



2023 Sustainability Report

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About this Report

Scope

Saudi Tadawul Group is pleased to present its inaugural Sustainability Report. This Sustainability Report covers the operations and activities of the Saudi Tadawul Group (the Group) and its four subsidiaries, namely: the Saudi Exchange Company (the Exchange); the Securities Depository Center Company (Edaa); the Securities Clearing Center Company (Muqassa); and Tadawul Advanced Solution Company (WAMID).

Reporting period

This report covers the calendar year from 1 January to 31 December 2023. Information from the previous years (2020-2022) is provided where relevant and where data is available.

Alignment

This report has been prepared in accordance with the Saudi Exchange ESG Disclosure Guidelines. It also references international and national standards and guidelines such as the Global Reporting Initiative (GRI) Standards, International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (SDS), Sustainability Accounting Standards Board (SASB) Standards, and United Nations Sustainable Development Goals (UN SDGs), as well as Saudi Government initiatives and declarations such as the Saudi Vision 2030, Saudi Arabia's commitment to Net Zero by 2060 and the Public Investment Fund (PIF) commitment to reach net zero carbon emissions by 2050.

The report discloses information on the specific topics that are most material to the organization and its stakeholders, as recommended by the above guidelines.

Feedback

Inquiries, feedback, or suggestions are welcome. Please email these to

Email: Sustainability@tadawulgroup.sa



Chairperson's Statement

Recognizing the prominent stature of the Saudi capital market as the largest stock exchange in the Middle East and one of the leading exchanges globally, we recognize our role in advancing sustainable growth. Working towards sustainability is a continuation of our commitment to the ambitions of Saudi Arabia, as sustainability creates business benefits and entrenches our competitive advantage. These benefits apply to the Group, to our market issuers and investors, and to Saudi Arabia and beyond.

Our ESG approach is interwoven with our ambitious strategy, in addition to being closely aligned with the ambitions of Vision 2030 and its related programs. As part of our efforts to be among the world's top three exchange groups, we are focused on the following areas of opportunity:

1. Improving priority internal procedures in ESG practices in line with the highest international standards;
2. Working with our issuers to adopt ESG management and disclosures with continuous improvement; and encouraging our market investors to incorporate ESG into their investment decision-making; and
3. Accelerating the market shift towards sustainability through an expanding range of ESG related product offerings.

These focus areas are outlined in detail in this report and are summarized below:

Improving priority internal procedures in globally recognized ESG best practices in line with the highest international standards

Our first Sustainability report represents a significant milestone for the Group and its ongoing efforts towards sustainability. In this report, we have set out our approach to ESG, based on our six-pillar sustainability framework, alongside the main achievements and ambitions for each of them. We aim to lead by example and, as such, we have not only followed our own ESG Disclosure Guidelines but have also referenced international standards such as the GRI Standards, IFRS SDS and SASB Standards.

We are heavily investing in training our team and the wider community to enhance financial market understanding. Our Invest Wisely educational platform is expanding, emphasizing financial literacy, along with our ESG-focused training, meeting the rising demand for ESG skills. We see boosting ESG knowledge as pivotal in steering markets toward sustainability.

Lastly, we have an ambitious program underway to further improve gender equity across our Group. Our ultimate goal with all of these initiatives is to be recognized as a sector leader in ESG globally.



Chairperson's Statement

Working with issuers to adopt ESG management and disclosures

In late 2021, we launched the ESG Disclosure Guidelines, designed to guide listed companies on their sustainability journeys. Our commitment to fostering sustainability extends beyond issuing guidelines. We actively collaborate with issuers to facilitate the adoption of sustainability management practices and comprehensive disclosures. We have further strengthened our efforts:

- **Unified GCC ESG Disclosure Metrics:** These metrics, aligned with the World Federation of Exchanges (WFE) and the Sustainable Stock Exchanges (SSE) initiative, ensure consistency and comparability across the region.
- **Strengthening Collaboration:** We actively collaborate with various stakeholders, including the National Center for Environmental Compliance and the Ministry of Economy and Planning, through Memoranda of Understanding (MoUs).

Accelerating the market shift towards sustainability

A critical component of this opportunity is to facilitate access to ESG data to enable investors to make more informed decisions and to raise competitiveness on sustainability practices among listed companies. By incorporating sustainability considerations into investment decisions and encouraging responsible corporate behaviors, the financial sector can help drive positive change and contribute to a more sustainable future. This will, in turn, increase the overall attractiveness and financial performance of the Saudi capital market, as stipulated by the Financial Sector Development Program (FSDP) of the Vision 2030 which focuses on driving growth and advancement of the Kingdom's financial market in the banking, insurance, stock markets and debt markets. As part of this commitment, we are working towards launching our first ESG Index and making ESG data more readily available to market participants.

"Working towards sustainability is a continuation of our commitment to the ambitions of Saudi Arabia, as sustainability creates business benefits and entrenches our competitive advantage."

Our efforts in these three priority areas support our quest to establish the Kingdom as a global hub for sustainable finance. In line with the Kingdom's efforts to continue developing the debt capital market, we recognize the need to incorporate sustainability considerations when granting debt finance. We therefore aim to advocate for, and support, sustainable finance issuances, such as green and social bonds and sukuk and sustainability-linked bonds and sukuk. We are confident that

the positive impacts of our efforts will contribute to Saudi Arabia's sustainability transformation.

Sarah Al Suhaimi
Chairperson



Letter from the Group CEO

The Group represents a fundamental pillar of support for the growth and development of the Saudi economy. As such, we recognize the positive impact we can deliver through a strategic focus on ESG that supports the Kingdom's ambition of developing a more sustainable economy and society, as stipulated in Vision 2030.

As part of our ESG strategy, we aim to advance and continuously elevate the sophistication of the Saudi capital market in line with the FSDP. In recent years, our Group has celebrated a number of achievements that have enabled us to deliver on these objectives.

Increasing market diversification, easing access to capital markets and ensuring market integrity

In both 2022 and 2023 we took bold steps towards increasing the attractiveness of the local capital market by easing access for international investors to invest in locally issued bonds, sukuk and equities. We also hosted our first dual listing with the Abu Dhabi Securities Exchange. Our efforts have focused on strengthening the integrity of the market as well as reducing post-trade risk to foster market stability. We have made significant strides towards the development of world-class infrastructure and the effective functioning of debt capital markets.

Expanding the participation of companies on the Saudi Exchange

We have made significant progress in expanding the participation of companies in the Saudi capital markets, especially smaller and medium-sized companies through our Parallel Market, Nomu. In 2023, the Saudi Exchange welcomed 51 listings (raising a total value of SAR 12.9 bn or USD 3.4 bn in capital excluding government Sukuk. Of the listings, 9 were new listings on the Main Market, 35 were on the Nomu Parallel Market that includes 6 direct listings and 5 Sukuk issuances, comprising both corporate and government Sukuk. The remaining two were transfer applications from the Parallel Market to the Main Market.

To further expand our efforts, in 2023 we held the second Saudi Capital Market Forum. Following the 2022 event's success with 1,500 attendees, the second Forum grew to attract over 3,000 delegates and garnered a global online audience via more than 2.3 million livestream views.

A milestone contribution to the Saudi Green Initiative

In 2022, in partnership with PIF, we established the Regional Voluntary Carbon Market Company, in which we hold a 20% stake. The first carbon credit auction at the 6th Future Investment Initiative in Riyadh in 2022 marked a milestone, selling 1.4 million

tons of carbon credits, including Verra-registered ones for aviation. It became the largest auction of its kind, and was followed by a larger auction in Nairobi in 2023 sold over 2.2 million tons, drawing 16 major Saudi and global companies. See page 43 for details.

“We are delighted to be an integral part, strategically and operationally, of the Regional Voluntary Carbon Market Company. We believe it will be instrumental in supporting Vision 2030 and in further realizing the Group's vision of being a gateway to the MENA region for global investors.”

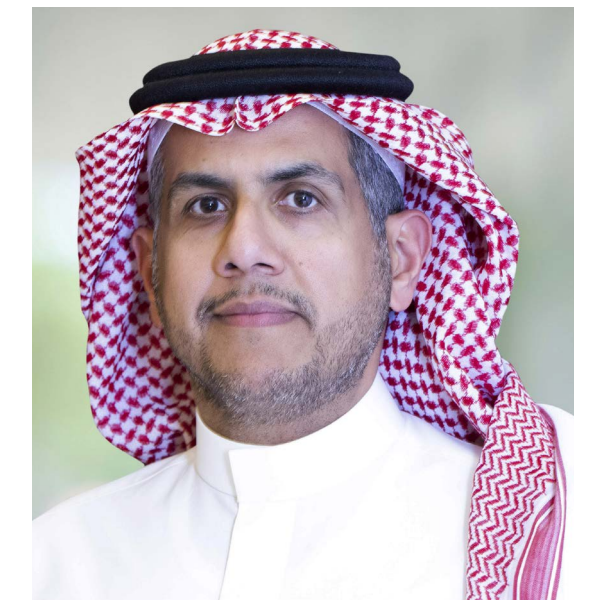
Moving forward, we remain committed to enhancing our debt capital market offering and enhancing its attractiveness for global investors while at the same time preserving an impeccable track record of regulatory compliance. In line with our ESG strategy, we are increasing our range of ESG- and sustainability-related product offerings,

expanding the voluntary carbon market auction to the wider region and developing a spot market.

I would like to extend my deepest gratitude to our valued stakeholders for your unwavering support. Together, we will continue to work towards building a better and more sustainable future for Saudi Arabia and all its people.

Eng. Khalid Al-Hussan

Group Chief Executive Officer and Member of the Board of Directors



The Group – Helping to Lead Saudi Arabia's Transformation

The Saudi Tadawul Group Holding Company is Saudi Arabia's leading holding company which operates critical services, including the nation's stock exchange. The Group was formed in 2021 with four subsidiaries: Saudi Exchange Company (the Exchange), the Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa), and Tadawul Advanced Solution Company (WAMID).



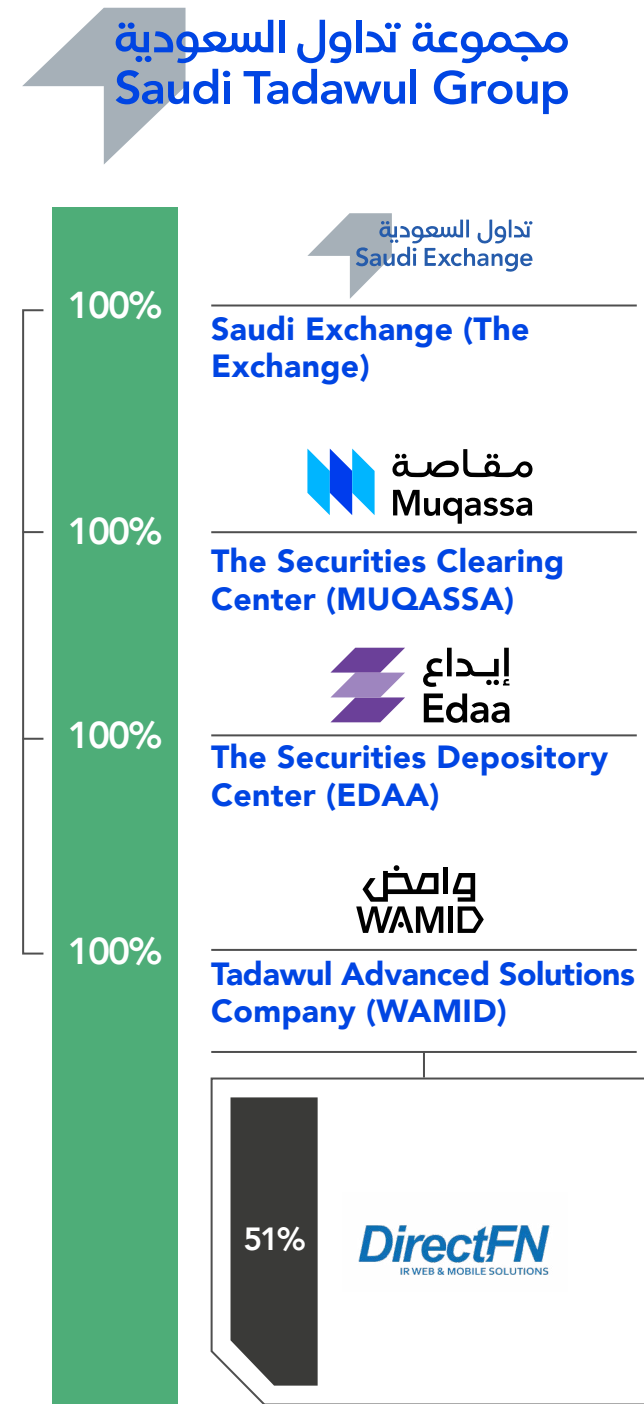
Our vision

To be a world-leading holding group fostering the development of a diverse Saudi capital market, and a bridge between global investors and regional economies.



Our mission

As part of its 2030 Vision, Saudi Tadawul Group is helping the Kingdom build a thriving economy with a technologically advanced and integrated capital market at its center.



Saudi Tadawul Group Company (Listed Company)

The Saudi Exchange acts as the Kingdom's securities exchange service and is the official source of market information. It is the largest stock exchange in the Middle East, 8th worldwide (in 2023) by market capitalization, and carries out listing and trading in securities for local and international investors.

The Securities Clearing Center Company (Muqassa), is the only entity providing clearing services in Saudi Arabia. Muqassa's role is to reduce post-trade risk, provide a centralized counterparty risk management service and develop clearing services in line with international best practices.

The Securities Depository Center Company (Edaa) maintains secure depository and settlement services that are integral to market operations. It is pivotal to the Saudi capital market enhancing access for investors and fortifying the market's infrastructure.

Wamid is an innovation-focused technology solutions company that collaborates with other Group subsidiaries to aggregate data from their diverse business activities, engage with clients as needed, and develop world-leading data products catering to a broad audience within the Kingdom and internationally.

DirectFN is the innovative financial technology solutions provider and technology partner in the capital market, with game-changing innovation as DirectFN's foundation and new value creation for the capital market ecosystem as an ongoing passion. Reliably, for the past 20+ years, DirectFN has specialized in digital maturity for FinTech (brokerage, wealth, and asset management platforms) and FinCON (market information screens)-based solutions. It is provisioning in the emerging and frontier markets at brokerage firms (retail and institutional), banks, clearing members, and wealth and asset managers spanning from Morocco to Indonesia.

ESG and the Group's Strategic Objectives

Saudi Tadawul Group has a growth-focused corporate strategy built on the following two main dimensions:

- 

01

Focus on the domestic and regional level by continuing to develop the largest capital market in the region and foster a robust financial ecosystem, as we work towards achieving our commitments to Vision 2030.
- 

02

Expand globally, by pursuing a program of self-determined growth that positions us as a worldwide leader and a key pivot between the East and the West.

The Group has a central role in, and a responsibility towards, the success of the Kingdom's Vision 2030 and the associated goal to diversify the Saudi economy. As such, the Group's strategy is closely aligned with all objectives under the FSDP, which particularly relates to incentivizing private sector listings in the Saudi capital market as well as enhancing the sophistication of the market by introducing new products and diversifying the asset classes available to investors while aligning the overall debt market environment with global markets.

With these objectives in mind, sustainable development and ESG are recognized

as key underpins of the Group's strategic pillars. It is not possible to build a robust, sophisticated and growing Saudi economy and investment market without embracing environmental, social, and economic sustainability, as well as excellent governance, as non-negotiable cornerstones of that market. Considering this perspective, the next section of this report unpacks our ESG approach in more detail and outlines the way in which it gives effect to our desired strategic outcomes.



Our ESG Approach

We are working to accelerate the achievement of our ambition to be a leading global exchange, through ESG leadership and targeted efforts to rapidly shift markets towards sustainability.

ESG for both competitiveness and impact: Three areas of opportunity

Working towards sustainability unlocks business benefits and competitive advantage, as well as being the right thing to do. This is true for our Group, broader market issuers and investors, as well as Saudi Arabia and beyond.

We aim to accelerate achieving our ambition to be among the world's top three exchange groups through the following key areas of opportunity:



Improving priority internal procedures in ESG practices in line with the highest international standards.



Working with our issuers to adopt ESG management and disclosures and continuously improve performance; and encouraging our market investors to incorporate ESG into their investment decision-making.



Accelerating the market shift towards sustainability by expanding our range of ESG-related products and solutions.

These three areas of opportunity cut across the six thematic areas of our Sustainability Framework.

Our Sustainability Framework

Our Sustainability Framework comprises six key thematic areas of responsibility that capture our most significant Group-wide ESG opportunities and impacts:



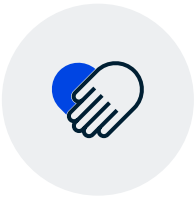
**Strategic theme 1:
Continuously elevate the
sophistication of the Saudi
capital market**



Our core contribution to Saudi Vision 2030 is the transformation of Saudi Arabia's capital markets in line with the FSDP. The performance data contained in this report demonstrate the remarkable progress made here. We will continue to invest in the infrastructure required to build a sophisticated world-class market outlined in the FSDP. Additionally, we are committed to supporting the achievement of the growth ambitions relating to:

- private sector participation in the markets,
- the growing participation of small and medium size companies in our Parallel Market, Nomu, and
- further success at attracting foreign investment, among other objectives.

**Strategic theme 2: Promote
integrity**



We are dedicated to governing our Group with the utmost integrity, thereby setting the benchmark for the market. We diligently fulfill our regulatory oversight requirements and authorization responsibilities in support of the market's overall integrity and ensure the highest level of transparency in everything.

