

Expansion & Prosperity

Ambitious Vision

Revenue Growth

Sustainable Development

Vibrant Community

Power Supply Security & Reliability

Renewable Energy

Supply Chain Flexibility

Leading Customer Experience

Flexibility & Transformation



Annual Report 2023

Strategic Partnerships

Social Responsibility

Organization & Governance

Operational Excellence

Research & Development

Institutional Excellence

Transparency & Integrity

Support & Empowerment

Improve Efficiency

Local Content

Integrated Nationalization

National Transformation

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Operational Excellence

As a key player in the Kingdom's power sector, SEC focus remains unwaveringly centered on the seamless integration of generation, transmission, and distribution infrastructure. Throughout the fiscal year, SEC has diligently pursued advancements in technology, sustainability, and operational excellence to ensure a resilient and efficient power supply for the Kingdom. Moreover, SEC's commitment extends beyond the grid, encompassing a dedication to providing exemplary customer services that prioritize responsiveness, accessibility, and customer satisfaction.

Generation

In the realm of energy, Generation stands as the pulsating heart of the company. This past year attests the commitment to excellence, innovation, and sustainability. Amid the changing energy landscape, the steadfast focus on power generation propels the company as an industry trailblazer.

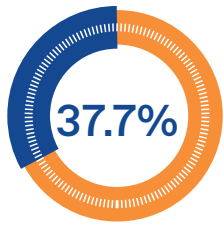
SEC's Generation Business Line plays a pivotal role in enhancing the nation's electrical grid stability. With state-of-the-art technology, the company's diverse power generation units, ranging from 15 to 700 megawatts, constitute a significant portion, approximately 66%, of the Kingdom's total capacity.

In fiscal year 2023, SEC generated 218.9 TWh, constituting over 57% of the Kingdom's total electric power output. This highlight not only capacity but also efficient energy utilization, with approximately 368 million barrels of oil equivalent consumed, surpassing 37.7% in efficiency.

Despite the challenges, the company continued to lead in innovation and sustainability. The initiatives to establish power generation plants at different times reflect its commitment to the highest local and international safety, health, and environmental standards.

Through the adoption of a culture of continuous improvement, generation business line implemented comprehensive maintenance plans throughout 2023, which led to the promotion of occupational safety, health, and environmental practices. In response to the development of legislations, the company's initiatives succeeded in achieving compliance, and even went beyond that to set new standards for excellence.

Thermal Efficiency of the company's power plants



218,974

Total energy produced by the company's plants



55,209

Actual generation capacity of the company



86,235

Actual generation capacity of the grid



Percentage increase in electrical power generation units

37,521 GWh	85,617 GWh	95,806 GWh
Simple Cycle	Combined Cycle	Steam Cycle
17% ▲	39% ▲	44% ▲

Key Achievements

As SEC delves into the key achievements that defined this fiscal period, it is with great pride that SEC showcases its collective efforts and unwavering dedication. These accomplishments underscore SEC's commitment to excellence, innovation, and the pursuit of company's strategic goals.

- Applied best practices in process safety across the operations chain and enhancement of readiness and reliability of protection and firefighting systems in power production stations.
- Strengthened roles and responsibilities at power generation stations in implementing environmental protection and sustainability programs, achieving "ZERO" environmental incidents and violations of environmental regulations in alignment with the Environmental Management System, and the Ministry of Environment, Water, and Agriculture.
- Won, thanks to the alliance with ACWA Power, the development of two independent production projects using gas turbine technology in combined cycle: Taiba 1 and Qassim 1, with a total capacity of (3,600) megawatts.
- Achieved a 13.42% increase in electricity production compared to 2022, along with an increase in availability and a decrease in forced outage rates in the activity.
- Achieved financial savings for the year 2023 through improvement studies, quality programs, and innovation amounting to approximately (109) million, achieved by implementing technical measures to increase efficiency, conducting studies utilizing expertise and creativity within the activity, reducing the need for external equipment maintenance, and benefiting from workshops at the stations.
- Issued environmental approvals for 22 energy production stations and periodically monitoring to issue permits for the rest of the sites and adopting environmental correction plans based on the new environmental regulations.
- Implemented the initiative to establish exhibitions for occupational safety, health and environment with the aim of continuing and permanent awareness in power plants, with 12 exhibitions as a first stage.
- Launched the Scientific Council aimed at supporting the company's strategic directions, enhancing scientific research activities, improving the quality of scientific papers presented by company staff in local and international forums and scientific journals.

368 million

Fuel consumed in the company's plants



5.7 million

Diesel consumed in the company's generation plants



- Completed the organizational library, encompassing all regulations and systems related to power generation activities.
- Achieved the representation of the company at the Saudi Intellectual Property Authority and the submission of two projects: "Foggy Cooling System to Increase Steam Turbine Efficiency" and "Using Wind Guide Technology to Increase Steam Turbine Efficiency."

Future Plans and Projections

Embarking on the path ahead, SEC turns its gaze to the future with anticipation and strategic foresight. SEC outlines its ambitious plans and projections that will guide itself through the next phase of the journey.

- Expand the Rabigh Power Station with a capacity of (1,200) megawatts, expected to commence operations in the year 2025.
- Commence expansions with approximately (10,000) megawatts across the kingdom.
- Initiate a project to convert power generation stations to operate on gas fuel instead of liquid fuel to enhance efficiency and reduce emissions.
- Start a plan to enter renewable energy projects.



Operational Excellence

Transmission

Transmission Business Line is the backbone of the energy landscape, ensuring seamless power transfer across regions. With an extensive network of strategically placed transmission lines and substations, guarantee grid reliability and facilitate the integration of diverse energy sources for a sustainable mix.

The past year saw significant strides in expanding and upgrading the transmission infrastructure. New transmission lines were commissioned, boosting grid capacity and reliability. Incorporating cutting-edge technologies increased energy transfer efficiency, allowing for better monitoring and control, minimizing downtime, and ensuring a resilient energy network.

Key Achievements

- Awarded, for the fourth consecutive year, for the Best Paper at the 19th Gulf Cooperation Council Conference on Electricity (GCC CIGRE).
- Awarded at the 19th Gulf Cooperation Council Conference on Electricity (GCC CIGRE) for being the most active participant with scientific papers at the conference.
- Honored with the Arab Award for Operations and Maintenance in the fourth category: (as the best company incorporating operational requirements within the artificial intelligence and digital transformation framework).
- Verified compliance with ISO55001 global standards for asset management during the first annual audit by National Grid SA. The assessment was conducted by the accredited evaluator from BUREAU VERITAS.
- Launched the Kingdom-wide Asset Information Management System (OSOUL).
- A patent for the invention of Engineer Faisal Bashir Al-Enezi from the National Grid SA entitled “High-Pressure Stations Ventilation Fan Base” was registered for the company with the Saudi Authority for Intellectual Property on November 12, 2023.
- A patent for the invention of Engineer Khalid Muhammad Al-Qahtani from the National Grid SA entitled “Current Transformer Carrier” was registered for the company with the Saudi Authority for Intellectual Property, on December 18, 2023.

1,234

Number of Transmission Substations
Annual Growth Rate ▲ 2.06%

Substation



3,940

Number of Transmission Transformers
Annual Growth Rate ▲ 2.15%

Transformer



488,074

Capacity of Transmission Transformers
Annual Growth Rate ▲ 2.91%

MVA



95,563

Length of Transmission networks
Annual Growth Rate ▲ 2.75%

circular-km



70,663

Total maximum load

MW



2,563

Added length of the transmission networks
Annual Growth Rate ▲ 2.75%

circular-km



89,976

Length of Fiber Optic Transmission Network
Annual Growth Rate ▲ 4.51%

kilometers



3,884

Added length of Fiber Optic Transmission Network
Annual Growth Rate ▲ 4.51%

kilometers



Future Plans and Projections

- Successfully complete the Master Plan project for the communication network, guiding the next decade's strategic direction to strengthen the network system in line with the vision of digital transformation.
- Develop a roadmap with four dimensions to achieve a 60% asset management maturity by 2025, aligning with a strategic goal of National Grid SA.
- Successfully complete the Master Plan project and technical studies for electricity service connection studies to connect 14 factories and 6 major farms currently relying on isolated generation capacities. This involves establishing of several high and extra-high voltage transmission substations and connect new electrical loads totaling 1500 MVA, aligning with the Ministry of Energy's initiative For Liquid Displacement.
- Sign agreements for high-voltage stations and connection lines to supply power to thirty major consumer projects, with an estimated cost of 6 billion SAR, funded by Bulk Customers. Most agreements include the transfer of ownership of the implemented assets to the company.
- Formulate an implementation plan to connect targeted renewable energy projects by 2027 (41 GW). Three projects, totaling 3.4 GW, are already connected, with 37.6 GW projects in progress.



