GRPO

E&S Monitoring Report for

2022

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I. Executive Summary

According to the Investment Agreement by and among GRPO JSC and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), periodic Environmental and Social Monitoring Report was developed by GRPO for the 2023 year.

The report is developed satisfactory to the FMO in the form set out in Schedule 5 (Form of Environmental and Social Monitoring Report) to Annex A (AML, Sanctions, E&S representations and undertakings, and Disclosure) on the GRPO's compliance and non-compliance with the Environmental and Social Requirements and the Environmental and Social Action Plan under above mentioned Agreement.

The report includes basic information about the project, contact information and current project status. The report describes GRPO's compliance per IFC Performance Standards.

II. Basic Information

Georgia Renewable Power Operations JSC ("GRPO"), a renewable energy affiliate of Georgia Capital PLC ("GCAP"), being established following GCAP's strategic decision to separate and demerge its renewable energy business from Georgia Global Utilities JSC ("GGU") and consolidate operational renewable energy assets, including four hydropower and one wind power plant of total 71 MW installed capacity, under GRPO.

GRPO operates 1 wind farm (20.7 MW) and 4 run-of-the-river hydro-power plants with the total installed capacity of 50.4 MW, all constructed during the period of 2014-2019. Mestiachala 2 HPP with capacity of 30.0 MW was built and commissioned by GCAP in consortium with RP Global in 2019, while the other facilities were acquired by the Company at the operational stage from different owners/developers in 2019, including Qartli wind farm (20.7 MW) and three HPPs with the total capacity of 20.4 MW - Debeda (3.2 MW), Kasleti (8.1 MW), and Akhmeta (9.1 MW).

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Signature:

a. Reporting period

October 2022 - 15 May 2023

b. Current project status

In 2022 environmental and social (E&S) appraisal was conducted by international finance institutions (FMO, ADB, IFC) which included a review of E&S performance in line with IFC standards. The following information was reviewed: Environmental Impact Assessments (EIAs); examples of operational environmental, health and safety (EHS) procedures and documents; E&S monitoring reports; E&S Audit report completed by the external consultant (DG Consulting) against IFC Performance Standard (PS) requirements (June 2022); Technical report for operating facilities; ESMS gap-analysis report, prepared by ERM (2020); human resource (HR) management documents.

Identified applicable IFC Performance Standards for GRPO's activities are:

PS1: Assessment and Management of Environmental and Social Risks and Impacts
PS2: Labor and Working Conditions
PS3: Resource Efficiency and Pollution Prevention
PS4: Community Health, Safety and Security
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources was triggered as two HPPs (Kasleti 2 and Mestiachala 2) operate in areas of aquatic natural habitat*.*

This project involves existing operational assets and no incremental changes to the project's physical footprint are expected as a result of the investment, hence PS 5: Land Acquisition & Involuntary Resettlement (legacy risk analysis is provided under PS1 section) and 8: Cultural Heritage are not applicable. No Indigenous Peoples have not been identified in the vicinity of any of the Issuer's assets, thus PS 7: Indigenous Peoples is not applicable.

It was declared that the management of E&S aspects associated with the company operations are based on a management system aligned with good international practice. The Company has adopted policies addressing environmental, social, health and safety, and labor aspects and implemented several E&S procedures, which are supported by a number of topic-specific management plans.

However, based on detailed review of the documents and management interviews, E&S gaps were identified throughout the course of the E&S Gap Analysis. In order to cover all E&S gaps, Environmental and Social Action Plans (ESAP) were developed by FMO, IFC and ADB.

Since November 1, 2022, GRPO's relevant departments have begun intensive works on the implementation of activities envisaged by the Environmental and Social Action Plan (ESAP) developed by FMO.

