



**AUSTRIAN GEORGIAN DEVELOPMENT LLC
(AGD LLC)**

**HUMAN RIGHTS DUE DILIGENCES
(HRDD)**

The Document is Approved by the Company General Director:

Giorgi Abramishvili

A handwritten signature in blue ink, appearing to be "Giorgi Abramishvili", written over a horizontal line.

2025

Table of Contents

Preamble	3
Introduction	3
Purpose of Human Rights Due Diligence (HRDD)	3
Scope of Human Rights Due Diligence (HRDD)	3
Identification of Human Rights Risks	4
Human Rights Risk Assessment	4
Risk Assessment Example	4
Mitigation Measures	5
Monitoring and Reporting	5
Human Rights Due Diligence Annual Revision Process	5
Annex #1	6

Austrian Georgian Development LLC Human Rights Due Diligences

Preamble

"Austrian Georgian Development" LLC (AGD) was established in June 2013 and owns and operates hydropower projects in Georgia. The company developed the Lakhami HPP Cascade, consisting of Lakhami 1 and Lakhami 2 Hydropower Plants, located on the Lakhami River in Mestia Municipality. These run-of-the-river plants have a combined installed capacity of 16 MW and generate an average of 80 million kWh annually. The Lakhami HPPs are connected to the national grid via a 35/6 kV power transmission line.

"Austrian Georgian Development" LLC is co-owned by CCEH Hydro III LLC – Part of Caucasus Clean Energy Holding (CCEH), an international investment holding company founded in 2015, with investors from Western Europe and the United States, actively engaged in the Georgian energy sector. Geo Hydro Capital Group LLC – Founded in 2013, specializing in the development of small and medium-sized hydropower plants in Georgia. Energy Solutions LLC – Established in 2014, focusing on the construction and development of small and medium-sized hydropower plants, as well as providing consultancy services in the hydro energy sector.

At AGD LLC, we are dedicated to upholding and promoting human rights throughout all aspects of our business. Our Human Rights Due Diligence (HRDD) process demonstrates our commitment to identifying, preventing, and addressing potential human rights impacts in alignment with international principles, including the UN Global Compact and the International Labour Organization (ILO).

Through this HRDD process, we aim to create a fair, inclusive, and safe work environment, safeguard the rights of communities impacted by our operations, and contribute positively to society. Our ongoing commitment to transparency, ethical leadership, and continuous improvement in human rights performance is a cornerstone of our business philosophy.

Introduction

This document outlines the HRDD process that AGD LLC follows to identify, assess, mitigate, and monitor human rights risks across our operations. It encompasses identifying key human rights risks, assessing their impact, and detailing the actions we take to prevent and address potential violations.

Our HRDD process ensures we operate in compliance with international human rights standards and reflects our commitment to responsible business practices that respect the rights of workers, communities, and other stakeholders impacted by our business.

Purpose of Human Rights Due Diligence (HRDD)

The primary objective of our HRDD is to proactively identify, address, and mitigate human rights risks associated with AGD LLC's operations, supply chains, and stakeholder relationships. In particular, we focus on salient human rights risks, which represent the most critical issues where harm is most likely or severe. These include labor rights, non-discrimination, health and safety, freedom of expression and association, and the well-being of local communities affected by our activities.

Focusing on these areas ensures that AGD LLC prioritizes its efforts to safeguard human rights where potential risks are highest, thereby protecting the rights of workers, local communities, and other affected groups.

Scope of Human Rights Due Diligence (HRDD)

The scope of our HRDD process covers all AGD LLC operations, including employees, contractors, and stakeholders involved in or impacted by our activities. This comprehensive approach ensures that our HRDD addresses key human rights issues such as labor rights, health and safety, non-discrimination, freedom of expression, and the prevention of forced labor, modern slavery, and human trafficking. We are committed to ensuring that all business operations, including our relationships with suppliers and partners, meet the highest standards of human rights protection.

Identification of Human Rights Risks

AGD LLC’s HRDD process begins with identifying potential human rights risks across the following areas:

1. Labor and Employment Rights
Risk of forced labor, child labor, discrimination, and unfair employment practices.
2. Health and Safety
Risk of unsafe working conditions, accidents, or health hazards for workers and contractors.
3. Local Communities
Risk of adverse impacts on the health, safety, and livelihoods of local communities due to our operations.
4. Supply Chain
Risk of human rights violations, including exploitation and forced labor, within our supply chain.
5. Freedom of Expression and Association
Risk of suppressing employees’ or contractors’ right to freely associate or express concerns.

By identifying risks in these areas, AGD LLC ensures that it prioritizes its actions to protect human rights and mitigate potential negative impacts.

Human Rights Risk Assessment

To assess the identified risks, AGD LLC uses a structured risk assessment framework based on the following categories:

- Severity of Impact: The potential harm caused by risk (e.g., physical, psychological, financial).
- Likelihood of Occurrence: The probability that the identified risk may materialize.
- Project Affected Stakeholders: The groups of people (e.g., employees, local communities, contractors) who may be impacted by the risk.
- Mitigation Measures: Existing or planned controls and actions to prevent or mitigate the risk.
- Residual Risk: The level of risk that remains after mitigation measures have been applied.