Operational Excellence

Distribution and Customer Services

Distribution and Customer Services Business Line aims to provide customers with a safe and reliable electrical service through a systematic and continuous development journey for the level of services provided to customers. This is within a high level of commitment to implementing annual plans and programs in order to provide high-quality services using the latest advanced technologies and facilitate all procedures for obtaining the services. The Business Line also works to achieve customer satisfaction through continuous improvement in all services provided to them. The strategic plans of the Business line are based on a number of pillars, the most important of which are:

- Securing supplies and improving reliability
- Safety and operational excellence
- Environmental, social, and governance (ESG) policies
- Financial sustainability
- Localization and Local Content
- Leading brand and customer experience

Services extend to the Two Holy Mosques and the Sacred Sites, ensuring their prioritized service remains a top commitment each year. This underscores the dedication to system stability and high-reliability services 24/7. The success in serving visitors during the Hajj season for the year 1444 H reflects the commitment of employees and exceptional teams in the field and behind monitoring and control screens.

All distribution stations in the Sacred Sites are now automated, replaced with smart stations to enhance network security and reliability. This initiative aims to improve the efficiency and quality of electrical services while enabling remote control and monitoring of the network. Notably, the absence of significant disruptions in the Sacred Sites, Pilgrim Housing Area, and the Grand Mosque during the Hajj season for the year 1444 H is a source of pride.



Key achievements

Customer Service

In the past year, SEC's focus on customer service has been paramount. Embracing a customer-centric approach, the company has prioritized the needs and satisfaction of the customers, placing them at the core of the operations. Leveraging digital enhancements and streamlined processes, SEC's goal is to make interactions more efficient and customer friendly. Here's a summary of the noteworthy accomplishments:

Launched a new identity for 74 offices has significantly enhanced the visitor experience, improving aspects from the reception and welcome process (Meet and Greet) to the development of waiting and service mechanisms. Moreover, over 450 front-line employees across all sectors underwent training. Launched a user-friendly application and website marked a significant milestone, offering features such as simplified bill viewing, a 24/7 live chat service, and a virtual office service, further enhanced by the integration of convenient payment options through Apple Pay and credit cards. It is worth noting that the new application won the Silver Award for Best Digital Experience for Improving Customer Satisfaction and Happiness 2023, among more than 150 Gulf companies, in the Customer Happiness Summit & Awards (CHSA) in Dubai. It also competed in the International Customer Experience Awards (iCXA™23), with the participation of many international companies from 45 different countries, and a number of government companies and institutions. The Saudi Electricity Company won the Silver Award in Best Business Change and Transformation for the category of more than 10,000 employees, and the Bronze Award in Best Contact Center for the category of more than 5,000 employees. The Customer Voice program has been implemented, through which surveys are sent automatically and directly after the service is executed. The answers and feedback of customers are recorded in a unified system for analysis and

the development of improvement plans in cooperation with all relevant sectors. The "Message from your customer" program was also launched as one of the programs emanating from the Customer Voice project. Through this program, all responses from customers through the sent surveys are reviewed and filtered for messages in which employees are thanked. These messages are then delivered directly to the relevant employee.

The developments and improvements during the past period included rewriting the contact messages with customers, major improvements to the automatic response system through contact centers, documentation of the locations of service offices through Google Maps, improvements to internal systems, which have a positive impact on customer service, and the waiting time in customer service offices was reduced by 45% to only 7 minutes.

The IVR automatic response system has been automated. The system now automatically detects the accounts associated with the calling number and proactively updates the caller with the status of their request with pre-recorded automated messages. This has made a qualitative difference, as 43% of listeners to the automated update did not need to speak to an employee.

Operational Excellence

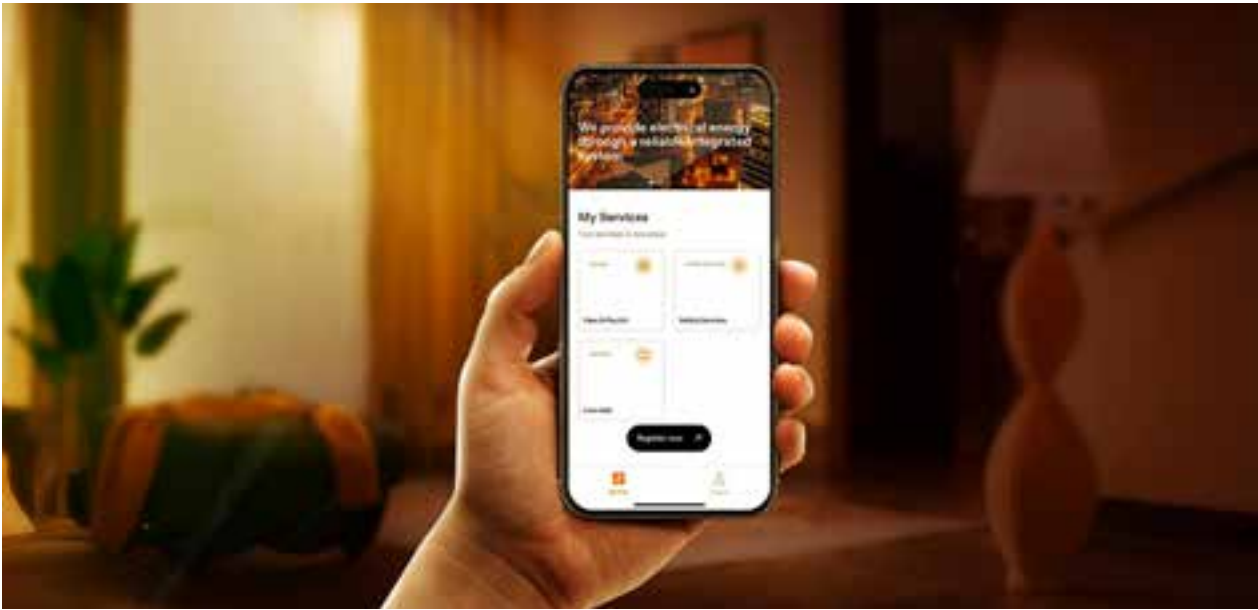
Operational Excellence

Improving distribution operations is a top priority for the Distribution Business Line, with the aim of enhancing the quality of its activities. To achieve this goal, a distribution strategy was developed, aligning it with the company's overall strategy. Numerous initiatives and indicators were introduced to all organizational units. A comprehensive training and development program was launched, including the retraining of 615 meter readers, technicians (operation, maintenance, power dispatcher, and fault handler), competency assessments for 452 employees in all customer service offices, and the planning of development programs for the years 2024-2026. Additionally, 165 technical specialists were assessed for replacement programs, and 2000 contract employees were trained on issuing work permits within the low-voltage contractors' project. Field connection visits were also automated.

Several guidelines and procedures were adopted to enhance work quality, improve operational processes, and performance indicators. Remote disconnection and reconnection were activated for all offices across the Kingdom, achieving a 92% implementation rate for remote disconnection and 88% for remote reconnection, following the increase in the communication rate to 95%.

Contracts were signed with specialized consulting offices to supervise field operations with the following objectives:

- Improving the quality of field project execution
- Reducing the number of optical distortion complaints related to company contractors' work
- Enhancing control over distribution Business line projects
- Increasing the number of project supervisors and foremen
- Accelerating project receipt procedures



In compliance with the regulations issued by the Saudi Authority for Water and Electricity regarding renewable energy systems and electric vehicle chargers, the Distribution Business Line launched services on the company's website for small photovoltaic solar energy systems, renewable energy systems, and electric vehicle chargers. These services contribute to the national economy and provide energy resources through a user-friendly online platform.