**Strategic theme 3: Become
a global hub for debt-
related sustainable finance**



As Saudi Arabia aims to become a prominent debt capital hub, we recognize that debt finance should increasingly incorporate sustainability - including climate - considerations. We therefore aim to enhance and accelerate the Group's debt capital market offering and global attractiveness by advocating and supporting sustainable finance issuances, such as green bonds and sukuk, sustainability-linked bonds and sukuk, derivatives linked to sustainability performance, and others.

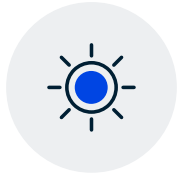
**Strategic theme 4: Lead the market
towards ESG adoption and
disclosure**



Given our belief that strong ESG performance contributes to improved corporate performance, we work tirelessly to accelerate our efforts to encourage all Saudi-listed companies to embrace sustainability management and adopt ESG disclosures. We are confident that such enhancements to transparency around key financial and non-financial metrics will increase the overall attractiveness and performance of the Saudi market. As such, we are building on our previous efforts, which include providing voluntary ESG disclosure guidance to the market, one-on-one ESG advisory sessions with issuers, and training seminars for all

stakeholders. Our intention is to lead by example with our own comprehensive ESG disclosures and performance, and we are aiming to facilitate access to ESG market data for market participants, helping to ensure competitiveness on ESG issues and drive investments towards strong performers.

**Strategic theme 5: Address
climate change and foster a
circular carbon economy**



Achieving a net zero, circular carbon economy in line with the world's climate targets is a global priority. We are committed to playing a key role in creating the market infrastructure and building the markets for such an economy in Saudi Arabia. This includes, but is not limited to, becoming one of the world's most prominent carbon trading markets. In 2022, we took a major step and partnered with PIF to launch the Regional Voluntary Carbon Market Company, in which the Group has a 20% stake. This partnership continued in 2023, with significant growth in participation in the second annual carbon credits auction. See page 45 for details.

**Strategic theme 6: Support
the talent that drives market
progress**



The transformation evident in Saudi Arabia is largely attributable to the calibre of the nation's talent. We invest significantly in the training and development of our people, and have an ambitious program to further

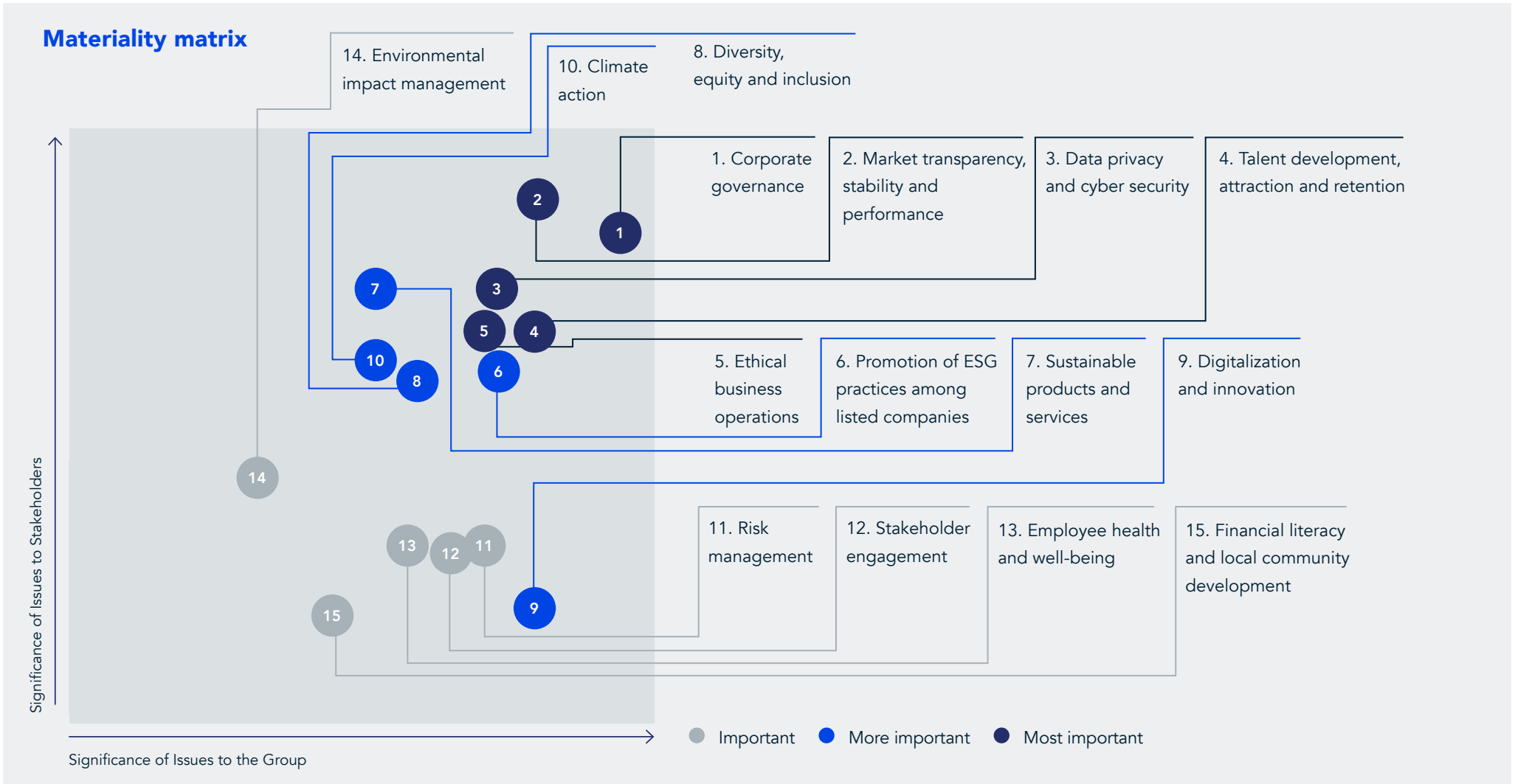
improve our gender balance to strengthen our already position as a highly inclusive, equitable and diverse organization. For the broader society, we consider promoting knowledge of financial markets and enabling financial literacy to be a pre-requisite for healthy and sustainable socio-economic development. As such, we continue to invest in making such literacy and education programs readily available to all. We also plan to expand our ESG-focused training interventions for different stakeholder groups, to meet rapidly growing demand for ESG skills and knowledge that can help drive markets towards a more sustainable future.

Our six themes represent areas where we can make the biggest contribution to sustainable development and simultaneously develop a business advantage.

Enhancing our strategic delivery with a focus on what matters most

We recently undertook an extensive landscape review to identify the sustainability issues that are material to our Group, the Kingdom and globally. This assessment involved a range of consultations and a review of the current landscape, including the following:

- Regional priorities such as Vision 2030, the Saudi Green Initiative and the Net Zero by 2060 target set by the Kingdom, and PIF's 2050 Net Zero Commitment, as well as the FSDP.
- International sustainability-related frameworks and standards, such as the UN SDGs, GRI, SASB and the Task Force on Climate-related Financial Disclosures (TCFD).
- The latest sustainability reporting guidelines and the IFRS SDS as set out by the International Sustainability Standards Board (ISSB).
- Industry initiatives such as the WFE and the United Nations SSE initiative of which we are a member.
- Direct views of our key stakeholders, including but not limited to, national and international issuers and potential issuers, national and international investors and potential investors, employees, suppliers and business partners, and the public.
- The ESG focus of our global exchange group peers, and their ESG performance levels.
- Our own ESG ratings, to understand where our biggest gaps are and what we need to focus on from an investor perspective.



Identifying our material matters

We then carried out a detailed materiality assessment to prioritize the sustainability issues that are most significant to our business and stakeholders. Through this materiality assessment, we identified 15 issues that we consider most relevant to the Group. These are shown in the materiality matrix below.

Our material issues link closely to our Sustainability Framework and our overarching corporate strategy. As markets develop and stakeholder expectations evolve, we will regularly update and refine our materiality matrix.

Top 10 Material Topics

1. Corporate governance
2. Market transparency, stability and performance
3. Data privacy and cyber security
4. Talent development, attraction and retention
5. Ethical business operations
6. Promotion of ESG practices among listed companies
7. Sustainable products and services
8. Diversity, equity and inclusion
9. Digitalization and innovation
10. Climate action

Partnering and engaging with our stakeholders

Saudi Tadawul Group is privileged to have highly engaged stakeholders who share our vision and work with or alongside us in our efforts to bring about the sustainable transformation of the Saudi capital market.

Following the launch of our sustainability strategy we started incorporating ESG-related matters explicitly in our engagements with our stakeholders in 2022-2023. These aspects of our strategy were incorporated into our stakeholder conversations and the input we received from our stakeholders informed the identification of our Group’s material matters.

Going forward, sustainability and ESG considerations will form an increasingly significant part of all our stakeholder engagements to ensure that all parties are aligned with our commitment and determination to build a sustainable, inclusive and robust Saudi capital market.

Our stakeholder groups, and the main ways in which we engage with them, are outlined below:







Our stakeholder groups, and the main ways in which we engage with them, are outlined below:

Stakeholder group	Engagement channels
SHAREHOLDERS	Investor relations engagements
Shareholders are a key stakeholder group who invest resources into the Group, hold voting rights and influence long-term business decisions.	Earnings calls
	Roadshows and conferences
	General Assembly meetings
	Audited financial statements and annual reports
	Website and social media channels
REGULATOR	Governance
Saudi Tadawul Group is mainly governed by the Capital Market Authority (CMA) which exercises a degree of regulatory oversight. CMA regulations and oversight ensure that the market functions smoothly, transparently, and ethically. This also builds trust and confidence among market participants.	Directives
	Audited financial statements
	Annual reports
	Meetings
EMPLOYEES	Review meetings
Our employees are the engine of our success and creating an environment in which they can perform optimally and thrive is paramount. We solicit feedback through engagement with our employees regularly on the issues that matter to them, such as fulfilling and meaningful work, productive and motivating working conditions, and pathways to professional development and advancement.	Town hall meetings
	Performance management system
	Website and social media channels
	Training programs
MEDIA	Press releases
National, regional and global business media pay close attention to our Group and its activities. We support and further their interest and understanding via all available channels, ensuring the highest levels of accuracy, transparency and clarity.	Interviews with spokespeople
	Television programs
	Social media channels
COMMUNITY	Media coverage
We are committed to contributing to substantive national and community outcomes, playing a key role in Vision 2030 and meaningful sustainable development.	TV programs
	Social media channels
	Community support activities and contributions

Stakeholder group	Engagement channels
MARKET PARTICIPANTS	Statistical reports
Brokerage firms conducting transactions in the market on behalf of investors need accurate and reliable data. We work to meet and exceed their expectations.	Notifications
	Website
	Workshops
	Meetings, and e-meetings
INTERNAL BUSINESS PARTNERS	Meetings
All our Group subsidiaries closely interact with each other and with the Group as a whole to effectively perform their functions. Seamless and timely communication is essential.	Committees
	Emails
EXTERNAL BUSINESS PARTNERS	MoUs
The Group and its subsidiaries have MoUs and many other direct relationships and engagements with external stakeholders, including regional and global exchanges (facilitating foreign investor activities), Securities Depository Centers (SDCs), Central counterparties (CCPs), government entities, NGOs and universities.	Meetings and e-meetings
	Emails
	Reports
ISSUERS	Notifications
Issuers are all corporates, financial institutions, and other entities (including the government) that issue securities of any kind, such as shares, bonds, REITs and Exchange Traded Funds (ETFs), that are traded on the Exchange.	Roadshows
	Relationship manager engagements
	Employee retention rate
	Website and social media
	Workshops
	Meetings, and e-meetings
DATA VENDORS AND INDEX PROVIDERS	Corporate disclosures
We engage regularly with external parties licensed to provide information to market participants, ensuring the utmost accuracy and timeliness of such information.	Websites
	Media
	Emails
	Meetings

ESG Performance Snapshot

Key ESG metrics for each area of our sustainability framework have been summarized in this snapshot, and the rest of this report has been framed according to these key areas.

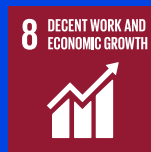
Key area	KPIs	2021	2022	2023
 Continuously elevate the sophistication of the Saudi capital market	Number of listed securities in the Main Market*	210	223	231
	Total market cap of the Main Market (SAR bn)	10,009.15	9,878.10	11,259.32
	Number of new listings in the Main Market**	10	17	10
	Number of listed securities in Nomu - Parallel Market*	14	46	79
	Total market cap of Nomu (SAR bn)	19.03	35.09	48.30
	Number of new listings in Nomu*	11	32	35
 Promote integrity	Number of incidents of ethical breaches	0	0	0
	Number of incidents of data breaches	0	0	0
	Percentage of female Board members	22%	22%	22%
	Number of members inspected for regulatory compliance	14	22	17
 Lead the market towards ESG adoption and disclosure	The Group MSCI ESG rating score	Not Applicable	CCC	CCC
	The Group ESG Invest rating score	35/100	44/100	43/100
	Percentage of listed companies on the Main Market issuing ESG disclosure	8%	21%	30%
 Become a global hub for debt-related sustainable finance	SAR value of sustainability-related issuances	0	0	0
	Percentage of debt market issuances considered as ESG / sustainability	0	0	0
 Address climate change and foster a circular carbon economy	RVCM volume of carbon credits traded (m tons)	Not Applicable	1.4	2.2
	Total Scope 1 & 2 GHG emissions intensity per FTE (t CO ₂ e)	8.4	8.4	8.7
 Support the talent that drives the market	Nationalization rate	91%	92%	91%
	Percentage of female employees	26%	27%	30%
	Percentage of women in management	9.3%	10.8%	10.9%
	Employee retention rate	82%	82%	77%
	Average training hours per employee	30.1	44.6	56

* Excluding Funds

** Excluding CEF, ETF, and Sukuk

Continuously Elevate the Sophistication of the Saudi Capital Market

Our Ambition: Ensure an advanced capital market in line with the Financial Sector Development Program (FSDP), including the achievement of world-class infrastructure and functioning of equity capital markets and debt capital markets. Expand the participation of companies in the capital markets, including the participation of small- and medium-sized companies, and increase incoming foreign investment.



UN SDG contribution

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including through access to financial services.



Highlights

2023 ACHIEVEMENTS



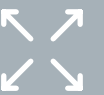
SAR12.9bn

(2022:38.8 bn/USD 10.3 bn) raised in capital, the highest value across the Middle East



Embarked

on transformational journey to diversify revenue streams



Expanded

product offerings in the funds and bonds space



Signed MoUs

with Qatar Clearing and Securities Depository (QCSD), Turkish Depository (MKK), Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE), Singapore Exchange (SGX), Qatar Stock Exchange (QSE), Amman Stock Exchange (ASE) and The Egyptian Exchange (EGX)



Initiated

projects for securities financing services



Enabled

physical settlement for single stock options



Conducted

253 engagements, 24 site visits, and attended 26 local and global conferences engagements

2024 AMBITIONS



Expand

our overall market-wide products and services



Enhance

the debt market through securitizations and multicurrency settlements



Introduce

collateral management solutions to boost market liquidity



Diversify

geographically by accelerating cross-listings and servicing international assets



Grow

the number of listed corporate bonds and sukuk

The Group's Role in the Development of the Saudi Economy

As the parent company of the largest and most liquid stock market in the Middle East, the Group plays a crucial role in developing and growing the Saudi economy and creating a more dynamic and diversified financial sector.

The Group is one of the key contributors to Saudi Arabia's Vision 2030 and particularly the FSDP, which aims to increase the role of the private sector in the economy. We play a central role in contributing towards these goals by enabling the privatization of state-owned companies, facilitating access to capital for small and medium-sized enterprises, and attracting foreign investment. Providing a platform for companies to raise capital and investors to trade shares creates huge opportunities for businesses to grow and innovate, and for investors to diversify their portfolios and generate sustainable wealth. Our platform is a comprehensive investment landscape offering trading service for unlisted debt and equity securities as well as suspended equities. We also extend our commitment to building a sophisticated financial ecosystem by providing market data services to clients, ensuring they have access to timely and

accurate information. Our offerings include cash markets products and derivatives, further enhancing the scope of financial instruments available to our diverse community of investors and businesses.

The Group is instrumental in the development of the Saudi capital market. We have introduced products and services, such as closed-end funds and real estate investment traded funds, to diversify investment options and increase market liquidity. We have also implemented regulatory reforms to improve transparency and bolster investor protection, which has enhanced investor confidence.

“Providing a platform for companies to raise capital and investors to trade shares creates huge opportunities for businesses to grow and innovate, and for investors to diversify their portfolios and generate sustainable wealth.”



Expanding the Participation of Companies on the Saudi Exchange

One of the key responsibilities of the Group under the FSDP is to incentivize private sector listings in the Saudi Exchange.

A key focus of our work in recent years has been on attracting new listings to the market. To this end, in 2023, our Listing team undertook 253 company engagements, conducted 24 site visits, and attended 26 local and global conferences. In all of these engagements, the team encouraged listings and explained the main incentives under the Encourage Listing Program, including the generous funding and procedural incentives on offer, to potential issuers and market participants. In addition, we worked with numerous like-minded local entities to raise awareness about listings among different target audiences. In 2022, these awareness corporate partnerships included:

- the Communication & Financial Knowledge Center (CFKC), targeting the wider public;
- the Princess Noura Bint Abdulrahman University (PNU), targeting students; and
- the Ministry of Municipal Rural Affairs and Housing (MOMRA), targeting companies.

