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شركة نيوم للهيدروجين الأخضر

NEOM Green Hydrogen Project

Stakeholder Engagement Plan

Technical Summary

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1. Introduction and Stakeholder Engagement Framework

1.1. Project location

The NEOM Green Hydrogen Project (“**NGHP**”) in northwest Saudi Arabia on land owned by NEOM Company (“**NEOM**”), comprises three main sites – the Shigry 2 Solar PV plant, the Aqaba Wind Farm, and the Hydrogen Complex – each contributing to a large-scale green hydrogen production initiative (the “**Three Project Sites**”). NEOM Green Hydrogen Company (“**NGHC**”) (as tenant) has an exclusive lease over the Three Project Sites with NEOM, as landlord (the “**Lease**”).

1.2. NGHC Stakeholder Engagement Plan

NGHP’s Stakeholder Engagement Plan (“**SEP**”) outlines how NEOM Green Hydrogen Company (“**NGHC**”), the project company will interact with stakeholders in a transparent, inclusive manner throughout the project’s lifecycle, in line with international standards.

The SEP is treated as a “live” document, updated as needed (at minimum, annually) to respond to evolving project circumstances and stakeholder dynamics, ensuring continual improvement of engagement practices.

This approach is based upon SEPs that were developed at the outset of the NGHP and then adjusted based on implementation experience. Through implementation experience, NGHC adapted its approach from one focused on direct engagement with NEOM Company (“**NEOM**”), as landlord and developer of the NEOM region and other government bodies within the Kingdom of Saudi Arabia, to working through and monitoring the activities of these entities.

1.3. Regulatory and International Standards

The NEOM region does not currently have a dedicated authority that imposes requirements on entities operating within the region in relation to public consultation or disclosure in such projects. NGHC is, however, committed to transparency and alignment with international standards, notably the

International Finance Corporation (“**IFC**”) Performance Standards (“**IFC PS**”) and Equator Principles (“**EPs**”). In particular, IFC PS 1 emphasizes ongoing stakeholder engagement commensurate with a

project's risks and impacts (including analysis, information disclosure, consultation, grievance mechanisms, and ongoing reporting)¹.

IFC PS1 also recognizes that if stakeholder engagement is the responsibility of the host government, the project developer must collaborate with the authorities to achieve outcomes consistent with IFC PS1's objectives.

Whilst the Kingdom of Saudi Arabia, as host country, does require companies to comply specifically with the IFC PS, consistent with IFC PS 1 (para. 33), NGHC works closely with its landlord, NEOM and relevant government bodies to support effective community engagement.

2. Implementing Parties

As NEOM is the landlord and developer within the NEOM region, stakeholder engagement is led by various NEOM departments depending on the subject matter and by the Saudi government agencies per their area of authority. The departments within NEOM most frequently addressed with include:

- (a) **NEOM Government Affairs** department manages most direct interaction with national and local authorities and local community stakeholders in relation to the NGHP.
The Ministry of Interior's National Program for Community Development (known as *Tanmiah*, meaning "development") manages all consultations and liaison with local communities related to land and resettlement. NEOM Government Affairs leads all of NEOM's coordination with Tanmiah and receives reporting from Tanmiah regarding their progress in resettlement and livelihood restoration activities.
- (b) **NEOM Nature Reserve** department interacts directly with community stakeholders who are present in the Nature Reserve area of NEOM (which represents 90-95% of NEOM's overall footprint). This includes engagement with herders and fishers.
- (c) **NEOM Cultural Heritage** department interacts directly with community stakeholders who are not currently involved in a resettlement process to learn more about tangible and intangible heritage in the NEOM area.
- (d) **NEOM Public Safety** interacts with local authorities on matters of public safety, in particular regarding government traffic management efforts on public roads shared by NGHP.

¹ <https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-1-en.pdf>

2.1. Implementing Parties Objectives:

Across all NGHP components, NGHC aims to support and confirm that NEOM departments, KSA government agencies, and, where possible NGHC directly (the “**Implementing Parties**”) build constructive relationships with stakeholders and address environmental and social risks through open dialogue. Key objectives of the NGHC SEP include confirming that Implementing Parties are identifying affected stakeholders, informing them about the project, understanding their concerns, managing expectations, and ensuring stakeholders have accessible channels to provide feedback or grievances. The SEP endeavors to align with the IFC PS and EP 5 on Stakeholder Engagement and EP 6 on Grievance Mechanisms. In practice, this means engagement activities are **inclusive, culturally appropriate, and ongoing** throughout project planning, construction, and operations.

3. Site-Specific Stakeholder Interface and Key Concerns

Given the locations of each of the Three Project Sites, they have a distinct local context and set of stakeholders. NGHC’s SEP considers the site-specific circumstances while maintaining a consistent overall approach. Below is an overview of how each site interfaces with nearby communities and other stakeholders, and the particular issues and engagement measures at each:

3.1. Shigry 2 Solar PV Plant

The Shigry 2 Solar PV facility is located in a remote desert area of Tabuk Province, about 13 km southeast of Shigry town. The site is largely undeveloped open land, with the nearest settlement (Shigry town, Population: approximately a few hundred) well beyond the immediate project footprint. Another small town, Al Disah, lies approximately 35 km to the southeast. Because of this distance, direct impacts on residential communities are limited. No households are located on the leased project site itself, and all land leased from NEOM to NGHC was vacant or non-residential; thus, to the best of NGHC knowledge, no physical displacement was necessary.