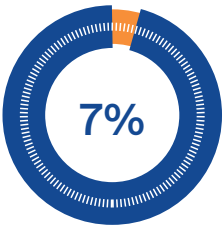
To organize distribution operations and enhance performance excellence, restructuring efforts were implemented concerning control and losses. A new department for loss monitoring was introduced, and the operations of the low-voltage network were separated from control. A control department was established in each sector, along with control centers. Settlement and accounting operations were centralized at the Kingdom level. There was also a change in the approach and model of distribution operations through the establishment of organizational units (departments and sections for receiving distribution assets) in all electricity departments. The organizational structure of distribution and customer services was developed through a specialized study, resulting in the reduction of 213 organizational units.

Progress continued in updating site addresses in the Geographic Information System (GIS) through the Digital Transformation initiative, improving data quality to 90%. The accuracy rate for detecting tampering was raised to 70% using

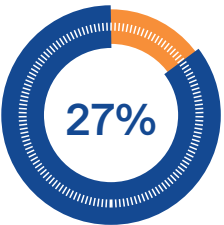
artificial intelligence algorithms based on smart meter data, such as voltage, consumption, and loads. All these efforts are reflected in significant improvements in performance indicators measuring service quality in 2023 compared to 2022:

- Improved System Average Interruption Duration Index (SAIDI) by approximately 7%.
- Improved System Average Interruption Frequency Index (SAIFI) by approximately 11%.
- Reduced average time to supply connections for new customers by 27%, reaching only 3.31 working days compared to 4.5 working days.
- Raised the automation rate in the distribution network to 24.49%, compared to 16.2% at the end of 2022.
- Increased customer satisfaction levels to 81%, compared to 75% achieved in 2022, marking an 8% improvement.

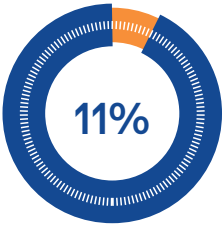
Improvement in (SAIDI)
Comparing to 2022



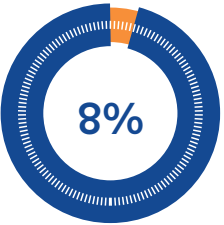
Average time to supply connections for new customers improvement
Comparing to 2022



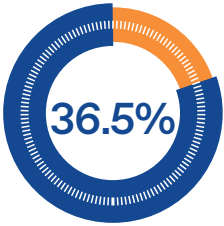
Improvement in (SAIFI)
Comparing to 2022



Improvement in customer satisfaction score (CSAT)
Comparing to 2022



Improvement in customer complaint resolving time
Comparing to 2022



Operational Excellence

Network Expansion

Adding 30,217 new transformers for 69 kV and below. The overall number of distribution transformers reached 659,291, with a 5% increase compared to the end of 2022. Additionally, capacity was increased by 21,953 mega-volt-amps, making the total transformer capacity 342,612 mega-volt-amps, representing a 7% increase over the total capacities at the end of 2022.

Installing additional air circuits and ground cables for 69 kV and below, extending over 44,813 km circuits. The total length of the lines reached 827,174 km, showing a 6% increase from the total networks at the end of 2022.

Extending electricity service to more than 345.8 thousand new customers by the end of 2023, bringing the total number of customers to approximately 11 million.

Financial sustainability

In 2023, the Losses Program was initiated, establishing a central administrative structure to enhance governance and continuous improvement. The program has yielded noteworthy results, with irregularities settlements generating SAR 1,024 million in revenue, an increase of 139% compared to the same period last year. In addition, an annual plan and targets were set for the utilization and loading of transmission stations and to achieve the financial returns from the company's investments. A total of 72 transmission substations were completed during this year. Furthermore, an initiative to improve spending on the operating budget was launched in order to raise spending efficiency and compliance with approved budgets.

All outstanding debts to government entities, amounting to SAR 2.6 billion, were successfully settled, reflecting financial stability and responsible management. SEC robust financial performance is underscored by a noteworthy collection of SAR 62 billion, reflecting a remarkable 9.7% increase from the previous year. Notably, the prudent management of financial resources resulted in a significant 10% reduction in the debt balance compared to the beginning of the period.

In addition, the company has limited partial payments to twice a year instead of allowing an unlimited number of payments. The disconnection notice period was reduced to 90 days instead of 120 days. We also limited partial payments to twice a year instead of allowing an unlimited number of payments for verified accounts for the residential category. The number of days for scheduling disconnection for accounts that have not been disconnected was reduced from 30 days to 5 days.

10.99 million

Number of customers

customer



100%

Smart electric meter coverage

At the Kingdom level



342,612

Capacity of distribution transformers

Annual Growth Rate ▲ 7%

MVA



314,784

Total electricity sold

GWh



659,291

The overall number of distribution transformers

Annual Growth Rate ▲ 5%

Transformer



827,174

The total length of the lines

Annual Growth Rate ▲ 6%

circular-km



As part of the Business Line efforts to displace liquid fuel, some 97 sites using rented generation were connected, achieving an operating return of SAR 22 million.

Safety and Environment

Safety and environmental responsibility are core tenets of SEC's operations. Through continuous monitoring, innovative safety services, and a steadfast commitment to environmental care, the company strive to create a secure and sustainable energy ecosystem.

- Continuous monitoring and inspection visits to ensure compliance with safety, health, and professional standards, aiming to reduce accidents, injuries, and traffic violations.
- Introduced safety-focused services such as the "Electricity Buddy" and "Safe Isolation of Electrical Networks" to enhance safety practices in dealing with network components.
- Prioritized environmental care, with a commitment to eliminating fuel usage and discontinuing leased generation practices.
- Activated smart networks to alleviate traffic congestion, reduce carbon emissions, and align with environmental compatibility policies.

- Proactively limiting visual distortion in line with government directives to enhance the quality of life and the urban aesthetics.
- Improved execution processes for excavations and electrical installations throughout the kingdom to uphold safety and environmental standards.

Future Plans and Projections

In the distribution and customer services, a concerted effort is underway to realize the collective aspirations of both internal and external stakeholders. This involves the strategic implementation of medium and long-term plans designed to catalyze significant advancements across all facets, adhering to the highest global standards of quality and service excellence. The approved strategic plan for distribution and customer services encompasses a multitude of initiatives aimed at leading SEC toward future ambitions.

Top Rankings in Reliability Indicators

By 2030, SEC is committed to achieve top positions, targeting the top #3 in System Average Interruption Duration Index (SAIDI) and the top #7 in System Average Interruption Frequency Index (SAIFI) indicators among G20 cities in the five major cities.

Global Standards for Loss Rates

SEC's ambition extends to secure class 1 recognition in global standards for loss rates in distribution networks by 2030, showcasing unwavering commitment to efficiency and sustainability.

Exceed 13 Million customers by 2028

Setting an ambitious target, SEC aspire to surpass 13 million customers by 2028, reflecting the company's dedication to expanding the customer base and serving diverse communities.

SEC's vision extends to surpass one million kilometers in distribution network lengths by 2028

Surpass One Million Kilometers of Distribution Networks by 2028 underlining the company commitment to building an extensive and reliable electrical infrastructure for the future.

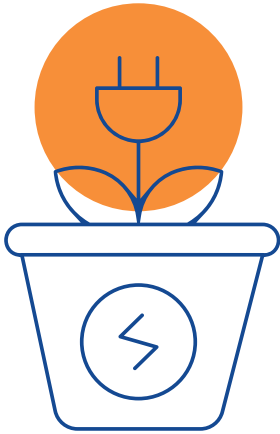


Corporate Planning and Project Management

The company is committed to enhancing the efficiency and effectiveness of its operations through the development of advanced planning and execution systems and tools

SEC has developed its corporate planning and project management capabilities by establishing a unified database that includes data on all company projects. This development has enabled the centralized monitoring of programs and projects, which has resulted in reducing the engineering, tendering, and award period for the 2023 portfolio to less than one year. In addition, more than 73% of the projects for the 2023 portfolio have been awarded before the end of the year.