In addition, in 2023, MoUs have been signed with the following entities during the year to explore more opportunities on cross-listings:

- Egyptian Exchange (EGX)
- Hong Kong Exchange (HKEX)
- Qatar Stock Exchange (QSE)
- Singapore Exchange (SGX)
- Amman Stock Exchange (ASE)
- Shanghai Stock Exchange (SSE)
- Shenzhen Stock Exchange (SZSE)

The success of these tireless efforts to raise awareness and attract listings is evident from the results that have been achieved. In 2023, a total of 51 listings took place: 9 were new listings on the Main Market, 35 were on the Nomu Parallel Market that include 6 direct listings and 5 Sukuk issuances; the remaining two were transfer applications from the Nomu Parallel Market. This resulted in total capital raising in 2023 of SAR 12.9 bn or USD 3.4 bn in capital*. The market capitalization in the Main Market and the Nomu-Parallel Market increased in 2023 to SAR 11.3 trillion, compared to SAR 9.9 trillion in 2022. In 2023, the averages of daily traded value and total value of shares were lower than those recorded in 2022.

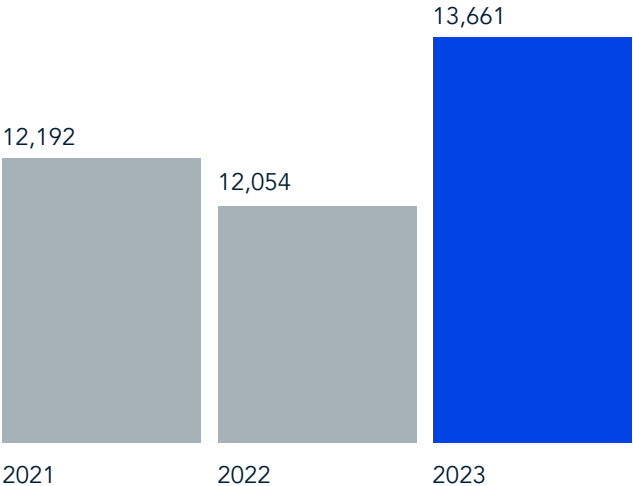
Key Performance Indicators (KPIs)	2020	2021	2022	2023
Market performance: Main Market				
Total market capitalization (SAR bn)	9,101.81	10,009.15	9,878.10	11,259.32
Total value of shares traded (SAR bn)	2,087.80	2,235.90	1,708.04	1,333.12
Average daily traded value (SAR m)	8,317.93	8,943.60	6,887.26	5,353.90
Total number of listed companies	203	210	223	231
Number of new listings*	6	10	17	10
Total number of institutional investors	9,566	12,192	12,054	13,661
Total number of non-institutional investors	5,586,700	5,862,214	5,814,427	6,146,230
Customer satisfaction				
Customer satisfaction rate	N/A	90%	84%	82%

* excluding CEF, ETF, and sukuk

“In 2023, a total of 51 listings took place: 9 were new listings on the Main Market, 35 were on the Nomu Parallel Market that include 6 direct listings and 5 Sukuk issuances; two were transfer applications from the Nomu Parallel Market. Capital raised in 2023: SAR 12.9 bn*”

* Direct listing doesn't contribute to the capital raised.

Total number of institutional investors



Increasing the Diversification of Asset Classes in the Capital Markets

Another key objective of the FSDP is to 'introduce sophisticated capital market products to enhance the attractiveness of the Saudi capital market to investors.'

In line with this objective, the Group is focused on diversifying the asset classes to attract more local institutional investors and foreign investors. In this regard, recent major milestones achieved by the Group included the launch of the market-making framework for the debt and equity markets to help ensure liquidity and raise price-determination efficiency, the introduction of new products like single stock futures, single stock options (launched in November 2023), and facilitating the first dual listing between Saudi Arabia and the UAE, together with Abu Dhabi Securities Exchange (ADX). As part of our ambition to improve the debt market environment in line with global market standards, we unified the trading commission across the debt market and further enhanced the post-trade infrastructure.

The Saudi Exchange remains committed to developing the debt market by introducing a market-making framework for fixed income instruments, improving secondary market

activity, and making negotiated deals more readily available. The ongoing upgrade of post-trade technology infrastructure with PTPP Phase 2.0 (PTTP2), set to complete in 2024, underscores our commitment to improving the investor experience.

Additionally, the Group has implemented High-Frequency Trading (HFT) services, removed the Normal trade threshold, introduced Mid-Point closing prices for debt and ETFs, and initiated a Request for Quote service. Microstructural enhancements on the Debt Market, along with activating Market Making on eight equity securities with three active market makers, contribute to enhancing liquidity and efficiency.

The Group is set to launch new data solutions (to be in sync with international practices) and indices, to provide valuable tracking options for investment products such as ETFs, Futures, and Options, as part of our continuous effort to enhance offerings and engage with all stakeholders.



"The Group is focused on diversifying the asset classes to attract more local institutional investors and foreign investors."

Creating a Market for Small and Medium Enterprises

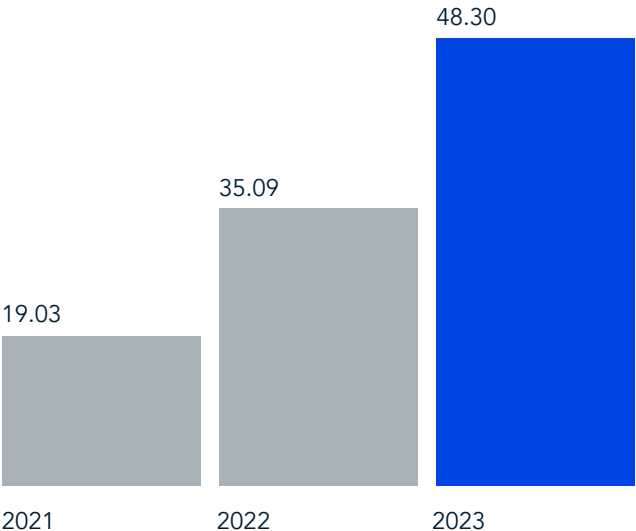
Our Parallel Market, Nomu, was launched in 2017 with the aim of providing a platform for smaller and emerging companies to access capital markets and raise funds. Nomu's listing requirements are designed to improve accessibility for small and medium-sized enterprises (SMEs) and start-ups. Companies listed on Nomu benefit from reduced listing fees and other incentives, while still benefitting from increased visibility and the added credibility of being a listed entity.

While Nomu is a separate market segment, it is subject to the same rules and regulations as the Main Market to ensure transparency and investor protection. As a result, Nomu has been instrumental in promoting the growth and development of SMEs in Saudi Arabia and is a key enabler of the FSDP. Since its launch, the Parallel Market has attracted listings from companies in a variety of sectors, including technology, healthcare, and retail. This has created new opportunities for entrepreneurs and innovators, while also helping to strengthen and diversify the Saudi economy.

At the end of 2023, a total of 35 securities (2022: 46) were listed on Nomu - Parallel Market representing market capitalization of

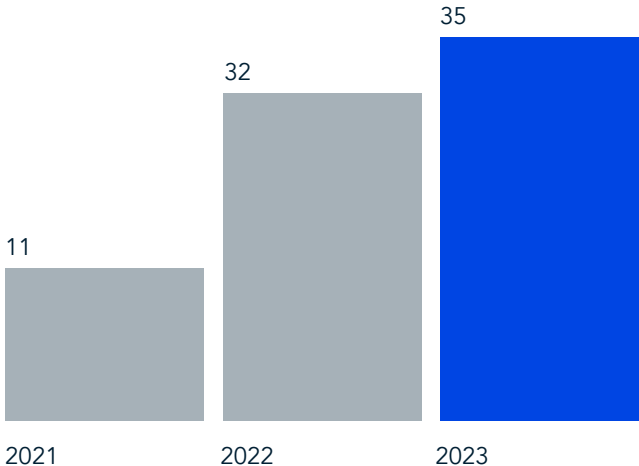
SAR 48.3 bn or USD 12.9 bn (2022: SAR 35 bn/USD 9.4 bn). This represents a year-on-year increase of 72%.

Total market capitalization for Nomu - Parallel Market (SAR bn)



Key Performance Indicators (KPIs)	2020	2021	2022	2023
Market performance: Nomu - Parallel Market				
Total market capitalization (SAR bn)	12.18	19.03	35.09	48.30
Total value of shares traded (SAR bn)	7.11	11.37	13.48	8.07
Average daily traded value (SAR m)	28.34	45.46	54.37	32.41
Total number of listed securities	4	14	46	79
Number of new listings	2	11	32	35

Number of new listings on Nomu - Parallel Market



Facilitating Access to the Saudi Capital Market



Edaa, the Securities Depository Center Company, plays a pivotal role in enhancing access to the Saudi capital market, offering secure depository services and bolstering the market's infrastructure. Its core function is to run the depository and settlement system and registering and maintaining securities ownership electronically in line with international standards while maintaining reliability and efficiency.

Aligned with Saudi Arabia's Vision 2030 objective to diversify the economy beyond oil, Edaa prioritizes smooth post-trade processes to support liquidity for various initiatives. The Post Trade Infrastructure Enhancements, a key strategic program of the Group, aims to bolster products and services in the market, providing settlement, clearing, and custody services.

Edaa's improvements facilitate a sophisticated post-trade environment, expanding the Saudi capital market's appeal to both local and global investors by offering a broad array of investment options and financial tools to capitalize on market trends and enhance risk management.

Efforts to diversify revenue streams have led Edaa to expand its product offerings, including projects in the finance (funds and

bonds) and ancillary services such as collateral management and securities borrowing and lending.

In 2023, Edaa achieved numerous important milestones including the implementation of an employee compliance service, support for single stock options by allowing physical settlement of securities, publication of the AGC questionnaire, and signing Memoranda of Understanding with Qatar Clearing and Securities Depository and Turkish Depository to share expertise and develop depository systems.

Edaa is driving the Group's transformation towards a more diverse and globally integrated market. By 2026, it is anticipated that key projects will culminate in a new, commercially competitive depository. Initiatives include launching funds distribution, enhancing services like paying agent platform, contributing to the debt market, and offering multicurrency settlements. Additionally, Edaa is expanding geographically, facilitating cross-listings and servicing international assets for local and regional investors.

Leading Clearing House Services to Foster Stability and Reliability

Muqassa is the sole clearing entity in Saudi Arabia and has a mandate to mitigate post-trade risk, manage centralized counterparty risk, and develop clearing services aligned with global best practices.

In 2023, Saudi Exchange introduced Single Stock Options (SSO), aligning with international best practices and enhancing market dynamics. This initiative required significant expertise and resources from both the Exchange and Muqassa. The American-style SSO provided traders with new opportunities to diversify and hedge portfolios, with educational workshops intensifying investor understanding.

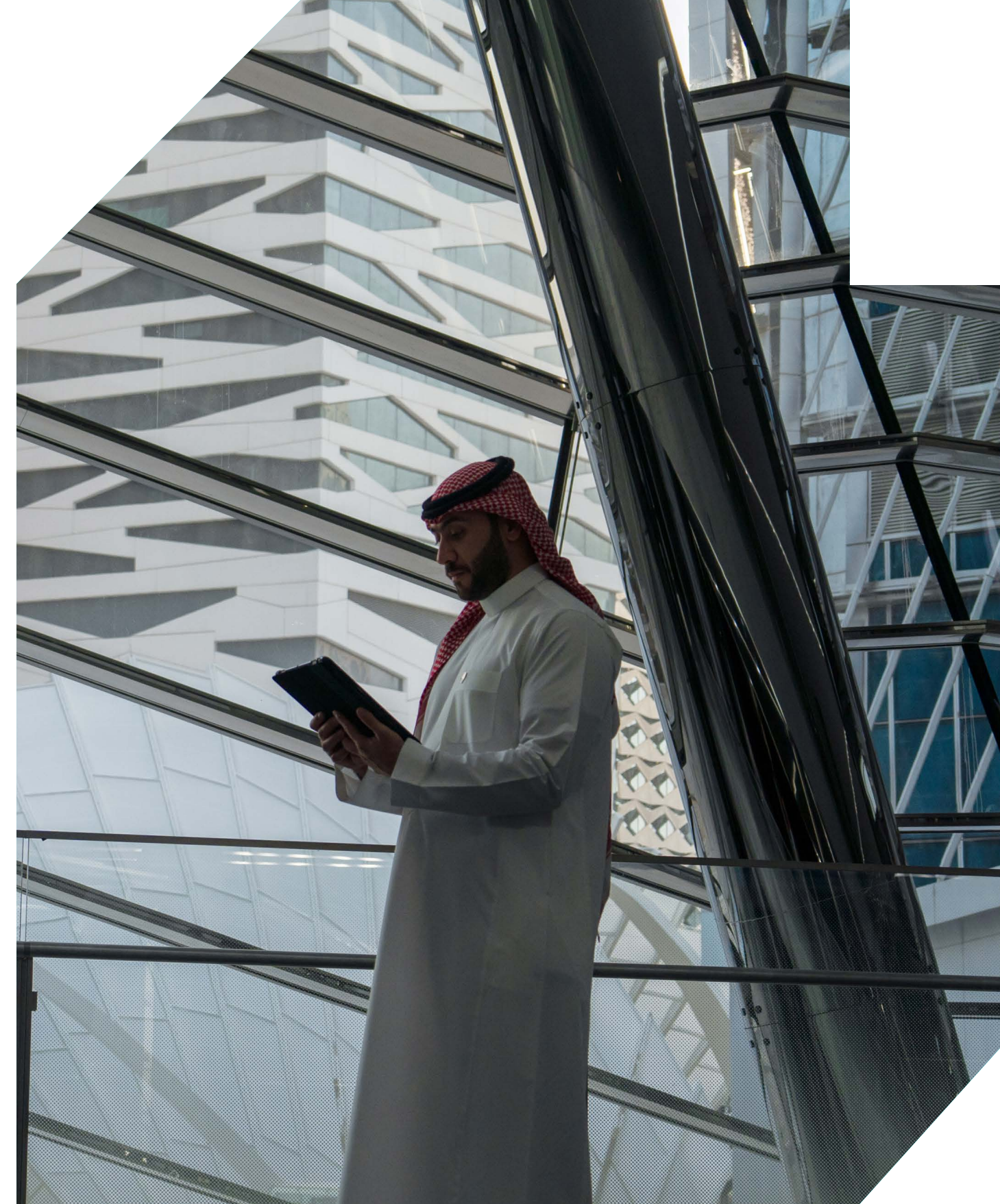
Muqassa, in the same year, focused on enhancing services and introducing innovations like Single Stock Options in the derivatives market, attracting global investor interest. These offerings align with Muqassa's commitment to providing new products and solutions, supporting the Kingdom's financial sector transformation. Additionally, Muqassa improved collateral efficiency by accepting non-cash collateral,

and added features like rollover, opt-out options, and email notifications to the repo portal, contributing to overall service enhancement.

The year also saw a notable decrease in failed trades (86% decrease), with Muqassa achieving a high settlement rate, reflecting the efficacy of its enhanced post-trade services like average price trade, split, and rectify. These improvements align with international best practices and have led to more efficient transactions.

Muqassa's outstanding performance was recognized in 2023 when it was awarded the title of Best Clearing House in the region by the Arab Federation of Capital Markets (AFCM). It also achieved the ISO 9001:2015 Certification, upheld its Qualified Central Counterparty (QCCP) status and adhered to the CPMI-IOSCO Principles.

For 2024 and beyond, Muqassa is focused on broadening its clearing services to include more products, with a particular focus on regional derivatives and reinforcing its repo and OTC derivatives market positions.



Bringing Together Change Makers at the Saudi Capital Market Forum

In 2023, the Group hosted the second Saudi Capital Market Forum, which took place in Riyadh, for the second time under the patronage of Mohammed El Kuwaiz, Chairman of the Capital Market Authority (CMA) of Saudi Arabia.

Building on the successful launch event in 2022, which attracted over 1,500 attendees, the second Forum expanded its reach and drew more than 3,000 delegates, as well as securing a global audience through more than 2.3 million livestream views. In just two years, the Forum has firmly positioned it among the world's largest capital markets conferences, demonstrating Saudi Arabia's position as a global investment center and a vital hub for regional finance.

Despite its stellar growth, the Forum maintained its commitment to fostering dynamic discussions on the evolution of the capital markets, regulatory advancements, and burgeoning investment opportunities. The event continued to facilitate meaningful dialogue among a diverse mix of local and international investors, regulatory figures, and financial experts.

The event also built on the foundations set in its inaugural year, amplifying its

promotion of ESG principles, direct listing opportunities, exchange-traded funds, and derivatives. The proceedings once again ended with the Saudi Capital Market Awards, including an ESG Award that was handed to Saudi Basic Industries Corporation (SABIC) in recognition of its contributions to the transformation and expansion of Saudi Arabia's capital market infrastructure.



"The second Forum expanded its reach and drew more than 3,000 delegates, as well as securing a global audience through more than 2.3 million livestream views."

Promote Integrity

Our Ambition: Govern the Group with the utmost integrity, setting a high performance bar for the market. Effectively fulfil our market regulatory oversight and authorization responsibilities in support of the market's overall integrity.



UN SDG contribution

Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.



Highlights

2023 ACHIEVEMENTS

 **Successful Completion**

of the Governance Framework Project

 **33%**

independent directors
and 22% women on our Board

 **Zero**

incidents of data breaches
over the past 3 years

 **Zero**

incidents of fraud or money laundering

 **Delivered**

IA plan, including 29 audit assignments

 **Obtained**

ISO 22301:2019 certification

 **Award**

Received HRDF Silver Award
for enabling SMEs through FORSA

2024 AMBITIONS

 **Uphold**

strong governance
and ethical conduct

 **Preserve**

an independent assessment
of regulatory compliance

 **Continue**

enforcing strong market oversight

 **Adopt**

and disclose ESG, Business Ethics
as well as Data Privacy and Security
position statements

 **Link**

executive compensation to corporate
performance, including ESG performance

 **Protect**

our clients from any data breaches

 **100%**

of new suppliers signing
our Supplier Code of Conduct

 **Getting**

Sustainable Procurement
Certificate

Placing Strong Governance



"The Board comprises nine members who are elected by the general assembly after approval of the nominees by the CMA, and it is chaired by a woman Mrs. Sarah Al Suhaimi."

