

Akhalkalaki HPP Project One Pager - #3

Akhalkalaki HPP (the “Project”) is a greenfield hydropower plant, located on Paravani and Korkhi Rivers in Samtskhe-Javakheti Region of Georgia, in Akhalkalaki Municipality. The Project consists of two separate intake structures, two buried penstocks and two surface powerhouses with a mutual grid connection solution. The Project’s total installed capacity is 9.1MW and annual generation is about 49GWh. 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. In order to ensure that the voice of the community on a grass root level is strongly heard, Company offered Project Affected Communities (PAC) to select community members as delegates. Delegates are the focal points in the implementation of Social Projects, as well as support function for the company to outreach community members in various cases.

The Developer “AIS LLC” is committed to implement Akhalkalaki HPP Project to world class standards by minimizing environmental and social impacts of the construction, and zero harm to the local population, the same is requested from all Contractors during execution of the work.

Social Program

“AIS LLC” intends to improve its contribution to the sustainable development of the PAC by construction of various social projects, which are implemented with the vision to bring positive socio-economic changes to the communities.

Despite the fact that the company does not have any legal requirements, it is company’s good will to support communities in the process of their development and creating better opportunities for their growth.

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Taking into the account that the model of community delegates proved to be successful for the community liasoning especially during the COVID-19 context it has been decided to expand the composition of ESG committees and add more member to it.

Akhalkalaki HPP continues to support local communities with the social program. The status of the social projects' implementation as of December 31st, 2021, is presented below:

Project	Status	Beneficiaries
Diliska Potable water Pipeline	• Completed; Handed over to the Municipality	Diliska village residents
Diliska new cemetery road pavement and drainage system	• Completed Handed over to the Municipality	Diliska village residents
Virgin Varvara street leveling	• Completed Handed over to the Municipality	Diliska village residents
Diliska old cemetery parking area leveling	• Completed Handed over to the Municipality	Diliska village residents
Korkhi Sports Hall	• Ongoing	Korkhi village youth
Korkhi Swimming Pool	• Completed Handed over to the Municipality	Korkhi village youth
Orja Pumping Station	• Completed	Orja village residents

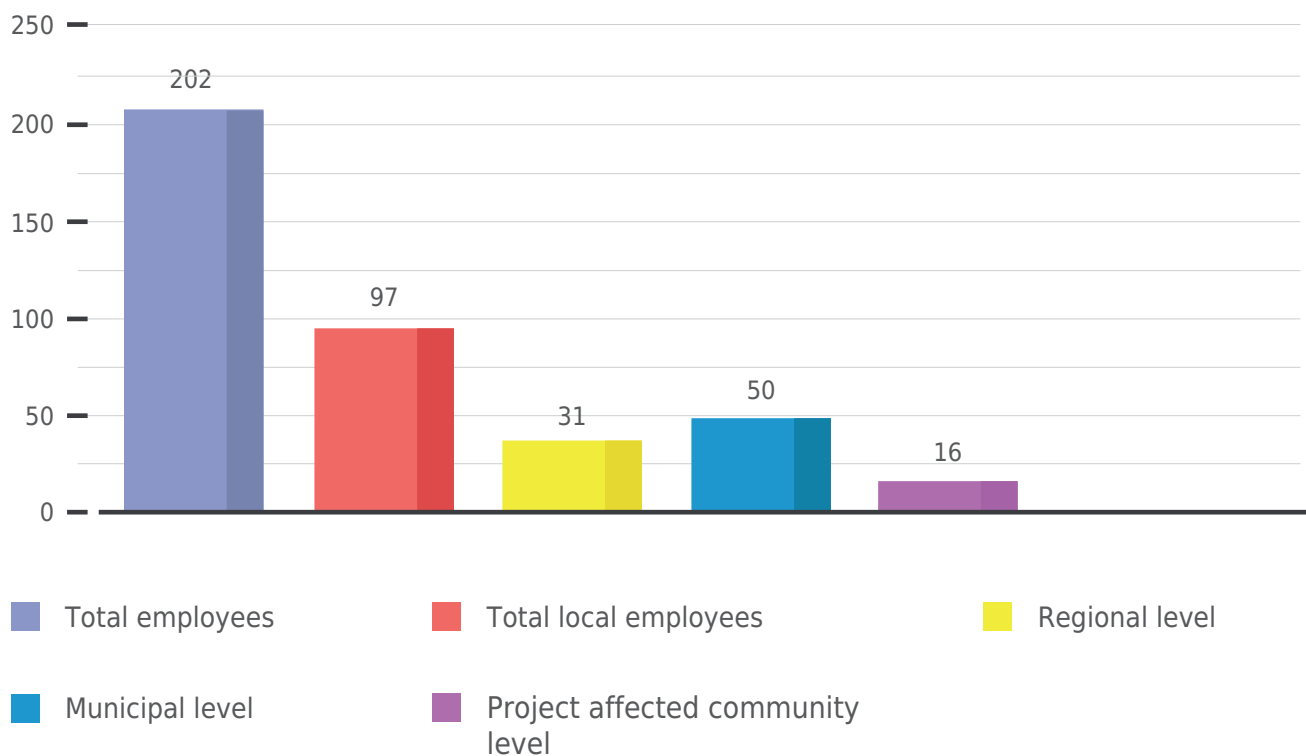
Project	Status	Beneficiaries
Rehabilitation of Orja pumping station pipeline	• To be started	Orja village residents

Employment of local population

To increase the benefits for local population, the Company ensures that local residents are provided with the employment opportunities, in line with their technical capacity and skill set.

The chart below presents statistics of local employment desegregated according to the origin of the workforce, for quarter 4 of 2021

Project Employment Chart



Working conditions with the strict health and safety values are fundamental for AIS LLC. The company ensures that offices and camps are well-equipped with all necessary products to reduce COVID-19 related risks, like face masks, sanitizer, disinfection-barriers, infra-red thermometer, temperature logs, signages, and WHO's recommendation posters. Every employee is obliged to wear facemask and keep social distance. In addition, as a COVID-19 management measure, the Company has launched intensive rapid anti-gen COVID-19 testing on site.



Stakeholder engagement

AIS LLC acknowledges that successful stakeholder engagement depends on continuous communication performance monitoring, analysis and collection of stakeholders' needs for information.

Meetings with the PAC members, trustees, village delegates, and the Municipality representatives are being conducted regularly.

In order to prevent any concern or complaint, and help resolving them in an amicable way, the Company has established a grievance mechanism to receive and handle stakeholders' grievances and concerns.

The Project's grievance mechanism is open to all stakeholders. They can provide grievances to the Company ESG manager and CLO in a verbal or written form via email, telephone or face to face meeting.

The contact information is disclosed to the PAC members and also is available at the Company's website: <http://www.ais-georgia.ge/>

