

Sustainability Report 2023

A year of planning & preparation

السودة للتطوير
Soudah Development



A PIF COMPANY

Engineer Saleh AlOraini
CEO Soudah Development



Message From The CEO

“Our groundbreaking project in the South of the Kingdom of Saudi Arabia is a testament to our commitment to sustainability, preservation of culture and heritage, and exceptional guest experiences. We are excited to embark on this journey and look forward to welcoming guests to our mountain haven of wellness, relaxation, and adventure. We aim to create a destination that leaves a lasting positive impact on the environment, the local communities, and the Kingdom as a whole – we invite you to join us on this journey by offering you the first Soudah Development Sustainability Report for 2023.

Sustainability is a core value that guides our every decision. We are committed to minimizing our ecological footprint and preserving the natural beauty of the area. Our development will incorporate innovative technologies and practices that promote energy efficiency, waste reduction, and water conservation. We will also prioritize the protection of wildlife and biodiversity, working with national institutions to ensure that our presence has a positive impact on the surrounding ecosystems.

In order to achieve this vision, we work closely with our partners to ensure that our development aligns with their needs and aspirations. We believe in the power of collaboration and will actively seek input from the people who call this region home. By involving them in the decision-making process, we can create a destination that not only meets the expectations of our guests but also contributes to the sustainable growth of the local economy.

As we embark on this journey, we are grateful for the opportunity to contribute to the growth and development of the Kingdom of Saudi Arabia. We believe that our project will not only attract visitors from around the world but also create employment opportunities and stimulate economic growth in the region. By showcasing the beauty of nature and heritage of this area, we hope to inspire others to appreciate and protect the natural wonders that Saudi Arabia has to offer.”

Table of Contents

02	Message from the CEO		
	Introduction		
04	About this Report		
06	About the Soudah Development Company		
07	Governance: Doing Things Right		
08	Governance: Our Commitment to Governance		
	Soudah Peaks Development		
10	About Soudah Peaks		
11	Development Zones		
12	Hospitality Concepts		
13	Tahlal		
14	Sahab		
15	Sabrah		
16	Rijal		
17	Red Rock		
	Sustainability is at Our Core		
19	Sustainability Strategy		
20	Materiality Assessment		
21	Sustainability Core Themes		
22	Sustainability Goals and Initiatives		
	The Environment that Supports Us		
24	Sustainability Goals and Initiatives		
25	E1: Adapting to a Changing Climate		
26	E2: Managing our Water Resources		
27	Spotlight on Irrigation		
28	E3: Managing our Wastes		
29	E4: Air Quality and Noise Pollution Control		
30	E5: Utilising Clean Energy		
	Our Natural Surroundings		
32	Our Natural Environment		
33	Sustainability Goals and Initiatives		
35	N1: Ecological Baseline Surveys		
36	N2: Afforestation of Protected Areas		
37	N3: Reintroducing Native Species		
38	N3: Reintroducing Native Species		
39	N4: Managing Invasive Species		
40	N5: Management of Hamadryas Baboon		
	Our People and Communities		
42	Overview		
43	Sustainability Goals and Initiatives		
44	P1: Supporting Local Employment		
46	P2: Community Engagement		
47	P3: Resettlement Process		
48	P4: Supporting Local Procurement		
	Our Health and Wellbeing		
50	Sustainability Goals and Initiatives		
51	H1: Occupational Health, Safety and Security		
52	H2: Community Health, and Safety		
53	H3: Guest Holistic Wellbeing		
54	Spotlight on Sahab		
	Our Culture and Heritage		
56	Regional Heritage		
57	Sustainability Goals and Initiatives		
58	CH1: Architectural Design		
59	CH2: Restoration of Cultural Heritage Sites		
60	CH3: UNESCO World Heritage Site Listing		
61	CH4: Cultural Heritage Management Plan		
	Our Performance		
63	2023 Highlights		
64	Planning for 2024		
	Back Cover		
65	Soudah Development Company contacts		



About This Report

Welcome to the Soudah Development Sustainability Report 2023

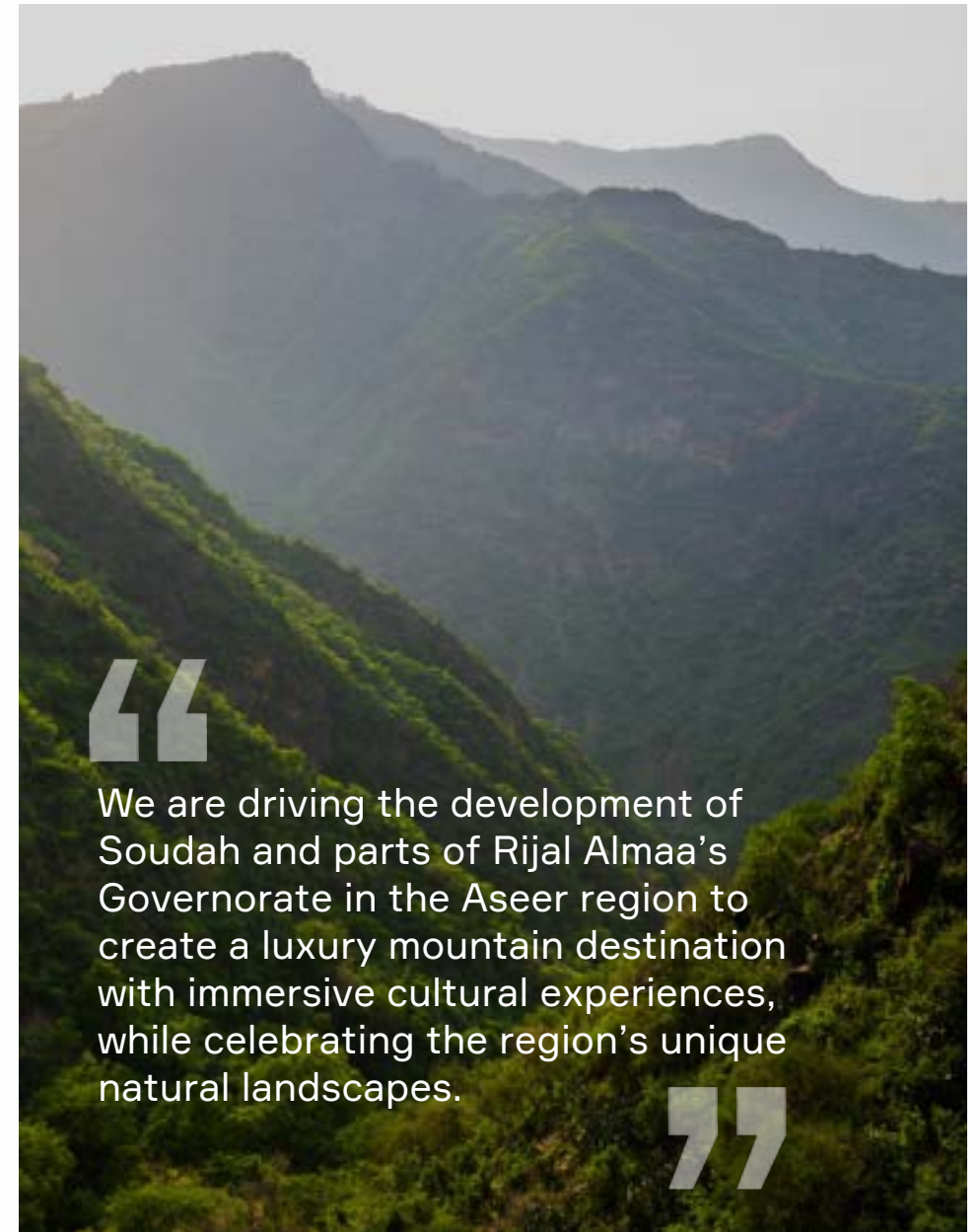
Our 2023 Sustainability Report sets out our initial Sustainability Strategy, goals and initiatives for the Soudah Peaks luxury mountain destination and is the first sustainability report of Soudah Development (SD). The report covers the planning and preparation phase of Soudah Peaks during which we are establishing the core management team, setting up offices, implementing early sustainability initiatives and carrying out preliminary demolition works.

SD, and its implementation partners, are committed to ensuring that the project is implemented with sustainability at its core. SD is following the standards and requirements of the Public Investment Fund (PIF) and are working with national stakeholders and regulators, the local community and local businesses to promote and enhance the quality of tourism and hospitality in the Asir Region.

The 2023 report provides:

- An introduction to Soudah Development.
- A governance framework that sets out how we will manage the development to comply with national and international laws and regulations.
- An introduction to the Soudah Peaks luxury mountain destination.
- Our approach to sustainability and determination of material environmental, social and governance issues.
- Our commitment to protect and enhance Soudah's unique environment.
- Our commitment to restore and conserve nature.
- Our social and community development and support strategy.
- Our focus on wellness, health, safety and security.
- Our plans for the enhancement of cultural heritage sites and celebration of traditional culture.
- Highlights of 2023 and our programme for 2024.

The report is intended for digital use only and will be disclosed on our corporate website. The report should not be printed without the prior permission of Soudah Development.



“

We are driving the development of Soudah and parts of Rijal Almaa's Governorate in the Aseer region to create a luxury mountain destination with immersive cultural experiences, while celebrating the region's unique natural landscapes.

”

Company Overview



About Soudah Development



Company Introduction

Soudah Development (SD) is a real estate development company wholly owned by the Public Investment Fund (PIF) of Saudi Arabia. SD will drive the development of Soudah and parts of Rijal Almaa Governorate in the Aseer region where a year-round luxury mountain tourism destination will be created to provide immersive cultural experiences, whilst celebrating the region's beautiful natural landscape.

Our policies and procedures are aligned with the principles of the **Sustainable Tourism Partnership Programme** which requires operators, hoteliers, governments and tourists to take responsibility and action to make tourism more sustainable. We are also part of the **Saudi Green Initiative** which is a national initiative focused on combating climate change, improving quality of life, and protecting the environment for future generations.

SD as well as the development of the destination of Soudah Peaks aligns with the objectives of **Saudi Vision 2030** which aims to build a strong, happy, and fulfilling society as the foundation for economic prosperity. Our development embeds physical, psychological, and social wellbeing, creating a setting where everyone enjoys a high quality of life, a healthy lifestyle, and an attractive living environment.



Our Vision

To be **THE LUXURY** mountain destination offering unparalleled experiences.



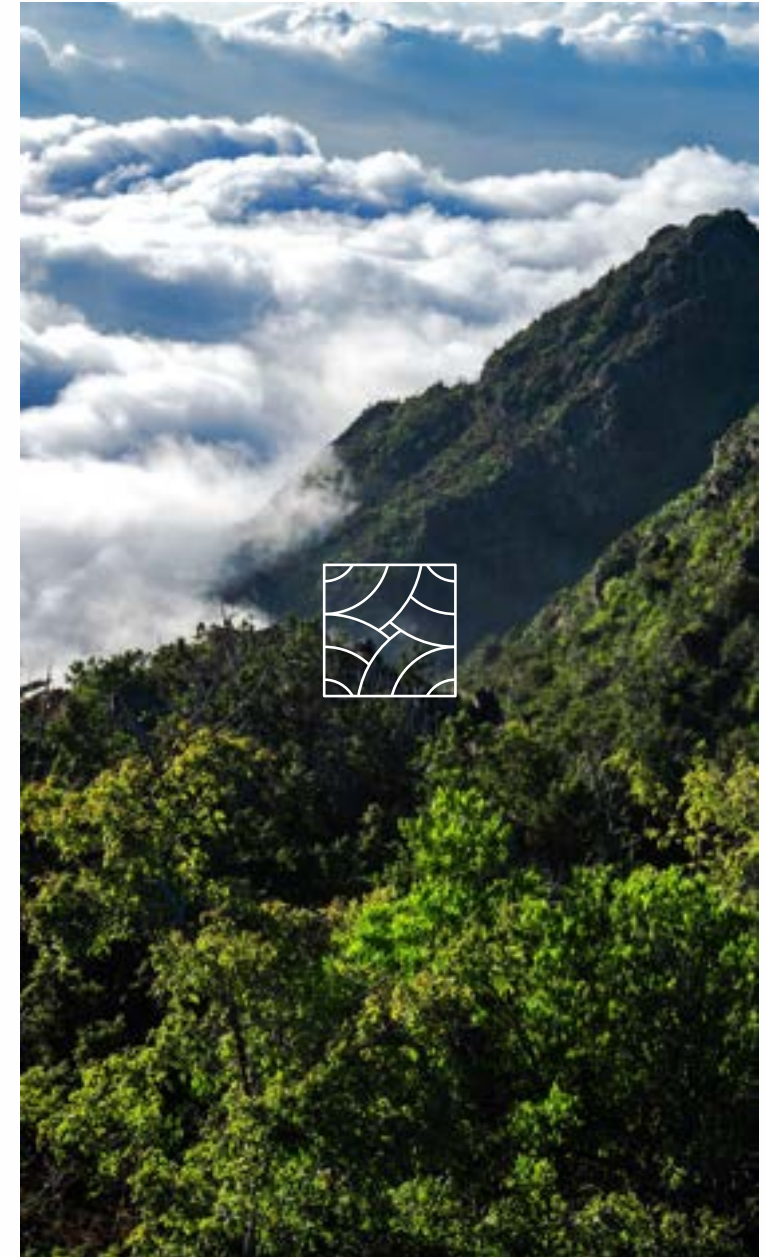
Our Mission

To create **MEMORABLE EXPERIENCES** through developing a sustainable destination and promoting our unique nature, culture and heritage.

For more information, please refer to:

<https://soudah.sa/en>

<https://www.soudahpeaks.com/>



Governance: Doing Things Right

Responsible Leadership

We are committed to being a responsible business and maintaining the highest ethical standards of governance to support our culture, values, and commitments. Our senior management team ensure that governance is embedded, measured, and upheld on a day-to-day basis in all of our business operations.

As a young company in the early stage of our development, we are in the process of identifying talented individuals and teams to take on key roles. We have finalised our corporate organisational structure which defines lines of reporting and communication. Our governance sits at the highest level within SD, with the CEO and our Board of Directors.

We are members of the UN World Tourism Organisation, Mountain Partnership, and World Travel and Tourism Council, as well as working in partnership with—the Saudi the Green Initiative, Saudi Vision 2030, the Heritage Commission of the Ministry of Culture, the International Institute of Gastronomy, Culture, Arts and Tourism, National Centre for Vegetation Cover, Development and Combating Desertification and Saudi National Centre for Wildlife and are contributing to the goals of these organisations. We have recently signed MoU's with the International Council on Monuments and Sites (ICOMOS) and The Royal Institute of Traditional Arts (TRITA) in relation to the preservation of our regional cultural heritage and traditions.

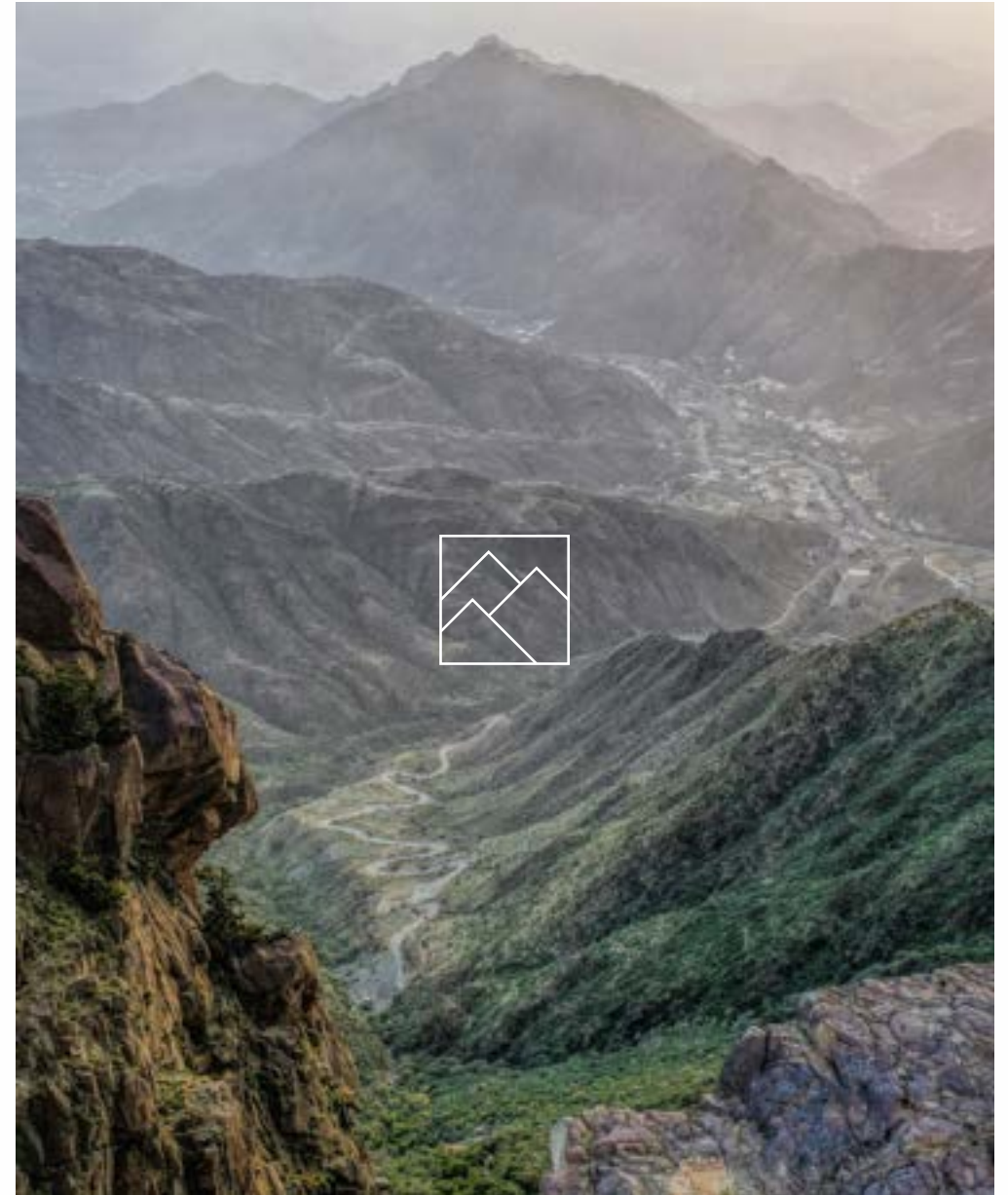


Governance: Our Commitment to Governance

Governance Policies

The performance of work with integrity is the foundation from which we proceed with the development and growth of Soudah Development. This requires us to demonstrate the highest standards of ethical behaviour and to adhere to them in all of our business transactions. We have developed and implemented governance policies which illustrate our commitments:

- **Code of Conduct and Ethics** which lays out the codes of conduct which we expect from our employees, contractors and participants in our supply chain goods and services providers.
- **Compliance Management Policy** which describes the compliance boundaries within which all departments of the company have the authority to operate.
- **Finance and Accounting Policies** which sets detailed guidelines for the Finance Department and others to manage budgeting, accounting transactions, and regulatory reporting.
- **Cybersecurity Department Policy** which will minimise cybersecurity risks and ensure compliance with national regulatory requirements. Importantly, this includes provisions to maintain the confidentiality of data on both our personnel and guests.
- **Whistleblowing Policy** which allows any member of our staff to register a grievance against the company which will be treated in full confidentiality and with no recourse.
- Our sustainability practices will be aligned with the **Global Sustainable Tourism Council (GSTC)** standards which establishes the highest standards for the global tourism industry.