The business plan for more than 500 economic and technical projects has also been reviewed and presented to the Executive Committee for review and approval through the Projects Portal. The business processes associated with the capital investments of the company's Portal have been completed and governed, and the organizational framework for cost estimation work has been established to increase its accuracy and identify the reasons for deviation.



Digital Transformation and Innovation

Digital Transformation

Digital and technological transformation are pivotal factor for realizing the SEC's strategy to emerge as a frontrunner in the realm of digital electricity at the regional level. The company's comprehensive digital transformation journey spans all facets of the business, aiming for maximum asset reliability and a trustworthy digital brand. This involves introducing novel products, leverage digital investments for growth, and monitor the digital maturity index. However, the foremost priority is enabling the local technology adoption and fostering youth job opportunities in the Kingdom.

SEC's artificial intelligence and deep learning capabilities play a crucial role in constructing precise forecasts for energy demand, enhancing customer experience, and bolstering health, safety, security, and environmental aspects.

Key Achievements

The company's digital strategy is founded on five key pillars, each vital for its success. It commences with the pioneering of sustainable environmental practices, emphasizing the company's commitment to ecological responsibility. Following this, efforts are directed towards enhancing customer experiences, recognizing the paramount importance of customer satisfaction in today's competitive landscape. Concurrently, the company prioritizes the digitization of core operations, acknowledging the pivotal role technology plays in modern business operations. This strategic approach empowers the company to offer cutting-edge smart services while concurrently diversifying its income streams, thereby ensuring financial resilience and growth. Since its inception in 2022, the company's digital strategy has been a cornerstone of its operations, serving as a beacon of innovation and progress. With over 400 digital projects successfully completed, and more than 500 services automated, the company has demonstrated its proficiency in leveraging advanced technologies such as artificial intelligence, antivirus robots, and augmented reality to enhance operational efficiency and streamline processes.

Central to the company's vision is the unwavering commitment to delivering a seamless customer experience, underpinning its dedication to customer-centricity. Moreover, the company has consistently outpaced competitors in evaluating digital growth, cementing its position as a trailblazer in the energy sector.

Grounded in the ethos of supporting the Kingdom's 2030 vision and enriching quality of life, the company continues to spearhead digital innovation and investing in creative digital solutions, providing smart solutions that contribute to raising consumer spending efficiency, and ensuring the achievement of sustainability and net zero targets by 2050.

Future Plans and Projections

SEC is poised to launch innovative initiatives and projects, strategically designed to elevate the digital maturity within the company's operations. This initiative aims to enhance the company's technological capabilities and readiness.

SEC's commitment extends to diversifying the digital channels ensuring the company's services are accessible across various platforms to cater to diverse customer preferences.

In conjunction with these efforts, SEC is dedicated to elevating the quality of their data - recognizing it as the fundamental bedrock for unlocking new horizons in investment. These measurements not only supports the company's current operations but also lay the groundwork for future growth and development.

400+

The number of new technical solutions in the digital transformation journey



500+

Number of automated processes at the company level



100+

Number of digital assistants for automation (RPA)



50+

Artificial intelligence and analytics



Innovation

Key Achievements

Through active collaboration across SEC's various departments and scientific committees, the company has meticulously crafted a research, development, and innovation strategy, aligning with national priorities in the sector. This strategy takes an action-oriented approach, laying the groundwork for the company's future goals in innovation. At SEC, the research

ecosystem has been fortified through active engagement with local research centers and universities. Collaboration have been established with King Fahd University of Petroleum and Minerals, King Saud University, King Abdulaziz University, and King Abdullah University of Science and Technology. Strategic partnerships extend to key entities including King Abdulaziz City for Science and Technology, the Saudi Authority for Intellectual Property, and others.

These initiatives underscore the company's unwavering commitment to foster innovation, building collaborative bridges, and contributing to the advancement of the industry, all in alignment with the national priorities.

The year 2023 marks a substantial leap in SEC's research endeavors with 15 projects implemented across various electrical system fields. The Saudi Electricity Center for Research and Development is harnessing digital simulation systems for advanced technical studies on dynamic compensation projects. In alignment with the Ministry of Energy's directives, the company's efforts contribute to the promotion of innovative technologies under the National Carbon Circular Economy Program and the Saudi Green Initiative. Specialized projects addressing carbon capture and greenhouse gases underscore SEC's commitment to these national programs.

Procedural and governance enhancements have been integral, ensuring a seamless process for submitting, evaluating, and approving creative ideas. A comprehensive re-engineering process has addressed both financial and non-financial impacts stemming from these innovative implementations. Noteworthy achievements include obtaining 3 patents as well as the registration of 10 patent applications with the Saudi Authority for Intellectual Property in the name of Saudi Electricity Company.

13 Patents

Obtained 3 patents, and the registration of 10 additional patents have been submitted.



5 ISO certificates



Notable awards and certifications received by the company:

- The Saudi Electricity Company received the Shield of distinguished supporting sponsor from the Saudi Intellectual Property Authority. The IPA honored 11 Intellectual Property Support Centers out of 59 centers at the first annual ceremony for Intellectual Property Support Centers. SEC was the only one honored from the private sector.
- The Materials Section obtained the ISO 9001:2015 certificate on the comprehensive quality management and for ensuring the implementation of procedures and systems. The section also received the TQM - 9001 certificate for comprehensive quality management system.
- The Contracts Section obtained the ISO 20400:2017 Sustainable Procurement certificate.
- The Human Resources Development Department received the TQM - 9001 certificate for a comprehensive quality management system.
- The Human Resources Development Department also received the Knowledge - 30401 certificate for a knowledge management system.
- The Department of Networks Operation and Coordination in the Information Technology and Communications Sector received the Information Technology - 2000 certificate for information technology system.

Future Plans and Projections

In the imminent phase, the Saudi Electricity Company is poised to embark on an ambitious and forward-thinking strategy for research, development, and innovation. This strategic initiative is meticulously crafted to seamlessly align with the Kingdom's overarching vision in the realms of research, development, and innovation. A paramount focus will be on cultivating an innovation environment by actively embracing the principles of open innovation.

Moreover, acknowledging the indispensable role played by intellectual property and knowledge management, the company's future plans encompass a resolute effort to enhance and expand these critical aspects at the company level. In advancing toward this strategic vision, the goal is to fortify the company's position at the forefront of innovation. This ensures readiness to meet the evolving needs of the industry and make substantial contributions to the Kingdom's broader vision for technological advancement and progress. This signifies an unwavering commitment to shaping a future defined by innovation and excellence.



Occupational Health, Safety, Security & Environment

The Saudi Electricity Company aspires to reach net zero by 2050

Protecting the Health, Safety and Security of our people

The Saudi Electricity Company is committed to promoting a culture that makes health, safety and security a top priority for its operational processes. As part of its ongoing efforts to promote these principles, the company has implemented effective measures focused on improving standards and maintaining the well-being of its employees and stakeholders. The company has taken strategic initiatives, such as allocating significant investments in digital transformation, specifically in operations system security, to enhance readiness and develop employee skills. At the same time, a comprehensive restructuring of the safety and security sectors was undertaken, as they were integrated into the company's system. Significant achievements include a significant 24% reduction in work-related injuries, which reflects the effectiveness of safety awareness programs and development initiatives. The strategic agreements concluded by the Fire Department with international bodies confirm its commitment to enhancing emergency preparedness and firefighting efficiency.

Protect our environment

The company is working to align with Saudi Arabia's Vision 2030 and its ambitious environmental programs. From this standpoint, the Circular Economy and Climate Change Department was created in the company, which aims to reduce emissions through carbon management in SEC, and activating the principles of the circular economy and biodiversity initiatives. In addition, the company has adopted environmental sustainability, in line with the vision of the Kingdom of Saudi Arabia, its ambitious goals and objectives in climate change, and the company aspires to reach zero neutrality by 2050 for its assets in the Kingdom of Saudi Arabia.



