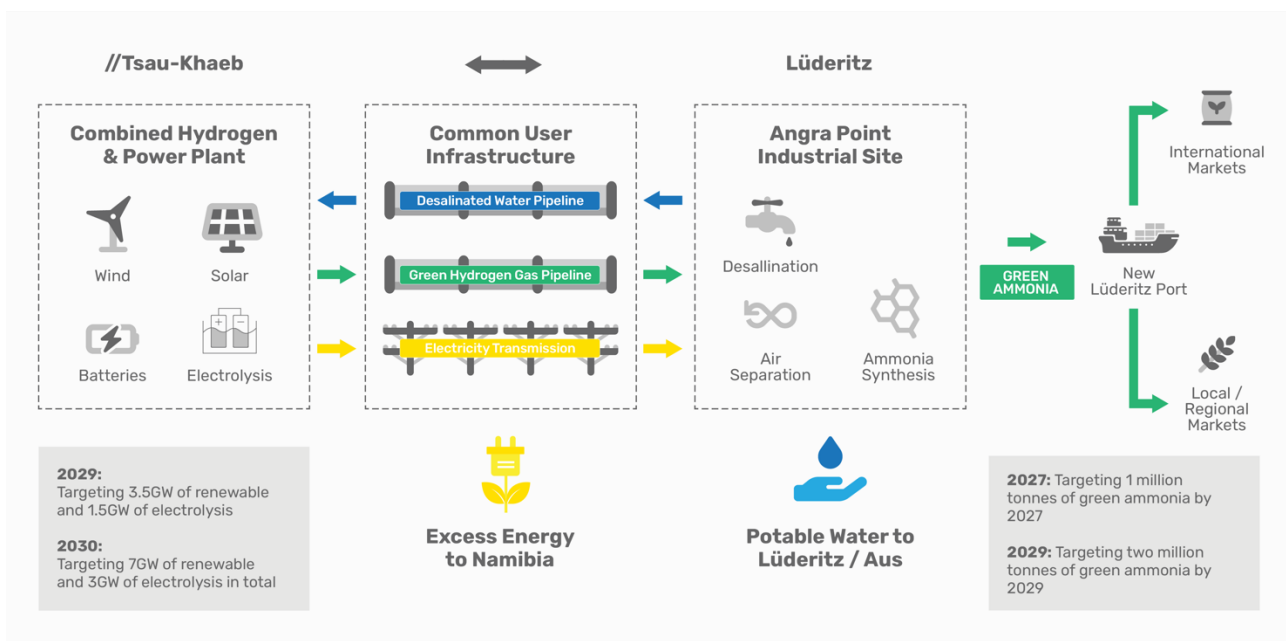


Socio-Economic Development (SED) Framework

The pioneering Feasibility and Implementation Agreement (FIA) that the Government of the Republic of Namibia (GRN) and Hyphen have signed governs the process for the development, implementation and operation of Namibia's first green hydrogen project. At the heart of the FIA is the commitment to the socio-economic development of Namibia, through job creation, skills development and local procurement.

Project Overview



Guiding Principles

GRN and Hyphen have agreed the following guiding principles which will define our approach during stakeholder engagements and the development and implementation of the SED Framework



Project participants must work collaboratively leveraging their strengths, expertise and resources to drive project success



Approaches must be reasonable, practical and achievable considering availability of resources, skills, capacities and project timeline



Activities must be conducted in compliance with Namibian laws whilst adhering to international lender requirements for project bankability



Whilst maximising Namibian participation, the project must remain cost efficient and adaptable to competitive market pressures

How will Hyphen achieve its socio-economic development commitments under the FIA?

As part of the FIA, Hyphen and the GRN have agreed a Socio-economic Development (SED) Framework that ensures that the benefits and opportunities under this pioneering green hydrogen project are enjoyed by all Namibians throughout the country.

The SED Framework covers six elements:



Employment

Refers to the estimated number of people to be employed by Hyphen

- Construction phase: 15,000
- Operational phase: 3,000
- Estimated 90% Namibian and 20% youth employment



Skills Development

Refers to education, training and capacity building initiatives by Hyphen and GRN that are necessary to support the employment of Namibians and youth under the project



Local Procurement

Refers to the proportion of goods, services and/or materials procured locally by Hyphen, favouring local entities that are Namibian-owned



Enterprise and Supplier Development

Refers to initiatives by Hyphen and GRN necessary to support enterprises to accelerate the development of Namibian business to capture opportunities arising from the project



Supplementary Infrastructure Requirements

Refers to the development by GRN of key public infrastructure such as roads and utility supply infrastructure in Luderitz and Aus necessary to address the expected growth in population as a result of the project, as well as the provision of housing by Hyphen for its employees



Corporate Social Investment

Refers to charitable and philanthropic investments to be made by Hyphen for the benefit of local communities

SED outcomes are intended to be impactful, transformative, sustainable and inclusive.