III. Progress on ESAP

#	Task Description	Anticipated completion date	Status of implementation
1	**PS1**. Stakeholder engagement plan updating. To update the stakeholder engagement plan	6 months after signing of the contract, followed by annual update	*Generic Stakeholder Engagement Plan (SEP) was updated and submitted to FMO for feedback. Site specific SEPs for all GRPOs facilities are under development. For this purpose, the consultancy company has been hired. Site-specific SEPs developed for all GRPOs facilities will be submitted to FMO in the shortest possible time*
2	**PS1**. Involvement as a stakeholder in development of Enguri-Rioni River Basin Management Plan 1) Ensure participation in the public hearings of Enguri-Rioni River Basin Management Draft Plan; ii) Share Enguri-Rioni Basin Management Draft Plan with FMO for review, comments and recommendations; iii) Before the final adoption of Enguri-Rioni Basin Management Plan, provide the state authority, responsible for development of Enguri-Rioni Basin Management Plan, with comments and recommendations	After adoption of Law on Water Resources Management of Georgia and when Enguri-Rioni Basin Management Draft Plan will be available for public hearings	*According to available information the Law on Water Resources Management of Georgia is not adopted at this stage. Thus Enguri-Rioni Basin Management Draft Plan is not available for public hearings yet.*
3	**PS3.** Operational impacts (all HPPs). Further minimize operational impacts: study to determine options, and implementation. This includes management of pollution prevention systems, identification of main sources and equipment availability	6 months after signing of the contract	*Pollution Prevention Plan for GRPOs facilities was developed. Additionally, it was taken decision to purchase collection pallets for all GRPO's facilities in order to improve existing oil storage procedures. In total 18 collection pallets have already been purchased and distributed on all GRPO's facilities according to the quantities of stored lubricants.*

4	**PS3**. Sediment and contamination (all HPPs). Sediment management plan to update and include potential contamination from outside (irrigation)	12 months after signing of the contract	*The Sediment Management Plan is not updated yet. To develop the plan hiring of consultancy company is planned.*
5	**PS4**. Emergency Preparedness and Response Plan (all power plants). Operational issues to identify and include. Review of the emergency scenarios, identification of potential resources for support	6 months after signing of the contract	*Site-specific Emergency Preparedness and Response Plans for GRPOs facilities were reviewed and submitted to FMO for feedback.*
6	**PS6.** Wind Farm biodiversity assessment recommendations. This includes monitoring of impacts birds and terrestrial fauna	12 months after signing of the contract	*The tender for hiring the consultant was carried out and the agreement with the winner of the tender was signed. Site visits for spring monitoring have already been conducted by the consultant. 6 days of site visits were undertaken during the spring (2023) migration season. The report of spring (2023) monitoring results will be submitted to the Company in late May.*
7	**PS6**. Fish ladder effectivity (Mestiachala2 and Kasleti2). Further study on the project impact on fish fauna, and on the effectivity of the fish pass for both HPPs and determine corrective actions; study to include environmental flow	12 months after signing of the contract	*ToR for hiring the consultant on evaluation of effectiveness of the fish passages at the Mestiachala 2 HPP and Kasleti 2 HPP was developed. The tender for hiring the consultant was carried out and the agreement with the winner of the tender is signed.*
8	**PS6**. Biodiversity assessment recommendations for HPPs. Summary of implementation status of biodiversity assessment for all HPPs This includes fish monitoring upstream and downstream (in line with existing monitoring plans) with update and modification of methodology.	12 months after signing of the contract	*ToR for hiring the consultant on evaluation of the suitability of methodology and practices used by GRPO for migratory fish monitoring on the Mestiachala and Kasleti Rivers was developed. The tender has been awarded to Blue Rivers Environmental Consulting and the agreement has been signed. The site visit of the experts from Blue Rivers was conducted in early May. The draft report will be submitted to the Company in late May.*

9	**PS6**. Kasleti2 river bed management. Review of available studies and determination of mitigation/follow up actions, taking into account the results of the fish fauna impact study (5-PS6-1 and 6-PS6-2)	12 months after signing of the contract	*ToR for hiring the consultant on Environmental Flow Assessment of the Kasleti River was developed. The tender for hiring the consultant was carried out and the agreement with the winner of the tender is signed.*

V. Compliance per Performance Standard

PS1 Social and environmental assessment and management system

a. Progress/change ESMS (assessments, management program, monitoring and reporting)

GRPO has established an Environment, Health & Safety (EHS) and Social Management System, which is a tool to implement the Company's environmental and social commitments articulated in the Environmental and Social Policy Framework.

