



Austrian Georgian Development

ENVIRONMENT, SOCIAL & GOVERNANCE POLICY

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I. GENERAL

Sustainable power and infrastructure investment requires responsible business management of environmental, social and governance (“ESG”) matters.

This ESG Policy is designed to meet standards set forth by the United Nations Principles for Responsible Investment as well as the Environmental and Social Principles and Standards of the IFC and EIB.

II. PRINCIPLES

Austrian Georgian Development LLC will:

- as appropriate, minimize adverse impacts and enhance positive effects on the environment, workers, and all stakeholders;
- commit to continuous improvements, and encourage staff to commit to continuous improvements, with respect to management of the environment, social matters and governance;
- work over time to apply relevant international best practice standards, with appropriate targets and timetables for achieving them; and

III. POLICIES

- Austrian Georgian Development LLC shall comply with all applicable environmental laws, including international conventions ratified by the host country.
- Austrian Georgian Development LLC shall establish and will maintain a management system for environmental and social matters of its Portfolio Investments (“ESMS”)
- Austrian Georgian Development LLC Management shall appoint from among its team an Environmental and Social Manager who shall, among other things, be responsible for the proper operation and maintenance of the ESMS.
- Austrian Georgian Development LLC should demonstrate good practice of meaningful dialogue, consultation and participation with stakeholders. Stakeholder concerns should be considered as early as possible in the project assessment process as well as constitute a crosscutting element throughout the projects’ life-cycle, in order to enhance sustainability and contribute to project success.
- Austrian Georgian Development LLC will use its reasonable best efforts to ensure that it complies with applicable national and local laws on employment; do not make use of forced labor of any kind; do not employ or make use of harmful child labor; pay wages that meet or exceed industry or legal national minima; treat their employees fairly in terms of recruitment, progression, terms and conditions of work

and representation, irrespective of gender, race, color, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, or HIV status; allow consultative work-place structures and associations which provide employees with an opportunity to present their views to management; and for remote operations involving the relocation of employees for extended periods of time, ensure that such employees have access to adequate housing and basic services.

- As soon as reasonably practicable and in any event within three Business Days after becoming aware of the occurrence, notify the investors' representative of any social, labor, health and safety, security or environmental incident including any claim for environmental or social damages accident, loss of life, material breach of law, material effect on the environment. As soon as reasonably practicable thereafter Austrian Georgian Development LLC shall specify in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken, to address them and prevent any future similar event; and keep the investors' representative reasonably informed of the on-going implementation of those measures.

IV. ANTI-BRIBERY AND ANTI-CORRUPTION

Austrian Georgian Development LLC is dedicated to conducting its business with utmost honesty, integrity, and adherence to anti-bribery and anti-corruption laws. This commitment extends to complying with relevant laws, including those specific to Georgia. If local laws impose stricter requirements than those outlined in this policy, the more stringent local regulations will take precedence.

The act of bribery and corruption is absolutely prohibited. Within this context, a "bribe" encompasses any form of value, loan, award, or benefit that is offered, promised, given, or received directly or indirectly by any individual. Such offerings are reasonably made as an incentive for specific actions or omissions related to the individual's duties, to influence a decision or obtain an improper or unfair advantage, either for the benefit of the corporation or any other party. "Corruption" refers to the misuse of power or position for personal gain.

V. EXCLUSIONS

The following categories of activities are excluded from the Austrian Georgian Development LLC working universe:

- Production or activities involving forced labor or child labor;
- Production or trade in any product or activity deemed illegal under country laws or regulations or international conventions and agreements, or subject to any phase-out bans, such as:
 - Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or

- Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length);
- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora;
- Purchase of land or real-estate investment except where it is directly associated with the Projects (e.g., land for the construction of a power plant);
- Production or activities that impinge on the land owned, or claimed under adjudication, by Indigenous People, without full documented consent of such people;
- Processing of toxic waste;
- Gambling and betting activities;
- Cross-border trade in waste and waste products;
- Destruction of High Conservation Value area;

VI. ESG Principles

Austrian Georgian Development LLC will use its reasonable best efforts to adhere to the following ESG principles:

- Comply with applicable laws;
- Minimize adverse impacts;
- Enhance positive effects;
- Commit to continuous improvements;
- Strive to apply relevant international best practice standards;
- Employ an environmental and social management system to effectively address ESG risks and realize ESG opportunities.

Austrian Georgian Development LLC ESG initiatives will seek to create positive impact by:

- Contributing to the improvement of the living and working standards of individuals impacted by the Project;
- Contributing to the enhancement of corporate governance of the Project;
- Contributing to the development and augmentation of environmental standards of the Projects and their surrounding communities; and
- Minimizing the social footprint of the Project.