HSE performance overview

In line with the Saudi Electricity Company's commitment to providing a safe and sustainable work environment for its employees and the communities it serves. The company initiated a strategic HSE transformation program to promote a safe and sustainable working environment. From the launch of the program until the end of 2023, the company is pleased to provide a comprehensive overview of the achievements that have been accomplished.

Health and safety indicators

Recorded Incident Rate (TRIR)

The company is pleased to announce a decrease in the rate of recorded accidents by 24%, which reflects the company's efforts and firm commitment to preventing accidents and ensuring the safety of its employees and contractors.

Leave Injury Rate (LTIR)

The company demonstrated its commitment to taking care of its employees and contractors, as it achieved a significant reduction of 53% in the rate of leave injuries, which demonstrates the effectiveness of the safety procedures and programs launched by the company.

Motor vehicle accidents (MVA)

The preventive safety measures taken by the company contributed to achieving a significant reduction of 48% in vehicle accidents, which contributed to enhancing traffic safety for employees.

Safety and Stop Work Authority (SWA) Tours

The company is focused on promoting a culture of precautionary safety, and has recorded a significant 280% increase in safety tours, both planned and incidental. In addition, the use of the stop work power has seen a corresponding increase of 250%, ensuring quick action in the face of potential risks.

Traffic Violations

As an expression of its commitment to road safety, the company achieved a 28% reduction in traffic violations, which contributes to a safer working environment.

Environmental initiatives

In line with the Kingdom's Vision 2030 and in compliance with environmental legislation, the Saudi Electricity Company is committed to improving its environmental performance. Key achievements in this field include:

Environmental management system ISO 14001

The company has developed and implemented an environmental management system that complies with ISO 14001 standards, with the aim of continuously improving its environmental performance.

Participation in environmental activities

The company actively participates in environmental events, such as its sponsorship of Climate Week in the Middle East and North Africa, and its participation in the COP28 Conference of the Parties, which demonstrates its commitment to sustainable practices.

Environment Week campaign

With the aim of promoting environmental awareness, the company organized an Environment Week campaign, which included awareness workshops and an annual competition with the participation of all sectors. This initiative is in line with the ambitious environmental programs of Vision 2030.

Compliance with environmental laws

The company has developed a corrective action plan to ensure full compliance with the new environmental laws. To obtain the necessary approvals and permits for environmental operation, which confirms the company's commitment to legal compliance.

The ambition to reach net zero

The company announced its ambition to reach net zero by 2050, in support of the Kingdom's vision towards a sustainable future.

Afforestation initiative

Based on its commitment to protecting the environment and biodiversity, the company signed an afforestation agreement with the National Center for Vegetation Development, aiming to plant 5 million trees by 2030 using renewable water.

Crisis and Disaster Management

The Saudi Electricity Company has obtained TUV accreditation to comply with the requirements of ISO 22361:2022 with the aim of verifying the crisis management process at the site, regional and institutional levels.

13 disaster assessments were conducted during 2023 to measure the efficiency and maturity of effective emergency and crisis management for all company activities.

These achievements reflect the Saudi Electricity Company's commitment to a safer, healthier and more sustainable future, in accordance with the company's values and the ambitions of Vision 2030.



Human Capital

Investing in our human capital

The Saudi Electricity Company consistently attracts highly skilled and experienced professionals, offering them a work environment characterized by functionality and service orientation to cultivate motivation and excellence in performance. By prioritizing a dynamic organizational setting, SEC not only attracts top-tier talent but also cultivates employee loyalty and seamless integration. This strategic approach empowers the company and its subsidiaries to adeptly execute plans and achieve goals, thereby fostering success and ensuring the sustained resilience of the business.

Our commitments

SEC's commitment to human resources management has played a pivotal in aligning workforce with the ambitious objectives of the company. Throughout the fiscal year, SEC has successfully executed a comprehensive, long-term HR strategy, establishing an organizational environment bolstered by competitive policies and efficient performance management practices. Noteworthy achievements include:

- Implementing a long-term human resources strategy aligned with company's ambitious aspirations.
- Establishing an organizational environment that includes an effective operational model supported by competitive policies based on best practices and a robust performance management mechanism.
- Analyzing, planning, successful recruiting highly skilled talents to reinforce the workforce.
- Developing leadership and talents, ensuring the readiness and effectiveness of replacement plans.
- Training and developing human resources to ensure efficient and effective business performance.
- Promoting a work culture derived from the company's values and goals, enhancing overall performance.
- Managing human resources operations and systems, providing automated services in accordance with latest industry practices.
- Creating a conducive work environment by offering logistical services related to facilities and transportation, empowering organizational units and employees to perform at their best.
- Promoting environmental sustainability, and governance through a culture of diversity, inclusion, and empowerment for all categories within the company, including women and people with disabilities.

Employee Investments or Reserves

Saving Program

The company has taken the initiative to establish a voluntary savings and investment program aimed at motivating employees and enhancing their loyalty and commitment to the company. This initiative contributes to elevating performance levels, attracting qualified Saudi professionals, and encouraging their continued service. Additionally, the program assists Saudi employees in accumulating savings, allowing them to benefit from these savings upon retirement or at the end of their service.

The company deducts a portion of the salary for optional invest, benefiting the employee participating in the program. The company allocates appropriate areas to invest the program's funds compliant with Islamic investment conditions, opting for low-risk portfolios and funds, in a manner that achieves the interests of the participating employees.

The company contributes 100% of the employee's monthly subscription value and records it in his account. The employee's entitlement to the company's contribution is calculated according to the criteria set by the company, starting from 10% upon completion of the tenth year of subscription. The employee's entitlements from this contribution are calculated in the event of termination of the subscription according to the regulatory guidelines.

Housing Loan Program

The company continued to offer the program to Saudi employees through local banks for the fifteenth consecutive year according to the program's regulations to finance the ownership, construction, or completion of housing construction, in a form that complies with the provisions of Islamic law (Murabaha). The company contributes a profit margin on the financing amount ranging from 70% to 100%. The company's contribution stops when the employee's service ends for any reason or in case of early repayment.



Our success stories

SEC takes great pride in showcasing a multitude of success stories and achievements within the company, reflecting the dynamic and impactful initiatives implemented to nurture growth, innovation, and employee development:

- Conducted a thorough review of the company's operational model, leading to a comprehensive restructuring of relevant organizational units. Established a methodology to measure the effectiveness of organizational structures, resulting in improved operational efficiency for targeted units. Implemented necessary improvement measures to optimize overall performance.
- Significantly augmented the company's competitive compensation and benefits, positively influencing its ability to attract and retain top-tier talent.
- Revitalized and refined human resources policies, ensuring compliance with pertinent regulations and aligning with local and global best practices to enhance competitiveness.
- Elevated the efficiency and efficacy of employee performance management by developing a comprehensive performance system, including a digital library of performance indicators. Facilitated improved communication and awareness between management and employees through quarterly reviews and performance awareness campaigns.
- Contributed to national workforce development by providing 150,000 training opportunities over three years through active participation in the "Wa'd," national trailing commitment campaign with the Ministry of Human Resources and Social Development.

Workforce Statistics

Turnover	2022	2023
Resignation	328	199
Early retirement	28	3
Restructuring	251	405
Termination	168	216
Termination of service due to illness	19	24
Normal retirement	93	98
Death	23	17
Total turnover*	910	962
Special offer	252	1130

Employment	2022	2023
Employment	746	343

*Total turnover does not include special offer.



Human Capital

Diversity & Inclusiveness

SEC is dedicated to fostering a diverse and inclusive workplace, emphasizing its strong commitment to embracing diversity as a fundamental aspect of company's corporate values. Recognizing that a diverse workforce with various backgrounds, perspectives, and talents is crucial for fostering innovation, creativity, and sustainable growth. SEC actively promoted an inclusive culture throughout the past fiscal year. This culture values and respects the unique contributions of every employee.