Environmental and Social Management System (ESMS) procedures Manual have been prepared for the purpose of defining standards, protocols, and procedures for managing environmental and social risks and opportunities associated with the Company's activities to ensure that the facilities are operated in a sustainable manner.

Environmental and Social Management System (ESMS) procedures Manual specifies GRPO's approach and processes to management of its business operations in line with the Georgian statutory norms and regulations on environment, health and safety and social sustainability and relevant international environmental, social, health and safety (ESHS) standards and the performance E&S requirements of the International Finance Institutions (IFIs). The ESMS covers both onsite and offsite environmental and social risks including both communities and workers, arising directly and indirectly from O&M activities and

GRPO developed and approved Environmental and Social Policy Framework. Environmental and Social Policy is applicable to all the Company's operations and its subsidiaries including operation and maintenance, rehabilitation works, and all corporate functions and contractors engaged to support the Company's operations. All employees and contractors of the Company are required to adhere to this policy.

ES Policy specifies GRPO's adherence to the main principles of sustainable development and commitment to ensure social and environmental sustainability in its projects and operations and aimed to strengthen Company's environmental and social risks management and governance systems.

The safety and health of its employees is GRPO's most important business consideration. According to the company's policy, no employee will be required to do a job that they consider unsafe. The company complies with all applicable Georgian and International workplace safety and health requirements and maintain occupational safety and health standards that equal or exceed the best practices in the industry.

Safety committee is established, consisting of management and employee representatives, whose responsibility is identifying hazards and unsafe work practices, removing obstacles to accident prevention, and helping evaluate the company's effort to achieve an accident-and-injury-free workplace.

The Environment and Social Management Plans (ESMPs) have been prepared based on an understanding of Company's E&S impacts and risks. GRPO's ESMP package is comprised of the following plans:

- ***Biodiversity Management Plan (BMP)*** *– The plan details the approach to reduce and/or mitigate impact of the Project activities on biodiversity;*
- ***Community Emergency Preparedness and Response Plan (CEPRP)*** *– The plan is a set of scenario-based procedures to assist staff and emergency response teams during real life emergency and training exercises and its lays out the series of steps the Company will take during a critical event to ensure the protection of people, property and the environment;*
- ***Contractor Management Plan (CMP)*** *– The plan states how the risks arising from the use of contractor's activities will be managed and it provides the necessary information needed to ensure a consistent and effective control in managing contractor in terms of the health, safety and environmental requirements;*
- ***Occupational Health and Safety Plan (OHSP)*** *– The plan outlines the safety measures and procedures implemented in a workplace. It is also designed in accordance with the legislative requirements covering the roles and responsibilities of the staff, the emergency action plan, and so forth;*
- ***EHS Monitoring Plan (EHSMP)*** *– The plan sets the Company's activities to monitor environment, health, and safety;*
- ***Pollution Prevention Plan (PPP)*** *– The main purpose of this plan to eliminate or reduce and control the pollution of water, air and soil. The plan identifies the arrangements necessary to prevent environmental pollution in compliance with national and international requirements;*
- ***Stakeholder Engagement Plan (SEP)*** *– Stakeholder Engagement Plan (or Public Consultation and Disclosure Program) is a strategic document for planning a comprehensive and appropriate approach to consultation and disclosure of the Company's performance;*
- ***Waste Management Plan (WMP)*** *– The plan sets the rules for collection, transportation, disposal, neutralization and utilization of waste, generated during the operation process, in compliance with national regulations and international best practices, to avoid deterioration of the natural environment and negative impacts on the health and safety.*

b. Organizational Capacity and Competency.