Soudah Peaks

Luxury Mountain Destination



About Soudah Peaks

PIF has established Soudah Development (SD) to manage the development of Soudah and parts of Rijal Almaa in Aseer Province, located in the southwest of Saudi Arabia.

The goal is to develop a unique mountain destination at the highest point in Saudi Arabia that includes an exclusive, luxurious offering covering wellness, hospitality, adventure, and sports combined with a rich cultural experience.

The development will be tourism-focused with hotels, second homes, retail space, and a significant number of unique leisure attractions. SD will develop an offering to attract adventure and sports, wellness, and cultural experience tourism seekers, as well as meetings, incentives, conferences, and exhibitions (MICE) visitors. Visitors are expected to come from the Middle East in the first place although some are expected to come from international markets including the US, Europe and Asia.

The destination comprises six development zones which have been subject to detailed planning in relation to layout, facilities, architecture, resource usage, guest activities and transport connectivity. The destination will be low carbon with digital information replacing more traditional paper information sources, cycling routes and hiking tracks to minimize car usage.

A Concept Master Plan for the destination was completed and approved by the SD Board of Directors in December 2023. Phase I of the development program will involve construction of major elements of the first five development zones with 'Jareen' to follow in a later phase. More detail will follow in future reports.

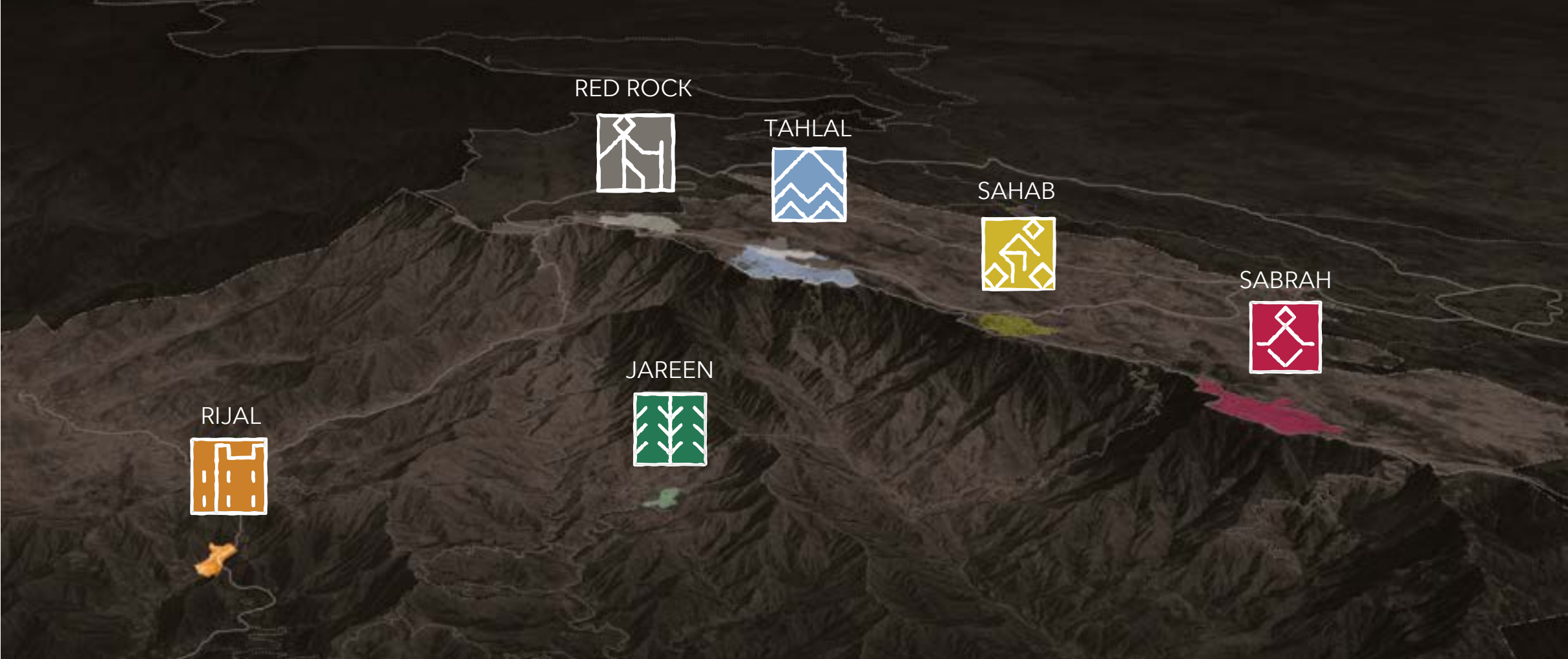


“

Soudah development will cover an area of 627 km². As of today, 33% of the area is designated for national parks and nature protected areas. The development is set within a mountain range with spectacular views and boasts exceptional cool temperatures compared to the wider Kingdom.

”

Six Development Zones



Multiple Accommodation Concepts



Villas



Mansions



5 Star Hotel



Hotel



Community Centre



Chalet Cluster

Tahlal

Tahlal represents the hub of Soudah Peaks providing a gateway to the wider destination, 365 days of the year.

Tahlal comprises a mix of residential units, hospitality offerings, heritage and retail spaces within a ridge line experience. Supporting these uses will be an 18-hole golf course and the unique Watan Amsoudah heritage village set behind the highest point in Saudi Arabia.

Tahlal will comprise an urban townscape with extensive vegetation and soft landscaping and will include Cultural Discovery Trails, an Observatory Deck, a Virtual Reality Experience Centre, a Sky Bridge, an Indoor Adventure Park, an Amphitheatre, a Golf Course, Hiking Trails and an Enchanted Forest.



1,775 Keys



766,086 m²
Total Development Area



986
Total Second Homes



14,646
Total Population



9 Attractions

Sahab

Sabrah will be the adventure centre for the Soudah Peaks destination providing adventure sports and recreational activities with views across the valley to the escarpments and ridges beyond. Sahab is located in an area of outstanding natural beauty which forms part of the reforestation initiative for SD.

Attractions will include a Zip Line, a Sky Bridge, a Mountain Swing, the Outdoor Adventure Park Ridge, an Air Zone, a Bike Park, the Skyline Luge, the Mountain Adventure Coaster Track, a Mountain Skate Park and further outdoor activities to be determined. The area will also house a Sports Rehabilitation and Performance Centre and a Health Therapy Centre with the potential to attract regional triathlon and other competitions.

Accommodation will comprise a combination of a 3-star hotel and serviced apartments combined with a 5-star luxury hotel close to the cliff.



375 Keys



57,212 m²
Total Development Area



0
Total Second Homes



745
Total Population



12+
Attractions



Sabrah

Sabrah will provide a secluded, luxury residential destination supported by high end hospitality and with a strong focus on mental wellbeing and physical health.

The Sabrah development zone has been designed to integrate with natural landscape contours and with architecture sympathetic to its natural open space context.

The development will include Luxury Residential Villas, Hiking Trails, a Meditation and Yoga Centre, Wellness and Spa Venues and Organic Farms (not part of the core development but part of the regional agricultural landscape).



180 Keys



155,608 m²
Total Development Area



350
Total Second Homes



2,353
Total Population



4+
Attractions



Rijal

Rijal AlMa'a Village

Rijal Alma'a village will be the cultural hub of Soudah Peaks with existing cultural assets at the centre of the development.

Rijal village is one of the most important cultural and historical sites in Aseer Region. In addition to Rijal Almaa itself, the zone will include flexible festival spaces for historical events, museums and community facilities, 3-star and 5-star hospitality options within the village together with transport linkages to the remainder of Soudah Peaks.

The development will comprise an Information and Visitors Centre, Rijal Heritage Village, Rijal Plaza (not core) and the Rijal Almaa Museum (which is existing).



80 Keys



14,713 m²
Total Development Area



0
Total Second Homes



2,353
Total Population



4+
Attractions

Red Rock

Red Rock is located within an existing National Park and will be the least developed of the Soudah Peak zones. Hospitality facilities will be limited to a high-end hotel development located on a brownfield site together with around 425 low impact glamping units.


The development is set within the national park providing direct access to hiking trails. Attractions are designed to offer interaction with nature through horseback riding, hiking, adventure activities and education centres. The hotel in the south of the zone provides a clear view onto the Red Rock heritage area.

This development will be part of a regeneration strategy for the existing brownfield zone. The National Park Experience/Visitor Centre will be at the heart of the development, providing an education and research facility for all with a focus on the pristine, native flora and fauna of the Red Rock area.


Red Rock facilities will include Hiking Trails with waymarks, the National Park Experience, Nature Reserve, Visitor Centre, Outdoor Adventure Park, Stables and Outdoor Gym.




 **255** Keys

 **425** Transient Hospitality

 **6** Attractions

 **40,382 m²** Total Development Area

 **2,353** Total Population

Sustainability

Is At Our Core



Sustainability Strategy

At Soudah Development and our Soudah Peaks Luxury Mountain destination, we recognise that our business success is closely tied to the preservation and enhancement of the natural and social environment in which we operate. Over the course of the last two years, we have been working on our first Sustainability Strategy which provides a framework for the delivery of the project through its concept, planning and early ground preparation stages. As we move towards construction, we will further refine and update the Strategy building on our environmental monitoring programme and continuation of baseline surveys.

The Strategy describes our sustainability goals and early initiatives based on compliance with the national laws and regulations of Saudi Arabia in the first place combined with recognised Good International Industry Practice (GIIP) for the ecology-based tourism sector.

The Strategy is built on the following:



*As it is early in the development of Soudah Peaks, we are formulating the Key Performance Indicators (KPIs) and look forward to reporting on these fully in the 2024 Sustainability Report.



“
 Our commitment to sustainable practices is at the core of our mission, as we strive to provide an enriching and responsible ecotourism experience and to set an example for future destinations within the Kingdom.
 ”

Materiality Assessment

Goals & Objectives

A key component of our approach to sustainability is understanding the scale of importance of environmental, social and governance issues to all our company employees and external stakeholders.

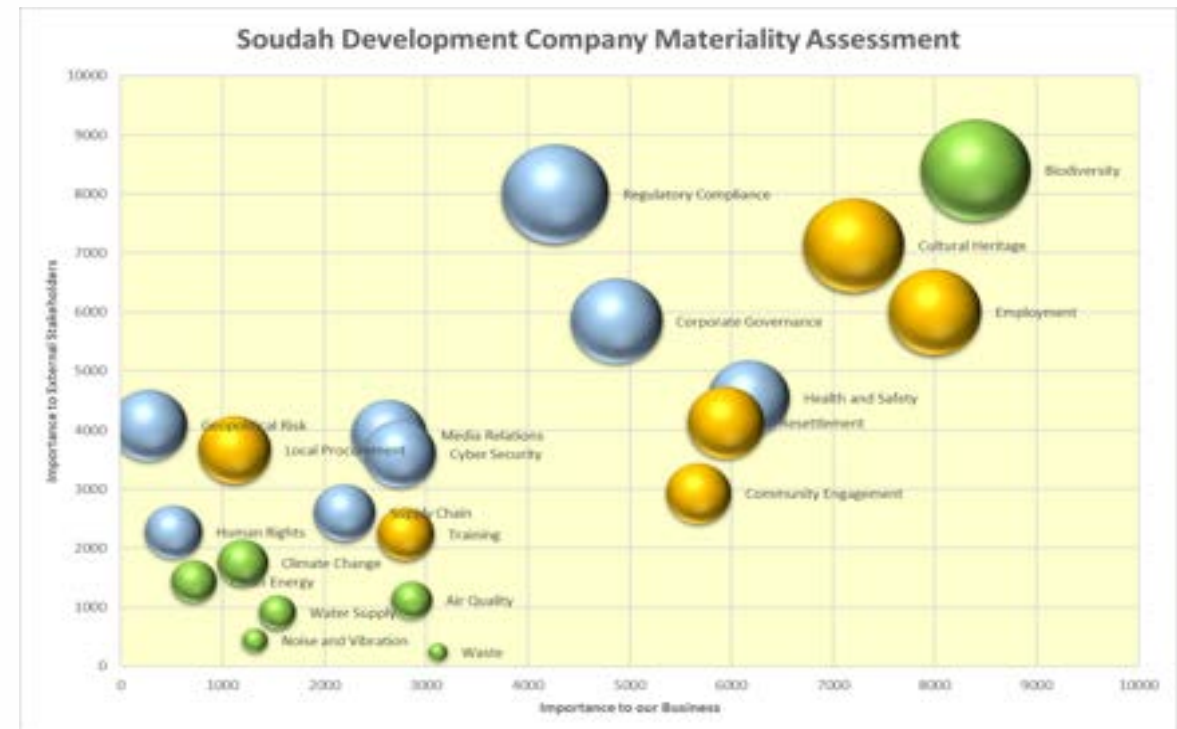
To achieve this understanding, and as a first key step, we have undertaken our first company Materiality Assessment (MA). At this stage, the MA has been an internal process involving SD personnel only. The first MA has focused on issues of importance to the business and our internal stakeholders for the planning and land preparation phases of the development.

The identification of material topics is important for SD to understand and manage our material environmental, social and governance impacts. It is these material topics which have formed the basis of our 2023 Sustainability Report.

This approach is aligned with international best practice identified by the **United Nations** and the **Global Reporting Initiative G4**. Our MA will be reviewed on an annual basis to identify and capture the rapidly changing and evolving priorities of our stakeholders. We will initially focus on identified 'High' Priority Issues during the Design/Execution phase wherein the X-axis represents importance to our business and the Y-axis to our stakeholders plotted on a numerical, and weighted scoring system.

Materiality Map

Our Materiality Assessment follows accepted best practice approach for the current stages of the Soudah Peaks project. Issues in the upper-right quadrant are considered highly material and require significant attention and resources. Issues in the lower-left quadrant are of lower materiality and may not require immediate attention but remain on our radar. This map presents a visual representation of our material issues and their importance at this early stage of the development. The assessment will be revised as the project continues towards implementation and, as we move into the construction phase, material environmental issues such as responsible waste management and the provision of a sustainable water supply will increase in importance to the business and our stakeholders. Other issues, such as light pollution, will become material and be added to the analysis.



Sustainability: Core Themes

As part of our Materiality Assessment process, SD has grouped the issues arising into five core sustainability themes which matter most to our business and to stakeholders in the business.

The remainder of the 2023 Sustainability Report describes our approach to managing each of these core themes.



People & Communities



Environment



Health & Wellbeing



Nature



Culture & Heritage

Sustainability Goals & Initiatives

The Materiality Assessment has also assisted us in setting key goals and early initiatives for each of these areas. As the Project moves towards construction, KPIs will be developed for each of the target areas.

