



AUSTRIAN GEORGIAN DEVELOPMENT LLC
(AGD LLC)
NET-ZERO TRANSITION PLAN

This Plan is Approved by the Company General Director:

Giorgi Abramishvili

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2025

Contents

INTRODUCTION	3
STRATEGIC COMMITMENT	3
SCOPE AND TRANSITION APPROACH.....	3
TARGETS AND TRAJECTORY.....	4
IMPLEMENTATION MEASURES	4
GOVERNANCE AND RESPONSIBILITIES	5
MONITORING AND DISCLOSURE	5
CONTINUOUS IMPROVEMENT	5
REVIEW AND UPDATE PROCESS.....	6
ANNEX #1: EMISSIONS DATA, PROJECTIONS AND INDICATIVE AVOIDED EMISSIONS.....	7

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Introduction

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.

Strategic Commitment

AGD LLC is committed to supporting the transition to a low-carbon economy and achieving net-zero greenhouse gas emissions by 2050, in line with the Paris Agreement.

This commitment is aligned with Georgia's Updated Nationally Determined Contribution (NDC) under the United Nations Framework Convention on Climate Change, which targets a 47% reduction in greenhouse gas emissions by 2030 compared to 1990 levels, with an extended target of 50-57% achievable with international support.

As a renewable energy operator, AGD LLC contributes directly to national decarbonization efforts through the generation of low-carbon electricity. In addition to maintaining a low operational emissions profile, the Company contributes to emissions reduction at system level through the generation of renewable electricity and associated to avoided emissions.

The Net-Zero Transition Plan is implemented in conjunction with the Company's Sustainability and Emissions Reduction Plan, which serves as the primary operational framework for emissions tracking, target setting, and performance monitoring.

Scope and Transition Approach

AGD LLC applies a comprehensive and structured approach to emissions management, covering Scope 1, Scope 2, and Scope 3 emissions.

Due to the nature of its operations as a run-of-river hydropower plant, direct emissions remain low. (This is because the plant generates electricity by utilizing the natural flow and elevation drop of the river, without the need for fuel combustion. Unlike thermal power plants, no fossil fuels are burned during electricity generation, which significantly limits greenhouse gas emissions.

In addition, the run-of-river configuration of Lakhami HPP minimizes water storage and avoids large reservoir formation, significantly reducing the potential for methane emissions associated with organic matter decomposition. As a result, both operational emissions and reservoir-related emissions are minimal, making this type of hydropower a low-carbon energy source.) However, indirect emissions

associated with electricity use, contractors, supply chain activities, and operational support functions are recognized and actively managed.

The Company follows a practical and proportionate transition approach, focused on:

- Maintaining a low direct emissions profile;
- Improving operational efficiency;
- Strengthening management of indirect emissions;
- Integrating emissions considerations into procurement and contractor engagement.

This ensures that both operational emissions and broader value chain impacts are systematically considered within the Company's transition pathway.

Targets and Trajectory

AGD LLC has established a clear and evidence-based transition pathway toward net-zero emissions. The Company targets net-zero emissions across operations and relevant value chain activities by 2050, while maintaining a low-emission operational profile in the short and medium term.

By 2030, AGD LLC aims to:

- Maintain low Scope 1 and Scope 2 emissions through efficient operations;
- Further reduce indirect emissions through improved energy use and operational optimization;
- Strengthen the tracking and management of Scope 3 emissions;
- Align operational performance with national climate targets under Georgia's NDC.

The Company's emissions trajectory reflects a gradual reduction in Scope 1 emissions from 30 tCO₂eq in 2025 to 13 tCO₂eq by 2030, supported by operational efficiency improvements and enhanced emissions management. This trajectory is supported by quantitative projections and annual targets defined in the Sustainability and Emissions Reduction Plan, including emissions data, reduction trends, and indicative projections for Scope 1, Scope 2, and Scope 3 emissions through 2030.

In parallel, the Company continues to generate renewable electricity resulting in significant avoided emissions, which represent the Company's primary contribution to reducing greenhouse gas emissions at system level through displacement of more carbon-intensive electricity sources, which represents its contribution to reducing reliance on carbon-intensive energy sources. Detailed historical emissions data, projections, and indicative avoided emissions are presented in Annex #1 to this Plan.

