TAWAL Procurement Policy
- TAWAL Supplier Registration and Qualification Process

TAWAL's Whistle-blower Policy outlines the procedures for reporting and investigating any potential wrongdoing. This policy reflects our commitment to ensuring that all stakeholders, including employees, suppliers, and customers, can report any concerns or violations without fear of retaliation.

We encourage all employees and stakeholders to report any concerns they may have about unethical or illegal behavior. Our Whistle-blowing Policy ensures that all reports are handled in a fair, objective, and confidential manner. Appropriate action is taken to address any wrongdoing that is not in line with TAWAL's Code of Ethics

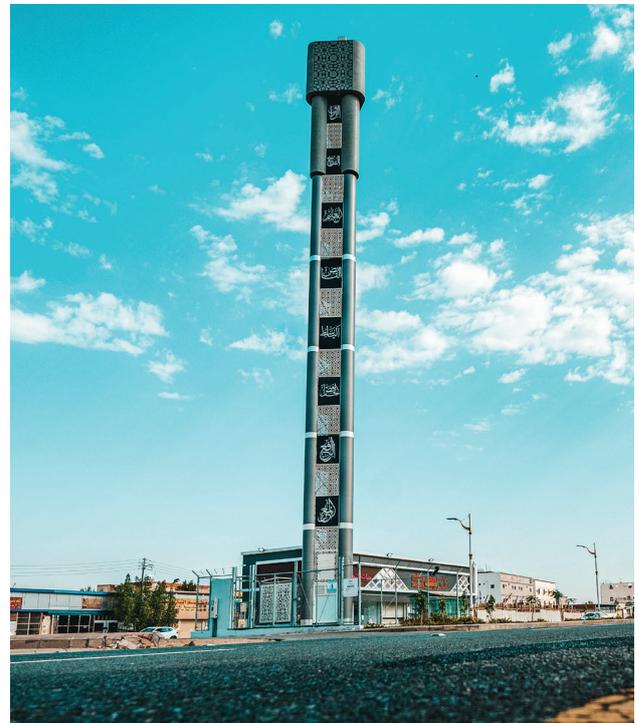
In addition, we provide regular training to our employees and partners on anti-corruption and anti-bribery. We conduct regular supplier performance evaluations to ensure our partners share our commitment to ethics and integrity.

Our stance on anti-corruption and anti-bribery is documented in:

- TAWAL Suppliers' Code of Business Conduct and Ethics
- TAWAL Procurement Policy
- TAWAL Supplier Registration and Qualification Process.

We have a zero-tolerance policy for retaliation against whistle-blowers. We provide a safe and confidential reporting channel to report any unethical or illegal behavior. A whistle-blowing form is available at TAWAL's homepage,¹² or it can be submitted directly to a dedicated email address: speakup@tawal.com.sa

At TAWAL, we believe that promoting ethics and integrity is not only the right thing to do, but it is also essential for building trust with our stakeholders and maintaining our reputation as a responsible and sustainable business.



¹²<https://tawal.com.sa/en/whistleblower>

CYBERSECURITY

Cybersecurity is an important aspect of our network resilience. With the increasing reliance on digital devices and online communication channels, cyber threats such as hacking, malware, and phishing attacks have become more prevalent and sophisticated. These pose a significant risk to sensitive data, intellectual property, and financial resources.

In response, we have implemented robust cybersecurity measures, such as firewalls, encryption, multi-factor authentication, regular system updates and backups.

During 2022, TAWAL had 404 employees and contractors attending data protection and cybersecurity courses

At TAWAL, we see cybersecurity campaigns as essential to raise awareness among employees about the potential risks and threats posed by cyber-attacks. By promoting safe online behavior, educating employees on cybersecurity best practices, and providing resources to improve their digital security.

These campaigns can help mitigate the impact of cyber-attacks and build a more secure digital environment. During 2022, TAWAL has run several cybersecurity campaigns, including:

- Cybersecurity phishing campaigns
- Cybersecurity awareness campaigns across emails and screens throughout the buildings
- Cybersecurity mandatory training campaigns [conducted periodically]
- Cybersecurity SMS awareness campaigns.