SEC's commitment to diversity extends beyond the workplace to a broader community, showcasing dedication to being a responsible corporate citizen. SEC believes that by cultivating an environment that celebrates diversity and inclusion, company not only enriches the lives of the employees but also enhances the overall organizational resilience and effectiveness. This commitment is integral to the long-term vision, as SEC strives to build a future that is both dynamic and representative of the diverse world in which the company operates.

Statistics of Diversity and Inclusiveness

Diversity and Inclusiveness	2022	2023
women in senior and middle management	9	17
Total number of female employees	333	405

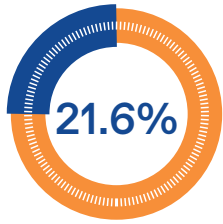
Women in senior and middle management
Comparing to 2022



Women in management succession plans
Comparing to 2022



Increase in women employment
Comparing to 2022



Training & Development

In its commitment to excellence and continuous improvement, the company places significant importance on training and development as integral elements of the organizational strategy. Over the fiscal year, SEC has consistently invested in extensive training programs designed to elevate the skills, knowledge, and capabilities of the workforce. These initiatives cover technical expertise, safety protocols, and leadership development, ensuring employees are equipped with the necessary tools to navigate the evolving landscape of the utility sector.

Key Achievements

- Developed (878) leaders within the company through various avenues, including programs designed internally at the "Executive Center for Leadership Development," collaborations with esteemed entities such as BAIN Academy and General Electric, and partnerships with prestigious institutions such as Harvard University, the Massachusetts Institute of Technology (MIT), and the Institute for Management and Leadership Development (IMD).
- Provided intensive individual mentoring for exceptionally talented individuals, totaling 2,500 hours.
- Implemented programs to re-train meter readers in technical and managerial specialties, optimizing human resources.
- Achieved third place among the top ten participants in the Mental Health Ambassadors program, part of the Mental Capital initiative. This recognition was awarded by the National Center for Mental Health Promotion for the year 2023, surpassing 40 public and private sector entities across all regions of the Kingdom. (to be confirmed with HR)
- Implemented on-site development methodology in cooperation with mentors and supervisors at the workplace. This methodology is based on identifying and analyzing the developmental gaps and preparing development plans for 2,194 employees, including engineers and technicians, utilizing various developmental methods such as assignments, rotations, simulators, and networking.
- Implemented Reskilling & upskilling programs for 897 employees to optimize SEC human resources
- Developed and train 458 customer service office employees to provide an exceptional experience for SEC customers.
- Launched virtual and augment reality (VR/AR) technology to enhance the training experience.
- Launched learning management system (LMS) to manage the training process.

Total number of courses

3,339 course



Total number of participations

49,278 participant

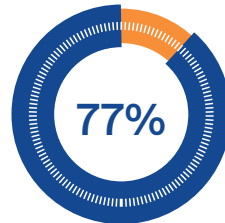


Number of training days

191,889 training day



% Training Rate



Localization and Local Content

The Saudi Electricity Company is dedicated to bolstering the Kingdom's economy and actively contributing to the Vision 2030 objectives. With Local Content and Localization as key strategic goals, the company is leading initiatives to enhance local content acquisitions, projects, and minimize expenditures on foreign goods and services. This deliberate focus positions the company as a promising investment opportunity aligned with the Kingdom's ambitious economic vision.

Key Achievements

Supply Chain

Working towards realizing the company's goals, there's been a concerted effort to reduce the company's inventory value for 2023 by 189 million SAR compared to 2022, to reach 4,092 billion SAR. This reduction is achieved without compromising the reliability or availability of spare parts and materials in the company's warehouses. In fact, the material availability rate stands impressively at 97.49%. Moreover, the scale of operations managed within the materials supply chain for 2023 surpassed 3.5 million warehouse movements across all regions of the Kingdom.

In addition to these achievements, the company has undertaken numerous initiatives to excel in its Supply chain, aligning with the company's objectives and the Vision 2030 of the Kingdom. By implementing best practices, the company is continuously enhancing the efficiency of its Supply chain. As part of this effort, a dedicated Logistics Business Center has been established. This center aims to elevate the reliability of material procurement, minimize risks in the company's Supply chain, and elevate the quality of logistic services provided by the Saudi Electricity Company and its subsidiaries.

Localization and Local Content

The company has begun to implement a number of initiatives in accordance with the new local content regulations to support the local industry and small and medium-sized enterprises. The company has increased its purchases from national factories by more than 70%, bringing the value of its purchases from local factories to SAR 53 billion during the period from 2019 to 2023.

In the standout achievements of 2023, the activation of the industry localization initiative demonstrated leveraging purchasing power. Two contracts were signed to localize the manufacture of high and ultra-high voltage gas switches, with binding purchase agreements exceeding 5.9 billion SAR . The agreements stipulated the construction of local factories or an increase in existing local capacity within a maximum of two years.

Contracts and Procurement

In the year 2023, SEC showcased exceptional prowess in contract management, successfully securing over 1090 contracts and 20,340 purchase orders, amounting to a staggering 74 billion SAR. Notably, these contracts encompass strategic partnerships that underscore the company's unwavering dedication to enhancing electrical system reliability, boosting local content, achieving sustainability objectives, and ensuring uninterrupted business operations, all in alignment with the Kingdom's Vision 2030.

Among the noteworthy collaborations are partnerships with esteemed entities such as NEOM, Diriyah Gate, AIUla Royal Commission, Kidana Company, and the Ministry of Housing. Of particular significance are the signed contracts pertaining to the five major city projects, comprising 62 substations and their grid connections valued at SAR 17 billion. These projects are set to be implemented with ambitious timelines, targeting completion before the close of 2024, in accordance with established goals.

189 million

Discounted value of the company's inventory during 2023

SAR



53 billion

The value of purchases from local factories from 2019-2023

SAR



Furthermore, the company's strategic initiatives have yielded substantial cost savings. These savings have been achieved through adept negotiation tactics, strategic bulk contracting, the adoption of modern procurement methodologies, and fruitful collaborations with manufacturers, suppliers, and technical authorities. Notably, these endeavors have been executed without compromising on the quality of services rendered, underscoring the company's commitment to excellence.

In 2023, several initiatives were implemented to improve the efficiency of the contracting process, including:

- Developing the contracting governance, authorities, terms, procedures, and systems, by updating the contract guides and authority matrices for the company and its subsidiaries, in addition to updating the standard contract templates and conditions and developing the automated contract system. This contributed to improving the efficiency and speed of various contracting processes and enhancing the automation of governance requirements, control, and response to the different and diverse circumstances in the company's work.
- Enhancing smart contracting processes through the development of contract systems, the introduction of new digital processes, as well as the introduction of dashboards and reports to enable monitoring and improving performance efficiency.

Future plans and expectations

Supply Chain

Developing supply chain processes and business models to be compatible with international best practices to promote sustainability, maintain a high percentage of material availability, and reduce risks to the Company's projects and network reliability.

Local content

Working on an ambitious investment plan to increase the capabilities and efficiency of the company's energy infrastructure, while ensuring the achievement of leadership in localizing industries and local content, by developing the Bina' strategy until 2030, which targets localizing industry in the Kingdom.

It also aims to create a flexible supply chain in the Kingdom that contributes to strengthening the local economy and developing the workforce through the expansion in key partnerships and investment programs, to raise the capabilities of the local market of energy sector.

It also seeks to enhance effective communication with investors inside and outside the Kingdom, lead innovation and excellence in the energy industry, and develop digital systems for measuring and tracking local content programs and the requirements of the energy sector.

Contracts and Procurement

The company seeks to develop the contracting and procurement process by improving the efficiency of its operations, increasing the economic value of its purchasing power, achieving the targets of local content, sustainability, and the projects to ensure reliability of the electrical system and the continuity of the electricity industry in the Kingdom. It also seeks to work together with commercial partners to localize the industry, transfer knowledge, and enhance trust in transactions.



Corporate Social Responsibility

The Saudi Electricity Company has initiated implementing its social responsibility strategy in alignment with company-wide strategic objectives and the Kingdom’s Vision 2030. The company aims to align its commercial and social goals, adhering to international standards such as ISO26000 for social responsibility and enhancing sustainability reporting metrics.

