

Statement by KfW IPEX-Bank

For KfW IPEX-Bank, compliance with human rights and the responsible management of environmental and social risks are a matter of course. All projects supported by KfW IPEX-Bank are subject to our Sustainability Guideline and are comprehensively and systematically assessed for their environmental and social impact, taking into account international environmental and social standards as well as KfW's Human Rights Declaration.

KfW IPEX-Bank bases its assessment on internationally recognized standards, such as the International Finance Corporation Performance Standards on Environmental and Social Sustainability (IFC PS) and the Equator Principles (EP). As an EP bank, we review our financing in accordance with the requirements of the applicable versions of the EP, of the eight IFC PS, and the KfW IPEX-Bank Sustainability Guideline valid at the time of the assessment. In particular, the IFC PS 2 explicitly address "Labor and Working Conditions" and therefore, evaluating the working conditions of migrant workers is an integral part of the project assessment.

Where necessary, we agree on binding measures and contractual obligations with our partners and borrowers to avoid or mitigate identified risks. For projects with potentially significant negative environmental and social impacts and/or risks, we also engage an independent consultant to review and monitor the project, including the Environmental and Social Impact Assessment (ESIA) of the project, and the borrowers environmental and social management to adhere to national and international standards. As part of such monitoring, Environmental and Social Audits are being conducted regularly, including of the avoidance of doubt, compliance with IFC PS 2. Findings are being addressed in an Environmental and Social Action Plan or in a Corrective Action Plan, as the case may be. The implementation of such plans is compulsory, and their progress is being monitored as part of customary processes.

As well, a worker grievance mechanism must be designed and implemented in a way that promotes openness and transparency, allowing complainants to voice their concerns and grievances without fear of retaliation or reprisal. Such mechanism has been implemented in compliance with the applicable requirements.

In addition, an internal review is conducted by our specialized experts. We refuse financing if the risks are unacceptable.

Furthermore, affected parties can contact the KfW IPEX-Bank Complaints Office at any time.

These procedures are being followed also in the case of the NEOM Green Hydrogen Project. However, we ask for your understanding that we cannot provide specific information on projects as we are bound by customary non-disclosure agreements applicable under commercial banking practices, as well as relevant data protection and banking regulations. Information about individual loan commitments and projects is therefore treated confidentially.