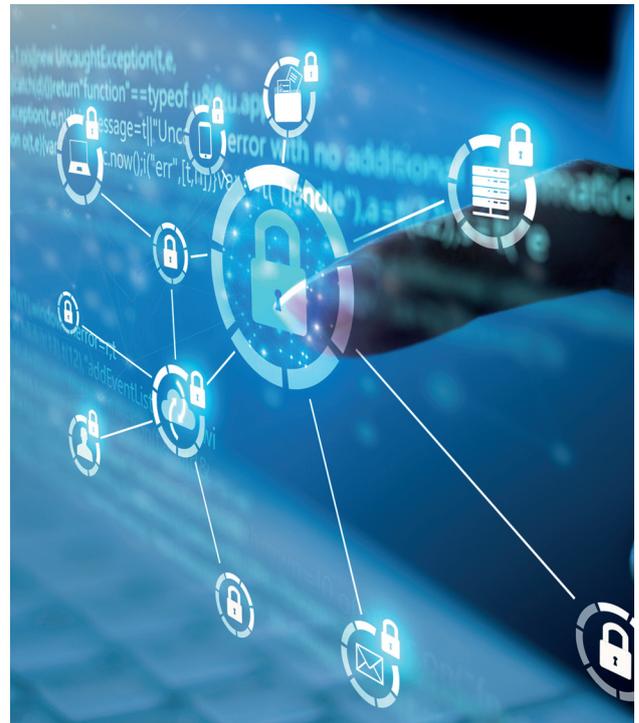
Additionally, we conduct stress tests such as:

- Penetration tests, including on external assets, mobile applications, and network devices
- Periodic and ad hoc vulnerability assessments on all assets
- Red teaming social engineering exercises
- Tabletop resilience exercises

In June 2022, TAWAL received a Cybersecurity Compliance Certificate for our compliance with Saudi Aramco Third Party Cybersecurity Standard [SACS-002]

We engaged a third-party to conduct the Red Teaming Social Engineering Exercises to test the security preparedness of TAWAL. Additionally, we partnered with another company for Tabletop Resilience Exercises that involved most teams in TAWAL to test TAWAL's incident response.

By prioritizing cybersecurity, we safeguard our networks, data, and infrastructure, comply with regulatory requirements, and maintain trust and confidence with our stakeholders.



TAKING CARE OF OUR PEOPLE

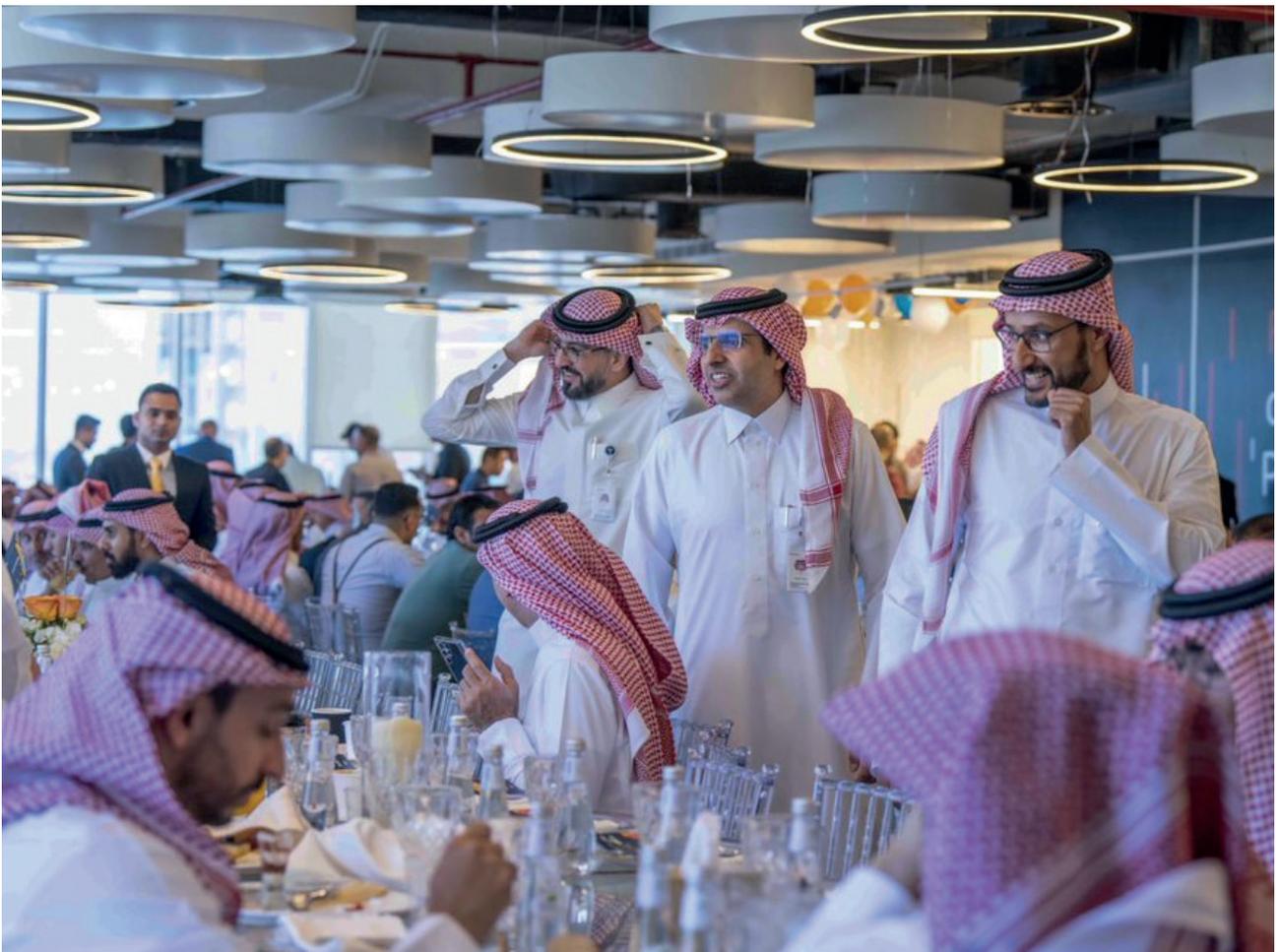
At TAWAL, we believe that our employees are our most valuable asset. We are committed to providing a safe, healthy, and inclusive work environment where they can thrive.

