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[REDACTED]
Chairman, President and CEO

27 June 2023

*e-Mail: ohchr-registry@un.org
and Federal Express International*

[REDACTED]
United Nations Human Rights Office of the High Commissioner
Special Rapporteurs, Independent Experts & Working Groups
1211 Geneva 10, Switzerland

Re: UA OTH 37/2023

Dear [REDACTED]

Thank you for your letter dated April 28, 2023 regarding Air Products' human rights policies to protect workers, including migrant workers, who are engaged in the NEOM green hydrogen project in NEOM City in the Kingdom of Saudi Arabia.

We thank you for engaging with us on this very important topic.

Attached please find our response, which reflects our continued focus on human and worker rights across our global operations, businesses, communities and supply chains.

If you have any questions or would like to discuss, please do not hesitate to call [REDACTED] Executive Vice President, General Counsel and Secretary, at [REDACTED] or email at [REDACTED]

Best personal regards,

[REDACTED]

Chairman, President and CEO

cc: [REDACTED]

Air Products Response to United Nations Human Rights Office (June 2023)

About NEOM Green Hydrogen

NEOM Green Hydrogen Company (NGHC), an equal joint venture by ACWA Power, Air Products and NEOM, is building the world's largest green hydrogen plant to produce green ammonia at scale in 2026. This mega-plant will produce up to 600 tonnes of carbon-free hydrogen per day in the form of green-ammonia as a cost-effective solution for decarbonizing transportation and industrial sectors globally. Approximately four gigawatts of renewable power from onshore solar, wind and storage will be used to operate the production facility. Financial close was completed in May 2023 with 23 local, regional, and international banks, and investment firms, at a total investment value of USD 8.4 billion. Additionally, NGHC also announced that the non-recourse financing structured for the project has been certified by S&P Global (as the second party opinion provider) as adhering to green loan principles and is one of the largest project financings put in place under the green loan framework.

Air Products is the engineering, procurement, and construction (EPC) contractor and system integrator for the NGHC facility. The hydrogen complex is under construction in the Oxagon region near the southern edge of NEOM. The renewable energy facilities include a solar farm being built in the Shigry desert, and a wind farm under construction near Magna town where most of the site is an open, undeveloped coastal plain habitat. Employment during construction is expected to peak at approximately 10,000 workers with ongoing operations requiring approximately 400 personnel.

As the EPC contractor, Air Products is applying the Company's policies and procedures to the NGHC project, including but not limited to the following:

- [Code of Conduct and Business Ethics](#)
- [Environmental, Health and Safety Policy](#)
- [Human Rights Policy](#)
- [Human Trafficking and Slavery Statement](#)
- [Supplier Expectations](#)
- [Total Safety Philosophy](#)

Air Products believes our presence in Saudi Arabia gives us an ability to make a positive contribution and a meaningful difference to the country and to the world by supporting local economic and career development and supplying carbon-free hydrogen via the NEOM green hydrogen project, which does not depend on the megacity of NEOM. When the Green Hydrogen Project at NEOM was announced in 2020, it had been in development for four years. It remains the first world-scale integrated supply chain innovation to make carbon-free energy a reality, and the carbon-free hydrogen it produces will benefit people around the world by providing clean energy on a massive scale and eliminating carbon dioxide and other emissions.

Air Products' Approach to Labor Rights and Worker Conditions in the NGHC Facility

Through these and other policies, the Company commits to compliance with all applicable laws and rules. Air Products' Human Rights policy and programs have been developed to safeguard human rights in alignment with core elements of international standards, including the United Nations' Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Air Products follows a rigorous process to ensure that subcontractors adhere to these principles including audits as necessary. The Company also complies with Kingdom of Saudi Arabia (KSA) Labor Laws that contain articles for safeguarding the well-being of staff, including requirements for employment contracts, duties and

disciplinary rules, preventing forced labor, avoiding the withholding of wages, enabling workers to exercise their rights, ensuring rest periods, protecting against occupational hazards, major industrial accidents and work injuries, providing health and social services, and preventing minors from hazardous work.

As the EPC Contractor, Air Products ensures the provision of suitable, industry standard, safe, and secure labor accommodations for Air Products and sub-contractor staff. Our accommodation camps require compliance with KSA requirements and the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) Workers' Accommodation: Processes and Standards guidance (2009), including specifics on bedroom accommodation, personal space, sanitary facilities, food and kitchen safety, security, and access to utilities and services, amongst others. These accommodations cater for both genders on site.