At the corporate level, GRPO has an EHS team of 4 members who report to the Technical Director and supported by the field EHS team members, consisting of an Environmental Specialist, OHS engineer, and Community Liaison Officer. OHS specialists are responsible for implementation of the management system, operational risks analysis, staff training, supervision of performed works in accordance with safety instructions, incidents recording, and investigations.

Contractors are engaged for equipment maintenance services, limited construction/repairing works, security, and specialized services such as geological/biodiversity monitoring and waste management. A contractor management plan exists at the corporate level, which specifies EHS requirements, control, monitoring, and reporting measures. Equipment repairing and maintenance works and monitoring are provided by outsourced service providers and equipment manufacturers (e.g., Vestas, etc.) under long-term service agreements. External contractors are responsible for managing EHS related activities, ensuring staff training, and the provision of PPE. The Company provides supervision and oversight of works

performed by contractors and EHS clauses are specified in the servicing contracts. EHS trainings for employees are conducted on the regular basis, including on requirements of IFC PSs.

The Company engages local and international EHS and technical consultants on a regular basis to review its practices against IFI's requirements and GIIP (i.e., ESMS gap-analysis, gap-analysis of land acquisition process for existing assets, technical assessment of facilities, climate risks assessment, and others) and recommend improvements where needed.

c. Training

E&S training and qualification programs for staff are under the control and management of the corporate EHS team. The training modules are developed at the corporate level and implemented by the corporate E&S team. EHS training programs are in place for employees, which cover such topics as occupational health and safety, first aid, fire safety, electrical safety, emergency preparedness and response, and environmental issues. The Qartli wind farm staff have undergone specialized training related to equipment maintenance and OHS risks management when working at height and in proximity to the turbines (e.g., use of lifts and emergency rappelling kits)

In November 2022, First Aid training was provided to the staff of the Company. Emergency drills on fire safety issues have been conducted in February and in March 2023 on all Company's facilities (Mestiachala 2 HPP, Kasleti 2 HPP, Akhmeta HPP, Debeda HPP, Qartli WPP) according to scenarios and requirements provided by Emergency Preparedness and Response Plans.

PS2 Labor and working condition.

a. Human Resources Policy

The Company has in place HR policies and procedures that specify recruitment, orientation, training, compensation, internal rules, working age, leaves and termination of employment. The HR policies are supplemented by the code of conduct and ethics and other corporate-wide policies including anti-harassment policy; grievance policy; and procurement policy, which in particular specifies ethical standards for contractors. The Human Resource Policies are based on requirements of Georgian labor legislation and aligned with ILO and PS2 requirements.

The following documentations were developed and updated by the HR Department:

- *Human Resources Policy*
- *Anti-sexual Harassment Policy*
- *Business Trip Regulation*
- *Employee Hiring, Adaptation, Staffing of Internal Vacancies and Dismissal Policy*
- *Retrenchment Policy*
- *Rule of Management of Labor Relations*

b. Occupational Health & Safety

The occupational health and safety (OHS) management system at facilities is supported by procedures, a package of organizational and technical safety measures embedded into the technical design, as well as

to rules, instructions, operational procedures. Our facilities provide operational risks analysis and maintain risk registers of hazards and mitigation measures. OHS safety procedures are developed for each type of operation and employees are trained on their application. Working clothes and personal protective equipment such as safety helmets, boots, high visibility vests, electrical safety tools, noise reduction headphones, and earplugs are provided to employees in accordance with the type of performed works.

EHS training programs are in place for employees, which cover such topics as occupational health and safety, first aid, fire safety, electrical safety, emergency preparedness and response, and environmental issues. The Qartli wind farm staff have undergone specialized training related to equipment maintenance and OHS risks management when working at height and in proximity to the turbines (e.g., use of lifts and emergency rappelling kits). Fire safety systems are in place and maintained in accordance with national requirements.