	Environment	Nature	People	Health & Wellbeing	Cultural Heritage
Goals	To protect and enhance Soudah's unique environmental setting through adapting to a changing climate while mitigating impact to the environment by implementing water resource conservation initiatives, waste standards, as well as the control of air and noise pollution and clean energy use.	To protect and enhance natural habitats, flora, fauna, natural ecosystems and those who depend upon them in all areas in which we operate.	To support and develop our people through fair and appropriate human resources policies and procedures, to encourage and stimulate business to support and empower the local community.	To ensure a healthy and safe environment for our employees and visitors to the destination.	To restore, protect and encourage visitors to celebrate and enjoy the physical (tangible) and cultural (intangible) heritage resources of the region.
Sustainability Initiatives	E1: Adapting to a Changing Climate E2: Managing our Water Resources E3: Managing our Waste E4: Maintaining Pristine Air Quality and a Low Noise Environment E5: Utilising Clean Energy	N1: Ecological Baseline Surveys N2: Reforestation of Protected Areas N3: Reintroducing Native Species N4: Management of Invasive Species N5: Management of Hamadryas Baboon	P1: Looking after our Employees P2: Community Engagement P3: Resettlement P4: Local Procurement	H1: Occupational Health and Safety H2: Community Health and Safety H3: Guest Holistic Wellness	CH1: Architecture and Landscape Design CH2: Restoration of Heritage Sites CH3: UNESCO World Heritage Listing Study CH4: Cultural Heritage Management Plan

The Environment that Supports Us



Sustainability Goals and Initiatives

Sustainability Goals

Soudah Development (SD) intends to be a leader in environmental performance and sustainability within the luxury tourism market. Our high-level goal is to protect and enhance Soudah's unique environmental setting through adapting to a changing climate while mitigating impact to the environment by implementing water resource conservation initiatives, waste standards, as well as the control of air and noise pollution and clean energy use.

We will minimise our environmental impact through strong environmental stewardship, responsible resource management and the use of nature-based engineering solutions where feasible. The Soudah Peaks destination is located within a pristine mountain environment which has the multiple benefits of clean air, low ambient noise, plentiful rainwater and temperatures which are modified by the altitude and dense forest cover to be lower than elsewhere in the Arabian Peninsula. It is our responsibility to ensure that Soudah Peaks is developed in a way which is respectful of the physical environment and preserves our valuable natural resources for the enjoyment of our visitors and future generations.

Sustainability Initiatives

Our specific sustainability initiatives in relation to the natural environment are:

- **E1: Adapting to a Changing Climate:** to ensure that our buildings are designed to withstand the effects of climate change and to build in conservation design measures for rainwater harvesting and heat insulation; to minimise our Greenhouse Gas (GHG) emissions and to report and disclose on these as appropriate as we move into the construction phase.
- **E2: Managing our Water Resources:** to identify a sustainable supply of water which does not compromise other water users, to protect the destination and its infrastructure from flooding and to preserve the integrity of natural wetlands.
- **E3: Managing our Waste:** to develop and operate Soudah Peaks as a low waste development with a strong focus on recycling, reuse and the circular economy. Guests of Soudah Peaks will also play a key role in the minimisation of waste. Single-use plastic will be discouraged at the resort.
- **E4: Maintaining Pristine Air Quality and a Low Noise Environment:** to protect the pristine mountain air quality for the benefit of the environment and guests, to manage adverse noise impacts through innovative engineering design and to promote low carbon transport systems.
- **E5: Utilising Clean Energy:** to use clean energy sources wherever possible and to look for opportunities for low carbon energy generation within our resort.



E1: Adapting to a Changing Climate

Climate Change Risks & Adaptations

SD is committed to aligning our development with the ambitious national strategy for the Kingdom of Saudi Arabia that aims to combat climate change through the Saudi Green Initiative (SGI). The SGI is steering the implementation of a sustainable long-term climate action plan and three overarching targets guide SGI’s work - emissions reduction, afforestation, and land and sea protection at the national level.

In our mountain and forest setting, climate-related risks are associated with forest fires, soil erosion and intense rainfall which can lead to flash flooding. We recognise the significant role that afforestation can have in combating soil erosion and in retaining soil and atmospheric moisture. Careful planning of the reforestation project will also ensure that suitable fire breaks and fire-fighting services are in place. The use of wadi water retention structures, for example at Rijal Almaa village, will help to protect our important cultural sites from flash floods.

Greenhouse Gas Emissions (GHG)

As we move towards the construction phase of the Project, we will account for our GHG Scope 1 and Scope 2* emissions through the development of a GHG Emissions Inventory in line with best international practice. This will establish a baseline early on to understand our sources of GHGs, to set reduction targets and to achieve continuous improvement. SD will also account for Scope 3** emissions once we move into the operational phase.

*Scope 1 emissions are from sources that an organization owns or controls directly and Scope 2 emissions are those that a company causes indirectly and come from where the energy it purchases and uses is produced.

**Scope 3 emissions are indirect emissions that are emitted out of the control of the organization but arise because of the operations of the organization.



As part of our commitment to educate and inform on environmental issues, we will provide information on predicted climate change, associated risks, our mitigation and future conditions for residents, businesses and visitors.

E2: Managing our Water Resources

SD have undertaken hydrology and rainfall analysis (including a flood risk assessment) which confirms that the area experiences higher rainfall than other parts of the Kingdom. All parts of the destination will be designed to minimise the demand on local water supplies through rainwater harvesting, low-flow appliances, wastewater repurposing, and the incorporation of green infrastructure (soft landscaping) to improve water purity and reduce flooding threats. Our principal water source will be the municipal network and the use of groundwater wells will be avoided to minimise risks of drawdown in this sensitive agricultural setting.

Providing Safe Clean Water for our Guests

As we move towards operations, SD will focus further on the provision of a safe water supply for our guests. The quality of water, whether for drinking, catering or in spa and other facilities, will be maintained at the highest level meeting all national environmental quality standards.

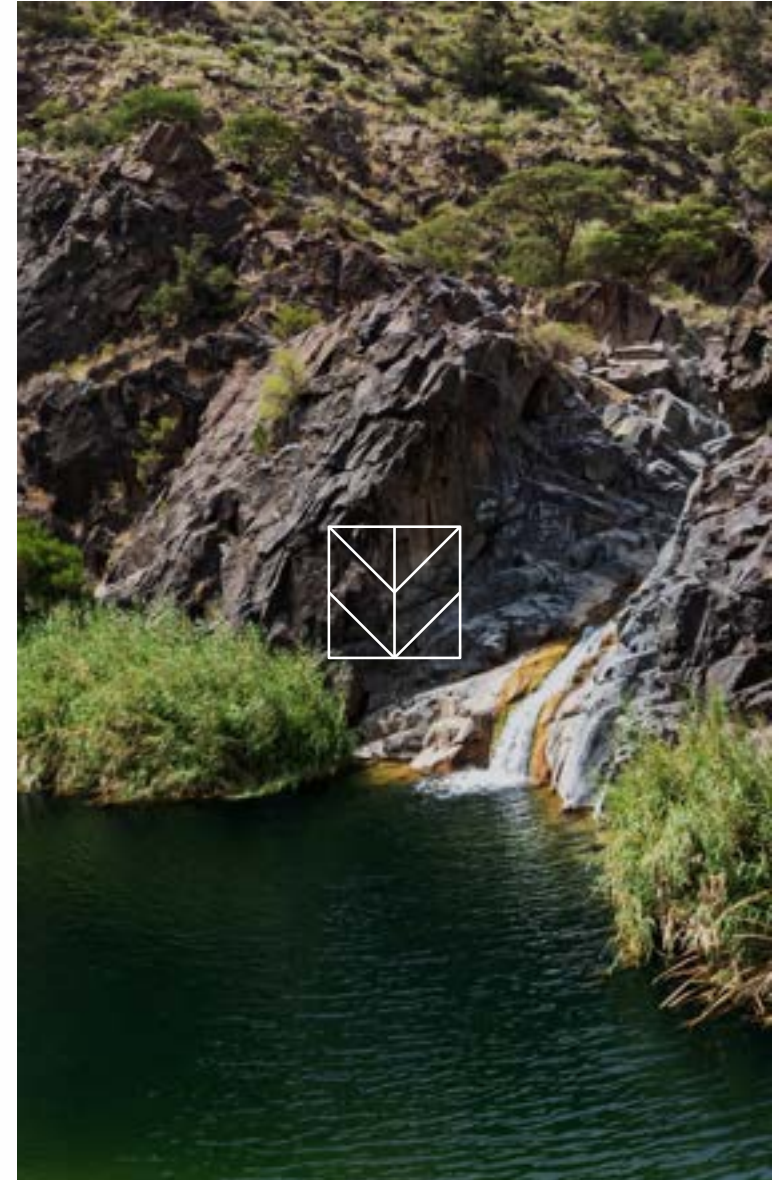
Stormwater Management

Soudah have adopted a stormwater management strategy based on the principles of Sustainable drainage systems (SuDS). These are drainage solutions that mimic natural drainage regimes to reduce surface water flooding, improve water quality and enhance the amenity and biodiversity value of the environment. The stormwater design for SD includes the following:

- Source control methods that decrease the volume of water entering the drainage/river network by intercepting run-off water on roofs for subsequent re-use (e.g. for irrigation) or for storage and subsequent evapotranspiration (e.g. green roofs).
- Pre-treatment steps, such as vegetated swales or filter trenches, that remove pollutants from surface water prior to discharge to watercourses or aquifer.
- Retention and attenuation systems that delay the discharge of surface water to watercourses by providing storage within ponds, retention basins or wetlands.

Wastewater Management

Soudah has clear guidelines in place in line with legal requirements for the siting, maintenance and testing of discharge from septic tanks and wastewater treatment systems. The guidelines require that wastes are properly treated and reused or released safely without adverse impacts on the local population and the environment.

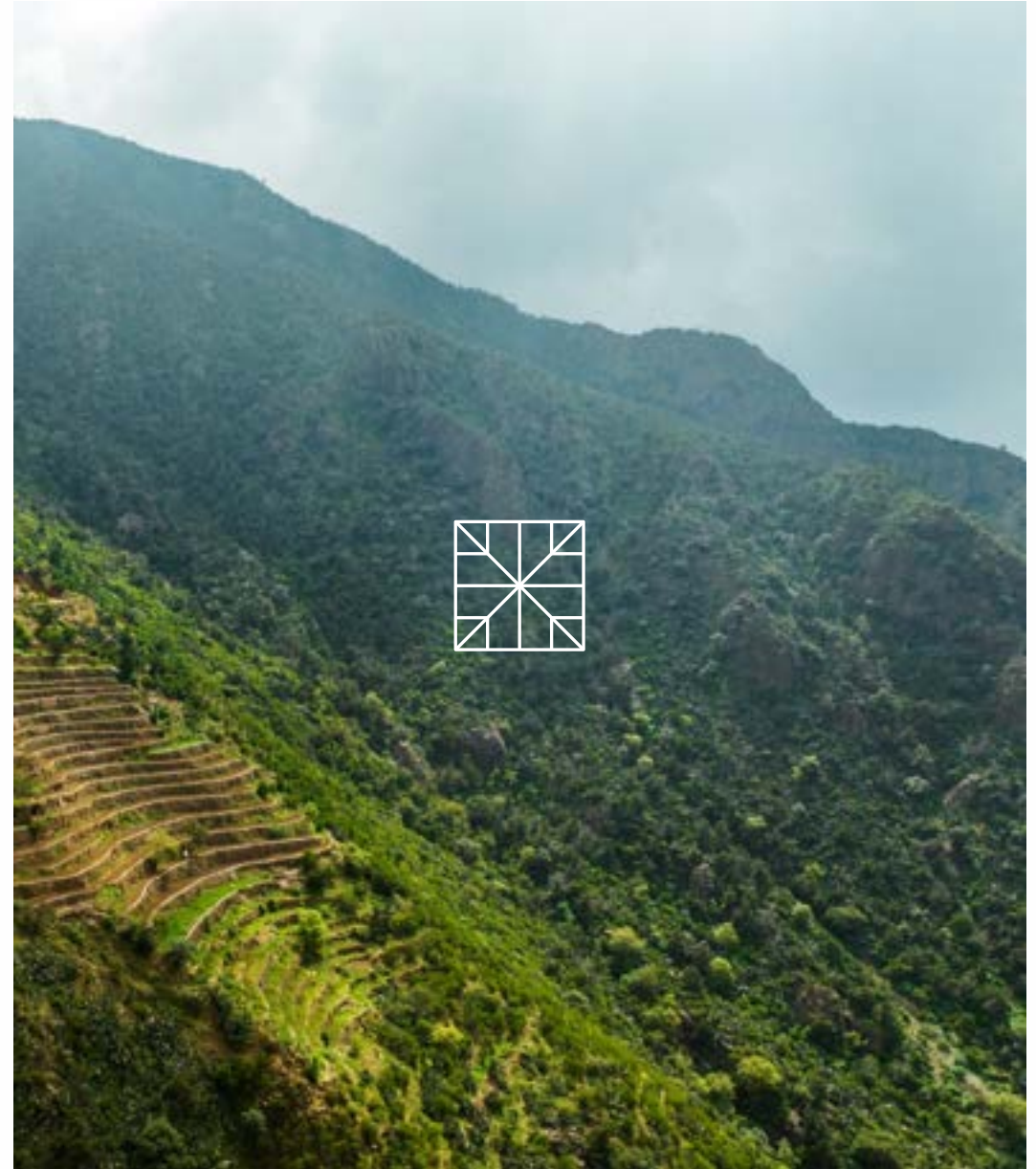


Spotlight on Irrigation

Irrigation Systems

Irrigation systems will be essential to support plant growth across the destination as evaporation exceeds rainfall over the course of a year. Using vegetation native to the mountain area, and taking in consideration the mild temperatures, Soudah Peaks will require relatively low volumes of irrigation water which can come from:

- **Innovative Irrigation:** SD has implemented a technology based on Groasis for the irrigation of sapling trees. The system has resulted in a reduction of c.80% of freshwater demand in comparison to conventional drip irrigation. The system utilises a double ring, buried PVC structure which draws in moisture from the surrounding soil via a wick on a continuous basis. As the tree reaches 2-3 years of maturity, the ring is removed and reused for another tree.
- **Rainwater Harvesting:** rainwater will be collected from sealed surfaces such as paving and roofs. Depending on water quality, it may require treatment, for example in reed beds, prior to re-use. Storage in either open areas such as lakes or reed beds or in underground tanks or reservoirs will be necessary. Open storage will be subject to evaporation.
- **Treated Sewage Effluent (TSE):** the quality of TSE depends on the quality of water used in the mains distribution systems. Full treatment can increase salinity levels, but there is potential scope for use of partially treated effluent. TSE can be used in surface irrigation (where bacterial digestion of organic matter is accelerated by the heat) and subsurface irrigation. Subsurface irrigation requires treatment of TSE to higher standards due to the absence of light/heat and resulting lower bacterial digestion. In general, primary (non-treated) effluents are suitable for reforestation schemes, partially treated effluents for public parks and full treated effluents for private gardens and courtyards.



E3: Managing Our Waste

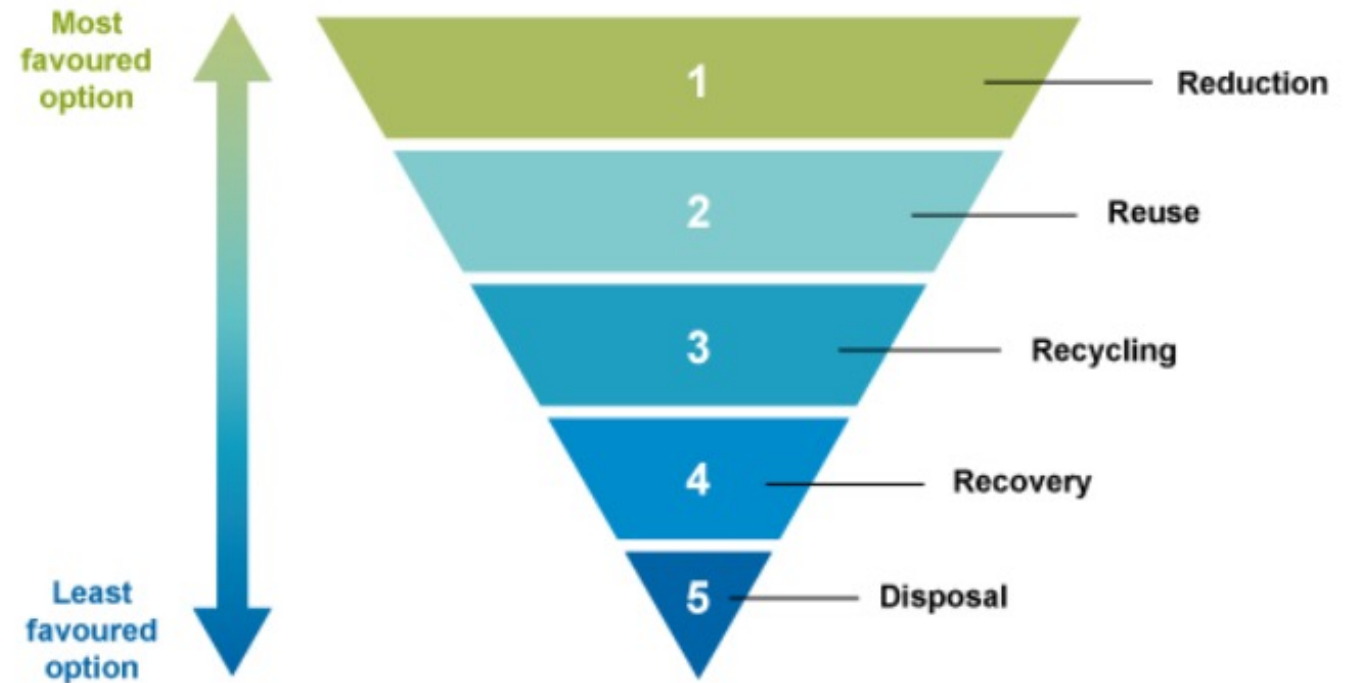
Waste Hierarchy

SD's approach to waste management is drawn from leading waste management frameworks such as:

- The Waste Hierarchy.
- Circular Economy.
- The United Nations Sustainable Development Goals (UNSDGs).
- Saudi Vision 2030.
- The National Waste Management Strategy.
- National Waste Management Laws and Regulation.