The Group's organizational structure includes strategic and visionary leadership by the Board of Directors, supported by an experienced executive management team. The Board assumes ultimate responsibility for the general direction, supervision and control of the Group, and guides the decisions and actions of the executive managers when required. The Board comprises nine members who are elected by the general assembly after approval of the nominees by the CMA, and it is chaired by Mrs. Sarah Al Suhaimi. The term of Board membership is four years, with the option of renewal.

Ensuring strong governance of our Group is crucial given the significant role we play in the Saudi financial capital market system, economy, and society. We embrace our responsibility to ensure transparency, fairness, and integrity in the trading and listing of securities and we recognize that effective governance helps to maintain trust and confidence in the exchange, its participants, and the listed companies. This, in turn, promotes investment and helps to attract and retain investors, which is essential for the growth and development of the exchange and the wider economy in the Kingdom.

Our robust governance approach includes managing risks, ensuring compliance with

"Our robust governance approach includes managing risks, ensuring compliance with laws and regulations, and maintaining a strong culture of ethics and accountability."

laws and regulations, and maintaining a strong culture of ethics and accountability.

We have a governance framework in place to ensure our standards are in line with international best practices and local laws and regulations. Our governance manual was developed in accordance with the Corporate Governance Regulations issued by the CMA, and includes provisions related to shareholders' rights, the general assembly meetings, the composition, responsibilities, competencies, and work procedures of the Board of Directors, executive management functions and responsibilities, as well as the membership structures and meetings requirements of the Group's committees.

Responsible Corporate Citizenship and Business Ethics

We believe that maintaining high standards of business ethics is pivotal to our success and also to enhancing the reputation of the Saudi capital market as a whole. Recognizing the critical importance of consistently displaying the highest ethical standards, we have instituted a robust framework to ensure strict adherence to ethical practices and compliance with all relevant laws and regulations.

Our Board level Governance, Risk and Compliance Committee (GRCC) is the cornerstone of this framework. Tasked with the oversight of Group-wide compliance, this committee addresses any issues that arise concerning governance, risk, and compliance, thereby safeguarding the integrity of our operations. The GRCC is also highly proactive in keeping the Board informed about developments in corporate governance and best practices, and directly submits recommendations for consideration and action. One of the main responsibilities of the GRCC is to review and develop the code of ethics to truly represent the company's requirements and in accordance with best practices. A periodic report is also submitted to the committee clarifying violations and cases of non-compliance.

Complementing the efforts of the GRCC is our executive-level ESG committee, which has a mandate to scrutinize the Group's performance concerning environmental, social, and governance aspects. It is responsible for devising strategies and framing policies to integrate ESG practices within our corporate ethos. This committee functions under the guidance of the Group Chief Executive Officer (CEO), ensuring alignment with our strategic objectives.

Our commitment to ethical conduct is evident in our Code of Conduct, which encapsulates the Group's values and ethical principles, clearly defining the behaviors expected of our employees, directors, and stakeholders. The Code is an integral part of our culture, with new employees introduced to it during induction training, followed by annual refreshers for all employees. Our good conduct expectations also extend to our contractors, who are bound by a Supplier Code of Conduct, aligning their actions with our ethical stance.

We have instituted a specialized committee to investigate any breaches of these Codes of Conduct, ensuring that even the highest levels of management, including the Group CEO, are accountable.

Our Risk and Security Division has developed an Anti-Fraud Policy, which defines the Group's integrity requirements, outlines our cultural values, and establishes the standards and responsibilities that underpin our anti-fraud stance.

The Legal Division, which includes the Governance and Compliance Department, the Legal Department, and the Legislation Department, serves to strengthen our Group's resilience against legal risks. Its role is diverse and encompasses safeguarding the Group's legal and ethical integrity, supporting our business activities, and ensuring the pursuit of our strategic goals while upholding our values.

Our Internal Audit Division conducts regular audits that cover risks related to corruption and business ethics. This work has resulted in a clean record with no infringements, sanctions, or related monetary losses over the past three years.

An integral part of our ethical infrastructure is our whistleblowing policy, which empowers employees and stakeholders to report concerns through various confidential channels. This transparency is critical in our relentless efforts to combat bribery, fraud, and other corrupt practices. The Whistleblowing policy guarantees several rights for whistle-blowers, which include

identity protection of the whistle-blower and dealing with any threats/harassments or retaliatory measures taken by any person against the whistle-blower.

As part of these efforts, **we have implemented stringent anti-corruption and anti-bribery controls, including close oversight of personnel's shareholdings and transactions, which require explicit permissions for the buying or selling of shares.** Additionally, Key Risk Indicators (KRIs) are reported monthly to the Group Risk team to allow it to take any necessary precautionary measures.

In line with our commitment to prevent financial crimes, our Anti-Money Laundering (AML) Policy defines the principles and obligations that we adhere to, aligned with the Kingdom's international obligations. In addition to the AML policy, an AML procedure was drafted that has detailed steps that indicate the obligation to take due diligence action towards the company's clients and how to determine the level of risk and to report suspicious operations. In addition to the AML policy, an AML procedure was drafted that has detailed steps that indicate the obligation to take due diligence action towards the company's clients and how to determine the level of risk and to report suspicious operations.

Effective Regulatory Oversight to Ensure Market Integrity and Transparency

The Group’s Regulatory Oversight and Authorization Division (ROAD) plays a critical role in upholding the principles and compliance standards set by the Capital Market Law. The division is the Group’s supervisory arm (ensuring the integrity of market operations) and a self-regulatory body that monitors and oversees adherence by market participants to the Market and Centers’ issued rules and regulations.

Reporting to the independent Regulatory Policy and Oversight Committee (RPOC), which is composed of three independent experts and the Group CEO, ROAD has been pivotal in decision-making processes, notably listing approvals and membership violations undertaken by the RPOC.

ROAD has established multi-tiered review and approval procedures to segregate duties and decision making to ensure fairness of transactions while maintaining strict confidentiality controls to prevent information leakage. In 2023, the division’s commitment to enhancing capital market

performance was evident including the acceleration of market activities through authorization of members and registration of traders, conducting supervisory and regulatory inspections to improve compliance and efficiency, and the attentive handling of complaints to strengthen investor confidence and protection.

The division’s efforts in updating and refining the regulatory framework contributed directly to the robust growth of the securities market in 2023. A total of 161 regulatory obligations were examined, ensuring that the Group and its subsidiaries were in full compliance. The division also conducted three regulatory inspections within the Group to assess the regulatory compliance. A total of a 17 oversight inspections (full-review, thematic review, and ad hoc review) over the members were also carried out to ensure the highest standards of market operation.

The division’s efficient management of issuer applications was evidenced by more than 120 listings recommended for approval in 2023, including listings in both the Main Market and the Parallel Market “Nomu”.

ROAD’s effectiveness and importance to the Group was further highlighted by its meticulous review of over 12,000 issuer announcements, ensuring compliance with listing rules and collaborating closely with the Capital Market Authority (CMA) to enhance the transparency and efficiency of market announcements.

Looking ahead, ROAD is committed to continuing its vigilant work, ensuring that all listing and membership applications are processed promptly and in accordance with the stipulated listing rules, and trading and membership rules. The division remains steadfast in its mission to monitor the independency of the regulatory functions beside other mandates within the Group, thus securing the trust and confidence of investors and stakeholders.



Total members inspected for compliance



Stringent Risk Management

The Group's Risk and Security Division manages a wide spectrum of risks to safeguard the services, infrastructure, assets, and strategic trajectory of the organization. The division executes an enterprise-wide risk management framework, ensuring that robust internal controls, risk assessments, and proactive contingency planning are in place across the Group. This framework is pivotal in strengthening our resilience against various risks and fostering a culture of risk awareness and accountability.



In 2023, the division's Enterprise Risk Management department undertook the critical task of updating and maintaining the comprehensive risk management framework. It also provided ongoing support to project managers in risk assessment, enforced anti-fraud activities, and offered risk management training to all employees, thereby reinforcing the Group's commitment to efficiency and security.

Cybersecurity is another cornerstone of the division's responsibilities, developing policies and conducting rigorous compliance assessments and regular reviews to ensure the security of the Group's digital assets. In 2023, cybersecurity initiatives were focused on aligning with the National Cybersecurity Authority's regulatory changes, thereby bolstering the Group's defenses against cyber threats. See page 28 for details.

The Business Continuity and Environmental Security arm is instrumental in maintaining the continuity of critical operations and ensuring employee safety through the development of business continuity plans and adherence to environmental security standards. This commitment to business continuity was underscored by the Division's achievement of the ISO 22301:2019 certification, reflecting the Group's preparedness and resilience in the face of potential disruptions.

The division conducted a thorough review of the business continuity program, including disaster recovery plans and crisis management procedures, ensuring the Group's infrastructural and strategic resilience.

In terms of governance, the division reports to the Governance, Risk, and Compliance Committee (GRC) and coordinates with subsidiary risk management committees. Discussions during 2023 focused on key risk indicators and the development of risk heat maps, providing a clear visualization of the risk landscape across the Group and facilitating strategic decision-making.

The division's proactive measures and strategic insights throughout 2023 have positioned the Group to increasingly embrace global best practices in risk management. This commitment to excellence is set to continue with the pursuit of the ISO 31000:2019 certification in 2024, further enhancing the Group's risk management processes and protocols.

Managing ESG Risks

The Group is acutely aware of the importance of ESG and the risks associated with not fully integrating ESG considerations into Group strategies. With this in mind, and in line with relevant ISSB recommendations and guidelines, the Risk and Security Division has adopted a forward-looking approach to ensure the Group's compliance with ESG regulations and requirements, and to ensure full support of the Saudi Vision 2030 for sustainable growth.

By conducting thorough risk assessments and engaging with internal and external stakeholders in 2023, the division identified and evaluated a range of sustainability and climate-related risks and opportunities. These assessments were key to the subsequent formulation of strategies for ESG risk mitigation, as well as the identification and effective leveraging of new opportunities, such as operational efficiency and resource diversification.

Countering Cybersecurity Threats

The Group's cybersecurity function, which falls within the Risk and Security Division, plays a critical role in managing cybersecurity through the development and maintenance of policies and procedures, and conducting comprehensive assessments, including penetration testing and vulnerability assessments.

Our approach to cybersecurity is aligned with international standards and regulatory requirements, ensuring a high level of compliance with the National Cybersecurity Authority (NCA). Our Group Cybersecurity Policy encompasses risk management, compliance, awareness, training, asset management, data protection, as well as physical security – all backed by ISO 27001 certification.

The activation of remote working during the Covid-19 pandemic heightened awareness of the need to respond effectively to the increasing frequency and sophistication of cyber-attacks. This led to the implementation of enhanced cybersecurity controls as per the NCA's Telework Cybersecurity guidelines.

Regular reviews and optimization of security operations and incident handling processes ensure our Group's resilience against cyber threats, a fact underscored by the absence of any data breaches over the past four years.

"We are aware of the growing frequency and sophistication of cyber-attacks – especially since the activation of remote working, which has increased vulnerability points for technology and cybersecurity risks."

Number of data breaches

0

2020-2023



Local and Responsible Procurement

In 2023, we continued to advance our sustainable procurement practices and we made significant progress in support of local small and medium enterprises (SMEs).

The Saudi Exchange, a part of our commitment to local business development, received an award for its outstanding efforts in nurturing the growth of SMEs at the CEO Forum hosted by Monsha'at. The award is part of the "Tomoh" program, which aims to support the development of fast-growing SMEs in the Kingdom.

The total number of suppliers engaged in the past year rose to 317 from 249 in 2022, illustrating the positive impact of the Group's strategic expansion on its supplier network. Notably, the total number of local suppliers engaged increased from 147 to 191 year-on-year, further underscoring our dedication to nurturing and supporting local businesses. This is also a positive move towards achieving a more sustainable and inclusive supply chain.

The total procurement spend on contractors and suppliers surged to SAR 572 m or USD 152.7 m from SAR 141 m or USD 37.6 m in 2022, including a significant leap in our procurement spend on local suppliers from SAR 103 m or USD 27.5 m in 2022 to over SAR 499 m or USD 133.2 m in

2023, reinforcing our clear commitment to prioritizing local sourcing.

These figures illustrate our dedication and sustained efforts to enhance our support for local enterprises following the agreement signed in 2022 with the Human Resources Development Fund (HRDF) to support SMEs through the FORSA platform. In 2023, our commitment to the development of SMEs through this platform deepened further, ensuring that we made a significant contribution to the local business landscape.

The implementation of the Supplier Code of Conduct in 2022, which became a registration requirement for suppliers, further demonstrates our unwavering commitment to ethical, social,

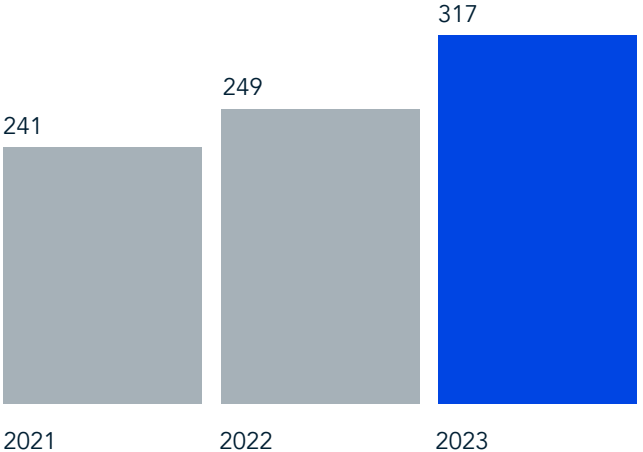
environmental stewardship, and anti-corruption practices in our procurement endeavours. The Group's recommendation for suppliers to follow standards such as ISO 14001 or OHSAS 18001 and the ethical requirements outlined in the Code, have established a strong foundation for sustainable and ethical procurement.

Moving forward, our strategic focus remains firmly on supporting sustainable procurement practices and promoting the growth of local businesses within the Saudi community. Our continued progress in this area is expected to contribute significantly to the local economy and help to give effect to our sustainable development goals.

Key Performance Indicators (KPIs)	2020	2021	2022	2023
Total number of suppliers engaged	248	241	249	317
Total number of local suppliers engaged	158	147	147	191
Percentage of local suppliers engaged	64%	61%	59%	60%
Total procurement spending on contractors and suppliers (SAR m)	249,443,879	246,093,701	141,058,225	571,841,071.8
Procurement spending on local suppliers (SAR m)	188,477,269	189,264,855	103,423,409	499,835,038.5
Percentage of spending on local suppliers	76%	77%	74%	87.4%



Total number of suppliers engaged



Become a Global Hub for Debt-Related Sustainable Finance

Our Ambition: Enhance and accelerate the Group's debt capital market offering and global attractiveness by advocating and supporting sustainable finance issuances.



UN SDG contribution

Strengthen the means of implementation and revitalize the global partnership for sustainable development.



Highlights

2023 ACHIEVEMENTS

 Continued
growth

in corporate sukuk and bonds

2024 AMBITIONS

 Encourage

strong the issuance of the first green or sustainability linked bond or sukuk in Saudi Arabia's capital market



Delivering a Fast-Growing Debt Market

Our commitment to enhancing the sophistication of Saudi capital market - as part of the FSDP - includes supporting the development of a rapidly growing debt market.

The debt market represents a tremendous growth area for the Group, making it a key strategic growth pillar. To achieve our goal of being one of the top three global exchange groups, we are focused on growing into a top global debt instruments market.



Enabling Sustainable Finance

The global financial sector interest in green and sustainability-linked debt instruments, combined with the Saudi markets' increasing climate and ESG-commitments and actions, creates a tremendous opportunity for our Group. This opportunity is directly aligned with our strategic goals of becoming a major global debt instrument market and helping to shift markets towards sustainability.

We recognize that we can accelerate sustainable debt instrument market growth by encouraging and supporting sustainability-related issuances. The Saudi market is particularly well-suited for this. Saudi Arabia's Vision 2030 is, in essence, a far-reaching sustainable development plan for the Kingdom. It sets out ambitious targets and objectives across the full spectrum of sustainable development priorities, including climate, the environment, biodiversity, economic inclusion, socioeconomic development, diversity, equality and other areas spanning the breadth of the SDGs.

Saudi Arabia's current rapid progress in investments in the categories highlighted in the Vision clearly supports momentum for sustainability related financing. As a result, there is significant interest within Saudi

Arabia to issue green and sustainability linked sukuk, and we aim to facilitate such issuances and capture this market.

To achieve this, we have accelerated our efforts to create the market conditions for sustainable finance issuances. We maintain dialogue with stakeholders to agree on accepted frameworks for green and sustainability-linked sukuk and bonds, and other sustainability related debt instruments, to promote and encourage such issuances through the Saudi Exchange. We also aim to undertake wide-scale awareness raising both in Saudi Arabia and in our other geographical target markets.

We intend to grow this sustainability themed segment of the debt market rapidly to eventually make up as high a percentage as possible of our total debt market. This will provide financial and other advantages to companies with the foresight to lead the way in the adoption of sustainable development and ESG considerations, while also enabling investors to channel significant financial resources into market activities that give effect to sustainable development outcomes. We know that these sustainable finance instruments will also help price sustainability in the market, thereby shifting everyday market decisions more consistently towards the path of greater sustainability.

Our aspirations for sustainable finance in the debt market extend beyond merely aiding companies' issuances in Saudi Arabia. As the significant role of the nation in climate and sustainability innovation becomes more widely understood globally, and as it increasingly deploys capital in these categories, we aim to attract a growing range of companies from around the world that choose to issue their sustainability-linked debt in Saudi capital markets.