Implementation Measures

AGD LLC implements its Net-Zero Transition Plan through practical and measurable actions integrated into daily operations. Key implementation measures include:

- Continuous optimization of hydropower generation efficiency;
- Monitoring and reduction of energy use within operations;
- Integration of emissions considerations into contractor and supplier engagement;
- Tracking and management of scope 1, scope 2, and scope 3 emissions;
- Annual calculation and disclosure of avoided emissions associated with renewable electricity generation.

These measures are supported by structured data collection, internal coordination, and alignment with the Company's environmental and sustainability management framework.

Governance and Responsibilities

The implementation of the Net-Zero Transition Plan is integrated into AGD LLC's governance structure, which operates under a two-tier system consisting of Supervisory Board and Management.

The Supervisory Board provides strategic climate oversight, reviewing emissions performance, climate-related risks, and progress toward net-zero objectives.

The Company Director ensures overall accountability and alignment with corporate strategy. The ESG Manager and/or person in charge of ESG is responsible for coordinating emissions tracking, monitoring progress, and ensuring consistency with the Sustainability and Emissions Reduction Plan.

The Technical and Operations Team supports the implementation of emissions reduction measures, including operational improvements and efficiency measures.

The Company works in coordination with the Caucasus Clean Energy Holding ESG and Sustainability Lead, who provides independent review and validation of emissions data and overall approach.

Monitoring and Disclosure

AGD LLC maintains a structured and transparent approach to emissions monitoring and disclosure. The Company tracks greenhouse gas emissions across Scope 1, Scope 2, and Scope 3 categories on a quarterly basis, supported by defined methodologies and internal verification processes.

The Net-Zero Transition Plan is implemented through the Sustainability and Emissions Reduction Plan, which includes:

- Annual emissions data (Scope 1, Scope 2, Scope 3);
- Avoided emissions;
- Reduction targets and projections;
- Performance tracking and evaluation.

AGD LLC publicly discloses emissions data, targets, and progress through:

- The Sustainability and Emissions Reduction Plan;
- The Annual ESG Report;
- The Company's corporate website.

This ensures transparency, consistency, and alignment with international sustainability reporting practices.

Continuous Improvement

AGD LLC is committed to continuous improvement of its climate transition approach. The Net-Zero Transition Plan is regularly reviewed and updated to reflect:

- Updates to Georgia's climate commitments, including revisions of the Nationally Determined Contribution;
- Improvements in emissions data accuracy and tracking systems;
- Developments in international standards and best practices;
- Operational improvements and efficiency measures.

This ensures that the Company's transition pathway remains credible, relevant, and aligned with evolving expectations.

Review and Update Process

This Net-Zero Transition Plan is subject to annual review to ensure its continued relevance, accuracy, and alignment with the Company's operations and external developments.

The review process is coordinated by the ESG Manager and/or person in charge of ESG, who assesses progress, updates key elements where necessary, and ensures consistency with the Sustainability and Emissions Reduction Plan.

The Plan is reviewed and approved by the Company Director, with additional oversight and validation provided by the Holding ESG and Sustainability Lead.

Annex #1: Emissions Data, Projections and Indicative Avoided Emissions

Year	Scope 1 (tCO ₂ eq)	Scope 2 (tCO ₂ eq)	Scope 3 (tCO ₂ eq)	Avoided Emissions (tCO ₂ eq)
2021	188	78	N/A	8,385
2022	102	24	N/A	12,128
2023	56	5	N/A	12,286
2024	55	0.6	9	10,592
2025	41	0,1	13	10,925
2026	53	0.5	8.5	11,100 ¹
2027	50	0.5	8	11,500
2028	48	0.4	7.5	11,600
2029	45	0.4	7	11,700
2030	39	0.4	6.3	11,800

¹ Indicative avoided emissions (2026-2030) projections are based on expected renewable electricity generation under normal operating conditions and the current calculation methodology applied in the Sustainability and Emissions Reduction Plan. Actual avoided emissions may vary depending on hydrological conditions, annual generation levels, and the applicable grid emission factor.