Social sustainability is an essential aspect of our company's overall strategy. As the leading tower company in Saudi Arabia, we understand that our success depends not only on our ability to provide reliable and high-quality telecoms infrastructure, but also on our ability to contribute to the social and economic well-being of the communities where we operate. Therefore, a part of our mission is to make a positive impact on the local community by contributing to community development.

This section will explore TAWAL's approach to social sustainability, including our efforts to create positive social impacts through our operations, our commitment

to responsible business practices, and our engagement with stakeholders. We will also discuss some of the opportunities we see in our efforts to promote social sustainability and highlight some of our most significant achievements during 2022.

By prioritizing social sustainability, we aim to create long-term value for our customers, employees, shareholders, and the communities where we operate. We believe that by working together with our stakeholders and leveraging our core strengths and expertise, we can make a meaningful and positive difference in the lives of the people we serve.



SUPPORTING OUR PEOPLE

At TAWAL, we are committed to providing a safe, healthy, and inclusive work environment where employees can thrive. We also recognize that our employees are an essential stakeholder group in our sustainability journey, and their engagement and commitment to sustainability are critical to achieving our goals.

The secret behind our success is working to create a framework that elevates our work culture and drives our employees to achieve maximum efficiency. We strive to create an inspiring work environment that aligns with our employee values: Thinking Big, Breathing Efficiency, Delivering Every Day, Enabling Customers, and Having Fun.

Ensuring continuous employee career development is highly valued at TAWAL. To support our employees, we continuously develop our training programs, benefits, and the quality of the work environment.

Examples of training programs that the stc group facilitates and TAWAL employees attend include:

- Talent Incubation Program
- Specialist Development Program
- Sustainability training initiatives [e.g., Social Value Return on Investment].

During 2022, our employees completed over 8,400 hours of training. This equals 28 hours of average training time per employee.

Employee engagement is an essential element of TAWAL's strategy. We have adopted a model to keep our employees engaged and informed. We conduct a quarterly Town Hall with our employees, sustainability socialization sessions, and use other engagement platforms. Communication campaigns and initiatives to foster employee engagement include:

- Quality Awareness Quiz's Winners Announcement
- Because Your Health Matters to Us

TAWAL achieved a **"Great Place to Work in Saudi Arabia"** certificate because of our strategic focus on employees



THINKING
BIG



BREATHING
EFFICIENCY



DELIVERING
EVERYDAY



ENABLING
CUSTOMERS



HAVING
FUN



DIVERSITY, EQUITY, AND INCLUSION (DEI)

At TAWAL, we are committed to fostering a diverse, equitable, and inclusive work environment because we recognize that this is crucial to our ongoing success.