The overall goal in adopting these philosophies will be to develop a design which supports waste minimisation, maximisation of resource use and recovery, and avoidance of waste disposal to landfill. The waste hierarchy strategy provides the foundation of any best practice waste management system through prioritising different waste practices into the most and least environmentally favourable alternatives.

Where practicable, SD will always favour a circular "cradle-to-cradle" waste management approach.



Management Of Demolition Waste

During the existing site clearance and demolition phase of works, the volumes of waste arising, and materials recovered will be closely monitored. Wastes are segregated on-site to facilitate the responsible management of different waste streams. Specialist contractors have been identified for the collection and disposal of different waste materials.



The linear 'Take - Make - Dispose' system, which depletes natural resources and generates waste, is deeply flawed and can be productively replaced by a restorative model in which waste does not exist as such but is only food for the next cycle.

- Ellen MacArthur





E4: Maintaining Pristine Air Quality & A Low Noise Environment

Protecting Air Quality

The Soudah Peaks area benefits from pristine air quality, derived from its remote location, flow of air to altitude and higher rainfall. An air quality impact assessment was undertaken at a strategic level for the **Concept Master Plan (CMP)**. This identified that potentially significant impacts on air quality relate to the generation of dust and particulates during demolition and other construction works and the impact of emissions, mainly attributed to transport activities during the operational stage.

To achieve the aim of maintaining the high air quality, SD are implementing an **Air Quality Management Plan**. This includes training workers on the proper handling and management of materials and equipment to reduce the release of dust and pollutants.

SD is also developing a **Sustainable Transport Plan** with targets to reduce transport emissions from travel to and within the destination. An increase in the use of sustainable, low-emissions vehicles and public transport and active travel (e.g., walking and cycling) is sought to reduce the contribution of tourism to air pollution, congestion and air quality impacts.

Noise & Vibration

The Soudah Peaks area also benefits from a low noise environment derived from the remote location and limited external noise sources. SD's aim is to maintain and protect this low noise environment both during construction and operational phases.

An assessment of ambient noise and noise impact assessment was undertaken at a strategic level for **the Concept Master Plan (CMP)** of the Project. This identified that the potentially significant noise and vibration impacts on the environment include construction noise, increased traffic during construction and operations and general disturbance due to increase in visitor numbers.

To achieve the aim of maintaining the existing low noise environment, SD are implementing a **Noise and Vibration Management Plan** setting out guidelines and best practices for employees and contractors to follow during operations to minimise noise impacts. This includes training workers on the selection, siting and maintenance of equipment to minimise the scale and duration of noise or vibration.



E5: Utilising Clean Energy

SD will utilise available energy from the existing grid supplemented with renewable energy sources and are looking at options for the integration of renewable energy design into the destination building fabric without compromising on the architectural vision.

Smart Energy

SD will adopt a Smart Cities approach to energy management and all facilities will have appropriate installations to allow us to track and monitor the power usage profile and estimated meter reading for consumers based on data received from smart meters. Centralised integration with BMS (Building Management Systems), Smart Meters and Micro Grids (for granular analytics) on power consumption will assist in bringing efficiency to overall electricity consumption.

The smart energy use case will:

- Aggregate data from all smart power meters.
- Monitor components of the power distribution network, namely the sub-meters at unit level in commercial and residential areas.
- Identify faults and help optimize power consumption.
- Perform predictive analytics on power consumption data to provide better insights.

The smart energy solution in this context, and at this stage of the development, does not cover power generation. It is purely focused on power consumption and demand management. The Kingdom has established a goal of generating 50% of the domestic electrical power demand from renewable sources by 2030, and SD will draw from these renewable sources of energy as soon as they become available.

Our Natural Surroundings



Our Natural Environment

The Aseer Region of Saudi Arabia is known for its diverse and picturesque natural setting. The region is situated on a high plateau characterized by a combination of mountains, steep escarpments, forests and valleys. The Soudah Peaks project is located within the Aseer Mountains, also known as the Sarawat Mountains or the 'Aseer Range.' These mountains run parallel to the Red Sea and include several peaks, including the highest point in the Kingdom at 3,015 m.

SD is committed to restoring and enhancing the natural ecosystems within the Soudah Peaks destination footprint. We will celebrate the natural landscape through the provision of hiking trails and cycling routes for our guests. We will continue our work with the Saudi Green Initiative (SGI) and are a member of The Mountain Partnership which is a UN entity set up to conserve natural mountain habitats. We are working in partnership with the Saudi National Centre for Wildlife (NCW) to reintroduce key native fauna species to the wild through a stepped implementation programme. While greenfield land take is inevitable, SD is committed to offsetting impacts through the restoration of protected areas and provision of extensive green landscaping while increasing the footprint of formally protected areas by joining previously disconnected National Parks into one continuous protected area.



Sustainability Goals and Initiatives

Sustainability Goals

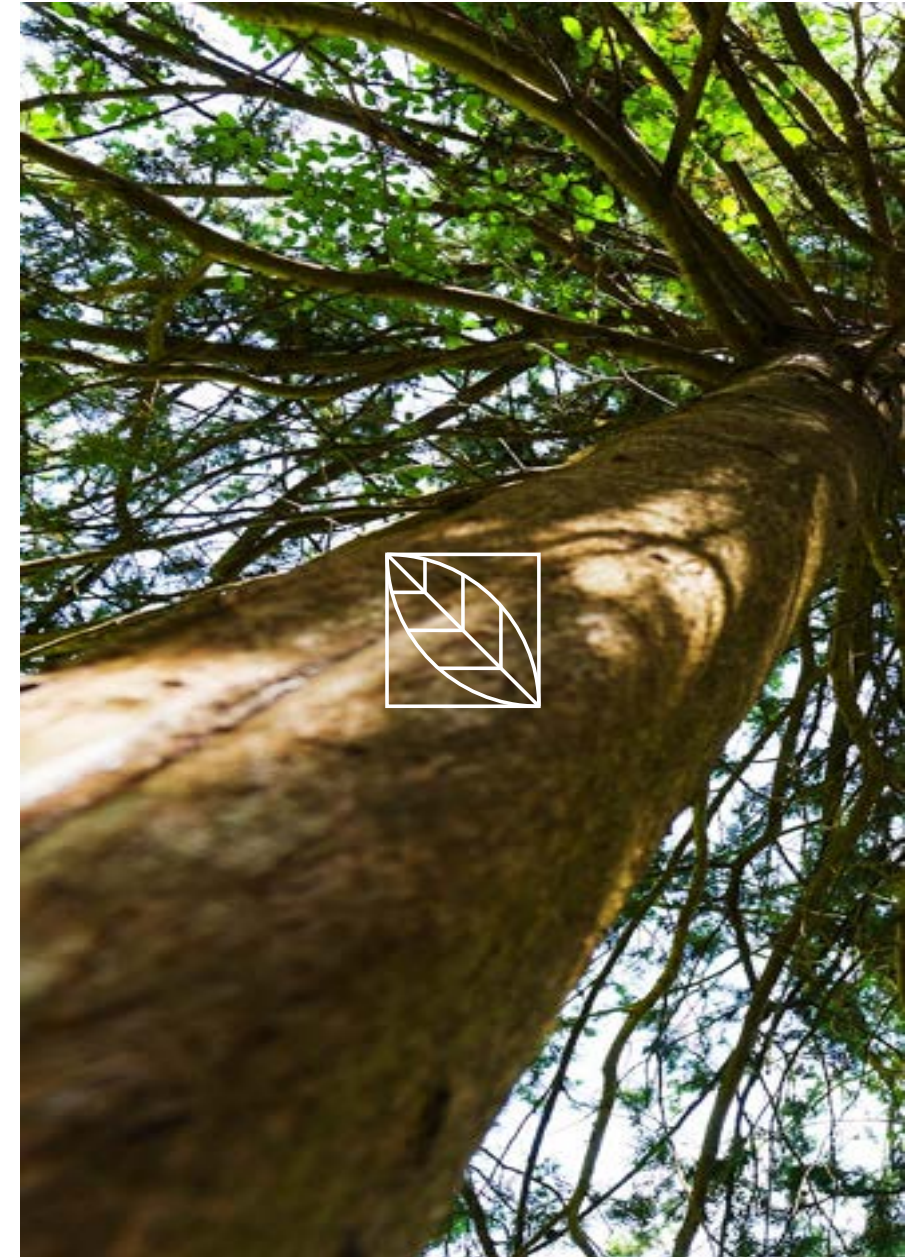
To protect and enhance natural habitats, flora, fauna, natural ecosystems and those who depend upon them in all areas in which we operate.

Sustainability Initiatives

Our sustainability initiatives in relation to the natural environment are:

- **N1: Ecological Baseline Surveys:** to build on the 2022 and 2023 terrestrial ecological baseline surveys to better understand and protect flora and fauna species within the Soudah Peaks development area.
- **N2: Reforestation Programme:** to participate in the Saudi Green Initiative (SGI) reforestation strategy with a focus on the protected areas within the SD footprint. SD has already planted 140,000 native trees and are targeting 1 million by 2030.
- **N3: Reintroduction of Native Species:** to support the reintroduction of the Arabian Gazelle (*Gazella arabica*) and Nubian Ibex (*Capra nubiana*), both of which have experienced rapidly declining populations in the wild and face ongoing threats from poaching and habitat loss/degradation.
- **N4: Invasive Species Management:** to implement direct measures for the control of invasive species with a particular focus on the Prickly Pear (*Oppuntia sp.*).
- **N5: Management of Hamadryas Baboon:** to minimise human-wildlife conflict by introducing appropriate baboon management measures.

During operations, we will manage the visitor experience through the control of visitor numbers, introduction of a permitting system and inclusion of a National Parks Education Centre; to create hiking trails and cycling routes to connect different development zones and to encourage visitors to enjoy the natural environment.





CELEBRATING THE DIVERSITY OF HABITATS, FLORA AND FAUNA WITHIN THE SOUDAH PEAKS AREA





N1: Ecological Baseline Surveys

In 2022, SD commissioned a terrestrial ecology baseline survey of agricultural areas and wadis (above 2,500 m), the plateau areas and juniper forest, the escarpment and its foothills. Continuing into 2024, SD will continue with the programme of ecological surveys to better understand the habitats present, and the Species of Conservation Concern (SCC) together with flora and fauna ‘hotspots’ across the destination. The results of the baseline surveys have informed the development of a Protected Areas Management Plan and will be used to assess and mitigate the impact of our future development work.

Thirty (30) mammal species have been recorded within the development footprint of which at least thirteen (13) are present in the plateau area. The most important habitat for mammals was found to be the Plateau Juniper Forest which provides a habitat for three Species of Conservation Concern (SCC). These are the **Arabian Wolf** (*Canis lupus arabs*), **Striped Hyena** (*Hyaena hyaena*) and **Arabian Wildcat** (*Felis silvestris gordonii*). Other habitats with SCCs were the upland and lowland wadis and escarpment habitats. The Plateau Juniper Forest adjacent to the escarpment of Al Soudah and undisturbed parts of King Abdullah National Park are likely isolated ‘hotspots’ for all three species.

The highest reptile diversity was recorded within the Wadi below 1,500m and Plateau Juniper Forest habitats. **Arabian Cobra** (*Naja arabica*) and **Yemen Monitor** (*Varanus yemenensis*) were both recorded in the Wadi below 1,500m biotope.

The only habitat where amphibians were recorded was Wadi above 2,500m. Two species of amphibian, **Marsh Frog** (*Pelophylax ridibundus*) and **Arabian Tree Frog** (*Hyla felixarabica*) were recorded in this biotope; both frog species are on the KSA High Conservation Priority list.

The most important biotope for birds was the Wadi below 1,500m followed by the Escarpment. The areas of Juniper Forest are particularly important for the endemic birds of the region, as well as many other small mammals, reptiles and invertebrates.



N2: Reforestation of Protected Areas

The Saudi Green Initiative (SGI) is part of Saudi Arabia's commitment to environmental sustainability and combatting climate change. Launched in March 2021 by HRH Crown Prince Mohammed bin Salman, the initiative is a comprehensive plan aimed at transforming various sectors of the country to reduce carbon emissions, enhance environmental conservation, and promote sustainable development.

To date, SD has planted 140,000 native trees using a new technological approach to conserve water and maintain water in the root ball. The approach involves a two-tiered root ball container with a 'wick' which effectively draws water on a continuous basis from the surrounding soil. As the sapling grows, and eventually matures to 2-3 years, the device is extracted and moved for use in planting another tree. Compared to conventional, surface irrigation via exposed PVC drip pipes, the water saving is approximately 80%.

In order to support the Kingdom's partnership with the **UN Sustainable Development Cooperation Framework**, additional proposals of protected/conservation areas for the offsetting of impacts and enhancements of the natural environment have also been outlined. The main objective will be to restore the indigenous flora and fauna within protected areas which have experienced visual and habitat degradation through unrestricted access, picnicking, construction of overhead pylons and large-scale surface irrigation networks. In addition, much of the protected area network has been paved for access roads.

SD is committed to the restoration of King Abdullah Park, Al Soudah National Park and King Abdulaziz National Park.

N3: Reintroducing Native Species

Case Study – Nubian Ibex

As part of our commitment to the restoration of natural habitats and biodiversity, SD has launched a rewilding and flagship species reintroduction programme. The National Centre for Wildlife (NCW) is the national authority responsible for wildlife management in the Kingdom. SD has signed a Memorandum of Understanding (MoU) with NCW to align and contribute to the national strategy for wildlife species conservation.

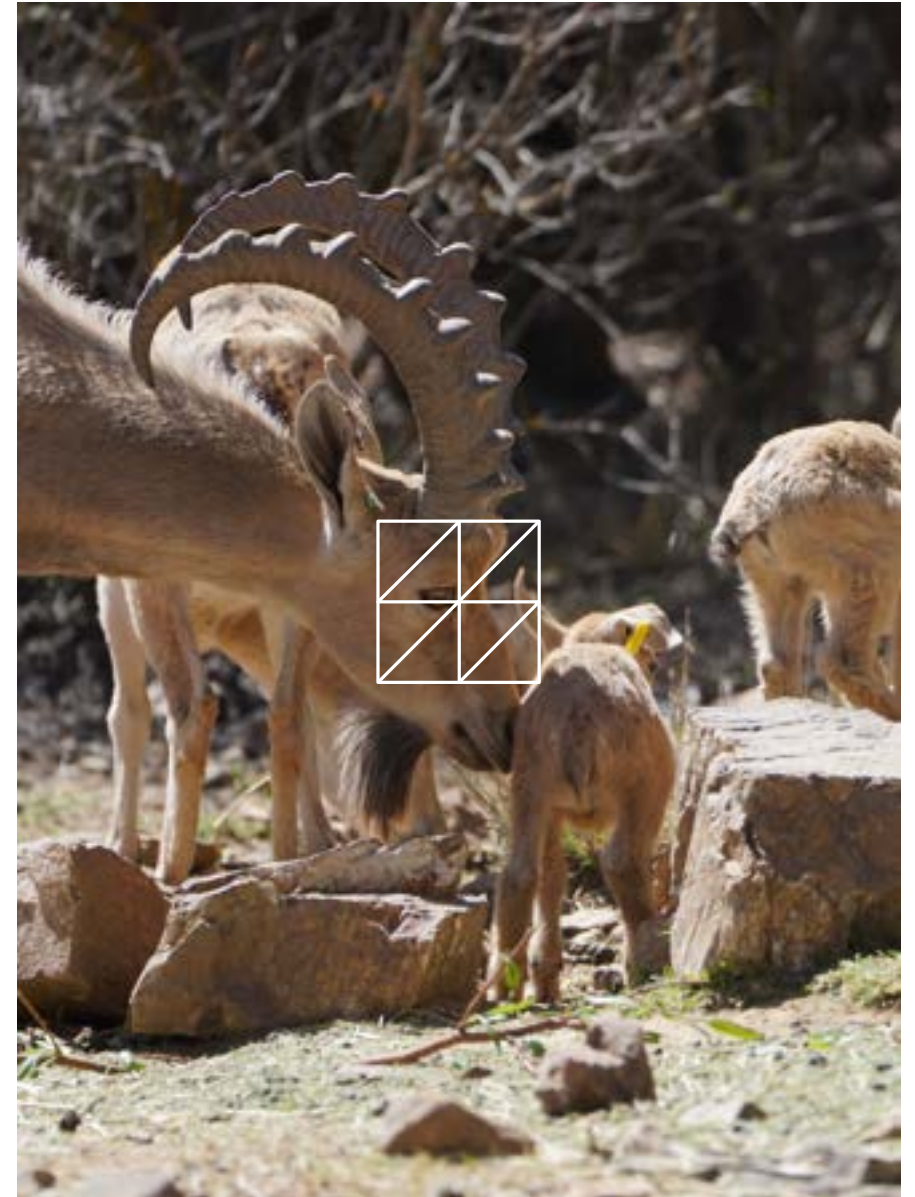
The Nubian Ibex (*Capra nubiana*) is classified as Vulnerable (VU) on the IUCN Red List of endangered species, with much reduced populations scattered across Saudi Arabia due to habitat loss, poaching and hunting. Nevertheless, some wild individuals still survive in the escarpment of Soudah.