Internal EHS audits are conducted with involvement of a Facility Manager, ES and HS managers, Chief Electrical Engineer, and Plant supervisor. The Company also practices conducting cross-audits, which are implemented by EHS teams from other facilities. The audit is conducted through the interview of the personnel, visual inspection of the equipment and the workplace, inspection of necessary documents, and assessment of the compliance of the safety rules by the workers. Audit findings are communicated to the head of O&M department.

***Table**: GRPO Health and Safety Statistics 2022*

List of Key Figures		Month												Total
		January	February	March	April	May	June	July	August	September	October	November	December	
1	Total Number of Accidents	1	0	0	0	0	0	0	0	0	0	0	0	1
2	Minor Accident	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Accident of Medium Gravity	1	0	0	0	0	0	0	0	0	0	0	0	1
4	Severe Accident	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Fatal Accident	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Mass Accident	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Occupational Disease	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Health and Safety Internal Inspections/Audits	2	4	3	5	1	2	4	1	3	2	1	1	29
9	LTIF (Lost Time Incident Frequency)	62.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.39
10	First Aid	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Property Damage	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Road Traffic Accident	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Risk Assessments	1	4	2	1	3	4	2	4	4	3	3	1	32
14	Incident Investigation	1	0	0	0	0	0	0	0	0	0	0	0	1
15	Incident Reports	1	0	0	0	0	0	0	0	0	0	0	0	1

PS3 Pollution, prevention and abatement

a. Prevention of waste & pollution and use of hazardous materials

There were no complaints or violation notices about pollution of the project area during the reporting period. Pollution Prevention Plan is in place. The purpose of this plan is to identify the arrangements necessary to prevent pollution of soil, water and air, to be adopted by the GRPO's group of companies and their contractors. The plan is developed based on the following principles: no pollution of soil, water and air (including dust and noise). The Prevention Pollution Plan covers company's operation and maintenance/repair processes on all GRPO's sites/assets.

In terms of pollution prevention, the activities at the operation of GRPO's facilities having potential for pollution is low. This means that pollution prevention measures are required during the storage and use of oil and lubricants, hydraulic fluids, antifreezes etc.

The main risks with pollution are associated with oil and oil products mainly from transformer and hydraulic systems. All facilities are equipped with separate transformers for each unit. The transformers are located in specially constructed area and are provided with secondary containments in case of oil spill. The containments are connected to the accumulation reservoir. The transformers are under the roof and are fenced, so there is no contamination of secondary containments as a result of natural and climate factors. All these items are managed by the valid Pollution Prevention Plan.

The next topic for pollution prevention is effective waste management. The waste management system is established on sites and Waste Management Plan was developed and is implemented on sites. The household waste is collected by the municipal service provider based on special agreement for the solid waste management and the Hazardous waste is managed by the specialized contractor who works on call of bases and has all relevant licenses and permits. The amount of hazardous materials on site is limited. Accordingly, the quantity of hazardous waste on site is very low and is easily manageable.

The wastewater management on sites is based on impermeable reservoirs with removal of the household wastewater by vacuum trucks. The agreement with vacuum truck provider company is in place. In fact, the wastewater generated at plants is very low, there are only maximum three persons on the duty at each plant. The wastewater is collected in underground reservoirs.

All GRPO's facilities have special warehouse for the hazardous wastes. The warehouses are located on the territory of plants. The majority of the hazardous waste is used oil which is stored in metal barrels designed for oil and oil products. The waste is removed from sites by licensed contractors is accordance to the service agreement and approved waste management plan. The Waste Management Plans for GRPO facilities were developed and approved by the Ministry of Environment and Agriculture of Georgia.

In 2023 GRPO improved its storage facilities and procedures, oil collection spill pallets have been purchased for all company's facilities. In total 18 collection pallets have been purchased and distributed on all GRPO's facilities according to the quantities of stored lubricants.

b. Emergency preparedness & response planning

The Company has developed emergency and response plans for operational accidents and emergency situations for different scenarios including flood, avalanche, debris flow fires, and failures at powerhouse and headworks facilities of T&G and M&E equipment, and penstock damage.