In 2022, we had 314 employees representing 18 nationalities, including TAWAL operations in Pakistan.

We recognize that we can do more to foster a diverse, equitable, and inclusive workplace. We will continue to invest in training and development programs, review our recruitment and promotion processes to ensure equity, and actively work to close the gender gap in employment.

By focusing on these areas, we aim to create a more inclusive and diverse workplace that drives innovation and supports our commitment to sustainability. We remain dedicated to furthering DEI initiatives across all aspects of our organization.

Gender diversity is an area that we continue to focus our efforts, with women representing 14% of our workforce. TAWAL is working towards improving gender diversity. In 2022, 21% of our new employee hires were women.



HEALTH AND SAFETY MANAGEMENT

Ensuring a safe work environment for our employees, contractors and visitors is a priority at TAWAL. Our Health, Safety, Security and Environment department works to ensure a safe and secure working environment for all. This also extends to the protection of company property and assets in our sites throughout Saudi Arabia.

In 2022, our employees and contractors participated in **more than 5,800 hours of health and safety training.**



To ensure we identify the most appropriate training for each employee, we consider a range of factors, including the employee's specific tasks, risk assessment, and legal obligations.

TAWAL employees and contractors working with heights participate in various safety, security, health, and sustainability-awareness training sessions. Safety gear and detailed instructions are provided to all employees working with heights, and we require all contractors to comply with our health and safety standards. Our Health, Safety and Security Policy states that only certified subcontractors can climb TAWAL sites and work at height.

In the event of an incident, TAWAL's operations team, contractor and their employees must immediately send a report back to TAWAL. This includes all incidents that result in injury, illness, theft and vandalism or environmental releases, as well as any near-miss incidents that could have resulted in an injury, illness, or release. An investigation is conducted following any incident and corrective actions are taken to prevent similar future incidents.

We recorded 25 incidents in 2022 with no injuries or fatalities. **Furthermore, as of December 2022, we have maintained a record of over 1,300 days without any employee lost-time injuries.**

HEALTH AND SAFETY PERFORMANCE TRENDS

| METRIC | 2020 | 2021 | 2022 |
|--|---------|-----------|-----------|
| Employee work hours | 423,680 | 506,880 | 535,520 |
| Contractor work hours | 844,800 | 1,056,000 | 1,635,152 |
| Employee fatalities as a result of work-related injuries | 0 | 0 | 0 |
| Contractor fatalities as a result of work-related injuries | 0 | 1 | 0 |
| Employee total recordable injuries | 0 | 0 | 0 |
| Contractor total recordable injuries | 0 | 1 | 0 |
| Incidents | 20 | 14 | 25 |
| Total number of emergency response drills conducted | 0 | 1 | 2 |
| Safety incident investigations initiated | 20 | 14 | 25 |
| Safety incident investigations completed | 20 | 14 | 25 |

TAWAL has ISO 45001 and ISO 14001 certifications. ISO 45001 provides a framework for organizations to manage and improve their occupational health and safety performance, prevent work-related injuries and illnesses, and create a safe and healthy work

environment. The ISO 14001 certification demonstrates that we are committed to managing our environmental impact and continually improving our environmental performance.

OUR FUTURE AMBITIONS



As TAWAL looks to the future, we are committed to continuing our efforts towards sustainability and making a positive impact on the communities in which we operate. We recognize that sustainability is not a one-time accomplishment but a continuous journey, and we are constantly evaluating and refreshing our strategy to ensure that we remain aligned with international standards and best practices.

We are proud of the progress we have made in contributing to a greener Saudi Arabia, but we recognize that we can always improve. We will continue to report on our sustainability efforts annually and hold ourselves accountable for achieving our goals.

Our commitment to sustainability goes beyond just being environmentally responsible. We are also committed to driving economic development, empowering communities, and promoting accessibility and inclusion. We believe that these pillars are critical to creating a sustainable future for all.

Looking ahead, we are excited to continue working towards our vision of a better Saudi Arabia, where economic growth and social development are achieved in harmony with the environment. We thank all our stakeholders for their continued support in this journey towards a sustainable future.

In 2023, TAWAL is planning to refresh its Sustainability Strategy to add more pillars/ initiatives and push further on areas where it can make meaningful contribution towards sustainability.

