

NEWSLETTER

Akhalkalaki - HPP

Akhalkalaki HPP (the “Project”) is a greenfield hydropower plant, located on Paravani and Korkhi Rivers in Samtskhe-Javakheti Region, Akhalkalaki Municipality. The Project consists of two separate intake structures, two buried penstocks and two powerhouses with a mutual grid connection solution. The Project’s total installed capacity is 9.1MW and annual generation is about 49GW. The project will use water from both Paravani and Korkhi Rivers and the outlet water will go back to Paravani River upstream of the existing Paravani HPP. Generated electricity will be connected to the national grid via new 35kV transmission line.

The Developer AIS LLC is committed to executing the work to world class performance standards by minimizing environmental and social impact and achieving zero harm to people, the same objectives are required of the Contractor in the execution of the work.

“AIS LLC” intends to improve the Company’s contribution to the sustainable development of the Project Affected Communities (PAC) by funding various social projects what will definitely have a positive impact on the project;

Despite the fact that company does not have any requests set by the government, it is company’s good will to support community development of those villages which are considered as project affected once (PAC). The company on the early stage of the project in July 2019, conducted needs assessment study. The study revealed that the majority of the population of the villages of Diliska, Korkhi and Orja selected following social projects:

DILISKA

- 1 Rehabilitation of Potable water pipeline
- 2 Rehabilitation of road leading to new cemetery
- 3 Graveling of the road to old cemetery

KORKHI:

- 1 Construction of a sports hall / gym
- 2 Construction off swimming pool on the river Korkhi
- 3 Designation of a drinking facility for cattle

ORJA:

- 1 Rehabilitation of pumping station for irrigation
- 2 Designation of a drinking facility for cattle
- 3 Construction off swimming pool on the river Orja

For the launching of the selected Social projects, the Company has signed Memorandum of Understanding with Akhalkalaki Municipality, community trustees and Delegates (three persons from each village) selected by the majority of the village residents and authorized to sign the MoU on behalf of the village population;

MoUs with Diliska and Orja villages were signed on July 2, 2020, while with Korkhi, MoU was signed on August 14, 2020.

In order to ensure that the voice of the community on a grass level is strongly heard, Company offered PACs the selection of community members as Delegates. Delegates are the focal points in the implementation of Social Projects. Delegates are the main liaison body acting as a mediator between the company and community.

Construction permits for the implementation of social projects have been obtained from the Municipality by the Company.

The status of the social project implementation (as of March 31, 2021) is shown below:

PROJECT	STATUS	BENEFICIARIES
Korkhi Sports Hall	<ul style="list-style-type: none"> • Old building demolished • New foundation concrete was casted • Currently the project is winter paused • Works to be resumed in April 2021 	Village Korkhi youth
Korkhi Swimming Pool	<ul style="list-style-type: none"> • Excavation of the pool completed • Currently the project is winter paused • Works to be resumed April 2021 	Village Korkhi youth

PROJECT

STATUS

BENEFICIARIES

Diliska Potable
Water Pipeline

- Pipe installation has been completed successfully
- Connection of the new pipes to the existing pipes to be done in April

More than 60% of Village
Deliska population

Diliska Road Pavement
(200 meter)

- The project to be started in April 2021

Village Deliska population

Orja Pumping
Station

- Old building demolished
- New foundation concrete was casted
- Currently the project is winter paused
- Works to be resumed in April

