

Stakeholder Engagement

Saudi Tadawul Group is firmly committed to transparent and mutually beneficial relationships with its Stakeholders, focusing on transparency, collaboration, and sustainable value creation. This approach has been pivotal in reinforcing the Group's position as a regional powerhouse with global reach, highlighting its role as a visionary leader in fostering a sustainable and inclusive capital market.

Through its proactive approach to supporting and engaging all its valued Stakeholders, the Group seeks to continuously create sustainable value for its Stakeholders by addressing their evolving needs. This has supported the Group in delivering exceptional performance over the years.



Shareholders

The Group engages with its Shareholders and analysts through a robust and diverse communication strategy, ensuring constant and transparent dialogue. This engagement takes place through various channels, including Shareholder conferences, meetings, communication platforms, and regular conference calls. In addition to these channels, the Investor Relations team has direct access through several communication channels, allowing Shareholders to reach out with their inquiries and concerns. In 2023, the Group demonstrated its commitment to active shareholder engagement by conducting two virtual General Assembly Meetings, where the Board of Directors and management directly addressed shareholder inquiries. The Group also actively participated in numerous international and local conferences, facilitating several one-on-one meetings with shareholders and analysts, thereby reinforcing its commitment to constructive and transparent communication.

The Group's approach to shareholder communication is underscored by its adherence to best practices and its efforts to provide equal and regular access to material information. In 2023, this was exemplified by the upgrade of its communication channels, including the development of an investor relations app and a revamp of the Investor Relations webpage. These enhancements were strategically implemented to increase the scope and

accessibility of information, reflecting the Group's dedication to transparency and Stakeholder engagement. Moreover, the Group has established a meticulous disclosure procedure to ensure complying with regulatory disclosure obligations. This commitment to transparency aligns with regulatory standards in addition to building trust and confidence among its shareholders and the wider investor community.

The Group's engagements with its shareholders are tailored to reflect the evolving nature of events and developments within the Group and the broader market. Discussions typically revolve around key topics such as financial and operational performance, strategic direction, sustainability initiatives, corporate governance, and the Group's contributions to regional economic development and the Saudi's ambitious Vision 2030 objectives. The insight and feedback gathered from these discussions are meticulously incorporated into the Group's official communications and reports, demonstrating a responsive and proactive approach to Shareholder concerns. By prioritizing regulatory compliance, enhancing information transparency, following best practices, and managing market expectations, the Group effectively creates substantial value for its shareholders, reinforcing its position as a trusted and forward-thinking leader in the financial market.



Employees

The Group engages with its employees through a multifaceted and dynamic approach, focusing on enhancing employee satisfaction and fostering a culture of innovation and adherence to best practices. A key initiative in this endeavor is the implementation of the Organizational Health Index (OHI) assessment across the Group. This assessment plays a crucial role in providing insight into workforce dynamics, enabling the Group to refine and improve its strategies for employee engagement and well-being. The results from the OHI are instrumental in shaping policies and practices that support a positive and productive work environment.

The Group's engagement with employees is ongoing and varies in frequency based on the nature of the activity, ranging from daily to monthly interactions. This comprehensive engagement strategy includes a blend of social events, training programs, surveys, and internal communications activities, extending across the Group and its subsidiaries. In terms of training and development, there has been a significant increase in the focus on employee learning, with average training hours per employee escalating from 44.6 in 2022 to 56.0 hours in 2023. This substantial investment in training is indicative of the Group's commitment to supporting its employees in their career development, enhancing their skills, and

fostering a culture of continuous learning and growth. The Group also prioritizes Saudization and diversity, with dedicated programs and initiatives to support and empower its Saudi national and female employees at every level of the organization.

To strengthen employee culture and engagement, the Group organized a range of events and activities throughout the year.