TAWAL's sustainability governance will improve by:

1. Committing to annual sustainability reporting
2. Improving its reporting standards in accordance with GRI
3. Enhancing our sustainability scope as we continue to expand internationally



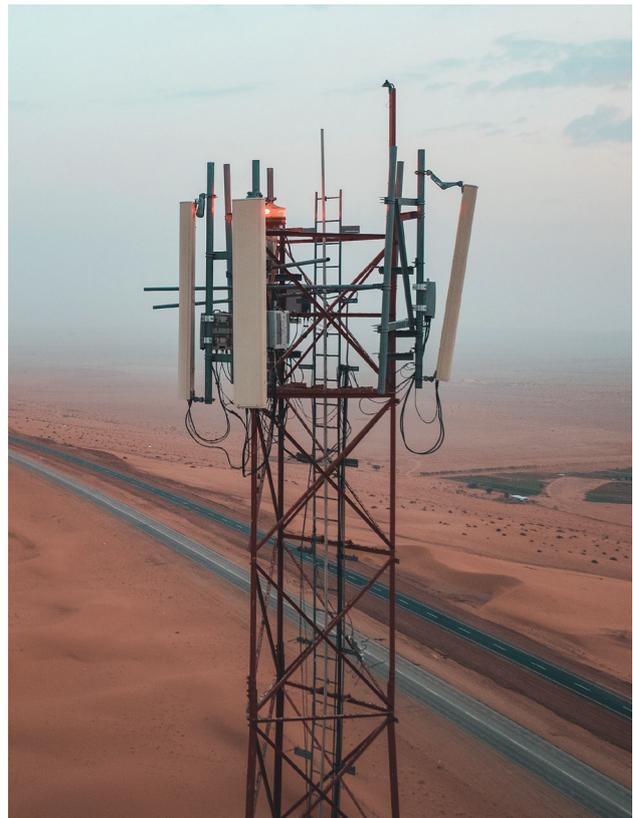
PRINCIPLES OF REPORTING



This report provides a view of our approach to sustainability and our performance during 2022. As a responsible organization committed to sustainability, we believe that transparency and accountability are fundamental to achieving our goals. To this end, our sustainability strategy and indicators operate in reference to the Global Reporting Initiative [GRI] Standards, which provide a comprehensive framework for sustainability reporting. In this section, we will outline how we have referred to these principles in our reporting, and how they have guided our selection of topics, indicators, and reporting methods.

The GRI is an independent international organization formed to help profit and non-profit organizations to take more responsibilities when it comes to sustainability. The consolidated set of GRI Standards includes definition, metric, reporting requirements and guidelines for organizations. The GRI Standards include high-level aspects in the General Standards which are complemented by the Specific Sustainability Standards (e.g., Organizational Profile, Governance, Ethics and Integrity). The GRI index comprehensively illustrates each standard, ensuring consistent adoption for all organizations. Each standard includes a description/metric and recommendations of reporting format and breakdown for better measurement.

To comply with GRI standards and identify the material topics, we identified the sustainability issues that are most relevant to our business and stakeholders. The materiality assessment performed in developing our sustainability strategy considered the relevance and potential impact of the issue on our organization's operations, reputation, and stakeholder relationships. Using a defined set of criteria, these are shortlisted and mapped against the GRI Standards. In addition to the GRI Standards, business specific indicators were adopted to measure our sustainability performance. These indicators were assigned to initiatives which are directly related to the core business of TAWAL (for example, Network Resilience initiative). Inputs for each indicator, including source and frequency of reporting, were then defined to calculate the baseline and set targets.



DATA ANNEX



ANNEX 1: GRI CONTENT INDEX

In this section TAWAL will report its 2022 environmental performance.

The Data Annex is split into two sections

- Annex 1- GRI content Index: reported in reference to the GRI Standards
- Annex 2- TAWAL specific data Index: addressing additional sustainability indicators relevant for our industry

Statement of use

| | |
|------------------|---|
| Statement of use | TAWAL has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

General disclosures and material topics

| GRI standard | Disclosure | Location/response |
|---------------------------------|--|--|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | TAWAL |
| | 2-2 Entities included in the organization's sustainability reporting | TAWAL |
| | 2-3 Reporting period, frequency, and contact point | Reporting period: January 1 to December 31, 2022. This is TAWAL's first Sustainability Report. It will publish this report annually. Contact is company Chief Strategy & Governance Officer. |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | See Principles of Reporting. |
| | 3-2 List of material topics | The GRI Standards that correspond to our material topics are included within this appendix. The standards are as follows: <ul style="list-style-type: none"> • 204: Procurement Practices 2016 • 302: Energy 2016 • 305: Emissions 2016 • 306: Waste 2020 • 413: Local Communities 2016 |
| | 3-3 Management of material topics | See Governance for sustainability initiatives. |