Each risk is rated on a scale (low, medium, high) to prioritize efforts and ensure that mitigation actions are proportionate to the risk level.

Risk Assessment Example

Risk Category	Description of Risk	Severity	Likelihood	Affected Stakeholders	Mitigation Measures	Residual Risk
Labor Rights – Forced Labor	Risk of forced labor in the supply chain	High	Medium	Workers, Contractors	Supplier screening, contract clauses, third-party audits	Low
Health & Safety – Accidents	Risk of workplace accidents at operational sites	Medium	High	Employees, Contractors	Health & safety training, regular equipment maintenance	Medium
Community Relations – Displacement	Risk of community displacement due to land use	High	Low	Local Communities	Engagement with communities, transparent grievance mechanism	Low

Mitigation Measures

AGD LLC implements a range of specific mitigation measures to address and reduce human rights risks. These measures include:

- **Supplier Engagement and Audits:** Conduct regular audits of suppliers and contractors to ensure compliance with human rights standards, with a focus on preventing forced labor, child labor, and ensuring fair working conditions.
- **Health & Safety Policies:** Strengthen workplace safety protocols, provide mandatory health and safety training, and ensure that employees and contractors have access to proper protective equipment.
- **Community Engagement:** Actively engage with local communities to understand their concerns and provide transparent information about projects that may impact them. Where necessary, offer compensation or alternative livelihoods.
- **Grievance Mechanisms:** Establish accessible and confidential grievance mechanisms that allow employees, contractors, and community members to report concerns without fear of retaliation.
- **Training Programs:** Implement mandatory human rights training for employees and contractors, with a particular focus on the prevention of discrimination, modern slavery, and human trafficking.

Monitoring and Reporting

To ensure continuous improvement and accountability, AGD LLC employs several monitoring and reporting mechanisms:

- **Internal and External Audits:** Conduct regular internal and third-party audits to assess compliance with our human rights policies, identify emerging risks, and track the effectiveness of our mitigation measures on an annual basis at the end of each fiscal year.
- **Performance Metrics:** Track human rights performance using Key Performance Indicators (KPIs) such as the number of reported incidents, percentage of workers trained on human rights issues, and corrective actions taken.
- **Public Reporting:** Provide annual reports on human rights performance to the Board of Directors and include relevant updates in our sustainability reports for public disclosure.
- **Stakeholder Engagement:** Engage regularly with stakeholders, including local communities and industry experts, to gather feedback and adjust our HRDD process as needed.
- This HRDD and Action Plan for Human Rights Risk Management is a subject of revision on an annual basis at the end of each fiscal year.

Refer to Annex #1 for detailed actions outlined in the 2024 Human Rights Risk Management Plan.

Human Rights Due Diligence Annual Revision Process

Aligned with internationally recognized ESG practices and standards, our Company undertakes a comprehensive review of Human Rights Due Diligence at the end of each year. This systematic review, led by the Company ESG Manager, ensures that our disclosures accurately reflect current assessments, performance metrics, and operational practices. If any modifications are made during the revision process, the updated documentation is subjected to a thorough approval procedure. Initially, the proposed changes are carefully reviewed and endorsed by the Company Director. Following this, the revised document is shared with the Caucasus Clean Energy Holding ESG and Sustainability Lead for final validation, ensuring that each modification adheres to our commitment to quality, transparency, and regulatory compliance. The Supervisory Board members are informed regarding changes, reinforcing our commitment to maintaining high international ESG standards.

The updated version is uploaded onto the company's webpage, while the previous version remains accessible on the website in the archive folder.

Annex #1

Action Plan for Human Rights Risk Management

Based on the findings of our HRDD process, AGD LLC has developed an action plan for the year 2024, to address any identified human rights risks and gaps. This action plan is regularly updated to reflect new risks and areas for improvement.

Action Area	Objective	Action Steps	Responsible	Timeline for 2024	KPIs
Worker Health & Safety	Strengthen workplace safety	Conduct safety training; implement updated protocols	Health & Safety Team	Q1 – Q4	Reduction in safety incidents
Environmental Protection	Reduce environmental impact	Adopt sustainable practices; conduct impact assessments	ESG Team	Ongoing	Maintain no pollution approach
Non-Discrimination	Promote an inclusive workplace	Conduct diversity training; implement anti-discrimination policies	HR/ESG Team	Q1 – Q4	Increase in diversity and inclusion metrics
Supplier Oversight	Enhance supplier compliance with human rights	Implement supplier audits and human rights clauses	Procurement Team	Q1 – Q4	Percentage of suppliers audited
Fair Wages	Ensure fair compensation	Review and adjust wage structures; conduct wage audits	Administration /Finance Team	Q3 – Q4	Improvement in employee satisfaction surveys
Training & Capacity Building	Enhance human rights awareness	Provide regular human rights training for employees	Administration /ESG Team	Ongoing	Percentage of employees completing training