



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

CORPORATE HUMAN RIGHTS POLICY

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

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Austrian Georgian Development LLC Corporate Human Rights Policy

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.

This Policy is applicable to our entire workforce, including senior executives, contractors, and members of the Board of Directors, at every site that we operate.

Our Commitments

At AGD LLC, we hold a deep commitment to upholding the rights of our workforce and the communities surrounding our operational sites.

Our unwavering dedication to this commitment is clearly outlined in our Corporate Human Rights Policy.

We have integrated specific requirements and guidance to ensure the utmost respect for the rights of both our valued workers and the members of the local communities affected by our operations.

This approach underscores our proactive stance in fostering an environment where human rights are not only acknowledged but actively protected.

Lakhami HPP endeavors to create a workplace and community-centric ethos that goes beyond compliance, aiming for a positive and lasting impact on the well-being of our workforce and neighboring communities.

The AGD LLC Human Rights Policy aligns with the International Labour Organization's (ILO) International Labour Organization Declaration on Fundamental Principles and Rights at Work¹, as well as the principles outlined in the United Nations Global Compact (UNGC)². Our commitment to upholding human rights is rooted in the core values and principles set forth by the ILO. This entails a dedication to supporting and respecting internationally proclaimed human rights, as articulated in the Universal Declaration of Human Rights, and further reinforced by the UNGC.

By adhering to the UNGC Human Rights principles, AGD LLC ensures that its business operations are conducted with a profound respect for the rights and dignity of all individuals affected by our activities. We actively work to avoid any contribution to human rights violations, promote access to remedy, and acknowledge our responsibility to respect human rights, in line with the UNGC's framework. Our commitment extends to fostering an inclusive, fair, and ethically responsible business environment that upholds the highest standards of human rights globally.

¹ <https://embeddingproject.org/resources/ilo-declaration-on-fundamental-principles-and-rights-at-work/>

² <https://unglobalcompact.org/what-is-gc/our-work/social/human-rights>

We are dedicated to upholding the human rights of all individuals affected by our operations, including employees, contractors, and external stakeholders. We strive to prevent any involvement in or contribution to human rights violations, actively working to provide avenues for remedy. While acknowledging governments' primary role in safeguarding against human rights violations, we recognize and embrace our corporate responsibility to respect and uphold human rights.

This human rights policy addresses emerging human rights issues relevant to our industry, clarify our human rights commitments, and communicate how AGD LLC approaches to managing human rights impacts have advanced. The policy sets out how the Company's expectations and principles – such as those on labor rights and modern slavery – underpin our human rights commitments and describes how we manage human rights impacts across our operations.

This also reflects our continued commitment to greater public transparency around our activities and wider societal engagement.

We strongly believe that this type of open collaboration is important to help us continue to push for improvements and make a positive and sustainable difference in people's lives.

Our Approach

In fulfilling this policy, we are guided by several principles that help define our approach:

- We are dedicated to adhering to the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work at all times.
- We are committed to and always strive to act in accordance with the UN Guiding Principles on Business and Human Rights.
- We do not tolerate violations of human rights committed by our employees, affiliates, or any third parties acting on our behalf or related to any aspect of one of our operations.
- We do not tolerate the use of child labor, prison labor, or any form of forced labor, slavery, or servitude.
- We are committed to combating human trafficking, recognizing it as a severe violation of human rights. To mitigate human trafficking, the policy emphasizes a multi-faceted approach including strict adherence to international and local anti-trafficking laws, which defines legal and organizational bases against human trafficking, and directions against human trafficking. Suppliers and contractors are also obliged to comply with these stringent anti-trafficking measures, ensuring that the entire supply chain is free from exploitation.
- We believe in fair employment practices and in a workplace in which all individuals are treated with dignity and respect. We do not tolerate discrimination against individuals on the basis of race, color, gender, religion, political opinion, ethnicity, age, nationality or social origin, sexual orientation, or union membership.
- We aim to pay all employees and contractors fairly. We will enforce working hours to the best of our ability aligned with ILO standards and provide fairly compensated overtime and pay for periodic holidays and time off.
- We respect the freedom of expression and right to associate of our employees and contractors, including fundamental rights granted by the constitution of Country.
- We do not tolerate threats, intimidation, or attacks against human rights defenders.
- In our relationships with government, contractors, and third-party service providers, we do our utmost to avoid being complicit in adverse human rights impacts, including benefitting from the human rights violations caused by others.
- We monitor and try to continuously improve our human rights performance.
- We work actively to foster diverse, equitable and inclusive workplaces free from discrimination on the basis of race, sex, color, national or social origin, ethnicity, religion, age, disability, health status, sexual orientation, marital status, pregnancy, gender identity or expression, political opinion, or any other protected category under applicable law.