In collaboration with NCW, SD has initiated a population reinforcement programme, resulting in an agreement in 2021 to transfer and release captive-bred Ibex in Soudah. Field surveys conducted in October-November 2021 aimed to select a suitable area for building a pre-release enclosure.

The top of the cliff in Soudah was initially considered but proved difficult to access, leading to the selection of an undisturbed valley within King Abdullah National Park. The pre-release enclosure was built in December 2021. Fifteen (15) Nubian Ibex (5 males and 10 females) were transferred from the Thumamah captive breeding centre on December 23, 2021. Subsequently, the Ibex underwent veterinary checks, vaccinations, measurements, and radio-collar installations on January 3, 2023.

Nine of the ten females were pregnant at the time of transfer and gave birth between April 18 and June 8, 2022, in the pre-release enclosure. Monitoring of tagged individuals following their release revealed that some individuals were lost to predation, poaching, and in-fights among males during mating. This outcome offers a lesson to be evaluated to improve future release protocols and timing to optimize the survival probability.

The Ibex explored their new home range primarily within the limits of King Abdullah and King Abdulaziz National Parks. Some individuals made exploratory movements outside these limits, with two males and one female venturing further. Untagged Ibex were regularly spotted in the company of those with radio collars, indicating cohesion within the group.



N3: Reintroducing Native Species

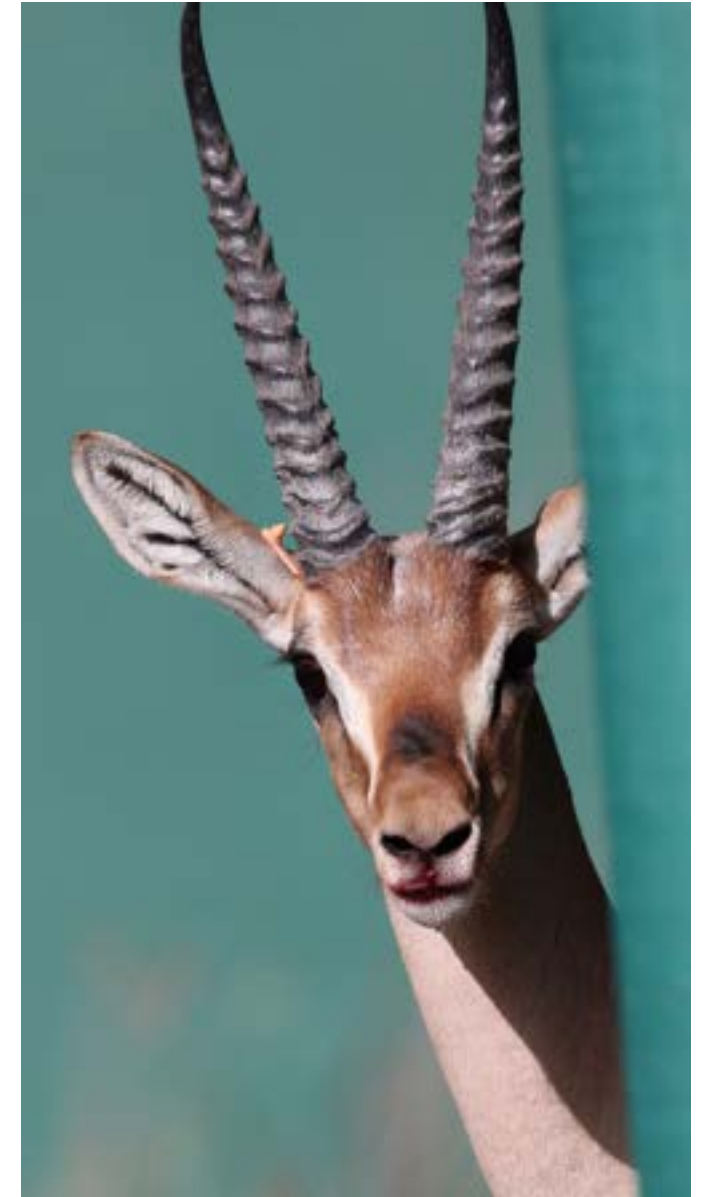
Case Study – Arabian Gazelle

Mountain Gazelles (*Gazella arabica*) have seen their populations reduced in the last decades, due primarily to poaching and overgrazing. The Mountain Gazelle is native to the Aseer Mountains, endemic to Saudi Arabia and contributes to natural ecosystem functioning. The reintroduction of Mountain Gazelle, which is listed as vulnerable on the IUCN Red List of endangered species, is also part of our Flagship Species Reintroduction programme.

It is our aim to re-establish a self-sustaining Mountain Gazelle population within the Soudah area. To achieve this, 10 Mountain Gazelle (5 adult males and 5 sub-adult females) were transferred from the Thumumah Captive Breeding Centre to Soudah in June 2023. All 10 of these animals are captive-born. Within Soudah, they were placed in a 1-hectare predator-proof pre-release enclosure which allowed them to adapt to their new environment in a staged process. In the enclosure they were finding and testing the native plant species they will encounter in the wild after release. These include Juniper (*Juniperus procera*) and Broadleaf Hopbush (*Dodonaea viscosa*). They were also provided alfalfa feedstock and water twice a day. Animal health was monitored daily.

In November 2023, the gazelles were reintroduced to the wild. This consisted of opening the door of the enclosure so that the Gazelles could freely roam and explore their new surroundings. The soft release also includes a period of adaptation – food and water will still be provided at the enclosure until the Gazelle have become self-reliant on naturally-available food sources.

Five gazelles have been equipped with satellite radio-transmitters which will be used to monitor their post-release survival, movements and habitat use. These transmitters send daily GPS locations, and the VHF transmitters allow us to observe the animals in the wild. Ongoing monitoring will allow us to understand species survival and habitat use and will help us to plan further reintroductions. We are working closely with wildlife and conservation experts to ensure that the programme is a success. Our aim is to incorporate wildlife watching as a core component of our guest experience.



N4: Management of Invasive Species

Case Study – Prickly Pear

The Prickly Pear cactus, scientifically known as *Opuntia*, has become an invasive species in the Aseer Region. The introduction of prickly pear to Saudi Arabia was initially intended for agricultural purposes, such as for forage, fruit provision, erosion prevention, and as natural barrier for the separation of agricultural lands. However, the plant has since become a significant problem due to its rapid growth and ability to outcompete native vegetation.

Whilst the Prickly Pear is not the only invasive species, it is associated with risks to the natural environment:

- **Invasive Growth:** prickly pear is known for its rapid and invasive growth, forming dense thickets that can displace native vegetation.
- **Ecological Impact:** the species competes with native plants for resources such as water and nutrients and can alter the composition of soils potentially leading to the decline or extinction of native species.
- **Agricultural Interference:** Prickly pear can invade agricultural areas, reducing available land for cultivation. The spines of the cactus can pose a threat to livestock.
- **Water Resource Depletion:** The water demand of prickly pear can contribute to the depletion of water resources.
- **Human and Animal Health Risks:** The spines of prickly pear can cause injury to humans and animals. Additionally, the presence of prickly pear can create habitats for pests and rodents, potentially affecting human health.

To be successful, management strategies should be adaptive and based on the best available scientific knowledge. Recognising the problem at an early stage of development, SD is undertaking measures to control the species to protect agricultural production, human and animal health and to restore natural ecosystems. As the species is both resilient and adapted, removal measures will be a continuous part of environmental management. Current measures encompass mechanical removal of the entire plant mass but other measures are being investigated.



“

In 2023, 418 tonnes of Prickly Pear were cleared from the Soudah Peaks area. This is an ongoing programme and will continue throughout the pre-construction period.

”



N5: Management Of Hamadryas Baboon

Case Study – Hamadryas Baboon

The Hamadryas Baboon (*Papio hamadryas*) is a native species of south-west Arabia, as well as north and east Africa. In recent decades, the baboon population has risen dramatically due to a combination of direct feeding, access to food waste and landfills and the absence of an apex predator. Human and wildlife conflicts have arisen where baboons have raided fields and orchards and have been aggressive towards the local community and visitors to the area.

In line with the national strategy developed by NCW, several actions are under consideration to minimize human-wildlife conflict by introducing appropriate baboon management measures. Our approach will be to:

- Prevent access to food waste in opened garbage bins and dumpsters by deploying baboon-proof bins.
- Prevent baboon feeding through a public awareness campaign, control and law enforcement.
- Conduct surveys to obtain accurate figures on population size, structure and distribution.
- Determine an acceptable population target.
- Identify and implement appropriate control measures.
- Assess the effectiveness of implemented measures on the remaining population.
- The movements of several troops of baboons will be monitored by tagging, satellite and radio-tracking.

The People

that Support Us

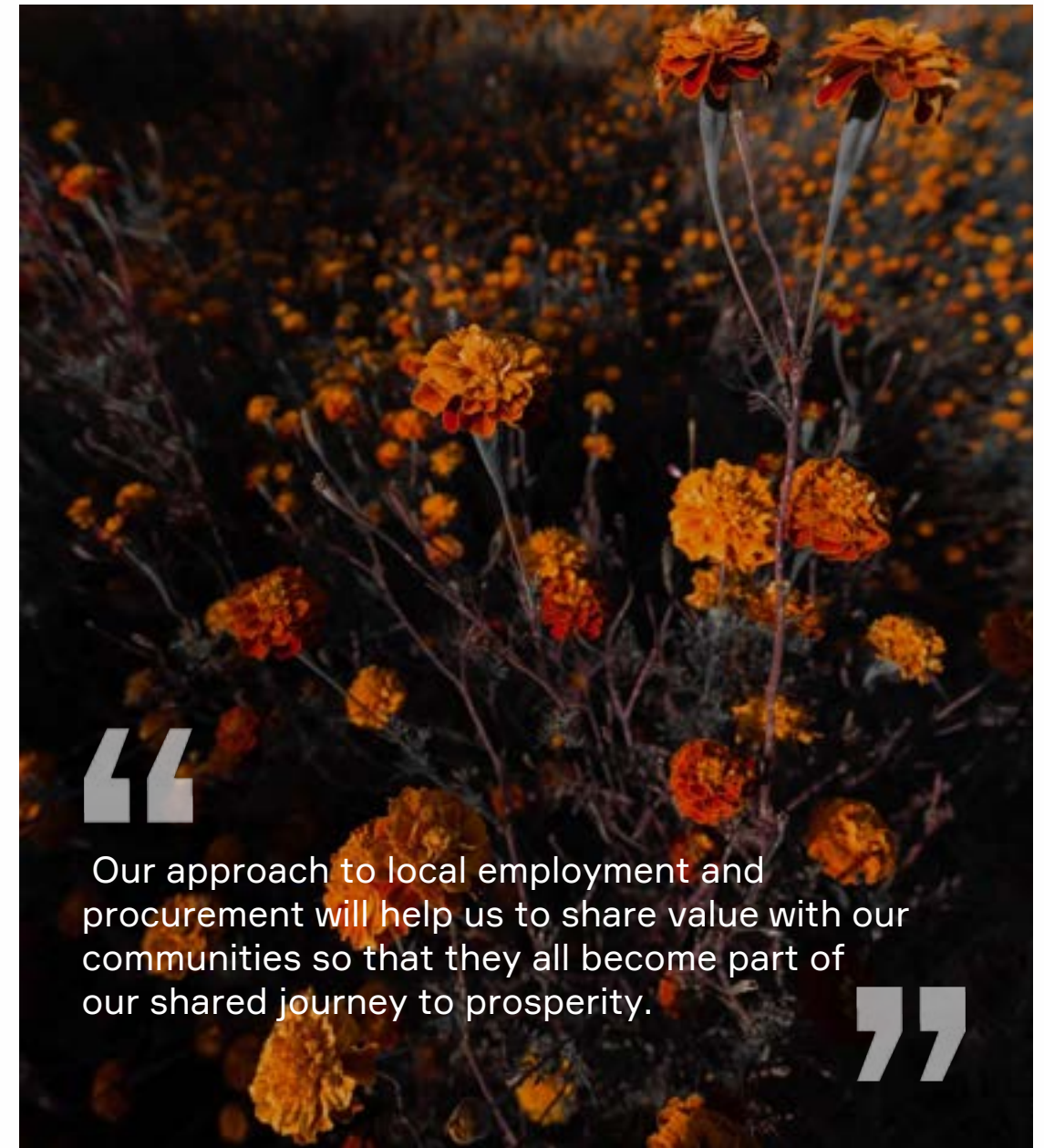


Overview

The Aseer region of Saudi Arabia has an estimated population of 2.2 million people with a roughly equal gender balance. Over 85% of the local population are Saudi nationals with the remainder made up of different cultures, nationalities and ethnic groups. One of the key pillars of **the Saudi Vision 2030** is to have a vibrant society with a thriving economic base. The **UN's Sustainable Development Goals (SDGs)** call for building people-centred economies which promote youth employment, women's economic empowerment and decent work for all.

Our policy at SD will be to promote local employment and local procurement and to work with businesses in the region to maximise access to our supply chain. Our human resources team will work hard over the course of 2024 to ensure that we have the appropriate procedures in place to provide a safe and rewarding working environment for our employees. We will establish local employment targets and apply these to our main contractors where feasible. We will place legal obligations on our contractors to minimise the numbers of workers arriving from outside the region and will prioritise recruitment from the local area and the remainder of Aseer Province.

Employment opportunities will be communicated using established local information channels. The employment activities of our main contractors will be recorded and monitored with details of our performance being published in a transparent manner, including in our Sustainability Report 2024.



“

Our approach to local employment and procurement will help us to share value with our communities so that they all become part of our shared journey to prosperity.

”

Sustainability Goals & Initiatives

Sustainability Goals

At Soudah Peaks, our people strategy will help to pave the way for the supply of skilled and semi-skilled labour utilising vocational training both in Saudi Arabia and overseas to ensure that the skills sets required are in place well in advance of operations. In addition to training and career development, we will develop human resource policies which will ensure the provision of equal employment opportunities. We will identify potential businesses for the provision of goods and services to SD both locally and in the remainder of Saudi Arabia. We will work with the Saudi authorities to ensure that all physical resettlement and economic displacement activities are conducted strictly according to Saudi law.

Sustainability Initiatives

Our sustainability initiatives in relation to people and communities are:

- **P.1: Looking After our Employees** – to maximise the socio-economic benefits of our presence in the region through the preferential employment of people from Aseer region and the remainder of Saudi Arabia. To ensure that we have appropriate human resources policies and procedures in place to protect our employees from discrimination and to provide a healthy and rewarding place of work.
- **P.2: Community Engagement** – to ensure that the destination is designed in consultation with, and for the benefit of local communities taking into account community need and concerns through a structured stakeholder engagement programme.
- **P.3: Managing the Resettlement Process** - all resettlement and relocation activities will be conducted in accordance with KSA laws and regulations, following the standards and and management of Tammiah.
- **P.4: Local Procurement** - to procure goods and services from the local area providing an economic boost to the region. Our objective is to support local businesses so that they can become part of our supply chain as we proceed through construction into the operational stage of our development. All procurement will be in line with Saudi legal requirements regarding local content and local procurement.



Understanding where our visitors come from and what they do will be fundamental to the sustainability of the Soudah Peaks Mountain Destination

P1: Looking After our Employees

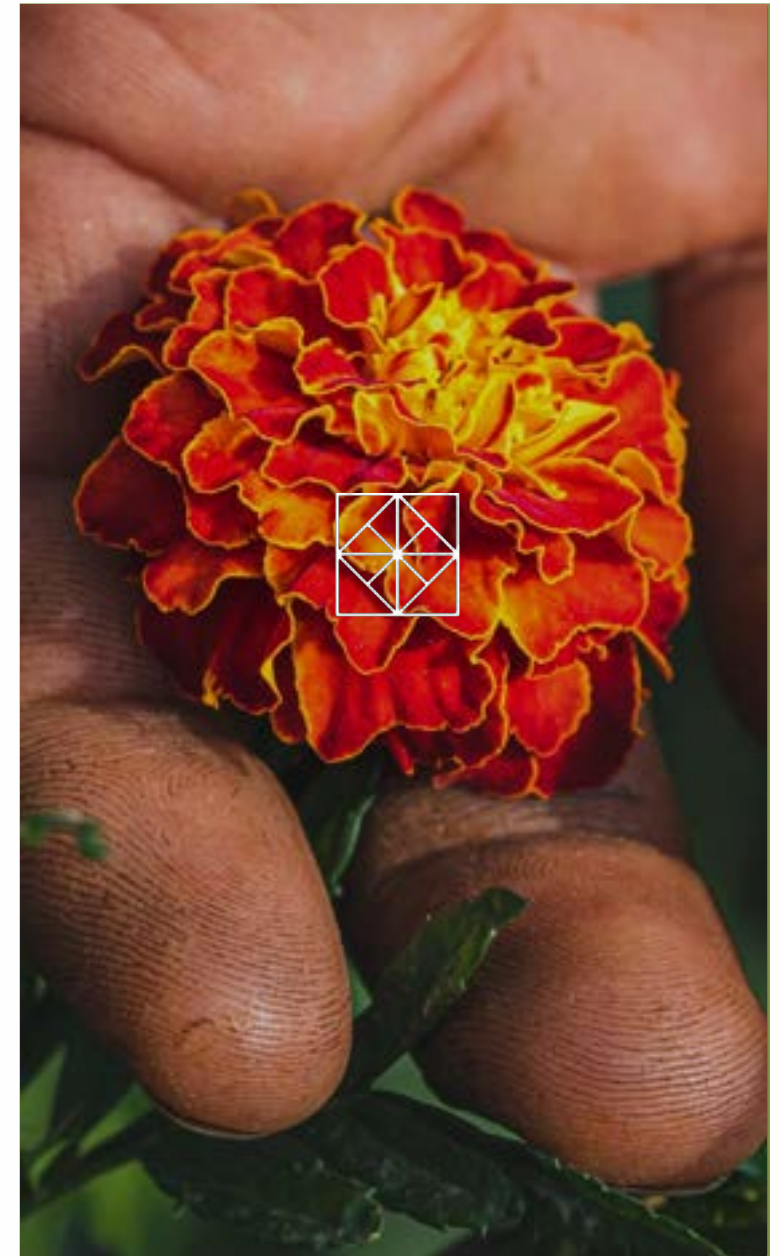
Our current workforce comprises 85 personnel divided between our Abha and Riyadh offices and is projected to rise to c.120 during the remainder of the planning and development phases. Whilst our current employment numbers are relatively low, we recognise the time needed to plan our labour supply and labour composition for the full development project and to develop the necessary skills sets to ensure a high-end hospitality experience.