Initiative: Reduce emissions and promote green energy

| GRI standard | Disclosure | Location/response |
|-------------------------|--------------------------------------|--|
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | See Reduce emissions and promote green energy. |
| GRI 305: Emissions 2016 | 305-4 GHG emissions intensity | See Reduce emissions and promote green energy. |

Initiative: Promote energy efficiency

| GRI standard | Disclosure | Location/response |
|----------------------|--|---|
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | See Promote energy efficiency. |
| GRI 302: Energy 2016 | 302-3 Energy intensity | See Promote energy efficiency,. Energy Intensity: <ul style="list-style-type: none"> • 2021: 6.99 MWh/EPA • 2022: 6.87 MWh/EPA |

Initiative: Waste management and recycling

| GRI standard | Disclosure | Location/response |
|----------------------|------------------------------------|-------------------------------------|
| GRI 302: Energy 2016 | 306-3 Waste generated | See Waste management and recycling. |
| | 306-4 Waste diverted from disposal | See Waste management and recycling. |

Initiative: Increase the local suppliers' value creation

| GRI standard | Disclosure | Location/response |
|-------------------------------------|---|---|
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | See Increase the Local Suppliers' Value Contribution. |

Initiative: Tower to community

| GRI standard | Disclosure | Location/response |
|---------------------------------|---|--------------------------|
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development | See Tower to community,. |

ANNEX 2: TAWAL SPECIFIC DATA INDEX

Initiative: Promote tower sharing

| Key performance indicator | Information/data | | | |
|---|------------------|-------|-------|-------|
| Colocation PoPs [avoidance of tower duplications] | | 2020 | 2021 | 2022 |
| | Colocation PoPs | 1,790 | 2,494 | 3,119 |
| Number of towers consolidated | | 2020 | 2021 | 2022 |
| | Number of Towers | - | - | - |

Initiative: Network resilience

| Key performance indicator | Information/data | | | |
|-----------------------------|--------------------------------------|--------|--------|--------|
| Number of outages per site | | 2020 | 2021 | 2022 |
| | Number of outages per site per month | 0.57 | 0.51 | 0.37 |
| PIN availability percentage | | 2020 | 2021 | 2022 |
| | PIN availability % consolidated | 99.90% | 99.90% | 99.89% |

Initiative: Infrastructure expansion in underserved areas

| Key performance indicator | Information/data |
|---|--|
| Develop and launch PCP [products] for rural areas | We are currently working to identify underserved areas where infrastructure expansion is needed. In these underserved areas, we work with mobile network operators to identify coverage requirements and then lay the foundation to expand our infrastructure to those areas so we can reduce the digital divide. There are ongoing discussions between the mobile network operator partner and Communications, Space and Technology Commission. |

GLOSSARY



GLOSSARY

- **BTS:** Build-to-suit
- **CMA:** Capital Market Authority [formerly known as the Saudi Arabian Capital Market Authority]
- **CST:** Communication, Space, and Technology Commission
- **DEI:** Diversity, Equity, and Inclusion
- **ERM:** Enterprise Risk Management
- **EPA:** Effective projected area
- **EV:** Electric vehicles
- **FTE:** Full-time equivalent
- **GHG:** Greenhouse gases
- **GRI:** Global Reporting Initiative
- **GwH:** Gigawatt hours
- **IBS:** In-building solutions
- **IMS:** Integrated Management system
- **KW:** Kilowatt
- **kWh:** Kilowatt hour
- **MOMRAH:** Ministry of Municipal and Rural Affairs and Housing
- **MwH:** Megawatt hour
- **PIN:** Passive infrastructure
- **PoP:** Point of presence
- **RMC:** Risk Management Committee
- **RMS:** Remote monitoring system
- **Scope 1 emissions:** Direct greenhouse gas emissions from sources owned or controlled by an organization, such as on-site combustion and process emissions
- **Scope 2 emissions:** Indirect greenhouse gas emissions resulting from purchased electricity, heating, or cooling consumed by an organization
- **Scope 3 emissions:** Indirect greenhouse gas emissions from activities related to an organization's value chain, including purchased goods and services, employee commuting, business travel, and waste disposal
- **UN SDGs:** United Nations Sustainable Development Goals