There is also an opportunity to achieve the ambition and impact of Shariah-compliant sukuk instruments by incorporating green and sustainability linked criteria. It is therefore our intention to become the global leader in green and sustainability-linked sukuk issuance.

Given this ambition to formally bring sustainability into as many investment transactions as possible and shift markets towards sustainable development, we are confident in our ability to become one of the world's largest hubs for sustainable finance.

“We intend to grow this sustainability themed segment of the debt market rapidly to eventually make up as high a percentage as possible of our total debt market.”

Lead the Market Towards ESG Adoption and Disclosure

Our Ambition: Encourage widespread adoption of sustainability management and ESG disclosures by Saudi listed companies, for better market performance and competitiveness. Lead by example. Facilitate and encourage the use of ESG data by market participants.



UN SDG contribution

Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



Highlights

2023 ACHIEVEMENTS



Continued

to augment the ESG and sustainability profile of the Saudi capital market



30%

of listed companies now issuing ESG disclosures



53

one-on-one ESG advisory sessions held



9

ESG awareness activities and guidance workshops targeted to issuers

2024 AMBITIONS



35%

Target of listed companies disclosing ESG performance (With a 2-year-target of 40%)



Expand

our ESG advisory sessions with listed companies



Intensify

progress towards achieving first revenue by making ESG data readily available to market participants



Collaborate

with partners to increase ESG training and programs to build local ESG talent in the context of capital markets

Shifting Markets Towards ESG Adoption and Sustainability

Around the world, financial stakeholders recognize that companies committed to sustainable practices meet and often surpass the market performance of their peers that have less of a sustainability focus. As a result, there is a clear pivot towards investments that lower environmental, social, and governance risks, but also amplify opportunities and support the catalytic sectors that are essential to the achievement of the SDGs.

Saudi Arabia is at the forefront of this shift with Vision 2030 echoing the global commitment to sustainable growth. This alignment promises enhanced growth and positive societal impact for companies and investors in the region. Sustainability's correlation with market outperformance is clear, and investors and financial stakeholders are actively pursuing investment opportunities with a robust sustainability profile.

Against this backdrop, the Saudi Exchange stands poised to elevate the Saudi capital market's overall performance. By promoting the adoption of ESG standards and transparent sustainability practices among its listed companies, the Exchange

will enhance market appeal and draw substantial capital investment.

In 2018, the Group solidified its commitment to these principles by joining the Sustainable Stock Exchanges (SSE) initiative, a United Nations-convened network of over 130 members. The SSE provides a platform for stock exchanges and market participants to engage in meaningful dialogue on ESG matters, advocate for sustainable practices, and monitor ESG performance.

In 2023, leveraging the resources and framework provided by the SSE, the Group continued to actively work to expand the ESG and sustainability profile of the Saudi capital market. The Group's strategy to attract ESG-focused investment is multifaceted, emphasizing the promotion of ESG adoption and disclosures, setting a sustainability precedent through the Group's practices, and aiding market participants in the effective utilization of ESG data.

In February 2023, the Saudi Exchange participated in the King Khalid Sustainability Award, showcasing dedication to acknowledging and boosting sustainability endeavors in the region. Our ESG webinars,

designed to provide valuable insights to listed companies and stakeholders, covered important themes in 2023. Sessions such as "Sustainable Investors & ESG Communications" and "Sustainability Reporting, Expectations and Best Practices to ESG Reporting and Communication" in March delivered key perspectives on emerging ESG topics.

We collaborated with MSCI to host the "Building your Sustainability Journey" program in September 2023. This initiative aimed to raise awareness of ESG practices and empower individuals with the necessary tools to embark on their personal sustainability journeys.

Further extending our engagement with the financial community, the Saudi Exchange participated in the AmCham Saudi Arabia ESG Committee's ESG Finance Conference held in November 2023. Additionally, in collaboration with the SSE initiative, we hosted a training session on the IFRS Sustainability Disclosure Standards in December 2023. Through these diverse initiatives, our goal is to foster a culture of sustainability and equip individuals with the knowledge and necessary skills. We

continue to participate in regional and global sustainability dialogue with the aim of raising ESG awareness and positioning our Group as a thought leader in the ESG space. We have leveraged these platforms to provide updates on our ESG journey, equip issuers with the tools for effective ESG disclosure, and foster a deeper understanding of the importance of ESG across the financial landscape.



Driving ESG Adoption and Disclosures

Our efforts to boost ESG adoption and disclosure among companies listed on the Saudi Exchange continued to deliver positive results in 2023, with 30% of listed companies now issuing ESG disclosures, which matches our target for the year.

Providing clear guidance for the market

Recognizing the dynamic nature of ESG, we are committed to the ongoing revision and enhancement of guidelines, ensuring they adapt to the evolving landscape and maintain their role in fostering the growth of the Saudi capital market.

Engaging market participants to enhance ESG awareness and proficiency

With all companies listed on our Main Market and Parallel Market “Nomu” in 2023, our work to raise ESG disclosure awareness and capacity is more important than ever. Through our ongoing efforts in education and advisory services we continue to cultivate a deeper understanding of ESG principles across the board.

In 2023, we built on the success of our one-on-one ESG advisory sessions (53 sessions in total) launched in late 2022, amplifying our focus on key issues such as climate impact. As planned, we broadened our engagement and advisory services to elevate ESG awareness to the executive level within companies, thereby accelerating the adoption and disclosure of ESG practices.

Recognizing ESG achievements

Our ‘Best ESG Award’ within the Capital Market Awards annual event has quickly become a prized achievement among listed entities, celebrating companies that excel in integrating ESG factors into their business models and strategies. Our comprehensive scorecard continues to evolve, ensuring alignment with the latest frameworks and standards, and reflects the growing importance of sustainability in corporate governance.

In the coming years, our focus will be on leveraging the momentum we have created to further embed ESG considerations into the corporate fabric of the Saudi capital market. We aim to continue rewarding excellence, fostering market literacy, and providing robust support to our market participants in their sustainable development journey.



50+

ESG advisory sessions
conducted in 2023 since
the launch of the initiative
in November, 2022

Leading by Example in ESG Performance and Disclosure

Given our position at the forefront of ESG performance and adoption, we remain steadfast in our commitment to setting a benchmark for excellence in sustainability action and disclosure.

This commitment extends beyond our own operations, and we champion the ESG advancement of all Saudi-listed entities. This inaugural stand-alone Sustainability report demonstrates our determination to lead by example in terms of world-class sustainability reporting and disclosure, guided by the recently introduced IFRS SDS.

“This reports marks our first stand-alone ESG report to share our achievements and ambitions on key ESG issues.”

Our sustainability journey is characterized by our aspiration to lead globally within our sector. The training hours invested in our workforce have set a global benchmark, outperforming disclosures from other leading stock exchanges. Our sustainability strategy is built on ambitious targets that we believe will position us among the most exemplary exchanges globally given our commitments to carbon footprint reduction, net-zero operations, the advancement of carbon markets, enhancement of gender equity and creation of opportunities for women, and the development of ESG policies to guide market participants on their sustainable development journeys.



Facilitating and Encouraging the Use of ESG Data by Market Participants

As ESG reporting by our listed companies grows, we are intensifying our efforts to facilitate and promote the effective use of this ESG data by all market participants. To this end, we are pioneering methods to provide unimpeded access to ESG raw data, assessments, and indices tailored to the Saudi capital market. We have the ambition to launch our comprehensive ESG data, and the development of our inaugural ESG index is set to be a milestone for our Group and the broader capital market. The resulting availability of ESG data and indices will lay the foundation for attracting high-caliber, long-term investment to the Saudi capital market. This will, in turn, incentivize listed companies in the region to elevate their ESG performance and reporting to attract a bigger share of investment inflows, and thereby contribute to the increasing market-wide shift towards enhanced sustainability.



Address Climate Change and Foster a Circular Carbon Economy

Our Ambition: Play a key role in creating the market infrastructure for a circular carbon economy. Become one of the world's most prominent carbon trading markets. Commit as a Group to net zero.



UN SDG contribution

Improve education, awareness raising, human, and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



Highlights

2023 ACHIEVEMENTS



Partnered

with PIF in 2022 to establish the Regional Voluntary Market Company (20% ownership)



2.2 million

tons of carbon credits issued in second regional voluntary carbon auction in 2023



Improved

Kept Scope 1 and 2 emissions increases to a minimum despite Group growth

2024 AMBITIONS



Net zero

Aiming to commit to Net Zero by 2040



Continue

to support the expansion of the voluntary carbon market auction to the wider region



Encourage

listed companies to disclose carbon emissions and trajectories as priority ESG disclosures

Addressing Climate Change at the Group

In 2020, the Saudi G20 presidency saw global leaders endorsing the Circular Carbon Economy (CCE) framework, which has become the basis for the country's ambitious climate and net zero goals under Vision 2030 and the Saudi Green Initiative.

The CCE framework emphasizes the reduction, reuse, recycling, and removal of carbon emissions, and aims to achieve a carbon-neutral world by using renewable energy sources and using innovative technologies to capture and store carbon dioxide.

"The Group will continue to lead by example by managing our environmental impact. We are aiming to commit to net zero by 2040 and encourage all listed companies to do the same as part of their ESG disclosure."



Developing a Regional Voluntary Carbon Market

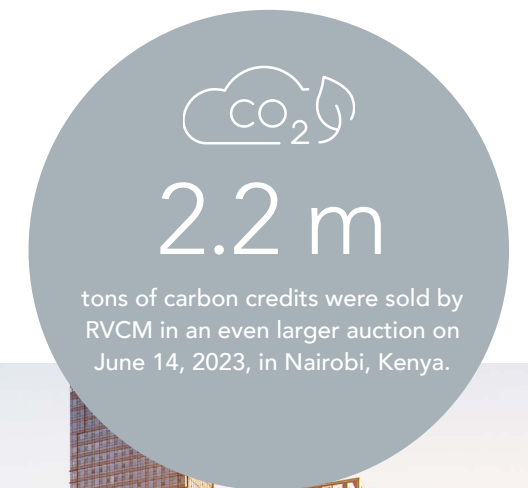
The Group established the Regional Voluntary Carbon Market Company (RVCM), alongside PIF in 2022. With a capital injection of SAR 500m (approximately USD 133m), the VCM has been instrumental in facilitating carbon credit auctions that support Saudi Arabia's climate change initiatives. The Group's substantial 20% stake in RVCM underscores its commitment to PIF's goal of developing 70% of the nation's green energy capacity, which is a pivotal part of Saudi Vision 2030 and aligns with the Kingdom's aim to achieve net-zero emissions by 2060.

RVCM's vision is to spearhead climate action and enhance livelihoods by establishing a high-integrity voluntary carbon market, primarily steered from the Global South. The aim is to direct funding towards critical climate projects within the Middle East, Africa, and further afield. RVCM's ambition is rooted in delivering authentic climate solutions, fostering emission reductions, and capitalizing on natural and coastal resources to tap into blue carbon opportunities. This approach will guide businesses toward significant emission cuts and also offer a platform for Islamic finance to engage in the climate transition, using carbon credits as the traded commodity in financial arrangements.

The inaugural carbon credit auction in 2022 was a landmark event at the 6th Future Investment Initiative Conference in Riyadh. It resulted in the sale of 1.4 million tons of carbon credits, featuring Verra-registered credits aligned with the Carbon Offsetting and Reduction Scheme for International Aviation. This event set a record as the world's largest carbon credit auction, with key industry players leading the purchases.

Following the success of the 2022 auction, RVCM conducted an even larger auction on June 14, 2023, in Nairobi, Kenya, where over 2.2 million tons of carbon credits were sold. This auction saw participation from 16 prominent Saudi and international corporations, with significant purchases made by Aramco, the Saudi Electricity Company (SEC), and ENOWA. RVCM's stringent selection criteria for projects ensure that only those with the highest

integrity are included, reaffirming its position as a leader in the carbon credit market and as a catalyst for sustainable development.



Offering a Low Carbon Working Environment

We have successfully completed our new headquarters, which were designed with a strong commitment to sustainability and eco-friendliness. The building's modern fit-out, made from sustainable materials and equipped with state-of-the-art technologies, has been instrumental in creating an energy-efficient, environmentally friendly, and low-carbon workplace.

A significant milestone in this project is the attainment of LEED Gold certification, acknowledging the headquarters' outstanding performance in environmental responsibility. This certification is an endorsement of the Group's efforts to reduce energy and water consumption, enhance indoor air quality, and minimize carbon emissions.

The completion of the headquarters and its LEED Gold certification represent the Group's forward-thinking approach and its dedication to creating a better future through sustainable practices. This development is a symbol of our commitment to a sustainable, environmentally conscious future; for example regrouping the employees in a single location will help reduce the use of transportation means between the offices and the related energy consumption.



Focusing on our Environmental Footprint

We place sustainability at the core of our business processes. Our Corporate Social Responsibility (CSR) policy is a testament to our dedication to good environmental stewardship. This policy embraces robust environmental management practices encompassing recycling initiatives and measures to prevent pollution. We have been awarded the ISO 41001 certification for our facilities management, in recognition of our efforts which reflects our commitment to excellence in sustainability.

As part of our commitment to hold the conservation of natural resources in the highest regard, we have instituted comprehensive operational controls and protocols. These measures are about adherence to sustainability regulations

“One key project in 2023 is the move of our IT data center to the new premises along with a plan to reduce and optimize the number of our data centers to reduce our IT related energy consumption.”

and guidelines, and about fostering an organizational culture that understands and values environmental sustainability. Through continuous education and engagement with our employees, we are cultivating a workplace that embodies and champions environmental responsibility at every level.

Carbon emissions

In 2023, our sustainability efforts continued, we focused on managing and reducing our Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Our emissions stem primarily from the operation of diesel generators, the use of company vehicles and the consumption of electricity in our facilities. Most of our carbon footprint is attributed to Scope 2 emissions, which are primarily from electricity usage.

We saw a marginal increase in our total Scope 1 GHG emissions from 23 t CO₂e

in 2022 to 24 t CO₂e in 2023, an increase of just over 4%. Our Scope 2 emissions also increased from 6,192 t CO₂e to 7,260 t CO₂e, marking a rise of approximately 17%. This increase in emissions is largely attributable to the growing numbers of employees. This has resulted in higher levels of energy consumption in our office buildings.

Despite the rise in absolute emission figures, it is important to note that there has only been a slight increase in emissions intensity per employee. In 2023, the total Scope 1 and 2 GHG emissions per employee were 8.7 t CO₂e, compared to 8.4 t CO₂e per employee in 2022. This represents an increase in per capita emissions intensity of less than 4%, primarily attributed to changes in remote working practices and the gradual return of individuals to workplaces.

Our commitment to reducing our carbon footprint remains steadfast, and we are actively pursuing initiatives to improve our carbon impact. This includes increasing energy efficiency, investing in renewable energy, and encouraging more sustainable practices across our operations. Through these efforts, we aim to ensure that our GHG emissions trend downwards in the future, aligning with our long-term sustainability targets and our responsibility to mitigate climate change.

“Our commitment to reducing our carbon footprint remains steadfast, and we are actively pursuing initiatives to improve our carbon impact.”

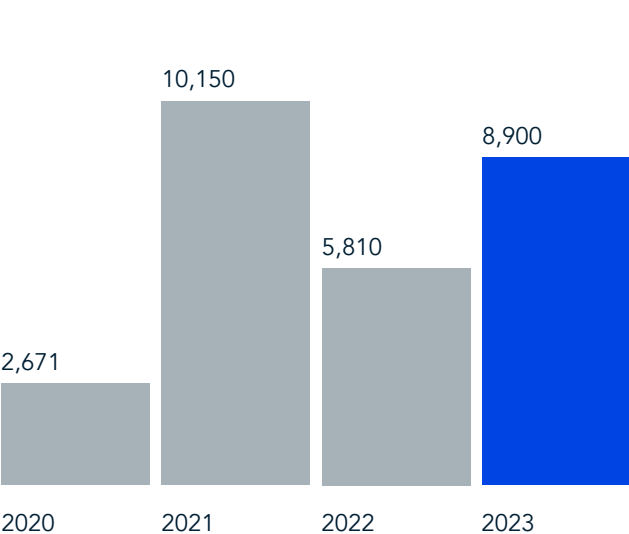
Key Performance Indicators (KPIs)	2020		2021		2022		2023	
Carbon emissions	t CO ₂ e	kWh	t CO ₂ e	kWh	t CO ₂ e	kWh	t CO ₂ e	kWh
Total Scope 1 GHG emissions	14	58,759	20	87,304	23	99,655	24	106,436
Diesel consumption from generators	6	25,457	6	25,457	6	25,457	6	25,214
Petrol consumption from vehicles (owned, leased or outsourced)	8	33,303	14	61,848	17	74,198	18	81,222
Total Scope 2 GHG emissions	2,895	5,178,181	3,307	5,822,859	3,874	6,819,594	4,129	7,269,857
Electricity consumption (offices, storage, facilities, etc.)	2,895	5,178,181	3,307	5,822,859	3,874	6,819,594	4,129	7,269,857
Total Scope 1 & 2 GHG emissions	2,908	5,236,940	3,327	5,910,163	3,897	6,919,249	4,154	7,376,293
Total Scope 1 & 2 GHG emission intensity per employee	7.9	13,965	8.4	14,925	8.4	14,977	8.7	15,496

Water consumption

Following the return to office post-Covid and the resumption of full-scale business activities in 2021, we experienced an increase in water consumption. This was managed effectively through the implementation of water conservation measures, including regular maintenance to reduce water leaks and the promotion of water-efficient fixtures. These initiatives led to a decrease in our total water consumption in 2022.