Human Resources Policies

We are committed to ensuring that SD employees have the highest standards of employment and working conditions. In accordance with our **Human Resources Policy**, employees will be provided with standardised employment terms and conditions, their entitlement to benefits, and protected from sources of risk to their physical and mental health. Our **Code of Business Ethics** requires the highest standards of professional behaviour and there is no place for discrimination, bullying or harassment in our organisation. A **Whistleblower Policy** is available for any person to raise a concern about their employment terms and conditions, and anonymous submissions can be raised. All concerns raised shall be recorded and investigated and the confidentiality of the people involved shall be always respected.

Training and Career Development

There will be some seasonal fluctuations in employment requirements, but we will undertake a range of steps to generate employment opportunities throughout the year by broadening the tourism sector beyond the conventional summer tourism season. Even before we start to receive guests, our team members will be ready to continue their career in the tourism and hospitality sector from our continuous professional development schemes, demonstrating our commitment to help them advance toward their goals. Dedicated learning and support professionals shall be embedded in our team to support our staff in developing the skills and confidence to excel in their role. We will also seek to establish strategic partnerships with academic institutions to provide certified training to our team members, including the Global Sustainable Tourism Council.



P1: Looking After our Employees

Worker Welfare

At this point in time, workers are accommodated privately in Abha. As we move towards construction, an **Accommodation Standard** will be developed that reflects the minimum requirements for all temporary and permanent accommodation facilities.

Workers will be provided a platform to raise suggestions or concerns with Management to consider improvements to their employment and working conditions. Regular workforce surveys will be conducted to gather feedback from our team members and identify areas where our service to them, can be improved.



P2: Community Engagement

Engaging, consulting and working with local communities is a central tenet of our development and sustainability strategy. Community involvement, throughout planning, construction, operation and maintenance, is necessary to ensure the long-term success of the project and protection of natural environment areas. Stewardship and volunteer participation is encouraged as well as enriching and preserving the cultural and environmental heritage of the area and the communities that live and work there.

We are committed to providing positive social impact amongst the communities that live and work where our operations are located, and we will undertake risk and benefit analysis to understand the potential positive or negative impacts of our activities.

- **Research:** we will conduct socioeconomic and cultural baseline surveys to better understand the social and economic environment of the region together with the potential socio-economic impacts of the Soudah Peaks project.
- **Stakeholder Engagement:** we will conduct a range of stakeholder engagement activities on a regular basis set out in a full stakeholder engagement plan.

During this planning and preparation phase, we have started the process of stakeholder engagement through:

- A detailed mapping exercise to determine the potential stakeholders in the project.
- An evaluation of the level of influence the various stakeholders may have on the project and, equally, the potential influence of the project on those stakeholders.
- Development of a set of engagement tools utilizing different media.
- Preparation of our press and media relations.

During 2024, we will develop this analysis further into a Stakeholder Engagement Plan (SEP) in line with established industry best practice. As this goes 'live' we will be able to track and respond to community concerns and grievances to ensure that Soudah Peaks is developed in a sustainable way with the support of the local community.

P3: Resettlement

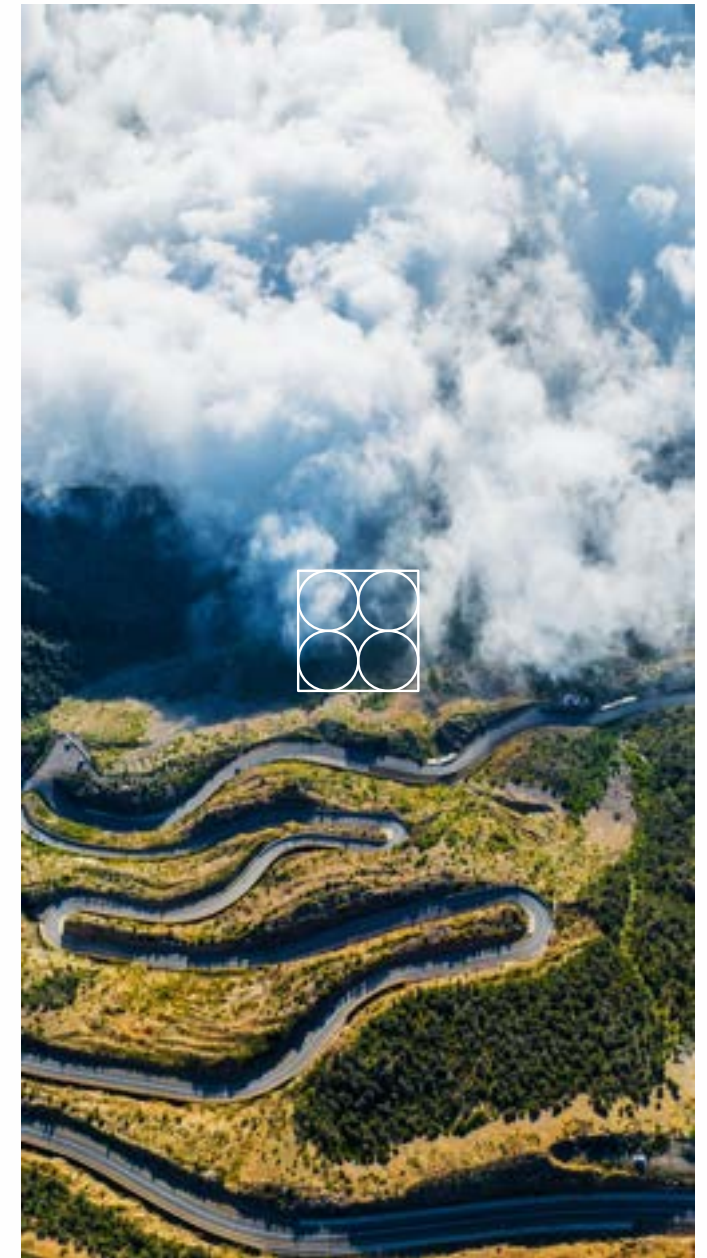
The Soudah Peaks destination will cover a sizeable area of which is occupied by working farms, houses and outbuildings. In the planning of our development, we have sought to minimise direct impacts to the community, and in our concept planning, we have sought to utilise 'brownfield' sites for as much of the destination as possible.

The land acquisition and resettlement process in Saudi Arabia is the responsibility of the Government undertaken by the Ministry of Interior (MOI) through its National Programme for Community Development 'Tanmiah'. The Programme aims 'to achieve community development in projects that keep pace with the economic and social evolution and to improve the standard of living of the citizens of these areas' (Tanmiah, 2021). When Tanmiah is furnished with an expropriation request in a specific area, it conducts social impact assessments and carries out the surveys necessary to inform the total number of residents and private properties.

Tanmiah then proposes a compensation scheme that includes financial compensation and other social benefits and coordinates with all relevant government agencies. Tanmiah also engages with community leaders to obtain their endorsement on the compensation package as required by law and includes other social benefits such as training programmes and educational scholarships for eligible family members. The draft scheme thereafter is submitted to the Royal Court for approval.

After collecting all inputs from different committees at the Royal Court, the case is submitted to His Majesty the King for approval. Then a Royal Order is issued to approve the commencement of expropriation of that land, the compensation scheme and the appropriations required.

SD is at the early stages of consultation with Tanmiah as the Detailed Master Plan (DMP) is being completed and the precise development footprint fully understood. Through 2024, Tanmiah will establish the number of households affected and hectares of land take and will monitor and report on the process.



P4: Local Procurement

Generating Local Value and Opportunities

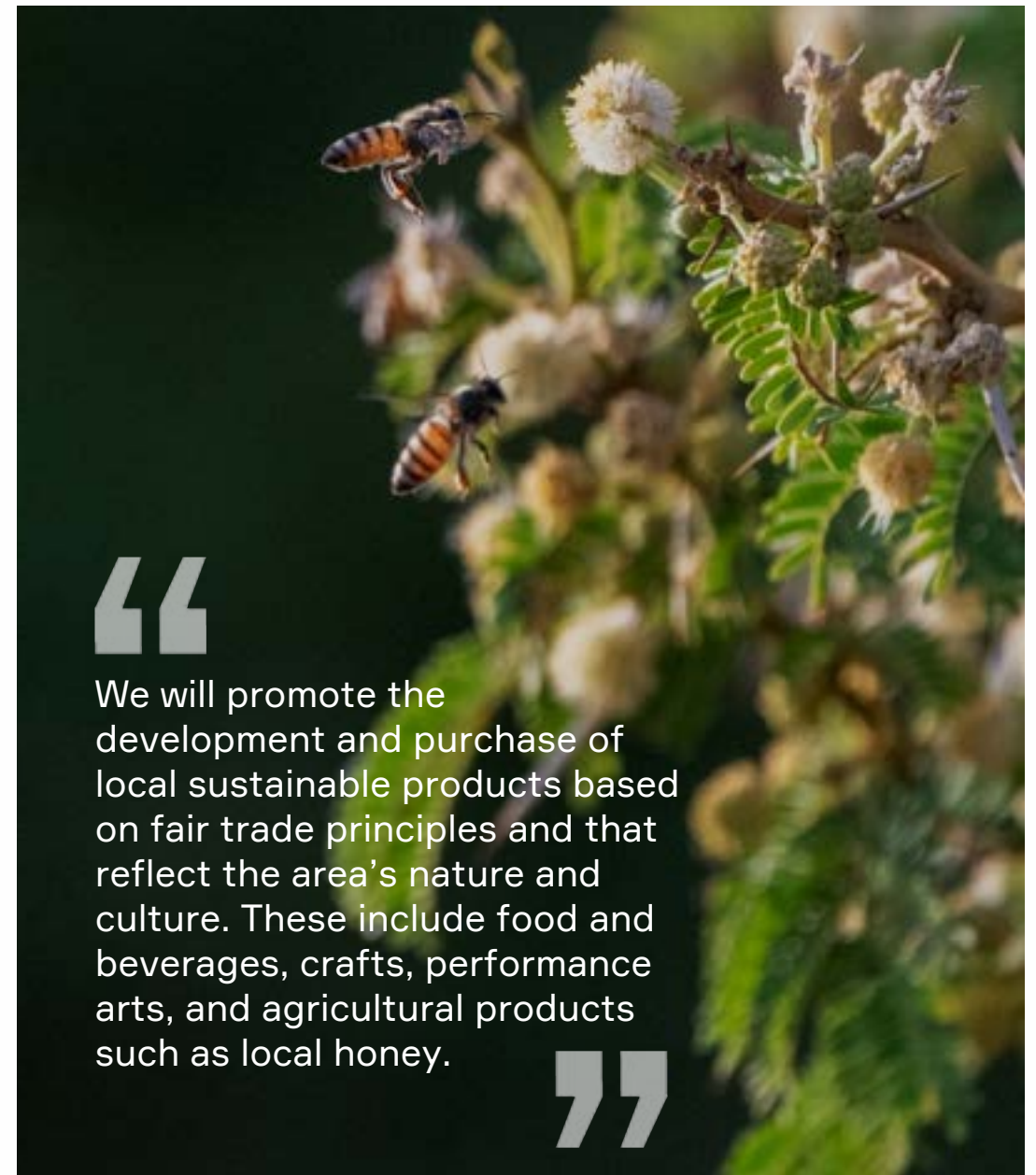
We are committed to creating a sustainable value chain by using local suppliers and responsible organisations to provide the food, materials, and services needed for the construction and operational stage of the development. Our supplier procurement process reflects our Fair-Trade Principles, and we aim to maximise the benefit of our presence to local and regional suppliers. To achieve this, we have created a Local Content Policy that is based on transparency, honesty, and ethics with the clear goal of assuring an excellent, efficient, and high-quality provision of services.

Supporting Businesses to become Suppliers

Prior to the start of operations, we will conduct a regional business baseline survey with the aim of identifying small to medium enterprises (SMEs), who may wish to become a supplier to us either through their existing business, or through the establishment of a new enterprise. Each supplier will be evaluated to see the type of materials and services that they could provide and, importantly, what type of support they need to meet our internal quality standards. As we move into construction, and as the labour force and supply chains both increase, we will measure the direct and indirect economic contribution of tourism to the local economy. Specifically, we will measure employment levels with the percentage of Saudi nationals, visitor levels and origins, visitor expenditure per capita, and the economic value of the Soudah development to the local and wider economy.

Protecting the Environment

We will provide help to local SMEs who supply materials to deliver their products using ethical packaging and minimising the generation of waste. We will provide technical advice to SMEs to ensure that they minimise their usage of water, pesticides, and fertilisers, and monitor their environmental, social and governance performance over time.



“

We will promote the development and purchase of local sustainable products based on fair trade principles and that reflect the area's nature and culture. These include food and beverages, crafts, performance arts, and agricultural products such as local honey.

”

Looking After Our **Health & Wellbeing**



Sustainability Goals And Initiatives

Sustainability Goals

We are committed to the health, wellbeing, safety and security of all our employees and guests as well as the local communities in the areas in which we operate. Our high-level goal is to ensure a healthy and safe environment for our employees and visitors to the destination. In alignment with SD's corporate vision and values, we are dedicated to ensuring a safe and secure environment for all employees, contractors, consultants and suppliers and to achieving zero harm. We are preparing our Health and Safety Assurance Standards (HSAS) which will reflect the requirements of international safety standard ISO:45001, KSA standards, and recognised international best practices for the tourism industry. As our company grows and matures, we will prepare for certification and ultimately assurance of our health and safety management systems. SD will establish a health and safety management team with responsibility for the safety and security of our employees, visitors and suppliers. Once the HSAS is approved, the PMC (Project Management Consultant) will be responsible to ensure it is implemented by Contractors during construction.

Sustainability Initiatives Our specific sustainability initiatives in relation to health, safety and wellbeing are:

- **H1: Occupational Health and Safety:** to implement rigorous health, safety, and security protocols, conduct regular safety training, and establish systems for reporting on safety performance.
- **H2: Community Health and Safety:** to engage with the wider community to understand and respond to community safety concerns and to ensure that traffic management, and the movement of materials (including those which could be hazardous) prioritises the safety of residents within the destination and on the roads which are used by SD.
- **H3: Guest Holistic Wellness:** to design facilities and opportunities for guests to enjoy high levels of wellbeing through a combination of indoor and outdoor pursuits and leisure facilities.



H1: Occupational Health & Safety

Health & Safety Assurance Standard

SD will provide a **Health and Safety Assurance Standard Document (HSAS)** to all contractors through the PMC. Each project phase and sub-project will have detailed Health and Safety Plans, to be adhered to by all employees and contractor personnel in line with the requirements of the HSAS. All contractors and consultants will be bound to comply with the requirements of the HSAS and it is their explicit responsibility to do so.

The HSAS requires all contractors to implement amongst others, protocols for Job Risk Assessments, Working at Height, Electrical Safety, Manual Handling, Confined Space Entry, Hot Work, etc. and to provide appropriate safety certifications where required. The HSAS forms the core of our health & safety management system.

As we move further towards construction and worksites become active, we will record core safety metrics such as training hours and topics, emergency drills, safety audits and inspections, near misses and reportable incidents. Key performance metrics such as Lost Time Injuries (LTIs), frequency of occurrence and safety incidents and contractor compliance will form part of our performance reporting.

Employee Wellbeing

We prioritize employee well-being through education, training, and easy access to safety information. We promote safe behaviors, use clear signs and labels, and ensure secure staff accommodation with access to health and medical services. Our work/life balance strategies support employee health and well-being, offering flexible work options, efficient technology, support for family time, and recognition of the importance of taking time off.

Emergency Preparedness & Response Planning

We commit to establishing and maintaining appropriate security and health services in Soudah, including emergency response. Regular inspections and collaboration with local agencies, health organizations, and local police and first responders ensure compliance with national safety and hygiene standards.



H2: Community Health & Safety

Protecting community health, safety, and security is a top priority for the company. We acknowledge the potential risks of road accidents, incidents, structural failures, and the transport of materials which may include potentially hazardous substances, chemicals and reagents. Comprehensive risk assessments and mitigation measures will safeguard both local communities and our own personnel.

The Soudah Peaks development area has an existing population comprising a mosaic of mountain communities, and the project poses an increased risk of road accidents due to increased traffic flows and poor existing road conditions on some of the roads which connect different parts of the destination. Construction-related changes in traffic composition may lead to a rise in road accidents, and increased traffic movements will impact air quality, exposing residents to higher pollution levels.