Social contributions in 2023

In the field of donations and sponsorships

- Sponsored the restoration of slum families’ homes with a contribution of 250,000 SAR, through participation in Mecca Cultural Forum Initiative.
- Individual employees donated over 5 million SAR to charitable organizations, through the internal deductions program.

5+ million

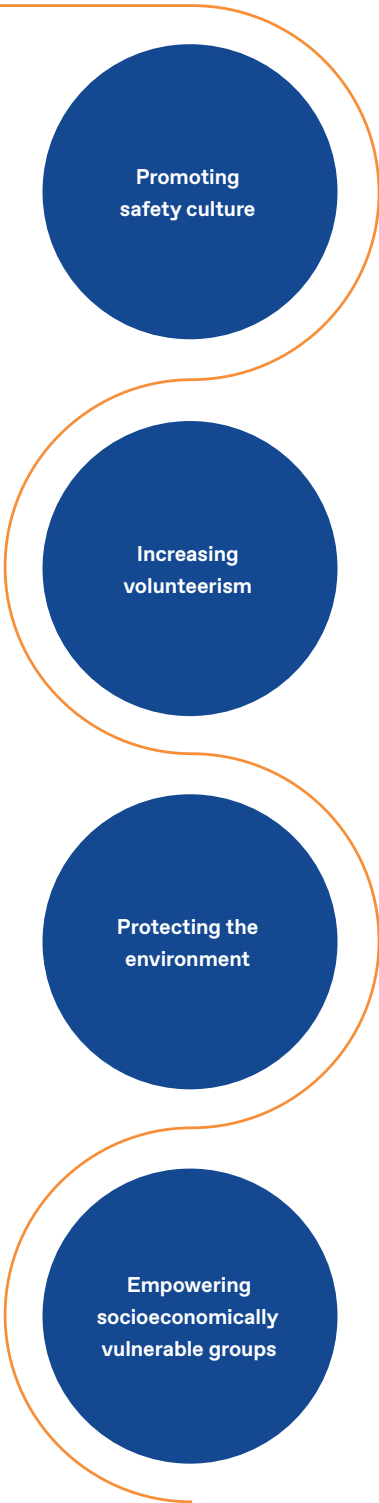
Donation to charities through the internal deductions program



In the field of environment and safety

- During Civil Defense Week, contributed to the “Your Safety in Your Hand” campaign by dedicating four pavilions within the company premises and another four in various cities and governorates.
- Actively participated in the Engineering Day for Food Security and Sustainability, organized by King Faisal University.
- Organized exhibitions and delivering awareness lectures as part of the company’s involvement in Gulf Traffic Week activities to promote awareness of road safety issues.
- On World Environment Day, participated in afforestation and beach cleaning campaigns, involving company employees to enhance vegetation cover and contribute to environmental conservation.

The strategy focuses on four key pillars



In the field of volunteer work and community service

- Engaged in the collaborative “Golden February” campaign with the Sanad Charity Association.
- Orchestrated the closing ceremony for the Sanad Association and hosted its beneficiaries during the “Gergean” event.
- Conducted a course for the Humanitarian Disaster and Emergency Response Team.
- Conducted awareness tours highlighting the dangers of home fires.
- Provided training for leaders in charitable organizations and the non-profit sector.
- Implemented the initiative of the volunteer team “Aoun” during the Hajj season.
- Established a strategic partnership with the Wateen blood donation platform.
- Collaborated with the Ministry of Education as a strategic partner for the training of school students and safety representatives.
- Implemented the “Social Responsibility Dialogue” initiative.

The company has earned notable honors and awards, underscoring its commitment to social responsibility and sustainable projects. It proudly stands as one of the distinguished success partners of the Eshraq Association for Attention Deficit Hyperactivity Disorder, recognizing its efforts in addressing and supporting this critical issue. Further showcasing its dedication to community welfare, the company received an honorable mention in the partnership program for social responsibility initiatives and generous donations to the Holy Quran Memorization Association, Khairkum.

Additionally, the company achieved the silver medal from the Wateen blood donation platform, highlighting its active involvement in life-saving endeavors. A pinnacle of recognition was attained with the prestigious National Dialogue Award, where the company was applauded in the private sector institutions category for its sustainable projects in the realm of social responsibility, emphasizing its positive impact on society at large.



Business Development Investments

New growth plans and opportunities

Saudi Electricity Company aims to maximize non-regulated revenues, enhancing the company’s financial sustainability through the development of new investment opportunities or maximizing current investments. This is achieved by managing subsidiary portfolios, evaluating the performance of the company’s subsidiaries, and overseeing investment projects in industrial and digital solutions beyond smart meters and emerging technology solutions in the fields of energy, investment in infrastructure services, and smart mobility solutions. Additionally, innovative employees ideas are marketed to support the Vision 2030, promoting localization and economic growth.

Key achievements of the Investment Sector

Won a project for Taiba 1 and Al-Qassim 1 power plants, with a total capacity of 3.6 gigawatts in alliance with ACWA Power.

The company acquired a 25% stake in the “Electric Vehicle Infrastructure Company” from the Public Investment Fund.

Obtaining approval of the Saudi Power Procurement Company “Principal Buyer” to commence the expansion project of Rabigh power station by adding 1.2 gigawatt of combined cycle technology units.

Developed a strategy for Solutions Valley Company and activating investment portfolios within the company. Also, investing in increasing the capital of Gulf Laboratory Company, and acquiring shares in a corresponding company within Gulf Laboratory.

Established and implementing a governance model for fully owned subsidiary companies, raising their organizational maturity and independence.

Conducted feasibility studies for over 30 investment opportunities in various fields.



Business Development Investments

Subsidiaries performance

As a key player in the Kingdom’s energy landscape, the company’s extends beyond providing reliable power. The establishment and growth of subsidiaries, along with strategic business development, highlight the dedication to advancing innovation, efficiency, and sustainability in the electricity sector. This report explores the evolution and key contributions of SEC’s subsidiaries (Dawiyat, SEPDC, and Solutions Valley), and outlines the strategic vision for sustainable business expansion. Embracing a future-oriented approach, SEC showcase how these endeavors align with the broader mission of powering progress and meeting the evolving needs of the diverse stakeholders.



Dawiyat Integrated Telecommunications & Information Technology Company

Overview

Dawiyat Integrated Telecommunications & Information Technology Company, a limited liability and fully owned subsidiary of the Saudi Electricity Company, specializes in providing wholesale services for the infrastructure to major telecommunications companies. Focused on advanced fiber optic networks in line with Vision 2030, the company holds licenses from the Communications, Space and Technology Commission, ensuring compliance with international standards. Notably, the Saudi Electricity Company utilizes Dawiyat’s network for seamless connectivity, successfully implementing sophisticated applications and cutting-edge technology.

Company Responsibilities

The Communications, Space and Technology Commission (CST) has granted the company a license to provide wholesale infrastructure services. This license authorizes Dawiyat to provide wholesale infrastructure services for telecommunications within the scope of the following services: (Dark fibers and culverts, including the provision of interconnection services for tower sites or active fixed access services, and wholesale services for active fixed data links, including active fixed access services, small cells, internal solutions and wireless access points.) The CITC also expanded the scope of the license for Dawiyat on August 10, 2023, by granting it a license to provide landing station and international cable capacity services.

Strategic Initiatives

Dawiyat strategically centers its efforts on three key pillars, reflecting a comprehensive approach to advancing its technological capabilities and service offerings:

- Local and International Fiber Optics
- Large Data Centers and Edge Data Centers.
- Internet of Things (IoT) Services and Solutions.

Key Achievements

Dawiyat Integrated, in collaboration with telecommunications service providers, is actively implementing initiatives to establish high-speed and reliable communication services. Notable achievements and activities include:

Established Dawiyat Digital Company, a subsidiary, to comply with regulatory requirements set by the Communications, Space and Technology Commission.

The company achieved a new milestone by activating more than 600,000 connection chips to enable the Internet of Things technology during 2023 to serve the projects of the Saudi Electricity Company.

