

Akhalkalaki HPP Project One Pager - # 5

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 June 30st, 2022, is presented below:

Project	Status	Beneficiaries
Korkhi Sports Hall	• Ongoing	Korkhi village youth
Rehabilitation of Orja pumping station pipeline	• Ongoing	Orja village residents

The list of projects below, shows those ones which have been already completed:

Project
• Diliska Potable water Pipeline
• Diliska new cemetery road pavement and drainage system
• Virgin Varvara street leveling
• Diliska old cemetery parking area leveling
• Korkhi Swimming Pool
• Orja Pumping Station

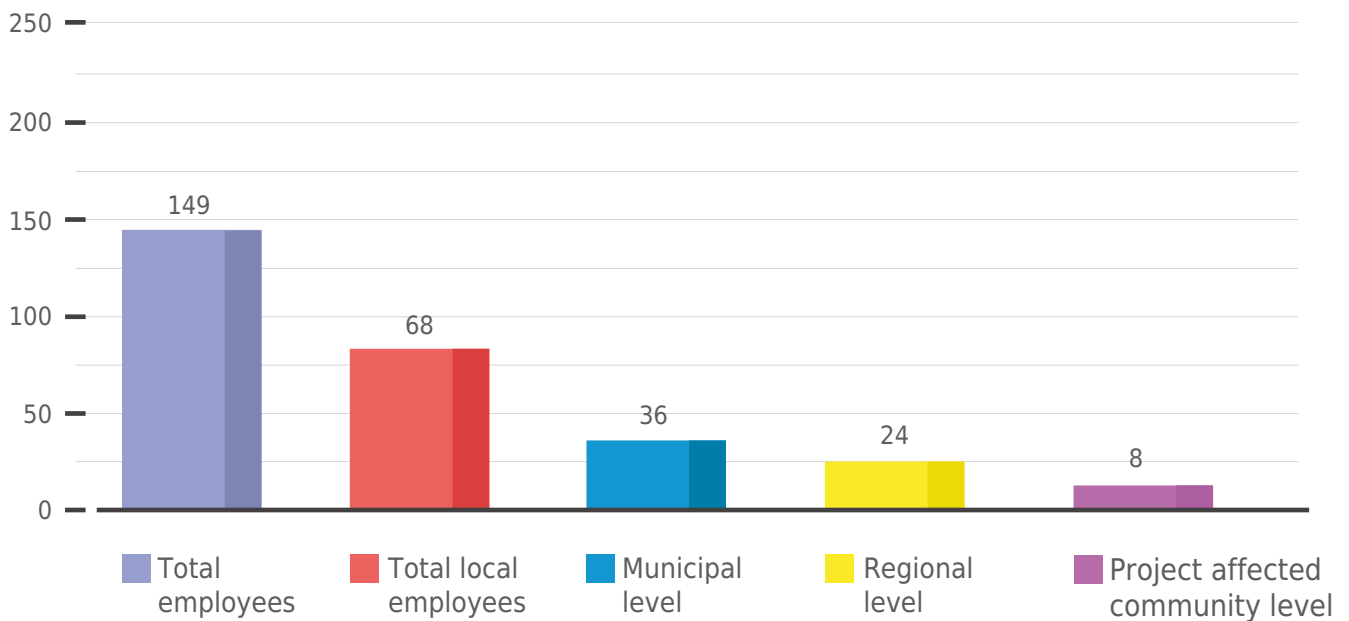
Employment of local population

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.

Since the construction phase of the project is slowly coming to an end, the number of employees is decreasing.

The chart below presents statistics of local employment desegregated according to the origin of the workforce, for quarter 2 of 2022:

Project Employment Chart



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 Q2 of 2022 in total 14 meetings were conducted with village residents and mayor's representatives of the project affected communities, Head of Akhalkalaki city council, and amenity service department.

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/>

We care about children

The Company is committed to continuous effort to identify and eliminate or manage safety risks associated with its activities and, in general, to continuous improvement of its performance in health and safety not only at the Project level but at the community level as well.

Children are one of the most important stakeholder group for the Company. They are curious and tend to explore, but they cannot assess risks; To prevent the risks and raise the safety awareness, AIS LLC launched "School Safety" trainings in Project Affected Community with the agreement of Ministry of Education and Science of Georgia, Akhalkalaki Resource Center and Project Affected Community schools.

The training was created especially for children, based on the principle of "Play and Learn", and is based on child friendly syllabus. The training introduced subjects like what is HPP, safety during construction works, road safety, issues related to safe swimming, and COVID-19 related mitigation measures.

"School Safety" trainings were conducted in June 2021, (June 8,9 and 10). In total 220 school child participated in the trainings, from grad 2 to grad 8 in 4 schools of PACs Diliska, Korkhi and Orja.



We care about environment

The Company acknowledges that the environment is an essential part of society well-being. One of the ways to contribute to the sustainable development of the environment is through planting the trees. In commemoration of the Earth Day, Akhalkalaki HPP has planted 1,200 trees in collaboration with the local municipality.

The 1st Deputy Governor of Samtskhe-Javakheti region and administration representatives, as well as Akhalkalaki Mayor, Head of the City Consul, the Parliament Deputy from the region together with their team members participated in tree planting event.

The Government representatives expressed their gratitude towards the Akhalkalaki HPP highlighting that the company practices high level of commitment towards the environmentally friendly solutions, which makes it being acknowledged as serious and honest private sector representative.