NGHC, via NEOM Nature Reserve and Government Affairs, has engaged the herder community to ensure their needs are considered – for example, confirming that customary grazing access is preserved wherever safe and possible during site operation. During construction, temporary access restrictions will be communicated, and alternative arrangements made if needed (for safety), with normal access, where possible, restored afterward.

NGHC recognizes the significance of pastoral life in the Shigry region. In 2023, NEOM facilitated consultations with herder communities around Shigry. Information gained in relation to herders' priorities regarding grazing routes and water access, which informed how construction of the Shigry 2 Solar PV facility was scheduled and how information is shared with these stakeholders.

Overall, because of Shigry's low population density, stakeholder engagement here focuses on periodic updates to the nearby town and ongoing dialogue with Bedouin land users, ensuring that even transient stakeholders like pastoralists have a voice in the project's implementation.

3.2. Aqaba Wind Farm

The Aqaba Wind Farm facility (the "WF") covers a broad area (over 320 km²) south of Magna town, between Gayal and Ras Al-Sheikh Hamid on the Red Sea coast. Of the Three Project Sites, the WF has the most diverse range of surrounding stakeholders and land uses.

Several small towns lie in the wider vicinity, though direct residential presence is limited. NGHC understands that the closest residential settlement was Gayal, approximately 2.5 km from the leased WF site, which was resettled as part of NEOM's development plans. Other communities include Al Bad' (approximately 14 km northeast), Magna (approximately 15 km northwest on the Red Sea coast), and Alaseelah (approximately 8 km east). These towns have modest populations and are outside the WF leased boundary, but their residents may experience indirect impacts during construction phase (for example, project-related traffic on nearby roads, or increased demand for local services).

Herders traverse parts of the WF area similar to Shigry, and NGHC has reached out to ensure grazing activities can safely continue with minimal disruption. It has been confirmed that herders will maintain access to rangelands within the WF site except during active construction periods when certain areas must be closed for safety.

In summary, stakeholder engagement at the WF is characterized by *broad outreach*: from nomadic herders and farmers to small town residents, government security forces, and industrial neighbors. The SEP for Aqaba emphasizes timely consultation and clear communication to manage the varied social receptors and land uses around this site.

3.3. Hydrogen Complex

The main plant within the NGHP is the industrial centerpiece which houses the industrial gases to be produced by NGHC, situated on the Red Sea coast about 14 km northwest of Duba City, within NEOM's

designated industrial zone known as OXAGON (the “**Hydrogen Plant**”). This Hydrogen Complex site will host the green hydrogen and ammonia production facilities and a new marine jetty for product export. The immediate surroundings are predominantly industrial or undeveloped coastal land, with rapid subdivision and changes ongoing as NEOM builds out OXAGON. Similar to Shigry or Aqaba, there are no villages or towns adjacent to the Hydrogen Complex; the nearest population center is Duba City itself, which is a considerable distance away.

The stakeholders relevant to the Hydrogen Complex include existing industrial facilities and land users within the industrial city. A few occupied agricultural holdings (farms) have been identified to the south-east of the project area, outside the leased Hydrogen Complex boundary and indeed outside the NEOM boundary – these represent local farmers who could be indirectly affected (for instance, by construction traffic). In addition, the United Feed Company operates a large barley storage and bagging facility to the north-east of the complex. These businesses are stakeholders in that they may benefit from project opportunities (e.g. supply contracts, improved infrastructure) but also need to be kept informed about any construction activities that might affect their operations (such as road re-alignments or utility relocations). NGHC engages with them through bilateral meetings, or with the inclusion of the landlord, NEOM, emphasizing partnership opportunities and addressing any logistical concerns (for example, scheduling heavy transports to avoid interrupting port traffic).

In essence, stakeholder engagement at the Hydrogen Complex site is focused on regulatory stakeholders and neighboring industries, along with safeguarding the interests of any remaining local land users (like farmers) near the project. This involves a high degree of coordination with government authorities, aligning with NGHC’s role in a government-led engagement model.