We will design and implement a Stakeholder Engagement Plan (SEP) to understand and address stakeholder concerns, conduct security risk analyses and actively resolve grievances during the demolition and construction processes through appropriate mechanisms.



H3: Guest Holistic Wellness

The WELL Community Standard

Central to the Soudah Peaks concept is the provision of a safe, secure, and healthy environment across all accommodation, guest facilities, and serene natural surroundings.

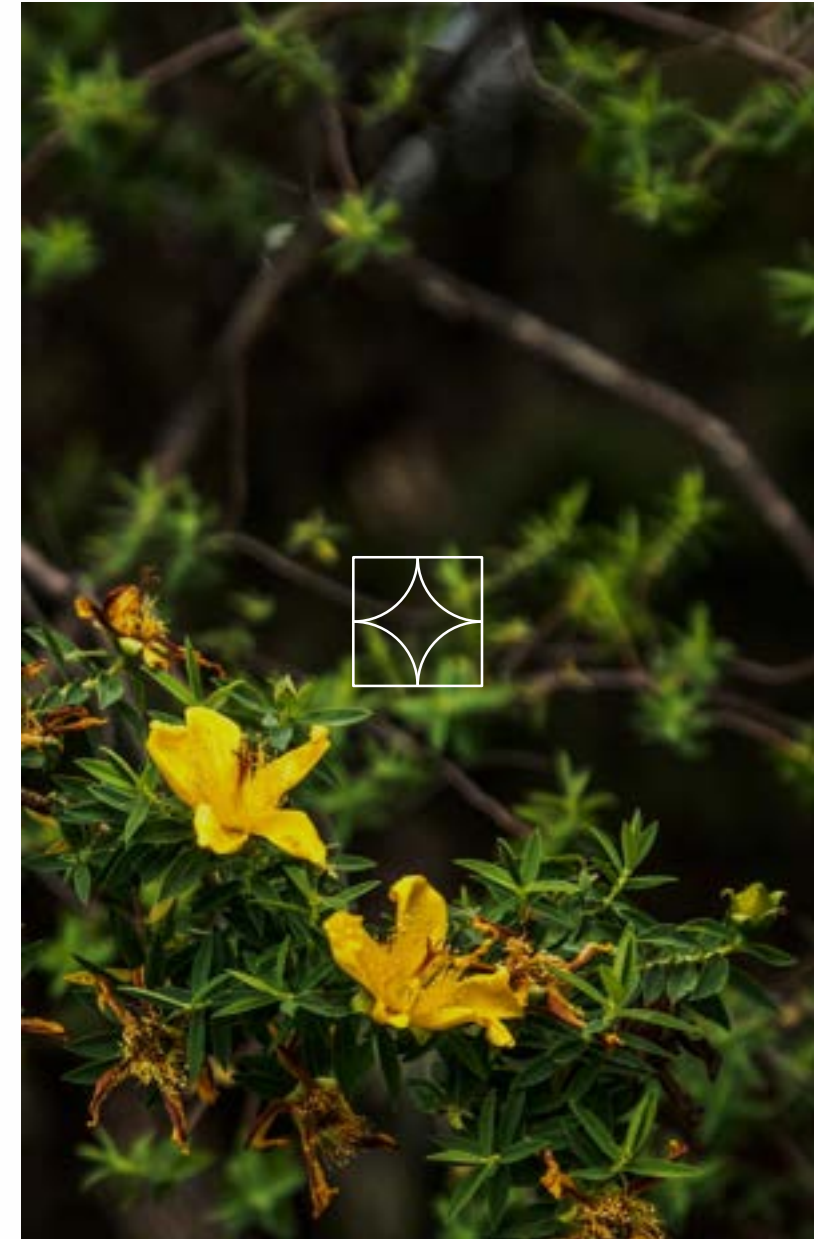
Accessibility is a priority, ensuring that our facilities, and services, including those of natural and cultural significance, are accessible to people, including individuals with disabilities. Information on accessibility will be readily available across the resort. Outdoor spaces, hiking trails and cycling routes will be promoted for their good mental and physical health benefits.

Upon welcoming guests, we will actively address safety needs through visitor focus groups and customer feedback. Our commitment to a secure destination is underscored by a comprehensive security plan, including entrance and exit control points for all zones.

Health and Wellbeing Facilities

We will adopt the **WELL Community Standards** which were developed by the **International WELL Building Institute (IWBI)**, and which focus on fostering a holistic, health-centric approach to the design, development, and sustainability of community spaces. Unlike building-centric standards, the WELL Community Standard takes a broader view, encompassing neighbourhoods, streets, and other public spaces. The Standard emphasizes health and well-being as primary considerations, with key factors including clean air, clean water, nourishment, light, fitness, comfort and mental health. Our key health and wellbeing facilities are featured below:

- Tahlal will feature preliminary health centres with accessible parking and transportation options for guests and staff.
- Swimming pools and gymnasiums are present across the destination.
- Sabrah-will feature spas with treatment rooms.
- Outdoor facilities will include outdoor gyms, swimming pools, hiking and cycling trails, and landscape-based adventure sports.



Sabrah Includes A Number Of Wellness Facilities:



Indoor Spaces

For yoga and meditation.



Wellness & Spa Facilities

To include steam rooms, sauna and massage facilities, hydrotherapy etc.



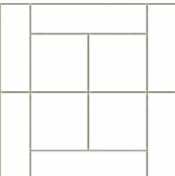
Healthcare

Access to medical assistance across the destination with emergency care as required.



Hiking Trails

To explore the natural landscape that surrounds Soudah Peaks.



Sports

Indoor and outdoor sports facilities.



Organic Farms

Showcasing our local produce.



Spotlight On Sabrah

Sabrah will provide high-end luxury accommodation with a central focus on wellness. Accommodation will feature luxury mansions, residential villas and hotels integrated with the natural surroundings. Open spaces will be designed to maximise views of the natural landscape, and in particular, the cliffs, escarpment and lower lands leading down towards the coastal plain.

The resort also features a neighbourhood park. The park will be designed to enhance and improve access to the natural landscape providing information on native flora and fauna and will have mobility and guided routes for guests of all abilities.



Our Culture & Heritage



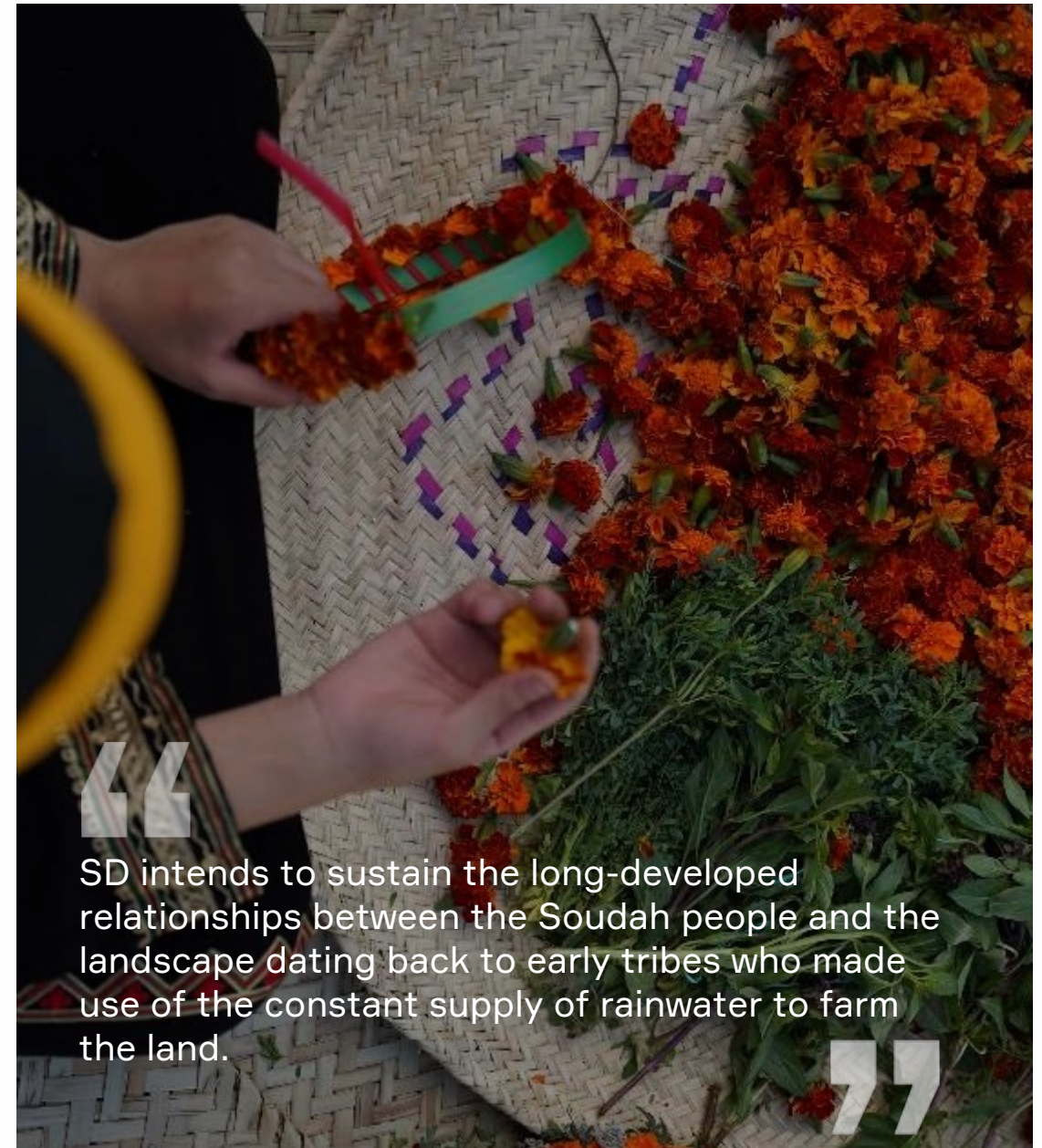
Regional Heritage

The Aseer region was first settled during the Neolithic era, dating back some 6000 years. The Sabeen Kingdom was the earliest to occupy the region, around 2000 years ago. During this period, Red Sea trade flourished with the establishment of ports along the coastline together with inland trading routes. The region was brought into the Islamic world during the Early Muslim Conquests of the 7th Century during which many of the established trade routes became pilgrimage roads to Mecca.

By the 10th Century, Aseer became the seat of a confederation of tribes. Medieval records show that fractured tribal entities were often in conflict with one another. This socio-political arrangement is reflected in the settlement pattern, characterised by a network of small villages and fortresses. The Ottoman Empire had a presence in the region by the 16th Century, as evidenced by the architecture in Soudah. The region became a part of the First Saudi State during the 18th Century and by the 20th Century it became an important trading hub with the land intensely cultivated for coffee, fruit, flowers and cereal crops.

The Aseer region today has a distinct heritage which the destination will both protect and celebrate. Its culture, geography and verdant landscape differ from other parts of the Kingdom. There is a rich tapestry of art, architecture, traditional folk music, as well as local produce including honey, cut flowers and mountain strawberries.

There are over 200 documented heritage sites in the region including mosques and minarets, hamlets, watchtowers, and mountain forts with numerous rural trails and trading routes between them. Aseer is renowned for its distinctive architectural style which reflects the need for practicality in a challenging environment.



“

SD intends to sustain the long-developed relationships between the Soudah people and the landscape dating back to early tribes who made use of the constant supply of rainwater to farm the land.

”

Sustainability Goals and Initiatives

Sustainability Goals

SD's goal is to act as a protector of the tangible and intangible cultural heritage within the development footprint, ensuring that artefacts, local traditions, arts, music, songs, folklore, languages, and gastronomy are not only available to future generations, but are celebrated by our visitors. We will preserve and enhance cultural heritage, working closely with the World Heritage Centre (WHC) towards achieving World Heritage Status in the future.

Sustainability Initiatives

Our sustainability initiatives in relation to cultural heritage are:

CH1: Architecture and Landscape Design Programme:

to ensure that the physical location, design, and architectural styles used in our hospitality offerings are in keeping with the architectural heritage of the region, highlighting the original materials and fabrics used in building design and construction.

CH2: Restoration and Preservation of Heritage Sites:

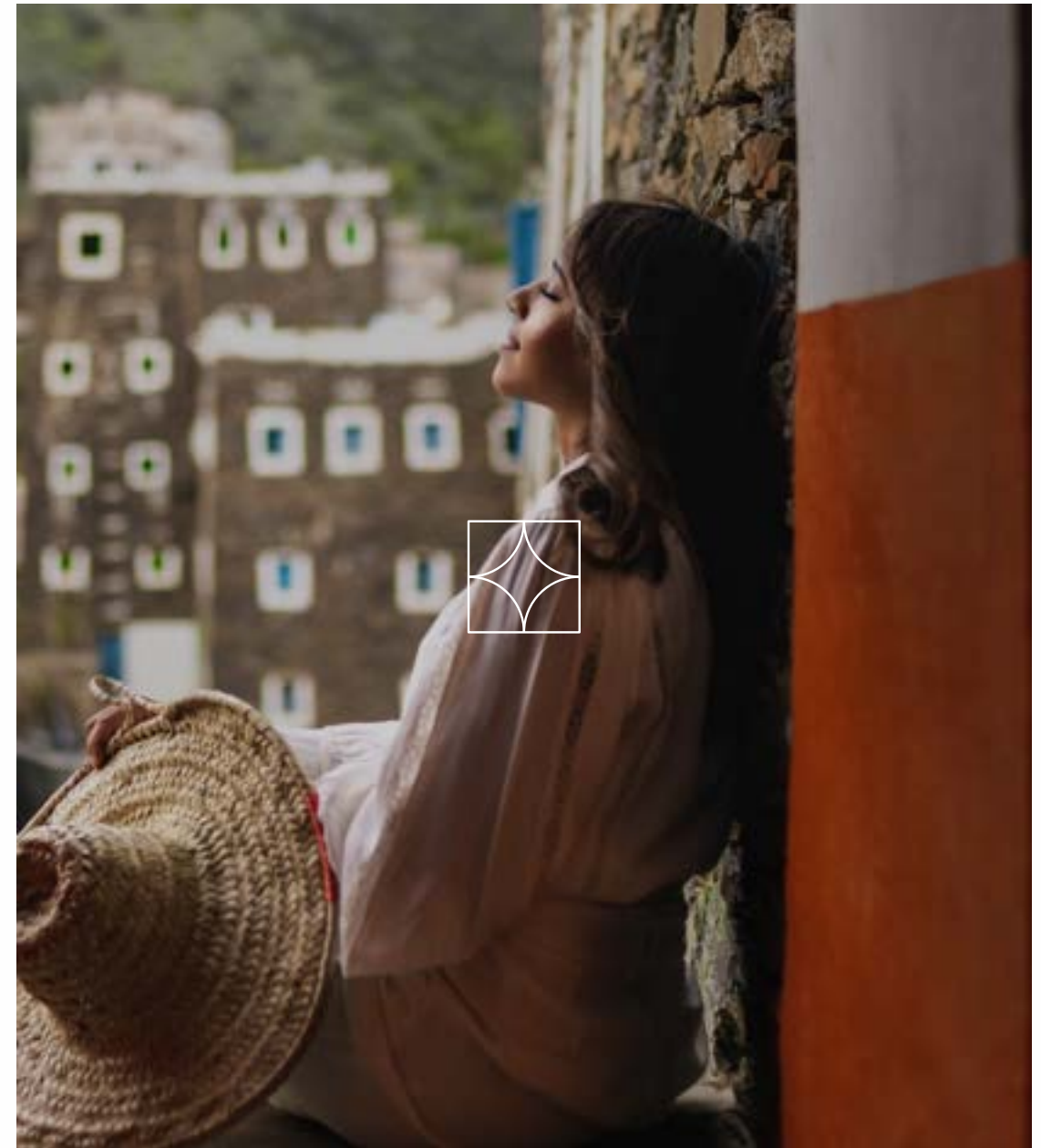
to plan, design and carry out the physical works required to restore key heritage sites within the destination boundary with a focus on the heritage village of Rijal Alma and Watam AISoudah. To provide facilities for the celebration of traditional crafts, music and songs and other cultural festivals and celebrations.

CH3: UNESCO Listing Study:

to work with the World Heritage Centre (WHC) on the potential World Heritage Site listing of the Soudah cultural landscapes.

CH4: Cultural Heritage Management Plan:

to prepare and implement the SD Cultural Heritage Management Plan for the protection, conservation, and restoration of heritage sites within SD's boundaries and to be aligned with KSA Heritage Commission codes, Aseer Development Authority codes and international best practices.



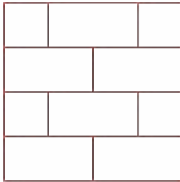
CH1: Architecture and Landscape Design

The physical design of our development ensures that all structures and infrastructure elements are sensitive to the cultural heritage context and compliment the visual landscape.

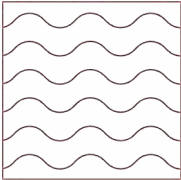


Design Principles

Design principles are based on ensuring that both the landscape and destination architecture reflect the historic and cultural features of the region and will celebrate the traditional sub-regional architecture of Aseer (i.e. tilted facades, window details, typical facade elements, stepped parapet articulation, projected balconies, wall vertical recess and artistic decorations). The landscape design and development of the project is based on:



Building Design
The built environment of Soudah will be reflective of the local landscape character with a focus on local sourcing and traditional materials.