The outcomes of these engagement efforts are multifaceted. A comprehensive revision of the HR policy has led to an enriched benefits package for employees, including educational allowances, more flexible leave options, and improved travel benefits. Furthermore, the enhancement of the Graduate Development program ensures graduates experience an extensive and well-rounded training journey. A notable advancement is the introduction of dedicated women's leadership programs, affirming the Group's dedication to promoting gender equality and supporting the career progression of women into senior leadership roles. These initiatives collectively contribute to a workplace culture that values inclusivity, innovation, and the overall well-being of its employees, thereby creating significant value for this vital Stakeholder group within the Group.

Stakeholder Engagement (continued)

Community

The Group demonstrates a strong commitment to community engagement through a variety of impactful initiatives.

The Group's dedication to social responsibility is highlighted by its substantial donations, including an annual SAR 100,000 to the Children with Disability Association and SAR 200,000 to the King Salman Humanitarian Aid and Relief Centre. Additionally, the Saudi Exchange has conducted eight virtual workshops for the public on diverse investment topics such as Single Stock Options, Sukuks, and REITs, under the "Invest Wisely" initiative. This program provides regular, free educational workshops and seminars aimed at enhancing

investor awareness and knowledge across different levels of experience. It also includes learning materials and a trading simulation platform, offering a practical, real-life trading experience.

Moreover, the Group's community involvement extends to a Memorandum of Understanding with Al Yamama University, blood donation campaigns, and the "Step-by-step" initiative, underscoring its broad commitment to community support and development. Through these efforts, the Group enhances financial literacy and contributes to the welfare and development of the wider community.

Regulators

The Group's engagement with its regulator is deeply integrated into its operations through the diligent efforts of its Compliance Department. This department's core responsibility is to ensure all relevant departments within the Group rigorously adhere to a broad spectrum of applicable laws and regulations. These include but are not limited to: Labor Law, Competition Law, Anti-Money Laundering Law, the Law of Value Added Tax, Companies Law, Corporate Governance Regulations, and Rules on the Offer of Securities and Continuing Obligations. By doing so, the department plays a pivotal role in fostering effective supervision and control over the Group and its subsidiaries, thereby enhancing the regulatory environment, financial stability, and ensuring the integrity and transparency of the Group and its subsidiaries.

To maintain this high standard of compliance, the Compliance department regularly monitors these regulations across the relevant departments using a compliance grid. These tools ensure ongoing adherence to all applicable regulations.

Furthermore, the department conducts weekly code of conduct awareness sessions for new joiners and an annual session for existing employees, ensuring all Staff members are regularly updated on compliance matters. In addition, the department provides annual anti-money laundering (AML) training to all employees. These comprehensive training programs are crucial for maintaining a culture of compliance and ethical conduct within the Group, reflecting its commitment to upholding the highest standards of regulatory compliance.

Market Participants

The Group is keen to communicate continuously with market participants through a diverse and adaptive approach, utilizing calls, meetings, conferences, workshops, speaking opportunities, and webinars. The frequency and method of engagement vary based on the requirements of the market participant. Global business development often involves face-to-face interactions, especially at conferences, while established relationships frequently shift to virtual interactions; except in London where the Group has a physical presence. Interaction with members, both local and international, occurs on a daily or weekly basis. Engagement with market participants like Qualified Foreign Investors (QFI) ranges from quarterly to annually or revolves around specific news flow from Saudi.

Discussions with market participants cover a broad range of topics. These include general market introductions or updates, access to products and data offerings for high-frequency trading and algorithmic trading clients, resolving specific technical updates or issues, ESG practices, reporting and ratings, Saudi Exchange products and developments, Saudi Exchange membership, and market sounding for existing and new products and

services. With respect to resolving any issues, interaction is coordinated and carried out in tandem with WAMID, Muqassa, and Edaa.

The Group implements several key actions from these discussions. Regular dialogue with members, clients, QFIs and others informs better choices regarding product development and addressing regulatory issues. Formal market consultations form a crucial part of these conversations. Feedback is communicated to internal Group's functions and subsidiaries, ensuring a comprehensive understanding and response to market needs. Additionally, the Group initiates discussions with Saudi Exchange issuers on ESG practices, offering personalized advisory sessions and connecting them with experts through workshops. This collaboration extends to enhancing the ESG infrastructure and framework in Saudi Arabia. The Group also plays a pivotal role in raising awareness and guiding issuers through their ESG reporting journey and supports the overall enhancement of ESG practices in the Saudi Capital Market.