4. Engagement Methods and Tools

NGHC employs a range of engagement tools to communicate with stakeholders across the Three Project Sites, where necessary, in collaboration with Implementing Parties. The engagement methods include both formal, structured approaches and informal, grassroots outreach, as follows:

- (a) **Government-Led Community Meetings**
- (b) **Bilateral Meetings with Key Stakeholders**
- (c) **Community Liaison and Informal Outreach**
- (d) **Information Disclosure and Media**
- (e) **Digital and Online Engagement**

5. Grievance Mechanism for Stakeholders

A cornerstone of NGHP's stakeholder engagement is the project Grievance Mechanism, which provides a formal process for any community member or stakeholder to submit concerns or complaints and receive timely feedback. This mechanism is established in accordance with IFC PS1 and EP 6, meaning it is designed to be accessible, fair, and responsive for all affected communities. Key features of NGHC's grievance mechanism include:

- (a) **Multiple Intake Channels:** Stakeholders can lodge grievances through various means – such as a dedicated telephone hotline, email, an online portal, in person via community focal points, or at project sites with locked “grievance drop boxes”. Importantly, grievances can be submitted anonymously if the complainant so desires, by leaving identifying fields blank on forms or using third-party intermediaries.
- (b) **Procedural Fairness and Transparency:** NGHC's grievance process has clearly defined steps – acknowledgment, investigation, resolution, and feedback – all of which are documented. When a grievance is received, it is logged in a register, and the team ensures prompt acknowledgment to the complainant (typically within a specified number of days). A thorough review and investigation are then conducted, involving relevant departments, while keeping the complainant informed of progress.
- (c) **No Retaliation and Confidentiality:** The grievance mechanism is explicitly designed to be safe for users. NGHC enforces a strict no-reprisal policy, meaning no one will be penalized for raising a complaint. Complaints can be kept confidential upon request; personal data of complainants are protected and only used for the purpose of resolving the issue. The option for anonymous submissions further ensures that vulnerable individuals can speak up without hesitation. This policy is communicated to all stakeholders so they understand that the mechanism is a supportive tool, not a threat.
- (d) **Linkage with Government Systems:** Any land acquisition and resettlement matters are handled by Tanmiah and any grievances specifically raised about compensation or resettlement outcomes fall under NEOM and Tanmiah process. In practice, resettlement-related grievances are managed by Tanmiah under its Resettlement Action Plan (RAP) procedures, since those processes predate NGHC's involvement.

Where possible, NGHC coordinates with NEOM and Tanmiah who keep NGHC informed of such complaints and their resolutions. For all other project grievances, NGHC's mechanism is the primary channel. Should a grievance be lodged with NGHC that actually pertains to government scope NGHC will assist by forwarding it to the appropriate contact and following up.

- (e) **Culturally Appropriate Handling:** The grievance process is implemented in a manner sensitive to local culture. If needed, the project can convene traditional mediation with community leaders to resolve

minor disputes informally, though all outcomes are still recorded officially. Overall, the goal is to ensure every stakeholder – regardless of gender, age, or background – finds the grievance mechanism approachable and trustworthy.

6. Ongoing Monitoring, Reporting, and Best Practice Alignment

NGHC recognizes that effective stakeholder engagement is not a one-off effort but a continuous process that requires monitoring, evaluation, and adaptation. To this end, the company has established clear roles and procedures to track engagement activities and outcomes:

- (a) **Monitoring of Engagement Activities:** NGHC's monitors all engagement actions to ensure they are implemented as planned. After each major community consultation or disclosure activity, the team documents the participants, topics discussed, feedback received, and any commitments made. This record-keeping allows NGHC to follow up on pending issues and verify that stakeholder concerns are being addressed.
- (b) **Stakeholder Feedback and Adaptation:** The SEP framework incorporates a feedback loop where stakeholder input is used to improve project plans if possible and feasible. NGHC periodically analyzes stakeholder engagement outcomes (meeting minutes, grievance logs, surveys) to identify any emerging concerns or misconceptions in the community.
- (c) **Reporting and Transparency:** NGHC is committed to transparent reporting both internally and externally. **Internally**, the project's management receives regular updates on stakeholder engagement progress. The SEP calls for internal reports on engagement performance and grievances on a defined schedule. **Externally**, NGHC aligns with lender requirements to report on stakeholder engagement as part of environmental and social monitoring reports. Summaries of engagement activities and key issues are provided to lenders and, where appropriate, made public. NGHC plans to report back to communities about how their input has influenced project decisions, closing the feedback loop.
- (d) **International Best Practice Alignment:** From the outset, the NGHP Stakeholder Engagement Plan has been developed to align with international best practices. By adhering to these standards, NGHC ensures the engagement process covers all essential elements: identification of stakeholders, disclosure of information in understandable formats, consultation that is free of coercion, inclusion of vulnerable groups, a functional grievance mechanism, and ongoing reporting.

7. Conclusion

NGHC's approach to stakeholder engagement in the NGHP is characterized by proactive collaboration with government programs, thorough inclusion of site-specific community considerations, robust mechanisms for two-way communication (including grievance redress), and a strong commitment to transparency and continuous improvement. By consolidating the site-specific SEPs for Shigry 2, Aqaba WF, and the Hydrogen Complex into an overarching framework, NGHC ensures a consistent, high standard of engagement across all project components while respecting the unique context of each site. This unified stakeholder engagement effort is central to NGHC's goal of not only meeting compliance obligations but also building long-term positive relationships with the communities and stakeholders that are integral to the project's success.

Sources: The information above is drawn from NGHP's consolidated Stakeholder Engagement Plan and the site-specific SEPs for Shigry 2 PV, Aqaba Wind Farm, and the Hydrogen Complex (2023), as well as international standards for stakeholder engagement, among other cited references within those plans.