In 2023, however, there was a significant increase in water consumption to 8,900 cubic meters from 5,810 cubic meters in the previous year. This increase of approximately 53% is attributed to a variety of factors, including the steady expansion of our operational activities and the scaling of our workforce.

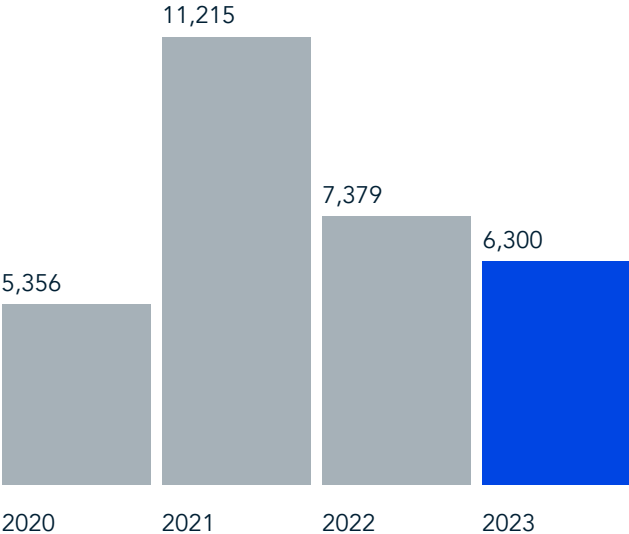
Total water consumption in m³



Despite this increase, our efforts to manage water resources responsibly have not eased. The increase in consumption has been partially offset by a significant reduction in water discharge, from 7,379 cubic meters in 2022 to 6,300 cubic meters in 2023, indicating the effectiveness of our wastewater management strategies.

Our commitment to sustainability extends to constant improvement in water management. We strive to enhance our practices, focusing on both reducing consumption and minimizing discharge. By fostering a culture of conservation across our Group and collaborating with partners who share our vision, we aim to safeguard water resources for future generations, reflecting our deep commitment to environmental stewardship and sustainable operations.

Total water discharged in m³



Waste management

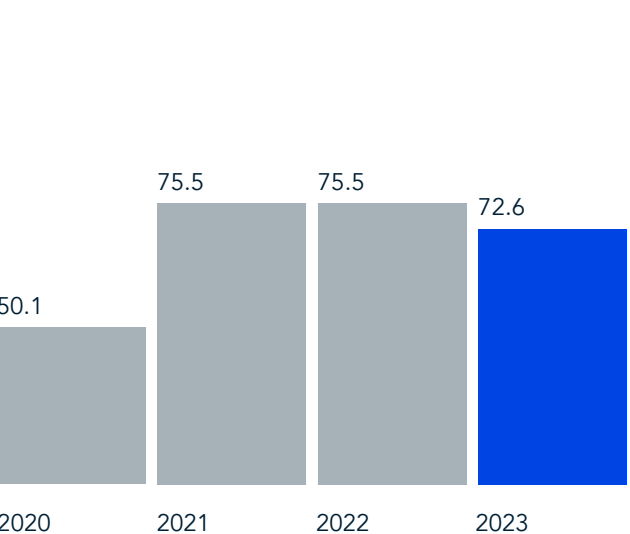
Our efforts to mitigate waste generation across our operations delivered pleasing results in 2023. In contrast with previous years, where we saw an uptick in waste corresponding to increased workforce and post-Covid office returns, 2023 saw a reduction from 75.5 tons in the previous year to 72.6 tons.

This waste volume reduction is a testament to the effectiveness of our waste management strategies and the concerted efforts of our Group. We have continued to explore innovative ways to minimize waste generation and strengthened our partnerships with waste management organizations. These collaborations have enhanced our recycling capabilities, particularly plastic and paper waste, significantly contributing to our waste reduction achievements.

The decrease in waste aligns with our environmental objectives and demonstrates our commitment to sustainability. By integrating waste reduction into our operational ethos and continuously improving our recycling processes, we are making progress toward our goal of reducing our environmental footprint. We will continue to implement and refine strategies that support waste minimization, recycling, and responsible resource management.

“The decrease in waste aligns with our environmental objectives and demonstrates our commitment to sustainability.”

Total waste generated (tons)



Support the Talent that Drives Market Progress

Our Ambition: As a Group, to be a leading advocate and performer in gender equality in the MENA region. For the market, to collaborate on ESG-focused training to meet the surging demand for the skills and knowledge needed to drive markets towards a more sustainable future.




UN SDG contribution


Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.




Highlights

2023 ACHIEVEMENTS

 **26.9%**
increase in workforce since 2020

 **30%**
of Group workforce is female

 **39%**
of new hires that are women in 2023; increase from 35% in 2022

 **13.6%**
of senior management positions held by women

 **47.5%**
are between 18 and 30 years old, bringing fresh perspectives and innovative ideas to our teams

 **Scaled Up**
Average training hours per employee increased from 44.6 in 2022 to 56 in 2023

 **186,261**
participants joined and benefited from our Invest Wisely financial literacy program to date

2024 AMBITIONS

 **ESG training**
continue to deliver across the Group

 **32%**
female employment rate by 2025

 **Target**
industry average for women in management

 **Continue**
to invest to build on strong talent foundations

 **Maintain**
and grow status as ESG talent leader and employer of choice

Attracting and Retaining Talent at Saudi Tadawul Group

We recognize the importance of attracting and retaining outstanding employees through an approach built on the three talent optimization pillars of: extensive training; a commitment to sustainability; and empowering women within our workforce.

1) Training and development

We offer extensive training, development, and advancement opportunities, offering a range of opportunities for all employees. Our training plan is carefully designed to improve our Organizational Health Index by providing diverse programs that cater to the development of leadership, technical, and soft skills, as well as practical on-the-job learning experiences. For more detail on our training and development opportunities our Group offers, refer to page 53.

For fresh graduates and new professionals, we provide technical programs that align with their functions and include ESG training in cooperation with esteemed institutions like ICMA, ILI, Euromoney, FitchLearning, and the New York Institute of Finance. Middle management participates in leadership programs that incorporate ESG, reflecting our strategic emphasis on sustainability.

2) Attracting top talent through ESG leadership

Our organization is firmly establishing itself as a leader in ESG and sustainable development. By progressing toward fully integrating ESG principles into our core business strategy, we have become an employer of choice, attracting individuals who are determined to make a meaningful contribution to sustainable development in Saudi Arabia. Additionally, we have observed a significant demand for professionals with ESG expertise where we operate, which has resulted in strong competition for appropriately qualified talent. As such, our job offerings are enhanced with ESG components, demonstrating our commitment to these values and attracting discerning professionals.

3) Providing opportunities for women

Our Group provides unparalleled opportunities for women to achieve their full potential and we are at the forefront of the ongoing cultural shift in Saudi Arabia regarding women's roles in the economy. We are committed to providing a flexible and supportive work environment for women, offering the facilities they require to enable them to maximise their potential and contribution. Leadership

programs, specifically tailored for women and developed in partnership with globally recognized training institutes, are core to our drive to facilitate women's ascent into senior leadership roles, thereby advancing gender equality and fostering diversity.

In 2023, we made notable progress, with women accounting for nearly 39% of our new hires, an increase from 35% the previous year. Additionally, we have witnessed an increase in the representation of women in senior and executive-level positions to 13.6%, surpassing the previous year's figure of 12.5%, reflecting our dedication to gender diversity and equality in the workplace.

Through these three strategic pillars, we are enhancing our internal capabilities whilst setting a benchmark in our industry for comprehensive employee development, social responsibility, and the empowerment of women, reinforcing our reputation as a progressive and forward-thinking organization.

“Our Group provides unparalleled opportunities for women to achieve their full potential and we are at the forefront of the ongoing cultural shift in Saudi Arabia regarding women's roles in the economy.”

Our Workforce

In 2023, we have made considerable progress in various aspects of workforce development, underscoring our dedication to being an employer of choice and an advocate for inclusive growth.

The total number of employees within our Group increased to 476, an indicator of our expanding operations and the successful integration of our strategic HR policies. This growth is a part of our continuous effort to ensure that we have a robust team that is equipped to meet the evolving needs of our business.

We have seen a maturation in the age profile of our employees. While we continue to attract young talent, with 226 of our employees aged between 18-30 years old, there is a notable number of experienced professionals, with 137 employees aged between 31-40 years and an increasing number of employees over 40, indicating a diverse age range that brings together the enthusiasm and innovation of youth and the stability of seasoned expertise.

Employee loyalty remains a pillar of our HR strategy and evidenced by a workforce committed to contributing to the long-term vision of the Group. A significant number of employees have been with us for more than five years, and a growing proportion of those have served for more

than 16 years, signifying deep-seated loyalty and a rich reservoir of institutional knowledge.

While our employee retention rate showed a slight dip to 77% in 2023, we understand the underlying factors contributing to this change and we see it as an opportunity to reassess and enhance our employee engagement strategies, workplace culture, and career development opportunities to ensure that we maintain a motivated and satisfied workforce.

It is also worth noting that while we have maintained a stable number of employees in senior management, we have also seen growth in non-management roles, indicating our commitment to fostering talent at all levels of the organization.

Our workforce is the lifeblood of our Group, and their ongoing development is key to our continued success. We are committed to providing opportunities that align with our strategic objectives and the personal aspirations of our employees, ensuring that we remain at the forefront of industry innovation and leadership.

Key Performance Indicators (KPIs)	2020	2021	2022	2023
Workforce size	397	412	480	494
Workers that are not employees (outsourced)	22	16	18	18
Full-time employees	375	396	462	476
Part-time employees	-	-	-	-
Total number of employees	375	396	462	476
18-30 years	147	178	218	226
31-40 years	147	133	146	137
41-50 years	64	67	75	89
Over 51 years	17	18	23	24
Employees by service period				
0-5 years	253	264	340	352
6-10 years	37	57	48	51
11-15 years	66	30	26	10
16+ years	19	45	48	63

Key Performance Indicators (KPIs)	2020	2021	2022	2023
Workforce by employment level				
Full time employees in senior management	16	24	24	22
Full time employees in middle management	76	75	87	88
Full time employees in non-management	283	297	351	366
Percentage of employee turnover	12%	18%	18%	23%
Total number of employees who left the company	48	72	77	107
Female	11	28	27	26
Male	37	44	50	81
Senior management	1	1	1	2
Middle management	8	12	7	14
Non-management	39	59	69	91
Employee retention rate	88%	82%	82%	77%

In 2023, we focused intently on building the talent development foundations we have created in previous years and delivering a supportive and inclusive environment that encourages professional growth and well-being. We achieved a number of key milestones on our sustainable talent development journey.

A significant achievement was the enhancement of gender diversity, with female representation in the workforce reaching 30%. This milestone is a testament to our commitment to an equitable and diverse workplace, contributing positively to our performance metrics.

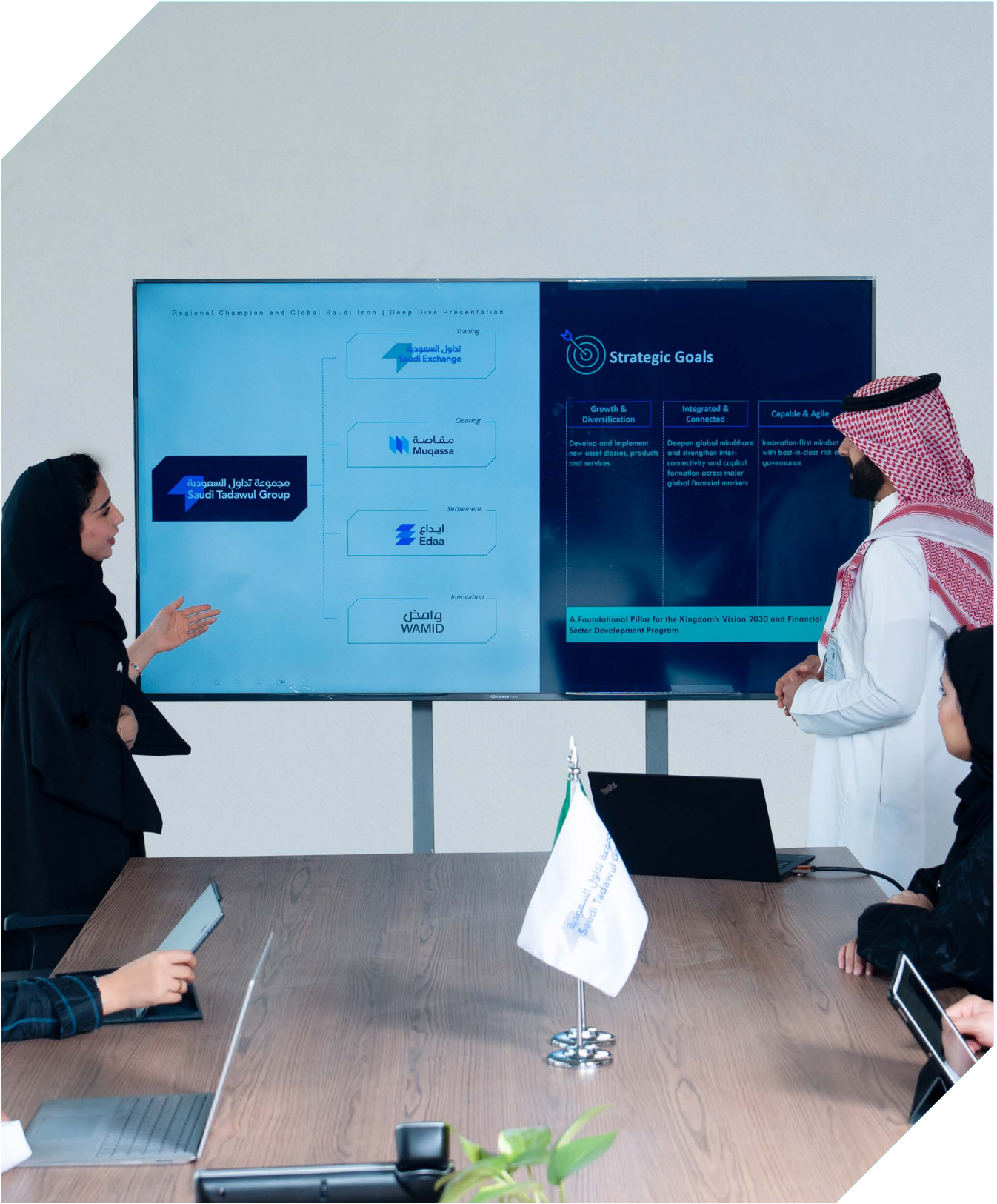
The introduction of the Organizational Health Index (OHI) assessment provided deep insights into employee satisfaction, enabling targeted strategies to enhance well-being and engagement. This initiative reflects our dedication to understanding and improving the work environment to make our Group a great place to work.

There was a noteworthy increase in the average training hours per employee, rising from 44.6 hours in 2022 to 56 hours in 2023. This highlights our dedication to continuous learning and the professional development of our employees, ensuring that they remain at the forefront of industry developments.

Several programs and initiatives were launched, including tailored development initiatives such as the High Potential Development Program, Future Leaders Program, and Rising Star Development Program. These initiatives are designed to identify and nurture talent within the Group, aligning employee growth with our strategic vision.

The expanded focus on well-being initiatives underscores our commitment to creating a positive and supportive work environment, driving continuous improvement and contributing to the overall success of the organization.

"A significant achievement was the enhancement of gender diversity, with female representation in the workforce reaching 30%."



Developing Local Talent

Our Group remains steadfast in its commitment to Saudization, supporting the Kingdom's strategic initiative to enhance the presence of Saudi nationals in the private sector.

Upholding our strong track record through 2023, we have sustained a high percentage of Saudi nationals within our workforce, aligning with the national aim of economic diversification and growth as envisioned in Vision 2030. This is particularly significant given that over half of Saudi Arabia's population is under 25 years old, underscoring the emphasis on youth development and employment.

Since its inception in 2018, our Graduate Development Program (GDP) has been instrumental in nurturing the next generation of Saudi leaders in the capital markets sector. In 2023, our GDP welcomed its 14th cohort, continuing its mission to attract, develop, and retain the young talent of Saudi Arabia. The program offers a comprehensive suite of training opportunities, encompassing on-the-job experience, operational and soft skills development, and the chance to learn from respected industry leaders within our Group.

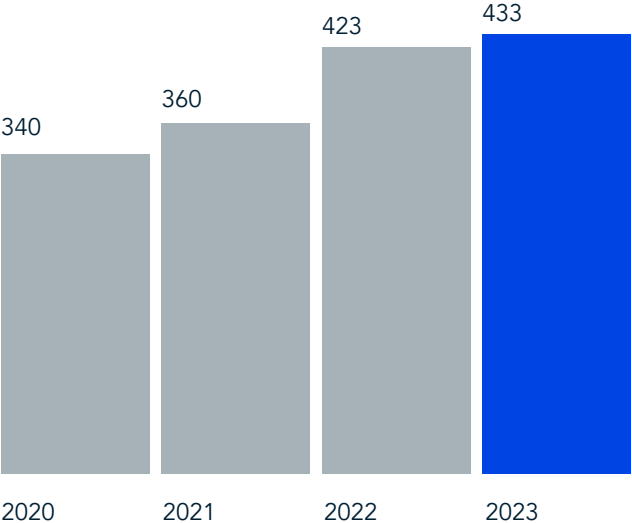
We are dedicated to cultivating a skilled workforce and a dynamic corporate culture. Our focus remains on initiatives like the GDP, which are specifically designed for ambitious

Saudi nationals eager to excel and contribute meaningfully to the capital markets industry, equipping them for future leadership roles. Reflecting this commitment, 86% of our senior management team (2022: 83%) in 2023 are Saudi nationals.