External Business Partners

The Group engages with its external business partners through both virtual and physical meetings. This approach ensures effective communication and collaboration, regardless of geographical boundaries. The Group initiates this engagement by inviting partners to an introductory meeting, which is conducted on a quarterly basis. This regular schedule facilitates ongoing dialogue and fosters a continuous relationship with its partners.

During these meetings, a variety of key issues are discussed. These include exploring areas for potential collaborations on various topics, exchanging knowledge, and conducting awareness workshops. These discussions are crucial for identifying mutual interests and opportunities for joint ventures or partnerships. One of the key actions resulting from these discussions is the signing of Memorandums of Understanding (MoU). These agreements outline the scope of cooperation and collaboration between the Group and its external business partners.

In terms of creating value for these Stakeholders, the Group takes several proactive steps. It facilitates meetings with the Group's departments, enabling partners to engage directly with relevant teams and access the necessary expertise. This can be particularly valuable for initiatives like cross-listing, where in-depth knowledge and coordinated efforts are essential. Additionally, the Group emphasizes knowledge sharing, which benefits its external partners while contributing to the Group's understanding of diverse market dynamics and Stakeholder needs. Through these engagements, the Group strengthens its business relationships and enriches the overall ecosystem in which it operates.

Stakeholder Engagement (continued)

Issuers

The Group maintains a dynamic and continuous engagement with its listed issuers, ensuring an open line of communication and collaboration. This engagement is multifaceted, encompassing one-on-one meetings, phone conversations, conferences, workshops, and email exchanges, thereby catering to the diverse needs and preferences of the issuers.

The key topics of discussion in these interactions revolve around critical aspects like disclosures, adherence to listing rules, understanding and complying with the restriction period (blackout period), and staying abreast of new incentives launched for issuers. Additionally, the Group focuses on informing and educating issuers about upcoming events and market enhancements, ensuring they are well informed and prepared for any market

changes. As part of the Group's interactions with the CMA, it regularly engages issuers through surveys and meetings covering a range of topics related to the development of the Saudi capital market, including changes in fees, processes, and products.

In response to these discussions, the Group is committed to reviewing the feedback received from issuers and implementing key actions. This includes conducting workshops designed to increase awareness and understanding of the Group products and services among issuers. These workshops and other educational initiatives are a testament to the Group's dedication to supporting its issuers, enhancing their experience, and ensuring their success within the Group's ecosystem.

Data Vendors and Index Providers

The Group engages with data vendors and index providers through a two pillars. Firstly, it involves managing existing relationships addressing a variety of requests, queries, and issues. This aspect of engagement encompasses over 270 clients, including issuers, fund managers, and members of the exchange. Secondly, the Group focuses on reaching out to potential clients to promote their offerings and gather feedback, which is crucial for enhancing existing solutions and introducing new ones that meet client demands.

Engagement with data vendors and index providers occurs on a daily basis. These interactions are critical for maintaining strong, responsive, and mutually beneficial relationships. Key topics of discussion include the specifications of available data and products, as well as the negotiation of license terms. Key account management and support activities are integral parts of these interactions, ensuring the clients' needs and

expectations are met efficiently. From these discussions, the Group has identified key actions for implementation. Foremost among these is the anticipation of customers' demands, enabling the Group to develop products and solutions that are relevant to current requirements and aligned with future client needs.

In creating value for this Stakeholder group, the Group focuses on providing products and solutions that add significant value to their clients. These offerings are designed to help clients access and trade in the Saudi markets effectively and efficiently. By understanding and responding to the specific needs of data vendors and index providers, the Group ensures its products and services are both relevant and beneficial, thereby reinforcing its position as a leading financial market entity committed to meeting the evolving demands of its diverse clientele.