Based on the outcomes of geological and natural hazards research completed following the flooding and rock falls experience at the Mestiachala 1 HPP in 2019, an emergency preparedness and response plan for the Mestiachala 2 HPP was amended to address identified risks, such as re-routing of evacuation routes and the relocation of assembling points, car parking, etc.

The Emergency Preparedness and Response Plan for Qartli wind farm was prepared by Vestas – the wind turbine manufacturer and adopted by GRPO. The documentation identifies the procedures to be followed by the Qartli wind farm and Vestas staff in case of different emergency scenarios, provides the contact details and notification procedure of emergency services available in the region, and contact information to access external service providers.

No emergency situations have occurred during the reporting period.

Site-specific Emergency Preparedness and Response Plans for all GRPO facilities (Mestiachala 2 HPP, Kasleti 2 HPP, Akhmeta HPP, Debeda HPP, Qartli WPP) have been updated in late 2022.

Emergency drills on fire safety issues have been conducted in February and in March 2023 on all Company's facilities (Mestiachala 2 HPP, Kasleti 2 HPP, Akhmeta HPP, Debeda HPP, Qartli WPP) according to scenarios and requirements provided by Emergency Preparedness and Response Plans.

All buildings and installations have valid Fire Safety equipment which is controlled and managed by a specialized contractor with relevant licenses and permits in place.

c. Resource conservation and energy efficiency

Water Consumption Efficiency

		This Reporting Period	Previous year
Water	Water Consumption (m^3)	730	647.5
Usage	Water Source (well, water network, trucked etc.)	Well in Akhmeta HPP Well in Debeda HPP Trucked in Qartli HPP Water network in Mestiachala 2 HPP Water network in Kasleti 2 HPP	Well in Akhmeta HPP Well in Debeda HPP Trucked in Qartli HPP Water network in Mestiachala 2 HPP Water network in Kasleti 2 HPP
Electricity/heat purchased (MWh):		75420 kWh	

d. Greenhouse gas emissions.

Direct GNG emissions from GGU operations is 0. Insignificant indirect emissions are from the fossil fuel used by GRPO vehicles and equipment.

The heating systems of GRPO's offices operate entirely on electricity, generated from renewable energy sources. No fossil fuel is used by the heating systems.

GHG emission reduction of the wind and hydro power plants, owned by GRPO were calculated according to the actual energy generations of power plants. GRPO's hydro and wind power plants do not emit any GHG emission, while generating the electricity and hence, clean energy produced by these plants substitutes the electricity generated by the thermal power plants (TPPs), all of which work on the gas in Georgia. In this case, the amount of the reduced GHGs will equal to those, emitted from the TPPs, when generating the same amount of electricity.

The method, formula and coefficients for the calculation have been taken from the latest IPCC1 guidelines, recommended, and officially recognized by the UNFCCC2 for GHG emissions calculation (2006 IPCC Guidelines for National GHG Inventories, v.2 Ch.2 Stationary Combustion).

The total annual emission reduction from all GGU assets under the Green Bond is provided in the following matrix:

2022-2023 (Jan-Mar)	
CO2 emission (t)	*38232.96*
CH4 emission (t)	*0.68138138*
N2O emission (t)	*0.068138138*
Total CO2 eq. emission (Gg)	*38.26839199*

e. Pesticide use & management.

GRPO does not use any types of pesticides during its operations.

PS4 Community, health, safety and security

a. General community health & safety impacts

GRPO has internal design capacity and extensive technical expertise to maintain operations of generation and distribution assets. The company has developed and implemented procedures to manage potential operational risks at its HPPs and maintenance and rehabilitation programs are prepared regularly based on the results of technical investigations and diagnostics. Visual controls of operational equipment and facilities are conducted on a daily basis by staff. In the case of the Qartli wind farm, turbine management and maintenance are conducted by the Danish company Vestas as part of agreed supply/operation contract.