How do we transition from SED Targets to SED Commitments?

The SED Targets represent Hyphen's good faith estimates on Employment and Local Procurement, which will be verified during the feasibility phase. The verification process involves the commissioning of various baseline studies that will give GRN the data to determine what levels of localized Employment and Procurement are actually feasible.

SED TARGETS

Employment

15,000 jobs = construction phase
3,000 jobs = operational phase
90% Namibians
20% Youth (of the 90%)

Local Procurement

30% Local Procurement

SED BASELINE STUDIES

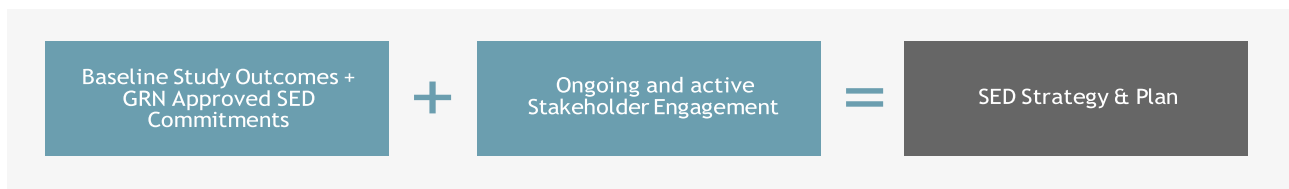
Project workforce competency & planning model to determine job numbers by type, skill & competency levels
National skills audit, skills gap analysis & workforce future planning to assess skills availability in market

Value chain mapping, local entity capacity and capability profiling and forecasting as well as the design of an enterprise and supplier development (ESD) program

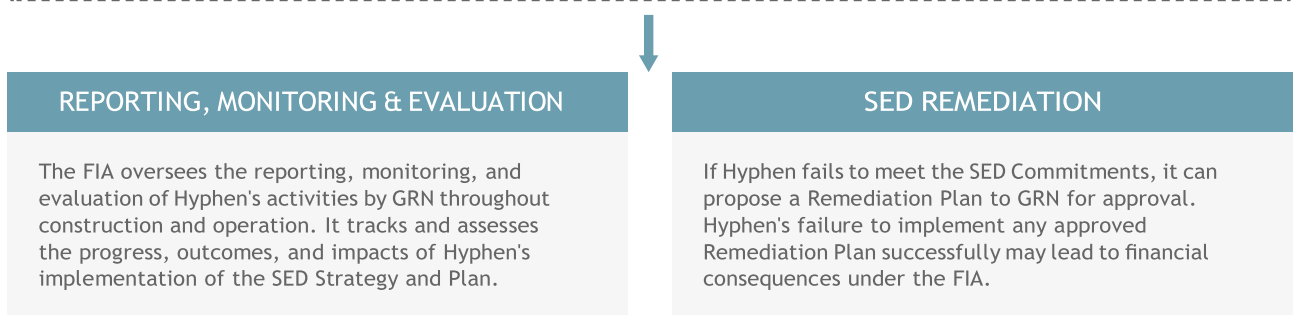
Hyphen & GRN have agreed a governance process to transition these SED Targets to SED Commitments.

GOVERNANCE FRAMEWORK		
<p>SED Targets</p> <p>Hyphen prepares terms of reference for baseline studies. GRN reviews and approves terms of reference within a specified timeframe. GRN has the option to commission its own baseline studies if needed.</p>	<p>Verification of Targets</p> <p>Hyphen submits baseline study reports and proposed adjustments to SED Targets to GRN. GRN reviews and engages Hyphen to address any discrepancies within a specified timeframe.</p>	<p>Approval of SED Commitments</p> <p>Hyphen submits its final proposed adjustments to the SED Targets to GRN for final review and approval within a specified timeframe.</p>

How do we evolve the SED Framework into a comprehensive SED Strategy & Plan?



Hyphen is required to deliver a comprehensive **SED Strategy & Plan** to GRN within the feasibility phase of the FIA. During this phase, Hyphen and GRN will maintain ongoing and active engagement with diverse stakeholder groups in order to co-create inclusive solutions and develop a comprehensive SED Strategy and Plan. Delivery of the Strategy will be done in phases as follows:



Q & A

The Project

1. What is the Feasibility and Implementation Agreement?

The pioneering Feasibility and Implementation Agreement (FIA) governs the process under which Namibia's first green hydrogen project will be realised, as a first step in the implementation of GRN's broader green hydrogen strategy.