Dawiyat for Data Centers Company was established to expand advanced data centers in line with the Kingdom’s digital transformation plans, aiming to become a regional and global data hosting hub. It enhances revenues, diversifies income, and enables independent operations to implement strategic plans and establish data centers.

Signed a number of agreements and MOUs, most notably with the Ministry of Energy and the Ministry of Communications and Information Technology to develop the digital infrastructure in the Kingdom and enable the digital economy.

Signed an MOU with Zain Saudi Arabia, aimed at strengthening mutual cooperation in providing Internet of Things services and solutions.

Formed a partnership with ROSHN Real Estate to deploy communication infrastructure in the 21 million square meters ROSHN Integrated Community project in Mecca, spanning seven phases. This agreement will enable the company to provide wholesale services for telecommunications infrastructure at all stages of the project.

Signed an MOU with Mobily to provide the best technical solutions in the field of IoT-VNO.

Provided exceptional support to the Saudi Electricity Company during Hajj 1444H. Dawiyat Integrated has completed the necessary logistical support aimed at ensuring the reliability of communication networks in the Holy Sites to serve the pilgrims during the Hajj season 1444 H.

Signed a framework agreement with (Almozaini) Real Estate Company to develop the telecommunications network infrastructure in new residential projects.

Signed an agreement with Raqeeem company for providing wholesale communication services in Jazan city & Ras Al Khair city.

Signed a framework agreement with Al Saidi, to develop the telecommunications network infrastructure.

Dawiyat connected approximately 70,000 homes during 2023, bringing the total number of homes connected with fiber optic to about 770,000 homes.

Dawiyat launched IoT (IoT-VNO) services through the new Smart Connect product, which aims to give machines and devices the ability to communicate automatically and simply without the need for human intervention, as the main enabler for IoT solutions and services.

Future Plans and Projections

The company is unwavering in its dedication to ongoing enhancement, closely monitoring technological advancements in both local and international arenas. Emphasis is placed on identifying novel opportunities for operational expansion, service enrichment, and enhanced client satisfaction. The company actively contributes to expediting Saudi Arabia’s shift toward a knowledge-based digital economy, aligning seamlessly with the objectives outlined in Vision 2030.

Business Development Investments

Saudi Electricity Projects Development Company (SEPDC)

Overview

Saudi Electricity Projects Development Company (SEPDC) operates as a limited liability subsidiary of the Saudi Electricity Company, functioning as its engineering arm. SEPDC is entrusted with the crucial tasks of project design, management, and supervision of project execution. The company is dedicated to the localization of engineering expertise, effectively curbing capital costs, and fostering the continuous development of skills and knowledge among its employees.

Company Responsibilities

Engineering and Design Excellence

SEPDC excels in engineering and designing electricity generation and transmission projects. The company meticulously ensures adherence to engineering specifications, quality standards, cost-effectiveness, and the timely completion of projects.

Comprehensive Adherence to Requirements

Upholding environmental and social requirements is a fundamental pillar of SEPDC's operational ethos. The company prioritizes the safety of workers, underscoring a commitment to responsible and sustainable project execution.

Innovation Cultivation

SEPDC actively encourages and supports innovative ideas within its ranks. The emphasis is on enhancing performance effectiveness and augmenting added value in the realm of electricity generation and transmission projects. This forward-thinking approach positions SEPDC at the forefront of industry innovation.

Strategic Initiatives

As part of its dynamic approach to corporate evolution, the Saudi Electricity Projects Development Company (SEPDC) is actively engaged in strategic initiatives aimed at fortifying its position in tandem with Saudi Vision 2030 and the overarching transformation strategies within the electricity sector. In alignment with these aspirations, SEPDC is committed to not only developing but also implementing strategies that efficiently steer the company toward its broader goals and strategic objectives.

Restructuring to comply with Saudi Vision 2030

SEPDC recognizes the transformative power of Saudi Vision 2030 and is actively involved in restructuring initiatives that echo the vision's goals. This includes a comprehensive realignment of the company's structure, encompassing the judicious distribution of responsibilities and administrative authorities characterized by the highest level of professionalism. This strategic restructuring ensures SEPDC's seamless integration into the evolving landscape of the electricity sector.



Key Achievements

Added (26) new transmission substations and enhanced (12) existing stations with a total transfer capacity of (17,379) MVA.

Floated (78) tenders for projects in the internal financing portfolio of an estimated value of (21.2) Billion SAR and (95) tenders for the portfolio of major projects of an estimated value of (30.8) Billion SAR during 2023.

Added overhead lines and underground cables to the transmission network with a total of (124) circuits and a total length of (3,678) circular km.

The company prioritizes occupational health, safety, and environmental concerns. It achieved 100% closure of performance reviews for health and safety. Additionally, it reached 51 million work hours without injuries.

The size of the capital projects portfolio being implemented by the company amounted to (147.743) Billion SAR, including company-funded projects and funding for major customers.

The Saudi Electricity Projects Development Company prioritizes risk management, compliance, and internal control to succeed. It actively identifies, monitors, and addresses risks that could hinder strategic goals. It also ensures compliance with laws, regulations, and internal policies.

Supervised a number of important strategic projects such as the Saudi-Egyptian Electricity Interconnection Project worth (4.35) Billion SAR, Aramco project worth (3) Billion SAR, the Ministry of Housing project worth (2.14) Billion SAR, and Neom projects worth (13.16) Billion SAR.

documented 23 creative ideas with improvement studies submitted by its employees in 2023. These ideas have contributed to financial savings amounting to 40 million Saudi SAR.

Business Development Initiatives

SEPDC undertakes initiatives that underscore the company's unwavering commitment to improving efficiency, ensuring sustainability in resource utilization, and integrating cutting-edge technologies into projects for continuous progress and enhancement.

Initiative on the Circular Economy Environmental program
The initiative was approved and included in the company's environmental management and sustainability procedure for its safety and environment activity.

Initiative to preserve plant cover and perennial trees.

Initiative to recycle environmental waste to contribute to the circular economy.

Increase the efficiency and effectiveness of the company's resources through the analysis of historical data and providing improvement recommendations.

Business Development Investments

Solutions Valley Company

Overview

Solutions Valley Company, was established in 2021, and it is a subsidiary of the Saudi Electricity Company. It seeks to expand the scope of its services outside regulatory boundaries, and allows the Saudi Electricity Company to provide specialized services to clients outside the organization, such as technical consulting services, operation and maintenance services, energy services and solutions, and smart and digital solutions. Solutions Valley serves as a strategic enabler and seeks to become a leading company in enhancing the scope of innovation in the energy sector.

Company Responsibilities

During its initial phase of establishment, Solutions Valley company is drawing in essential expertise to penetrate target markets. Solutions Valley Company provides services such as:

- Engineering consulting & Supervision services in the field of electrical energy.
- Implementation of projects related to the electrical network.
- Supervision and organization of temporary electrical energy services.
- Design, supply & install/execute, Operate & maintain EV charging infrastructure projects.

Targeted Segments

Commercial
Government
Industrial



Future Plans and Projections

As part of its vision for growth and innovation, the company is dedicated to offering high-quality services in addition to its current offerings. These encompass:

Electric Vehicle Charging System Solutions

Pioneering solutions to support the growing demand for electric vehicle infrastructure.

Solar Energy Solutions

Providing sustainable energy alternatives through cutting-edge solar solutions.

Energy Efficiency Solutions

Introducing initiatives to enhance energy efficiency and reduce environmental impact.

Sustainability and Recycling Solutions

Incorporating sustainable practices and recycling solutions for a greener approach.

Emerging Technologies

Staying at the forefront of technological advancements to deliver state-of-the-art services.

Smart City Solutions

Contributing to the development of smart cities through innovative and integrated solutions.

Digital Solutions

Building data driven insights products to help decision making, improve energy usage and implement sustainable actions.

These services will be rolled out in carefully planned phases, ensuring a commitment to professionalism and high quality. The company's vision extends to future market expansions, aiming to become the foremost service provider, adept at meeting evolving needs and staying abreast of technical and professional developments in local markets.



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