Power generation and distribution facilities can represent risks to users and other community members. In general, the project sites are located in mountainous areas (Mestiachala 2 and Kasleti 2) or in agricultural areas (Debeda HPP, Akhmeta HPP, and Qartli wind turbines) and away from residential areas. GRPO use signs and physical barriers to fence/lock equipment and access, unarmed security guards, and community

awareness raising campaigns. Security for physical assets and access control are provided by licensed third party service providers which have codes of conduct and operating procedures and ensure proper selection process and training of staff.

Heavy vehicles are used periodically for maintenance activities by employees and contractors. A Contractor Management Plan exists to ensure a systematic approach to the management of contractors so that their work does not adversely impact the health and safety of themselves or others. A corporate-level Transport Management Plan exists which identifies required actions to minimize negative impacts to the environment and stakeholders that may be caused by the GRPO operations, maintenance, and construction activities.

Georgia is at risk of hydrometeorological hazards and natural disasters. Frequent natural disasters include landslides, floods, flash-flooding, mudflows, droughts, avalanches, heavy winds, and storms which are expected to be exacerbated and heightened through expected climate changes. GRPO has developed Community Emergency Preparedness and Response Plans for each project site which outline the main risks and establish procedures to be followed by staff in emergency situations. Glaciological and geological monitoring are conducted by the Company on a quarterly basis by a contracted specialist at the Mestiachala 2 HPP and Kasleti 2 HPP sites, which are in mountains areas. Employees are also trained to identify potential hazards through visual inspections following significant weather events.

Site-specific Community Emergency Preparedness and Response Plans have been developed which outline the main issues in this regard, establish procedures to be followed by staff in emergency situations. During the audits carried out on GRPO's facilities in 2022, the signs of high risks for the community health and safety had not been identified, but emergency preparedness and communication is very important. local staff is aware of procedures and will be acting in emergency situations in accordance with the instructions given in the Community Emergency Preparedness and Response Plans.

Local staff of GRPO's facilities periodically inform the population about the main requirements of the Community Emergency Preparedness and Response Plans. During the reporting period no emergency drills with community participation have been conducted.

b. Security Personnel

All GRPO's facilities are well protected, access is well secured to ensure that no unauthorized entrance can happen. GRPO has the contract with Security Police Department of Georgia. There are security guard units on each GRPO's facility.

GRPO has the contract with Security Police Department of Georgia. The security guards provided by the Security Police Department are not armed and they do not use dogs to guard the area. The Security Police Department of Georgia is responsible to train its staff.

No grievance submissions regarding the security guards were recorded during the reporting period. The Grievance redress mechanism of the Company is available on the corporative level. The grievance collection system covers the possibility for grievance collection through mails/e-mails, through grievance boxes at head office an at each facility operated by the Company, through CLO's and all personnel working on sites and submission of official letters using mail services. The grievance system provides the possibility to submit anonymous grievances as well as collective claims. Anyone can submit a grievance to the

Company if they believe a practice is having a detrimental impact on the community, the environment, or on their quality of life.

PS5 Land acquisition and involuntary resettlement

PS5 is not applicable for GRPO's activities.

PS6 Biodiversity conservation and sustainable natural resource management

a. Protection and conservation of biodiversity

Akhmeta and Debeda HPPs are located within pre-existing irrigation channels where river flow was modified prior to the construction of the asset. Mestiachala 2 and Kasteli 2 HPPs overlap with the Svaneti Key Biodiversity Area (KBA). Mestiachala 2 HPP is also located within a planned Central Caucasus Protected Area, the area was outlined in the 1990's but has yet to be formalized into a legally protected area. The Company under its ESMS will collaborate with the relevant authorities to ensure that the HPP's operations remain consistent with the legal requirements and management plan of this protected area, if established.

Based on information available, Mestiachala 2 and Kasleti 2 HPPs may have ongoing operational impacts to aquatic natural habitat (and migratory fish). To meet national requirements, monitoring has been undertaken regularly and 10,000 fry have to be released upstream of the intakes annually. Fish passages are constructed at both the Mestiachala 2 and Kasleti 2 HPPs.