Village Orja population

Orja Swimming
Pool

- The project to be started in April 2021

Village Orja population

Designation of a
drinking facility
for cattle in Korkhi

- The project to be started in April 2021

Village Orja Population
breeding cattle

Designation of a
drinking facility for
cattle in Orja

- The project to be started in April 2021

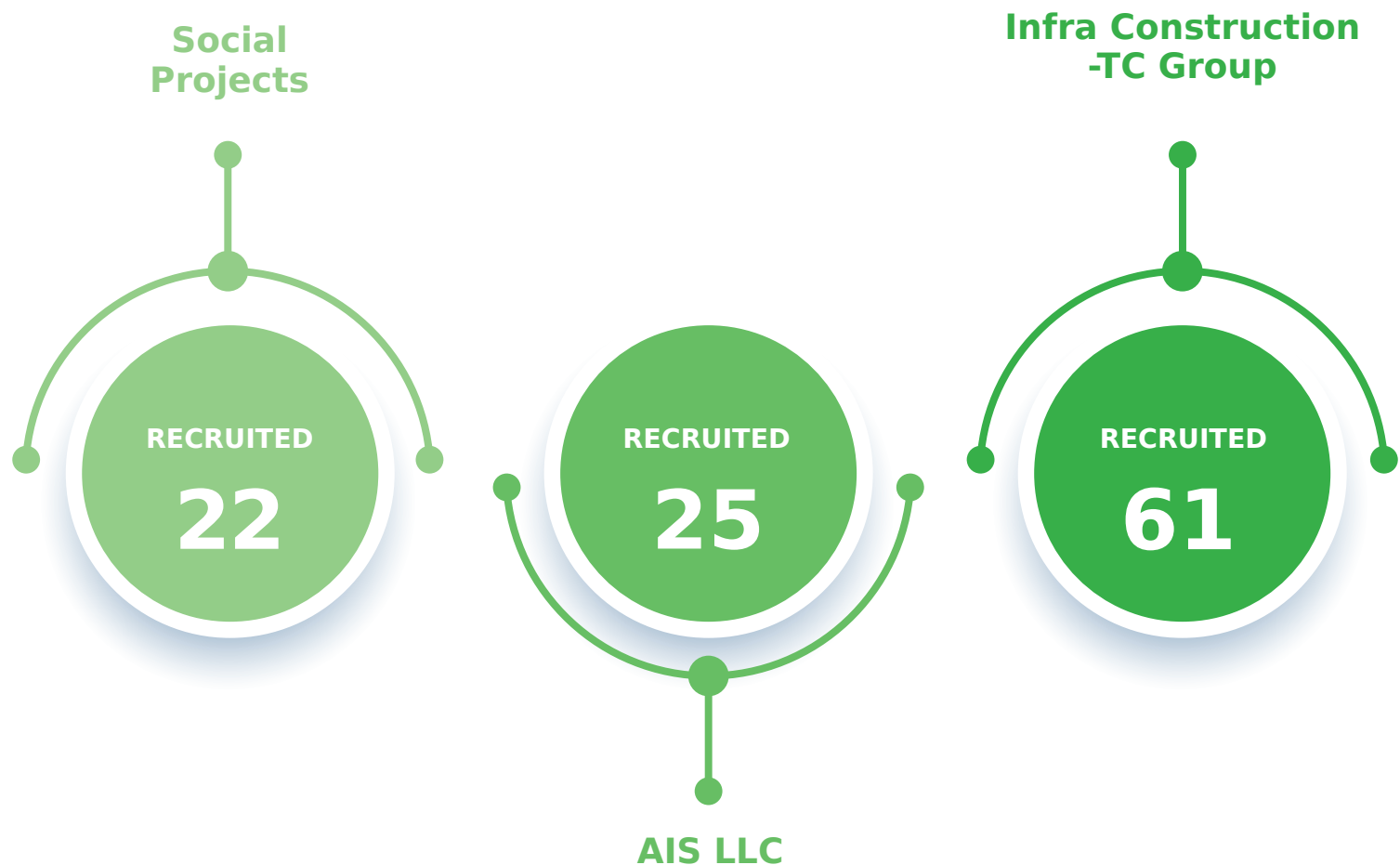
Village Orja Population
breeding cattle

Besides the social projects investments, the Local Municipality will receive additional income from the Project at the operation stage;

Additionally, the Company empowers local recruitment process on PAC, Municipal and Regional bases;

AIS LLC Social team has posted all available project related positions in PAC – Diliska, Orja and Korkhi.

As for social projects implementations only PAC members were recruited for the 1st phase of the projects.



Local procurement is being encouraged on a Municipal level:

- ① Local specialized shops to supply the project with various construction materials, tools and accessories
- ② Car washing services
- ③ Car repair shops
- ④ Supply of food for personnel

Communication with stakeholders

The Company acknowledges that successful stakeholder engagement depends on continuous flow of information among the various stakeholders.

The Company ESG manager and CLO have regular meetings with the PAC members, community trustees, village delegates and the Municipality representatives.

All required information is exchanged with the interested stakeholders on a regular bases and upon request.

In order to timely and effectively prevent any concern or complaint, or help resolving them in an amicable way, the Company has established a permanent mechanism for receiving and handling stakeholders' grievances and concerns.

The Project's grievance mechanism is open to all stakeholders, they can be sent to the Company ESG manager and CLO verbally, in writing, via email or telephone. The contact information is disclosed to the PAC members and also is available at the Company webpage. Both signed and anonymous inquiries might be received by the Company.

Safe and healthy working conditions are fundamental for AIS LLC. The company ensures that offices, camps are well equipped with all necessary materials for avoiding infection, like face masks, sanitizer, disinfection-barriers, infra-red thermometer, temperature log, signages, and WHO recommendation posters; Every employee is obliged to wear masks and keeping safe distance.