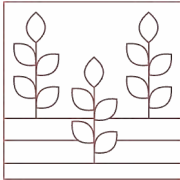
Sustainability
The development will incorporate water harnessing devices including wadi engineering and retention structures to prevent flash floods and to conserve water resources for tree planting and soft landscaping.



Place Making
Using appropriate, locally-sourced materials and design as a first principle to promote the spirit of place with both hard and soft landscaping features.



Location and Layout
Using Soudah's natural topography and drainage corridors for the positioning of infrastructural and architectural elements.



Reflecting Traditional Landscapes
Incorporation of soft landscaping to reflect the traditional growing terraces and natural vegetation setting of the Soudah Peaks area.



Connectivity
Establishing trails to connect Rijal with other parts of the destination. Establishing cultural spaces for the celebration of festivals, arts, gatherings, and markets.

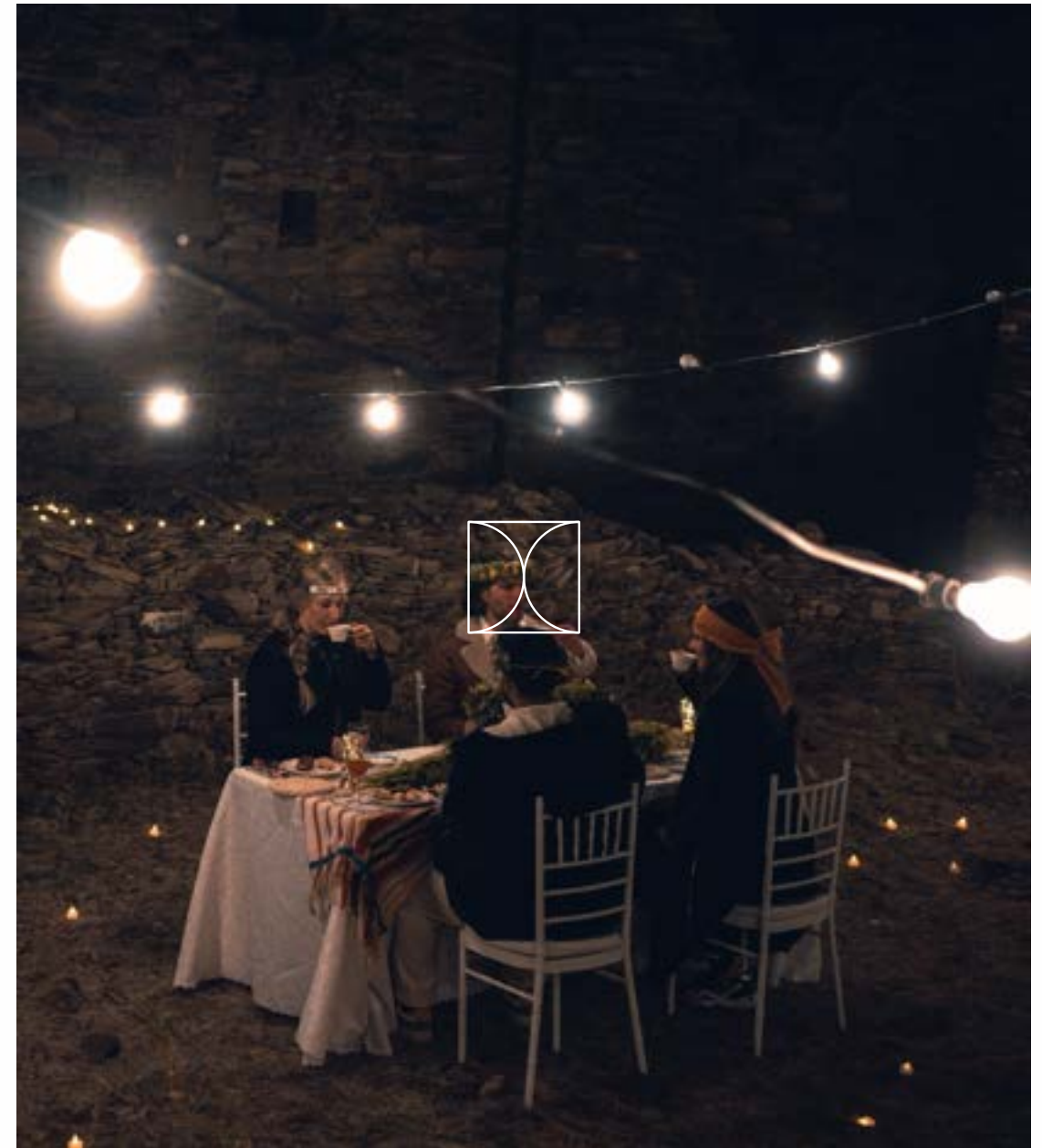
CH2: Restoration of Cultural Heritage Sites

Case Study – Rijal Alma'a

The “Rijal” development zone is focused on Rijal Heritage Village. Central to the village is the Rijal Plaza, which showcases local architecture and has extensive views over the rest of the valley. Rijal’s primary access point is defined by a central road running to the north and south of the village. Unique views of the current heritage sites and the valley are available from both sides of the road, which makes this central corridor a key urban component.

Rijal is in poor condition, with much of the urban form in a state of decline. Large areas of the town are no longer in use and have become derelict, lacking adequate conservation or maintenance. The setting of the heritage site was significantly altered in the late 20th / early 21st Century with new buildings, and new infrastructure some of which utilised modern materials, therefore degrading the authenticity and integrity of the site.

Restoration will require expertise in traditional building methods using regionally-available materials and with designs of windows, roofs and facades to be sympathetic with historical designs. SD will provide the necessary training and material sourcing to ensure the architectural integrity of the site. Rijal will be one of several cultural heritage sites within the region to be identified for restoration with at least two planned for 2024. **The ultimate aim is for Rijal and other heritage sites and landscapes within Soudah to be listed under the UN World Heritage Convention.**



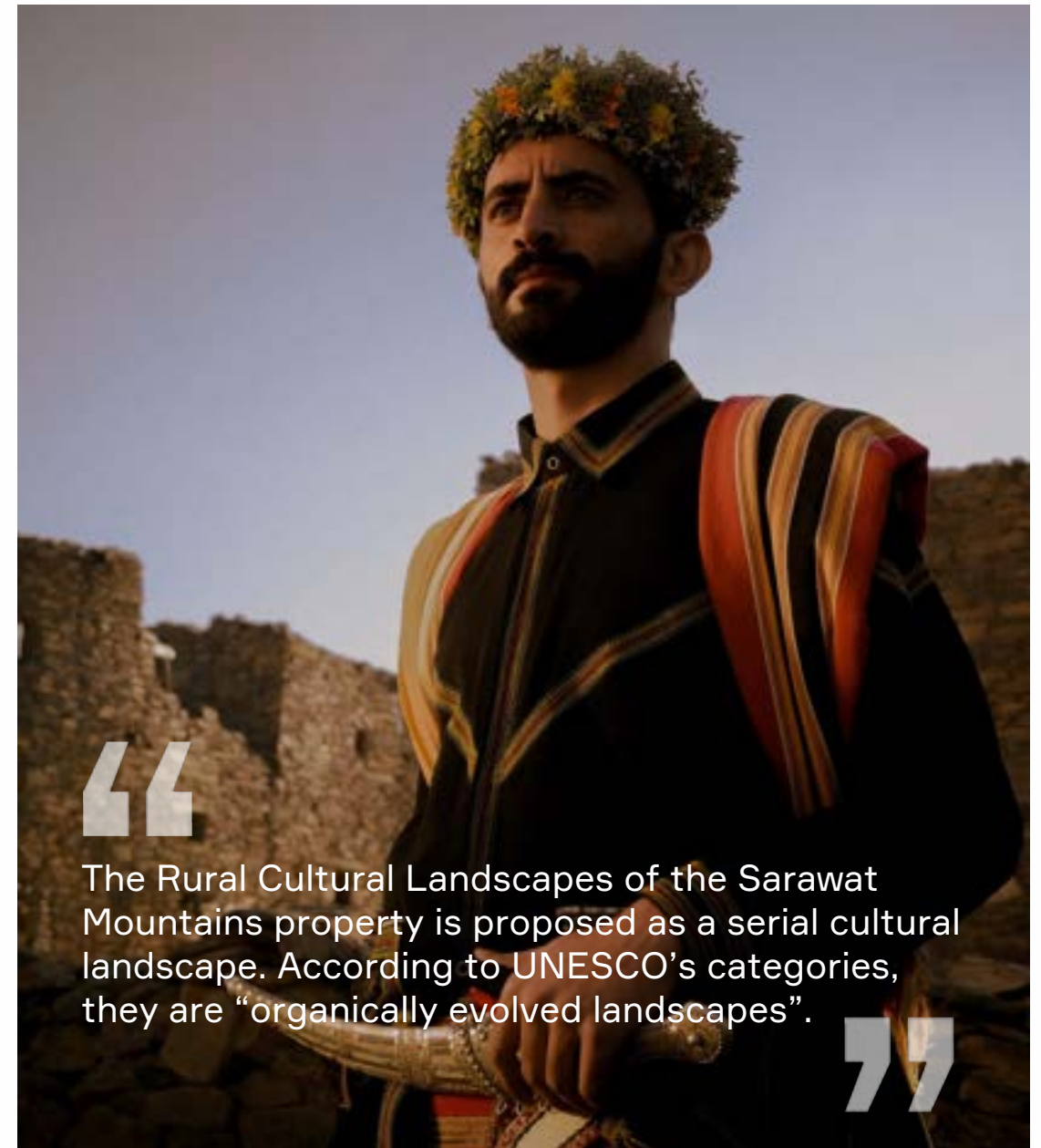
CH3: UNESCO World Heritage Site Listing

Cultural Landscape is a term used in the fields of geography, ecology, and heritage studies, to describe the symbiosis of human activity with the environment. As defined by the World Heritage Convention, it is the “cultural properties [that] represent the combined works of nature and of man”. The cultural ecosystem in this region has developed, over a long time, through the population making the best use of the landscape and natural ecosystems in a sustainable way.

The broader Aseer region has been pre-selected for nomination on the UNESCO World Heritage List of tangible and intangible heritage due to its unique cultural landscapes. Since 1992, UNESCO has recognised cultural landscapes as a form of cultural heritage, representing the combined works of nature and people.

Rijal itself is already an established heritage destination and is also on the Tentative List for UNESCO World Heritage Site status. This places additional scrutiny on the proposals for the future conservation, and future use of the site. A draft feasibility study is under preparation by SD to add Rijal Almaa, and other heritage sites to the UNESCO World Heritage List. Listing will focus on the Rijal Almaa area and up to five cultural landscape sites as identified by the Saudi Heritage Commission.

A target list was drafted by the KSA Ministry of Culture, and this document is being reviewed by the concerned national stakeholders but has not been presented to UNESCO until its completion.



“

The Rural Cultural Landscapes of the Sarawat Mountains property is proposed as a serial cultural landscape. According to UNESCO’s categories, they are “organically evolved landscapes”.

”

CH4: Cultural Heritage Management Plan

Over the course of 2024, SD will develop a full Cultural Heritage Management Plan (CHMP) to meet national and international best practice requirements for the protection of tangible and intangible heritage. The key elements of the CHMP are described below.

Detailed cultural heritage surveys and mapping of cultural sites, particularly those under draft UNESCO listing, are being conducted on the physical footprint of our development, in partnership with the Ministry of Culture and the Saudi Heritage Commission. Mapping includes heritage boundaries, assets within the SD boundaries and buffer zones.

Local communities are being consulted to determine their challenges and needs concerning cultural heritage, so that this can be used to protect specific areas and rehabilitate local communities' access to them.

We will develop a Chance Finds Procedure to be implemented during the construction works.

Specific events will take place throughout the year which will be an opportunity to come together and experience a combination of local cuisine, performances (music and dancing), traditional crafts and storytelling.

A Code of Practice will be developed for tour operators and tour guides, so that all of the people involved are aware of local cultural sensitivities.

Our visitors will be informed of the applicable rules and regulations concerning the protection of artefacts and cultural norms. This will include a prohibition on the removal of artefacts from the country and will be part of our Visitor Golden Rules. A feedback mechanism will be developed to gather information about how our visitors have enjoyed learning and celebrating our culture.

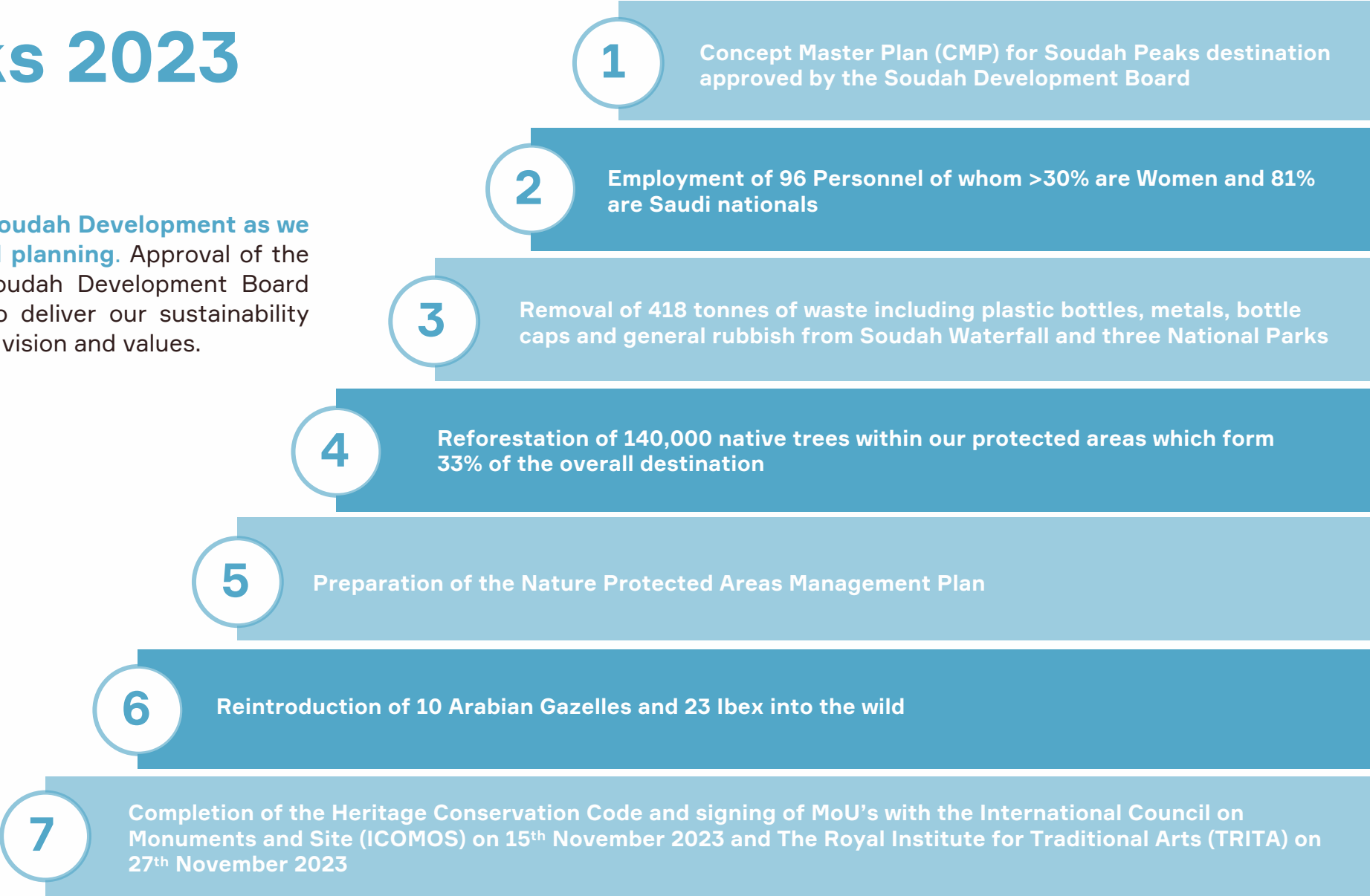


2023 Highlights & Our Plan for 2024



Soudah Peaks 2023 Highlights

2023 has been an important year for Soudah Development as we move from concept design to detailed planning. Approval of the Detailed Master Plan (DMP) by the Soudah Development Board provides us with the building blocks to deliver our sustainability programme in line with our sustainability vision and values.



Planning for 2024

As we move on from planning and preparation, 2024 will be our first year of implementation starting with the finalisation our corporate Sustainability Strategy, further development of policies and procedures, monitoring and reporting against Key Performance Indicators. We look forward to sharing our achievements in our next Sustainability Report and to starting the public disclosure process.

Sustainability Milestones for 2024

- Finalise our Sustainability Strategy including our environment, social and governance corporate policies
- Implement our Sustainability Reporting System and Dashboard to include our Key Performance Indicators and Metrics
- Develop our Environmental Management System in accordance with ISO14001:2015
- Commence Environmental and Social Impact Assessment (ESIA) studies
- Commence the LEED and MOSTADAM certification process
- Continue to implement our sustainability initiatives and to monitor our progress and success
- Prepare the 2024 Sustainability Report



For more information, contact us at
soudah.sa/en/contact-soudah-development

2877 Al Aqeeq District
King Abdulah Financial District KAFD
Unit Number 9 Riyadh 13519 – 6686
Kingdom of Saudi Arabia
+966 9200 21128

Follow us on:



@2023 Soudah Development all rights reserved