The Qartli wind farm does not overlap with an IRA/PA and the main potential operational risk for biodiversity is from bird and/or bat collisions with turbines. IBAT screenings have not identified any species that would qualify the area as critical habitat. The Company conducted birds monitoring over two years post-construction and no risks for avian fauna was confirmed. Currently the wind farm undertakes daily fatality monitoring using a methodology developed by an ornithologist.

For implementation of ESAP requirement on birds monitoring agreed with FMO, the tender for hiring the consultant was carried out and the agreement with the winner of the tender was signed. Site visits for spring monitoring have already been conducted by the consultant. 6 days of site visits were undertaken during the spring (2023) migration season. The report of spring (2023) monitoring results will be submitted to the Company by the consultant in due course.

The biodiversity surveys have been conducted on Mestiachala 2 HPP project area. The baseline evaluation of the biodiversity was undertaken at the ESIA stage based on studies undertaken by the specialist groups of experts (Flora, fauna fish and river biodiversity). The detailed information is provided in the ESIA study developed for the project. The monitoring of flora, terrestrial- and fish fauna is undertaken during the operation stage of the facility. At the operation stage of Mestiachala-2 HPP the impact on biodiversity is limited to the impacts on river environment. No other impacts on biodiversity (flora and terrestrial fauna) are expected during the operation. Fish monitoring study area covers the Mestiachala River, between the Mestiachala 2 HPP water intake and the substation, and several tributaries of this river. Based on the studies performed during 2022 and monitoring carried out, as well as interviewing of the local population has shown that fish cannot reach Meastiachala 2 HPP water intake. Trout was not observed in the upper reaches of the Mestiachala during the monitoring conducted in 2022.

The biodiversity monitoring annual (2022) report of Mestiachala 2 HPP (available in Georgian), which includes fish monitoring.

The Company conducts seasonal fish monitoring on the Mestiachala and Kasleti rivers. The latest fish monitoring on the Mestiachala River was conducted on January 23, 2023. The study area covered the river Mestiachala between the Mestiachala 2 HPP water intake and the substation, and several tributaries of this river. Based on the studies performed during the past year and monitoring carried out, as well as interviewing of the local population has shown that fish cannot reach Meastiachala 2 HPP water intake. As for the tributaries, the impact of the HPP on them is minor and cannot interfere with trout migration as fish can move freely within the main waterway of the Mestiachala River and access its tributaries without any obstacles. Trout was not observed in the upper reaches of the MestiachalaRriver (between the cascade of HPPs) neither during previous studies, nor during the monitoring conducted on January 23, 2023.

Ichthyology field work on the Kasleti River was carried out in late 2022. The study area covered the river Kasleti between the water intake and the power station. River Kasleti is the right tributary of the river Khaishura, which in its turn falls into the river Enguri at the village Khaishi. The named rivers are typical trout breeding rivers characterized with rapid flows. The main purpose of the fieldwork was to study the ichthyofauna of the Kasleti River and to determine the impact of the Kasleti HPP on the fish population, spread, etc. in the river. Based on the field study results the adult trout individuals are yet still able to reach the Kasleti River from Enguri dam and from the Khaishura River for reproduction and, communication between the isolated subpopulations must be restored to maintain viable population in the upper reaches of the river. Future studies and monitoring in various seasons will be important to study better the trout populations and also, assess the dam impact on the spread/distribution of trout in the Kasleti River. Permanent control of the ecological flow of the river and introduction of respective measures will also be important, especially in the trout spawning period (November-December) to prevent creation of additional barriers for trout by reduced water level.

For implementation of ESAP requirement on fish monitoring and modification of existing fish monitoring methodology, the tender for hiring the consultant was carried out and the agreement with the winner of the tender was signed. The tender has been awarded to Blue Rivers Environmental Consulting and appropriate agreement has been signed. The site visit of the experts from Blue Rivers was conducted in early May. The draft report will be submitted to the Company in late May.

PS8 Cultural heritage

PS8 is not applicable for GRPO's activities.