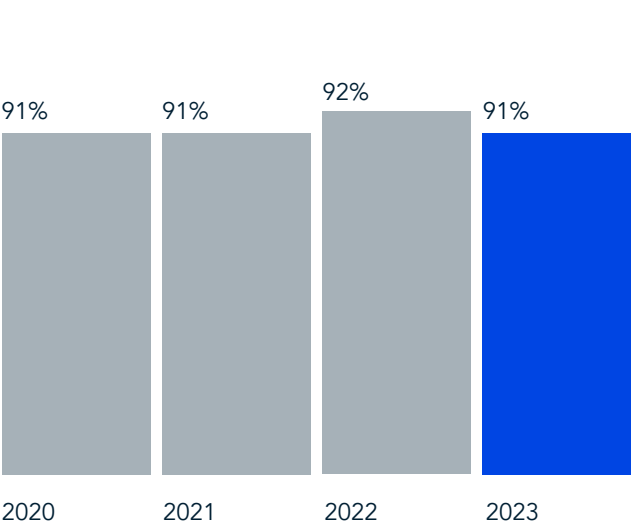
The commitment to training and development is also evident in the number of trainee students engaged in our programs, with 79 students in 2023, reflecting our ongoing efforts to prepare the Saudi youth for meaningful roles in our industry.

"Upholding our strong track record through 2023, we have sustained a high percentage of Saudi nationals within our workforce."

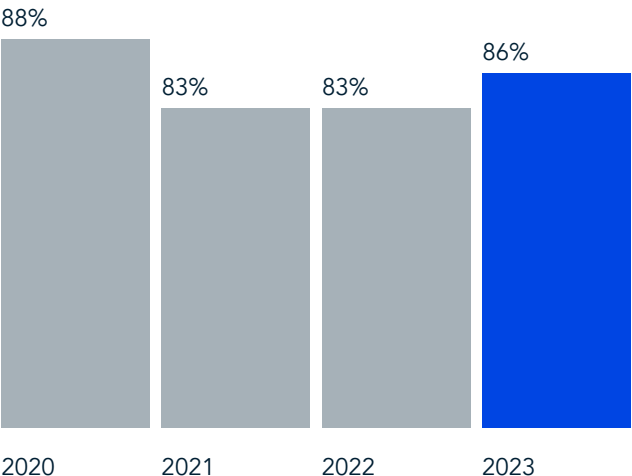
Number of Saudi nationals among our total workforce



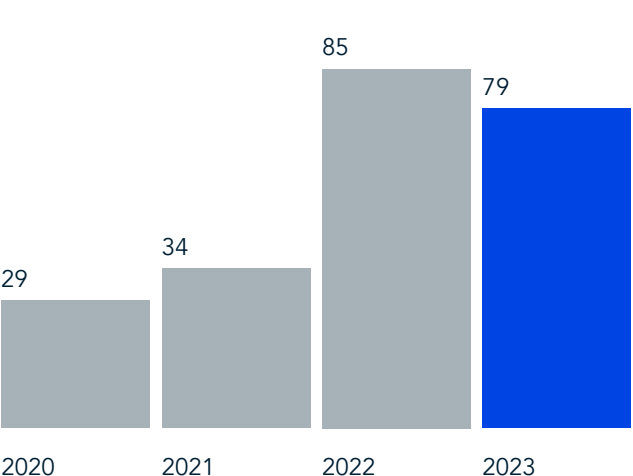
Percentage of Saudi nationals among our total workforce



Percentage of nationalization in senior management



Number of trainee students



Training and Development Opportunities at the Group

Our strategic focus on talent investment has consistently aligned with our overarching goal to solidify our presence as a pivotal financial hub in the MENA region. We pride ourselves in offering a corporate culture where our employees' career trajectories resonate with their personal aspirations and the organization's strategic goals, fostering a climate of shared success and high performance.

Our robust training agenda embraces all levels in the Group, from recent graduates to executive leadership, with a spectrum of programs aimed at nurturing a culture of ongoing learning, innovation, and collaborative success. These programs range from leadership and technical skill-building to soft skills enhancement and practical on-the-job training, tailored to meet the precise needs of the Group and its diverse talent pool.

For newcomers, the 'Introduction to Securities Operations Qualification (ISOQ)' lays down a solid foundational knowledge base necessary for the industry. Middle management engages in leadership development and team-building retreats, while our top executives benefit from customized educational programs stemming from in-depth competency assessments.

A seamless integration of our business strategy with our talent development initiatives ensures that training activities

are closely tied to our strategic objectives, creating a workforce that can contribute effectively to the Group's growth and sustainable success.

The identification and progression of high-potential employees are achieved through a comprehensive talent discovery process, evaluating performance and potential annually. This process is integral to our succession planning and aligns with the Group's objectives and each individual's growth plans.

Our commitment to gender equality and diversity is reflected in specialized leadership programs for women, crafted in collaboration with renowned global training institutes, propelling women into senior leadership roles.

We support further education financially, in line with our strategic objectives, to promote a culture of continuous learning and market adaptability.

This includes MoUs with top local universities, providing tuition discounts and streamlined admissions for our employees. We also offer funding for professional certifications, bolstering our employees' expertise and qualifications.

Our Graduate Development Program, with its curriculum co-created with Alpha Development, Coursera, and Harvard Business School, exemplifies this

commitment, honing various professional competencies.

The introduction of the Future Leaders Program marks a strategic investment in the leadership potential of our 25 most promising talents, reflecting our dedication to nurturing our future organizational leaders.

In 2023, we also launched strategic initiatives like the HiPo Development Program and the Rising Star Program, in collaboration with elite educational partners, aimed at retaining and cultivating our top talents. The efficacy of these programs is regularly evaluated to ensure they contribute to the Group's strategic aims and its growth-oriented trajectory.

Steadily increasing our investment into training our people

Over the past three years, our Group's commitment to employee development has been evidenced by the sustained growth in training initiatives. The average training hours per employee also

continued to climb, reaching 56 hours. This ongoing upward trend in training volume underscores our dedication to continuous learning and skills enhancement.

Alongside this increase in training days was a rise in the diversity of learning opportunities we offer. The number of training programs expanded to 361 in 2023, from 346 the previous year, demonstrating our commitment to providing a broad range of developmental avenues for our workforce.

As our organization expands, the imperative to invest in our people has never been clearer. The increased investment in training and development over this period has equipped our employees with the critical skills and knowledge to thrive in the ever-evolving financial sector.

Key Performance Indicators (KPIs)	2020	2021	2022	2023
Average training hours per employee per year	6.7	30.1	44.6	56
Number of training programs	21	171	346	361

* The average training hours per day is six hours, so total training days are calculated on this basis.

Enhancing our Relevance and Performance through Diversity and Equality

The Group has long been committed to fostering an environment that embraces diversity and equality, aligning our efforts with the ambitious Saudi Vision 2030, which aims to increase women's participation in the workforce from 27% to 32% by 2025. In 2019 we became the first Saudi company to endorse the UN's Women's Empowerment Principles. This was followed in 2020 by an exhaustive annual survey evaluating gender equality policies among our listed companies, shaping our strategic approach to enhancing the empowerment and representation of women in the workplace.

Our steadfast commitment to diversity is rooted in the belief that it fuels innovation, critical thinking, and business excellence. We proudly champion the potential of women in our workforce, with female representation in our business rising from 24% in 2020 to 30% in 2023 - a significant milestone in our HR-ESG strategy. This growth in female representation not only brings us closer to our aim of surpassing the national goal but also reflects our broader vision for gender parity. The Group is dedicated to creating an appealing professional environment for women by ensuring equal pay for equal work and



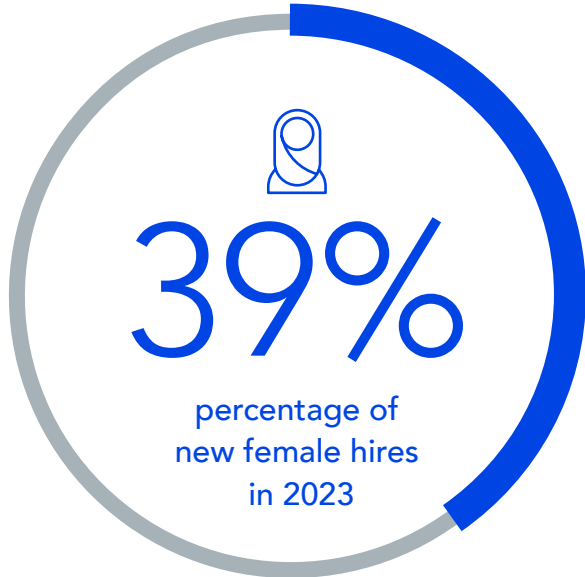
offering additional support such as day care allowances. In 2023 alone, women constituted 39% of our new hires, up from 35% the previous year, a testament to our active recruitment and retention strategies.

Central to our gender equity agenda is the empowerment of women through targeted development opportunities. We have launched specialized leadership programs, in partnership with globally renowned training institutes, dedicated to equipping women with the skills and knowledge necessary to ascend to senior



leadership positions. These initiatives are instrumental in promoting gender equality and enhancing diversity, which are essential components of our organizational ethos.

Our initiatives are about building a legacy of inclusion that will continue to drive growth and innovation for our Group, and our nation. By investing in the empowerment of women, we are paving the way for a more dynamic and equitable future, in line with the transformative aspirations of Saudi Vision 2030.



Enabling Strong Female Leadership

In 2023, we continued to make progress with our commitment to growing female representation in our workforce in line with our support of the Vision 2030 objective. Our efforts extend beyond meeting quotas. We are creating a legacy that values and uplifts the contributions of women, ensuring that their voices are heard and their potential fully realized in shaping the future of the financial industry.

We have maintained our focus on creating opportunities for women to achieve leadership roles in our Group and have maintained a consistent number of female employees in middle management positions while delivering an increase in the percentage of senior management roles held by women to 13.6%.

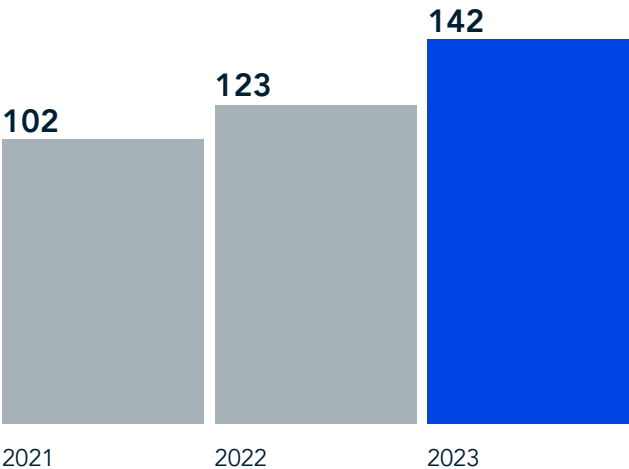
As part of our ongoing efforts to create a balanced and dynamic leadership landscape, we continue to actively pursue growth in the number of women across all levels of management and leadership

and we are pleased with the sustained representation of women at an executive management level. We continue to work to identify strong female talent with leadership potential and equip women with the necessary tools and opportunities to excel in the financial sector. As a result of this focus, at the end of 2023, 10.9% of our management positions were held by women, with 8.5% of our female workforce holding management roles. This demonstrates our resolve to break the glass ceiling and pave the way for future female leaders.

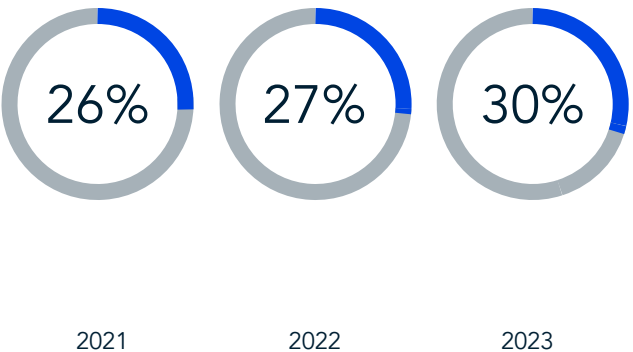
International Women’s Day in 2022 was a momentous occasion for us, marked by our fourth annual ‘Ring the Bell for Gender Equality’ ceremony. Such initiatives reflect the Group’s appreciation for the accomplishments of women in our business and our commitment to nurturing an environment where every individual can thrive.

Key Performance Indicators (KPIs)	2020	2021	2022	2023
Female employees	91	102	123	142
Percentage of female employees in the workforce	24%	26%	27%	30%
Female employees holding middle management positions	6	6	9	9
Percentage of middle management positions held by women	8.0%	8.2%	10.3%	10.2%
Female employees holding senior management positions	2	3	3	3
Percentage senior management positions held by women	12.5%	12.5%	12.5%	13.6%
Total management positions held by women	8	9	12	12
Percentage of women in management	8.8%	9.3%	10.8%	10.9%
Percentage among female employees holding management positions	8.8%	8.8%	9.8%	8.5%

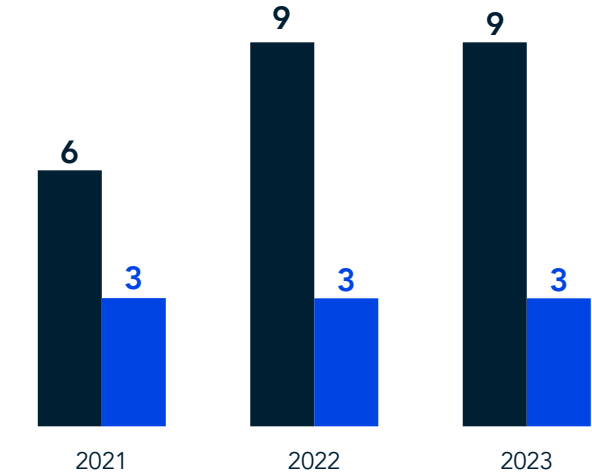
Female employees



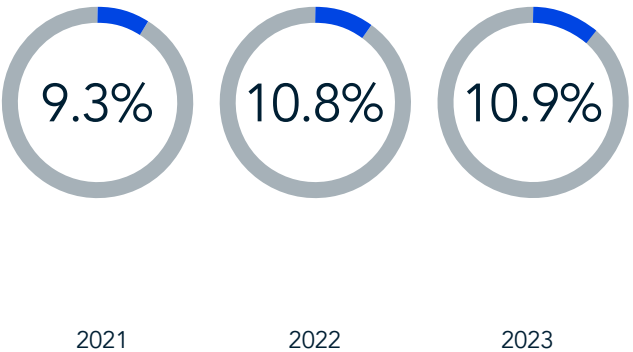
Female employees in the workforce



Female employees in management



Percentage of women in management



- Middle management
- Senior Management

Safeguarding Employee's Health, Safety and Rights

The well-being of our employees is a cornerstone of our operations, reflecting our dedication to cultivating a community where health, safety, and human rights are deeply respected. Our commitment is demonstrated through rigorous adherence to Saudi labor laws and the implementation of internal policies that advocate for human rights and personal health and well-being.

Our Code of Conduct is an integral part of our onboarding process and is designed to familiarize employees with a comprehensive array of rights and regulations, ensuring they understand the protections afforded to them. This code is a manifestation of our HR Policy, which anchors our pledge to provide equal employment opportunities and steadfastly oppose discrimination based on gender, disability, age, or any other characteristic.

Recognizing the potential health risks inherent in corporate office environments, we are proactive in our approach to employee well-being. We host regular awareness sessions that correspond with global health initiatives, such as White Cane Awareness Day, World Diabetes Day, and Breast Cancer Awareness Day. We also encourage our

employees to embrace healthy lifestyles by promoting healthy eating and entering into partnerships that provide them with special deals for health clubs and gyms options. We compensate the employees who subscribe to these gyms with a considerable discount to their subscriptions. Our medical insurance plans include cover for comprehensive health checks, and we organize blood donation drives as part of our health and wellness program.

In the pursuit of continuous health and safety improvement, we implemented the Organizational Health Index (OHI) assessment, a strategic initiative aimed at fostering cultural development and enhancing employee satisfaction. The insights from this assessment have been instrumental in refining our strategies for employee engagement and support.

Our Physical & Environmental Security Department upholds strict internal policies and procedures to ensure a secure and safe work environment. This includes round-the-clock CCTV surveillance, the constant presence of trained security personnel, and readily available first aid resources on every floor. Our security guards receive emergency

first aid and CPR training, accredited with the international "Highfield" qualification, equipping them to respond effectively to any health-related incidents.

As of 2023, the safety measures we have instituted, including regular safety communication and training on our evacuation plan, have helped ensure that there have been no serious incidents or fatalities within the Group for the past three years. This achievement underscores the efficacy of our health and safety protocols and our commitment to safeguarding our employees' welfare.

Workplace incidents (#)

0
2020-2023



Embedding ESG Across Everyday Work



The Group is working tirelessly to embed ESG principles into the core of our operations and culture. Recognizing the pivotal role that ESG plays within our organization and across the broader Saudi financial sector, we are determined to ensure that every one of our employees, from new graduates to seasoned professionals, is equipped with the knowledge and skills to incorporate ESG into their daily responsibilities.

Our commitment is an actionable blueprint for sustainable development. We conduct a thorough annual training needs analysis to design and deliver technical programs tailored to each employee's role and function. Through strategic partnerships with training institutions such as the International Capital Market Association (ICMA), Innovative Leaders Institute (ILI), Euromoney, Fitch Learning, and the New York Institute of Finance, we provide our employees with access to top-tier ESG training. This education is central to their responsibilities and ensures that ESG themes are a focus of the comprehensive learning journey we offer.