Air Products ensures workers have well-defined contracts, with access to terms and conditions, and employees at the NGHC facility retain their passports. Air Products is committed to providing equal opportunity in employment and ensuring compliance with local regulations on localization quota in EPC activities, social security, and occupational health and safety laws. Employment decisions are based on equal opportunity and fair treatment, not personal characteristics, and special measures promoting local employment or job selection based on inherent requirements are not considered discrimination. Air Products is ensuring these requirements in subcontracts and is auditing the supply chain for compliance. Programs have been launched to empower Saudi women to take up technical roles on site in NEOM and other projects.

Air Products emphasizes the importance of managing safety and hazards at every level of project execution through steps such as conducting and documenting design hazard reviews, operability studies, risk assessments, and operational readiness inspections, carefully selecting contractors, and effectively implementing safe systems of work. As of the writing of this statement, there have been no injuries, Preventable Roadway incidents, Employee Lost Time Injuries, Employee Recordable injuries, Contractor Recordable injuries, near-fatal accidents, or process safety incidents year-to-date in the region. There was one minor non-Roadway vehicle accident and 19 near misses.

Air Products places significant importance on the well-being and satisfaction of individuals contributing to our project and firmly believe that it is in our shared interest to ensure that our workforce is paid as agreed in the employment contracts and without undue delays. Additionally, Air Products has work cycle arrangements where staff, in addition to their standard rest period in their respective rotation, receive three days of rest once a month (every four weeks) and are reimbursed for expenses for the round-trip travel and accommodations to support more time with their families.

Due Diligence & Stakeholder Engagement at the NGHC Facility

In line with the Company's Human Rights Policy, Air Products completes due diligence for human rights in our operations and supply chains aimed at identifying, preventing, mitigating and remediating risks and incidents. This includes an annual assessment of human rights risks in the countries in which we operate, as well as evaluation of supplier risks based on locations and procurement spend. In addition, we conduct audits and verifications of contractual arrangements with suppliers to ensure compliance with contractual terms. Any and all incidents of noncompliance and remediation are addressed through defined procedures and joint company-supplier corrective action plans. Likewise, we review all allegations of misconduct reported to the Company and investigate them as warranted. Our disciplinary process for confirmed allegations of misconduct includes specific actions up to and including termination of employment and legal action.

As the EPC contractor, Air Products is also preparing and implementing plans to manage risks related to the NEOM project that could potentially impact the environment and local communities. Risks have been identified and reported in Environmental and Social Impact Assessments (ESIAs) completed for the green hydrogen complex and each renewable energy facility. The ESIAs, which have been submitted to the National Centre for

Environmental Compliance, cover air quality, marine water, sediment and ecology, waste management, geology, seismicity, soil and groundwater, terrestrial ecology, noise, traffic, archaeology and cultural heritage, socio-economic, landscape and visual amenity, community health, safety and security, workers' conditions and occupational health and safety.

Risk management plans for the construction phase include a Construction Environmental and Social Management Plan, a Pollution Prevention and Control Plan, Traffic Management Plan and an Emergency Preparedness and Response Plan. In addition, a Stakeholder Engagement Plan has been developed that will provide the basis for consultation with communities and grievance mechanisms. The Stakeholder Engagement Plan establishes the processes and tools to identify and map stakeholders who have influence on the project or whom the project influences, identify and record key issues and concerns, identify vulnerable communities/groups and, if applicable, engage with them in meaningful informed consultation. As part of the implementation of this plan, Air Products seeks to build trusted relationships with local stakeholders, providing opportunities for them to voice opinions and concerns, and keep stakeholders regularly informed about project activities. As a rule, Air Products follows good international industry practice and International Finance Corporation guidelines and corporate requirements and implements a viable grievance mechanism.

Any grievances against Air Products or its employees can be reported through our long-standing 24/7 [IntegrityLine](#) that enables anyone to report, as allowed by local law, misconduct or ethics violations. Those who take steps to uphold the Company's integrity and report in good faith will never suffer reprisals or retaliation. In addition, a local grievance management plan has been established for the NEOM Green Hydrogen project to receive and facilitate resolution of concerns and grievances from stakeholders about the project's environmental and social performance. Stakeholders include any natural and legal entity who will be or is likely to be directly or indirectly affected, positively or negatively, by the project as well as those who might have an interest in, or may influence, the project. The mechanism seeks to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate, readily accessible, at no cost, and without retribution to the party that originated the issue or concern. Records of all consultations and grievances will be maintained and reported on to stakeholders.

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