Steps We Take

- We developed and implemented supporting policies, procedures, training, and internal reporting structures to embed this Policy throughout our company.
- We provide training on human rights expectations to all new employees and all relevant existing employees, including the grievance mechanism procedure.
- We provide a safe and healthy workplace for all staff, contractors and subcontractors.
- We comply and demand that all suppliers and contractors comply with all national laws, the ILO Core conventions and the UNGC Human Rights.
- Conduct human rights monitoring for the operations where there is the potential for negative human rights impacts and seek to employ reasonable measures to mitigate those impacts.
- For relevant suppliers and third-party service providers, we insist that human rights terms and conditions be included in contracts (including compliance with this Policy), and require periodic human rights reporting, certifications and/or training.
- We promote human rights by identifying opportunities to constructively engage on human rights issues.
- We only employ people above the minimum employment age set by national law or by ILO Convention 138, whichever is the higher. We avoid employing individuals below 18 years of age in work that is likely to harm their health, safety or morals.
- We promote fair competition, including respect for property rights.
- We respect the history, culture and traditional ways of indigenous peoples, their standing as distinct, self-determining peoples with collective rights, and their interests in land, waters and the environment.
- We meaningfully engage with the local communities and other stakeholders affected by our operations to create and maintain transparent relationships built on mutual respect and trust.
- Establish and maintain a grievance mechanism for human rights complaints to be reported and addressed without any prejudice to the aggrieved person(s). We will report publicly on how complaints have been managed.
- Take appropriate action where we identify violations of this Policy by employees or contractors.
- We conduct regular audits and assessments across various operational units and with different contractors to ensure compliance with this Policy's principles. These audits may be conducted internally or by external third parties. Upon identifying areas for improvement, we will establish performance enhancement plans to address any shortcomings identified during these evaluations.
- Communicate this policy to our employees, partners, contractors, and subcontractors and make it available to the public.
- Report on our performance against our human rights objectives during the Board of Directors meetings.
- The workforce is entitled to a secure, safe, and healthy workplace. Within our operations, we work to minimize the risk of accidents, injury, and exposure to health risks. We do not tolerate harassment, including unwelcome verbal, physical, sexual, or other conduct that creates an intimidating or hostile work environment. We prioritize awareness and training programs for employees and local communities to recognize and report signs of trafficking.

Performance Monitoring and Disclosure

AGD LLC acknowledges its responsibility to uphold and promote human rights in every aspect of its operations. To fulfill this commitment, the company has implemented a Human Rights Due Diligence (HRDD) process to proactively identify, prevent, and address potential risks to individuals affected by its operations. Guided by internationally recognized frameworks, including the UN Global Compact and International Labour Organization (ILO) principles, AGD LLC is committed to maintaining practices that are fair, ethical, and grounded in respect for human dignity at every step. The detailed HRDD document is available on the company's website: <https://www.agd.ge/>

AGD LLC undergoes regular human rights audits conducted by the Caucasus Clean Energy Fund (referred to as “the Fund”). This process ensures timely identification of any deviations from established human rights standards and enables effective follow-up on corrective actions. Through this process, planned and undertaken by the Fund, the company ensures that its commitment to upholding human rights and fostering responsible business practices remains transparent and aligned with investors’ standards and expectations. Additionally, recognizing the significance of human rights within sustainable business practices, the Fund has enlisted an ESG external consultant to provide further oversight general ESG issues, including focus on Human rights within the company’s operations.

The Company is committed to transparent reporting on our Human Rights commitments and performance through regular Board of Directors meetings.

Governing the Policy

The Company’s paramount responsibility is to comprehensively execute the human rights policy, encompassing all departments and communities affected by the operations.

Specific responsibilities are entrusted to the senior managers, recognizing their unique roles in upholding human rights within the organization:

The Board of Directors

The Board of Directors diligently reviews and officially sanctions the Human Rights Policy, underscoring our unwavering commitment to upholding human rights principles.

The Company General Director

As the head of our organization, the Executive Director is tasked with setting the from the top, ensuring that human rights considerations are integrated into our overall strategic direction and decision-making processes.

Technical Director and Local Project Manager

The Technical Director and Local Project Manager oversee the technical aspects of the operations. Responsible for ensuring that technical solutions and practices adhere to human rights standards, particularly in areas where the activities may have direct or indirect impacts on human rights.

Legal Consultant

The Legal consultant ensures that all Company activities, policies, and operations comply with international human rights laws and standards, as well as relevant local regulations. Advocates for human rights issues within the legal and regulatory frameworks of the jurisdictions where the Company operates. Support legislative and policy initiatives that promote human rights protection and accountability.

ESG Manager

The ESG Manager focuses on environmental, social, and governance (ESG) issues within the company. The ESG team plays a crucial role in integrating human rights considerations into our ESG strategies, reporting, and stakeholder engagement efforts.

Health and Safety Manager

The Safety Manager is responsible for safeguarding the well-being of employees, contractors, and communities. The Health & Safety team ensures that health and safety measures are aligned with human rights principles, particularly concerning workplace safety and community health.

The Chief Operations Manager

The Operations Manager oversees the day-to-day activities of HPP operations. One is responsible for implementing human rights policies and procedures within operational processes, monitoring compliance, and addressing any human rights-related issues that may arise.

Corporate Human Rights Policy Annual Revision Process

Aligned with internationally recognized ESG practices and standards, AGD LLC conducts an annual review of Corporate Human Rights Policy. to ensure alignment with regulatory requirements, operational updates, and stakeholder expectations. This process ensures that sustainability disclosures accurately reflect current assessments, performance metrics, and governance structures.

The annual revision process is led by the Company Director, who reviews any necessary modifications and ensures compliance with corporate policies. Any proposed changes undergo a validation process with Caucasus Clean Energy Holding's ESG and Sustainability Lead, ensuring adherence to transparency, accountability, and best reporting practices.

Following final validation, the updated documentation is formally approved by the Company Director and communicated to the Supervisory Board members. This reinforces AGD LLC's commitment to maintaining high international ESG standards. The updated version is uploaded onto the company's webpage to ensure public accessibility, while the previous version remains archived for reference.