For our emerging talent and professionals, these technical programs are curated to align with their specific job functions, incorporating ESG training provided by our global partners. Middle management

benefits from individualized leadership programs developed in collaboration with globally recognized business schools, with a curriculum that includes ESG as a core subject. This reflects our understanding that informed and passionate leadership is crucial for driving ESG integration effectively.

By embedding ESG training throughout all levels of our Group, we not only adhere to international best practices but also lead by example in the Saudi financial sector. We empower our employees to be proactive ambassadors of sustainable practices, reflecting our dedication to social responsibility and corporate governance. In doing so, we are contributing to the creation of a robust, ESG-centric financial ecosystem that is primed for long-term sustainability.

“We are determined to ensure that every one of our employees, from new graduates to seasoned professionals, is equipped with the knowledge and skills to incorporate ESG into their daily responsibilities.”

Building Regional ESG Talent

The Group's role within the Saudi capital market comes with a responsibility to drive the market towards a sustainable future. In 2023, we continued to embrace this role by focusing on nurturing ESG expertise within the region, recognizing the critical need for skilled professionals in the growing realm of ESG.

Building upon the momentum established in 2022, our ESG educational programs continue to evolve and expand in 2023. Our steadfast commitment to ESG education is demonstrated through various initiatives aimed at recognizing and promoting regional sustainability efforts.

Through these efforts in 2023, we reaffirmed our dedication to cultivating a pool of ESG-competent professionals, which is fundamental to our vision of a sustainable and prosperous future for the Kingdom. Our aim is to ensure that the next generation of talent is equipped not just with knowledge, but also with a mindset that is focused on sustainability, enabling them to lead the regional market through its ongoing ESG transformation.



Strengthening the Public's Financial Literacy

Under the guidance of Vision 2030 and the FSDP, the Group has reinforced its dedication to elevating financial literacy within the Kingdom. Our ongoing partnership with the World Federation of Exchanges for the “Ring the Bell for Financial Literacy” event underscores this commitment, aiming to unlock untapped financial potential among Saudis.

Our flagship “Invest Wisely” program is at the forefront of these initiatives, offering a robust online platform and mobile app designed to empower individuals with the knowledge and tools needed for prudent investing in the Saudi capital market. The program caters to diverse experience levels, enhancing participants’ investment proficiency.

The platform provides a comprehensive introduction to the fundamentals of investing, insight into financial instruments within the Saudi capital market, and practical advice on avoiding common investment pitfalls. Further bolstering our participants’ expertise, “Invest Wisely” offers detailed guidance on interpreting financial statements from listed companies.

Since its inception in 2017, the Invest Wisely program has seen 186,261 participants benefit from its resources, resulting in 1,220,805 orders. The number of users continued to grow in 2023. To date, we have conducted seven workshops on a variety of subjects, from derivatives to financial planning and market analysis, all facilitated by seasoned investment professionals and experts.

Interaction and communal learning are also facilitated through seminars and workshops organized by the Saudi Exchange, where participants can share insights and receive advice. Additionally, the Saudi Exchange’s Trading Simulator allows users to experience a simulated real-life trading environment, cementing their understanding through practical application.

As the emphasis on ESG investment intensifies globally, we recognize our pivotal role in growing ESG awareness and understanding. ESG knowledge development is integral to our financial literacy strategy in order to drive a seamless transition towards a sustainable market aligned with the overarching goals of Vision 2030.

Our flagship “Invest Wisely” program is at the forefront of these initiatives, offering a robust online platform and mobile app designed to empower individuals with the knowledge and tools needed for prudent investing in the Saudi capital market.”



Appendices

Appendix A: GCC ESG Metrics

Topic	Metric	Disclosure
ENVIRONMENT		
E1. GHG Emissions	E1.1) Total amount in CO ₂ equivalents, for Scope 1	Chapter “Carbon Emissions”
	E1.2) Total amount, in CO ₂ equivalents, for Scope 2 (if applicable)	Chapter “Carbon Emissions”
	E1.3) Total amount, in CO ₂ equivalents, for Scope 3 (if applicable)	Metric currently not calculated at the Group
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	Chapter “Carbon Emissions”
	E2.2) Total non-GHG emissions per output scaling factor	Chapter “Carbon Emissions”
E3. Energy Usage	E3.1) Total amount of energy directly consumed	Chapter “Carbon Emissions”
	E3.2) Total amount of energy indirectly consumed	Chapter “Carbon Emissions”
E4. Energy Intensity	E4.1) Total direct energy usage per output scaling factor	Chapter “Carbon Emissions”
E5. Energy Mix	E4.2) Percentage: Energy usage by generation type	Chapter “Carbon Emissions”
E6. Water Usage	E6.1) Total amount of water consumed	Chapter “Water consumption”
	E6.2) Total amount of water reclaimed	Not applicable since we do not operate any water reclaiming infrastructure, hence our focus is on water savings
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	No but the Group has ambition to develop a number of policies in 2024
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	No but the Group has ambition to develop a number of policies in 2024
	E7.3) Does your company use a recognized energy management system?	No
E8. Environ-mental Over-sight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	No, but the Group has ambition to update its sustainability governance in 2024

Topic	Metric	Disclosure
E9. Environ-mental Over-sight	Does your Board oversee and/or man-age sustainability issues? Yes/No	No, but the Group has ambition to update its sustainability governance in 2024
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	Chapter “Offering a low carbon working environment”
SOCIAL		
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation	Not disclosed
	S1.2) Does your company report this metric in regulatory filings? Yes/No	No
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	The Group provides equal pay, however com-pensation varies by job description hence metric is currently not calculated
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	Chapter “Our workforce”
	S3.2) Percentage: Year-over-year change for part-time employees	Chapter “Our workforce”
	S3.3) Percentage: Year-over-year change for contractors/ consultants	Chapter “Our workforce”
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Chapter “Enabling Strong female leadership”
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Chapter “Enabling Strong female leadership”
	S4.3) Percentage: Senior- and execu-tive-level positions held by men and women	Chapter “Enabling Strong female leadership”
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employ-ees	Chapter “Our workforce”
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	Chapter “Our workforce”

Topic	Metric	Disclosure
S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	Yes, covered in our Code of Conduct
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Chapter “Safeguarding employee health, safety and rights”
S8. Global Health & Safe-ty	Does your company follow an occupa-tional health and/or global health & safety policy? Yes/No	Yes, covered in our Code of Conduct
S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Yes, covered in our Code of Conduct
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes, covered in our Supplier Code of Conduct
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/ No	Yes, covered in our Code of Conduct
	S10.2) If yes, does your human rights policy also cover suppliers and ven-dors? Yes/No	Yes, covered in our Supplier Code of Conduct
GOVERNANCE		
G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	Covered in our Annual Report
	G1.2) Percentage: Committee chairs occupied by men and women	Covered in our Annual Report
G2. Board Independence	G2.1) Does your company prohibit the CEO from serving as board chair? Yes/No	Yes
	G2.2) Percentage: Total board seats occupied by independent board members	Covered in our Annual Report
G3. Incentiv-ized Pay	Are executives formally incentivized to perform on sustainability?	No, but the Group has ambition to link ESG performance to executive pay in 2024
G4. Supplier Code of Con-duct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	Yes, our Supplier Code of Conduct
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	Chapter “Local and responsible procurement”
G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No	Yes, covered in our Code of Conduct
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	Not applicable

Topic	Metric	Disclosure
G6. Data Pri-vacy	G6.1) Does your company follow a Data Privacy policy? Yes/No	Yes, we have an internal Information Security Policy and holds ISO 27001 certification for In-formation Security Management Systems
	G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	No, but the Group has ambition to develop a number of policies in 2024
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No	Yes, as of 2023
G8. Disclosure Practices	G8.1) Does your company provide sus-tainability data to sustainability reporting frameworks? Yes/No	Yes
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes, see references throughout the report
	G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No	No
G9. External Assurance	Are your sustainability disclosures as-sured or validated by a third-party audit firm? Yes/No	No

Appendix B: Sustainability Accounting Standards Board (SASB)

Topic	Code	Metric	Disclosure
Promoting Transparent & Efficient Capital Markets	FN-EX-410a.1	(1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility	Information on this metric currently not available
	FN-EX-410a.2	Percentage of trades generated from automated trading systems	Information on this metric currently not available
	FN-EX-410a.3	Description of alert policy regarding timing and nature of public release of information	Information on this metric currently not available
	FN-EX-410a.4	Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information	Chapter "Lead the market towards ESG adoption and disclosure"
Managing Conflicts of Interest	FN-EX-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	During the reporting period, the Group didn't suffer any financial losses due to legal actions related to fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, or other related industry laws or regulations.
	FN-EX-510a.2	Discussion of processes for identifying and assessing conflicts of interest	Chapter "Effective regulatory oversight to ensure market integrity and transparency"
Managing Business Continuity & Technology Risks	FN-EX-550a.1	Number of significant market disruptions (#)	Chapter "Countering cybersecurity threats"
	FN-EX-550a.1	Duration of downtime (hours)	Information on this metric currently not available
	FN-EX-550a.2	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	Zero incidents of data breaches over the past 3 years
	FN-EX-550a.3	Description of efforts to prevent technology errors, security breaches, and market disruptions	Chapter "Countering cybersecurity threats"
Activity Metric	FN-EX-000.A	Average daily number of trades executed, by product or asset class	Refer to table below
	FN-EX-000.B	Average daily volume traded, by product or asset class	Refer to table below

Average Daily Traded Value, Volume & Number of Trades for all Market Classes

	2020	2021	2022	2023
Main market				
Traded Value (SAR)	2,087.80 B	2,235.90B	1,708.04 B	1,333.12 B
Volume	190.77 B	142.22 B	86.73 B	85.87 B
No. of Trades	77 M	92 M	88 M	94 M
Nomu				
Traded Value (SAR)	7.11 B	11.36 B	13.48 B	8.07 B
Volume	126.36 M	468.78 M	1079.24 M	657.28 M
No. of Trades	288 K	394 K	677 K	679 K
Sukuk				
Traded Value (SAR)	37.54 B	30.29 B	11.99 B	19.00 B
Nominal Value (SAR)	34.80 B	28.89 B	12.40 B	20.32 B
No. of Trades	1,474	2,350	5,797	40,601
ETFs				
Traded Value (SAR)	2.50 B	2.66 B	2.08 B	1.25 B
Volume	173.99 M	112.39 M	88.11 M	68.87 M
No. of Trades	115 K	114 K	156 K	160 K
Derivatives*				
Traded Value (SAR)	28.15 M	44.90 M	91.61 M	161,32 M
Volume	252	317	978	6,780
No. of Trades	30	22	65	425
CEFs**				
Traded Value (SAR)	-	1.94 B	796.29 M	1.13 B
Volume	-	187.80 M	102.97 M	141.56 M
No. of Trades	-	1.94 B	796.29 M	1.13 B

* Derivatives started on 30/08/2020

** CEFs started on 19/01/2021

Appendix C: GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or direct answers
GRI 2: General Disclosures 2021	2-1 Organizational details	Saudi Tadawul Group
	2-2 Entities included in the organization’s sustainability reporting	A holding Company with four subsidiaries: Saudi Exchange, the Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa), and Tadawul Advanced Solution Company (WAMID). Through its Subsidiaries is the primary provider of securities trading, clearing and settlement
	2-3 Reporting period, frequency and contact point	From 1 January to 31 December 2023
	2-4 Restatements of information	Not applicable since this is the first report
	2-5 External assurance	No
	2-6 Activities, value chain and other business relationships	Refer to Annual Report
	2-7 Employees	Refer to “Our workforce”
	2-8 Workers who are not employees	Refer to “Our workforce”
	2-9 Governance structure and composition	Refer to “Placing strong governance”
	2-10 Nomination and selection of the highest governance body	Refer to “Placing strong governance”
	2-11 Chair of the highest governance body	Refer to “Placing strong governance”
	2-12 Role of the highest governance body in overseeing the management of impacts	Refer to “Placing strong governance”
	2-13 Delegation of responsibility for managing impacts	Refer to “Placing strong governance”
	2-14 Role of the highest governance body in sustainability reporting	Refer to “Placing strong governance”
	2-15 Conflicts of interest	Refer to “Responsible corporate citizenship and business ethics”
	2-16 Communication of critical concerns	Refer to “Responsible corporate citizenship and business ethics”
	2-17 Collective knowledge of the highest governance body	Refer to “Responsible corporate citizenship and business ethics”
	2-22 Statement on sustainable development strategy	Refer to “The Group – helping to lead Saudi Arabia’s transformation”
	2-23 Policy commitments	Refer to “Responsible corporate citizenship and business ethics”
	2-24 Embedding policy commitments	Refer to “Responsible corporate citizenship and business ethics”

	2-25 Processes to remediate negative impacts	Refer to “Responsible corporate citizenship and business ethics”
	2-26 Mechanisms for seeking advice and raising concerns	Refer to “Responsible corporate citizenship and business ethics”
	2-27 Compliance with laws and regulations	Refer to “Responsible corporate citizenship and business ethics”
	2-28 Membership associations	UN Sustainable Stock Exchange Initiative (SSI); World Federation of Exchanges (WFE)
	2-29 Approach to stakeholder engagement	Refer to Annual Report
	2-30 Collective bargaining agreements	Not applicable in Saudi Arabia
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Refer to “Our ESG Approach”
	3-2 List of material topics	Refer to “Enhancing our strategic delivery with a focus on what matters most”
	3-3 Management of material topics	Refer to “Enhancing our strategic delivery with a focus on what matters most”
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Refer to Annual Report
	201-3 Defined benefit plan obligations and other retirement plans	Refer to Annual Report
	202-2 Proportion of senior management hired from the local community	Refer to “Developing local talent”
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Refer to “Local and responsible procurement”
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Refer to “Responsible corporate citizenship and business ethics”
	205-2 Communication and training about anti-corruption policies and procedures	Refer to “Responsible corporate citizenship and business ethics”
	205-3 Confirmed incidents of corruption and actions taken	Refer to “Responsible corporate citizenship and business ethics”
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Refer to “Responsible corporate citizenship and business ethics”
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Refer to “Carbon Emissions”
	302-2 Energy consumption outside of the organization	Refer to “Carbon Emissions”
	302-3 Energy intensity	Refer to “Carbon Emissions”
	302-4 Reduction of energy consumption	Refer to “Carbon Emissions”
	302-5 Reductions in energy requirements of products and services	Refer to “Offering a low carbon working environment”
	303-4 Water discharge	Refer to “Water Consumption”
GRI 305: Emissions 2016	303-5 Water consumption	Refer to “Water Consumption”
	305-1 Direct (Scope 1) GHG emissions	Refer to “Carbon Emissions”
	305-2 Energy indirect (Scope 2) GHG emissions	Refer to “Carbon Emissions”
	305-4 GHG emissions intensity	Refer to “Carbon Emissions”

	305-5 Reduction of GHG emissions	Refer to “Carbon Emissions”
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Refer to “Waste Management”
	306-2 Management of significant waste-related impacts	Refer to “Waste Management”
	306-3 Waste generated	Refer to “Waste Management”
	306-4 Waste diverted from disposal	Not covered
	306-5 Waste directed to disposal	Refer to “Waste Management”
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Refer to “Our workforce”
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Refer to “Safeguarding Employee’s Health, Safety and Rights”
	403-3 Occupational health services	Refer to “Safeguarding Employee’s Health, Safety and Rights”
	403-4 Worker participation, consultation, and communication on occupational health and safety	Refer to “Safeguarding Employee’s Health, Safety and Rights”
	403-5 Worker training on occupational health and safety	Refer to “Safeguarding Employee’s Health, Safety and Rights”
	403-6 Promotion of worker health	Refer to “Safeguarding Employee’s Health, Safety and Rights”
	403-9 Work-related injuries	Refer to “Safeguarding Employee’s Health, Safety and Rights”
	403-10 Work-related ill health	Refer to “Safeguarding Employee’s Health, Safety and Rights”
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Refer to “Training and Development Opportunities at the Group”
	404-2 Programs for upgrading employee skills and transition assistance programs	Refer to “Training and Development Opportunities at the Group”
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Refer to “Our workforce”
	405-2 Ratio of basic salary and remuneration of women to men	Refer to “Enhancing our Relevance and Performance through Diversity and Equality”
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Refer to “Countering cybersecurity threats”

Glossary

Abbreviation	Full Name
AFCM	Arab Federation of Capital Markets
AGC	Arabian Gulf Cooperation
CEF	Closed-End Fund
CEO	Chief Executive Officer
CMA	Capital Market Authority
CPMI-IOSCO	Committee on Payments and Market Infrastructures - Interna-tional Organization of Securities Commissions
CPR	Cardiopulmonary Resuscitation
CSD	Central Securities Depository
ESG	Environmental, Social, and Governance
ETF	Exchange-Traded Fund
FSDP	Financial Sector Development Program
FTE	Full-Time Equivalent
GCC	Gulf Cooperation Council
GHG	Greenhouse Gas
HR	Human Resources
HRDF	Human Resources Development Fund
ICMA	International Capital Market Association
IFRS	International Financial Reporting Standards
ILI	International Law Institute
ISO	International Organization for Standardization
ISOQ	Introduction to Securities Operations Qualification
ISSB	International Sustainability Standards Board
KPIs	Key Performance Indicators
MENA	Middle East and North Africa
MoU	Memorandum of Understanding
MSCI	Morgan Stanley Capital International
OHI	Organizational Health Index
PIF	Public Investment Fund
QCCP	Qualified Central Counterparty

Glossary

Abbreviation	Full Name
RVCM	Regional Voluntary Carbon Market
SAR	Riyal
SSE	Sustainable Stock Exchanges Initiative
SSO	Single Stock Options
UN	United Nations
UN SDG	United Nations Sustainable Development Goals
USD	United States Dollar
VCM	Voluntary Carbon Market
WFE	World Federation of Exchanges