2. How will Namibians benefit from the Hyphen project?

The SED framework ensures that the project maximizes benefits for Namibians by focusing on key areas such as training, education, job creation and localisation.

Hyphen estimates a workforce of around 15,000 during construction and approximately 3,000 during operations as well as localization of 30% of project expenditure. These figures will be verified in the feasibility phase through baseline studies, transitioning them to firm figures for GRN approval under an agreed governance process.

The project will generate significant income to the Namibian fiscus through the payment of land rentals, royalties on all project revenues and taxes.

Employment and skills

3. How many jobs will this project create?

Hyphen estimates a workforce of around 15,000 during construction and approximately 3,000 during operations as well as localization of 30% of project expenditure. These figures will be verified in the feasibility phase through baseline studies, transitioning them to firm figures for GRN approval under an agreed governance process.

4. How will workers be recruited for the Hyphen project?

As part of developing the Socio-Economic Development Strategy and Plan, Hyphen will create a comprehensive Hiring Policy and Plan. This plan will outline various aspects relating to employment, including recruitment strategy and process. These processes will be collectively determined through engagement with local communities and other key stakeholders.

5. Will the Hyphen project prioritize employment and procurement opportunities for the local communities in the //Kharas and Hardap regions ahead of the rest of the country?

Hyphen will be guided by GRN policy, which currently requires us to adhere to the principle of 'One Namibia, one Nation' which implies that all Namibians regardless of region will have equal access to employment and procurement opportunities under the project. It emphasizes the principle of exclusivity and the belief that every Namibian should have a fair chance to participate in and benefit from economic development resulting from the project.

6. In light of Namibia's high youth unemployment rate, how does the Hyphen project specifically address youth empowerment and create job opportunities for young individuals?

Hyphen estimates that up to 20% of its workers could be youth i.e., employees between the ages of 18 and 35. This 20% target will be verified during the feasibility phase in partnership with GRN. We anticipate that the youth will constitute a significant cohort that will benefit from the project by accessing employment, local procurement and valuable skills development opportunities.

7. What specific skills and qualifications is Hyphen seeking when hiring for the project?

During the feasibility phase, Hyphen will develop a project workforce competency and planning model to accurately determine the required number of jobs based on job types, skills, and competency levels that will be required for the implementation, operation and maintenance of the project. We will share the information once the study's results become available. While we are still in an early stage of the project, it is worth noting that fields of study specializing in STEM subjects (science, technology, engineering, and mathematics) and within the technical and vocational education and training (TVET) segments will naturally play a significant role in fulfilling the project's required competencies.

8. Will the Hyphen project offer any training programs or funding opportunities specifically designed to support the development and empowerment of Namibians to be employed under the project?

Yes. During the feasibility phase Hyphen will determine what training is needed to upskill Namibians for this project by conducting a national skills audit and skills gap analysis based on its project workforce needs. The outcome will determine the nature and type of targeted training interventions at various levels that would be initiated, such as specialized Masters' programs, TVET, internships and apprenticeships.

9. Considering the varying levels of internet and phone access among the population, how does Hyphen plan to ensure equal access to job advertisements for individuals without internet or phones?

As part of developing the Socio-Economic Development Strategy and Plan, Hyphen will establish a comprehensive Hiring Policy and Plan. This plan will encompass various elements related to employment, including recruitment strategy and process. These aspects, such as the recruitment process, will be collectively determined through engagement with local communities and other key stakeholders. This collaborative approach aims to consider constraints that may exist, such as limited internet access or access to a telephone, to ensure equal opportunity and accessibility for all individuals. By taking these factors into account, we can formulate an approach that provides fair and inclusive access to job opportunities.

How will Lüderitz and Aus benefit?

10. How will the implementation of the project directly benefit Namibians in respect of excess desalinated water and electricity that will be produced by the project?

Hyphen has proposed to GRN to supply excess electricity from the project, or additionally to oversize the electricity production in excess of Hyphen's requirements, in order to supply excess electricity. The exact scale and basis on which electricity could be supplied is to be assessed and agreed to by GRN during the feasibility phase of the FIA.

Hyphen has proposed to GRN to oversize the desalination plant to be able to supply water to Lüderitz and Aus. The exact scale and basis on which water could be supplied is to be assessed and agreed to by GRN during the feasibility phase of the FIA.

Project Housing

11. Will Hyphen be providing housing for its workers under the project?

Yes. During the feasibility phase Hyphen will determine what accommodation will be needed for its employees and contractors during the construction and operational phase of the project.

GRN broadly, and local government specifically, remains responsible for the long-term planning and development of Lüderitz and Aus to support the projected growth of these communities expected to be driven by the green hydrogen, oil and gas and mining industries.