Bakhvi HPP

# CAUCASUS CLEAN ENERGY HOLDING (CCEH) HYDRO VI LLC

# MATERIALITY ANALYSIS

The Materiality Analyses is Approved by the Company Director: Giorgi Abramishvili

**2025**

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## Acronyms

| | |
|---|---|
| **CCEH** | Caucasus Clean Energy Holding |
| **EHS** | Environmental, Health, and Safety |
| **ESMS** | Environmental and Social Management System |
| **ERM** | Enterprise Risk Management |
| **ESAP** | Environmental and Social Action Plan |
| **ESG** | Environmental, Social, and Governance |
| **ESMS** | Environmental and Social Management System |
| **GWh** | Gigawatt-hour |
| **HPP** | Hydropower Plant |
| **HR** | Human Resources |
| **H&S** | Health and Safety |
| **IFC PS** | International Finance Corporation Performance Standards |
| **MW** | Megawatt |

# CCEH HYDRO VI LLC
# MATERIALITY ANALYSIS

## Introduction

CCEH Hydro VI LLC (the "Company") is a company developing the Bakhvi 1 hydro power plant in Guria, region of Georgia. Bakhvi 1 HPP involves the construction and operation of a 10.9 MW run-of-the river hydroelectric power plant on the Bakhvistskali River, located within the Ozurgeti Municipality. Investors of the company include Caucasus Clean Energy Holding (CCEH), Austrian Investment Fund ILAG, and other field-specific investors from Austria and Georgia. CCEH's investors comprise well-known financial institutions from America and European countries (inclusing European Investment Bank [EIB], Dutch Development Bank [FMO], Austrian Development Bank [OeEB], etc.). ILAG holds diverse business interests across several Western countries.

Bakhvi 1 HPP is under construction on a section of the Bakhvistskali River spanning elevations between 1,735 meters and 1,383 meters above sea level. The headworks will be situated approximately 250 meters downstream from the confluence of the Bakhvistskali and Baisura Rivers. The flood intake structure will be located at an elevation of 1,731.70 meters, and the HPP building will be positioned at an elevation of 1,383.0 meters.

Bakhvi 1 HPP consists of a headworks structure, a pressure pipeline system, and an above-ground power plant building that will house the necessary mechanical and electrical equipment for electricity generation. The installed capacity of the power plant is 10.9 MW, with a design flow rate of 4.0 $m^3/s$.

CCEH Hydro VI LLC conducts its operations in compliance with the environmental and social management standards set by international financial institutions, including the IFC and EIB.

## Aim of the Document

Materiality Analysis is an essential process for the company that helps management to identify, assess and prioritize the most relevant sustainability issues that can impact its business and stakeholders. Thus, the primary goal of materiality analysis is to determine which Environmental, Social and Governance ("ESG") factors are significant for a company's long-term success and have the most substantial impact on its ability to create value.

Based on that, CCEH Hydro VI LLC identified 29 priorities and grouped them through the materiality matrix under the three ESG dimensions. These factors represent the keyways in which our Company significantly contributes to both society and the environment, in addition those factors are also considered to be crucial elements that can influence the Company's value either positively or negatively.

**Diagram 1:** *Materiality Issues Based on ESG Factors*

**Environmental Dimension**

1. Direct emissions: Scope 1
2. Indirect emissions: Scope 2
3. Other indirect emissions: Scope 3
4. Continuous assessment and monitoring on biodiversity in the area of HPP impact
5. Implementation of conditions included to the Environmental Permit and ESAP
6. Construction waste management
7. Soil erosion and sediment control
8. Water use and discharge management
9. Deforestation
10. Climate risk and infrastructure resilience

**Social Dimension**

11. Employment of local labour and fair working conditions
12. Number of employees trained in ESG and H&S
13. Number of workplace-related injuries and accidents

14. Community safety awareness – number of meetings and capacity building events
15. Grievance mechanism and community engagement
16. Impact on local infrastructure and access
17. Number and scope of social projects developed
18. Gender inclusion in workforce
19. Stakeholder engagement
20. Human Rights

**Governance/Economic Dimension**

21. Environmental and Social Management System ("ESMS") in place at CCEH Hydro VI LLC
22. Environmental and Social Action Plan ("ESAP") in place in CCEH Hydro VI LLC
23. ESG and Environmental Policies are in place at CCEH Hydro VI LLC
24. Gender equality mainstreamed at all levels
25. ESG programming supported by the Board
26. Anti-corruption and ethics compliance
27. Procurement aligned with ESG standards
28. Data collection, monitoring, and reporting systems
29. Financial performance and budget control during construction

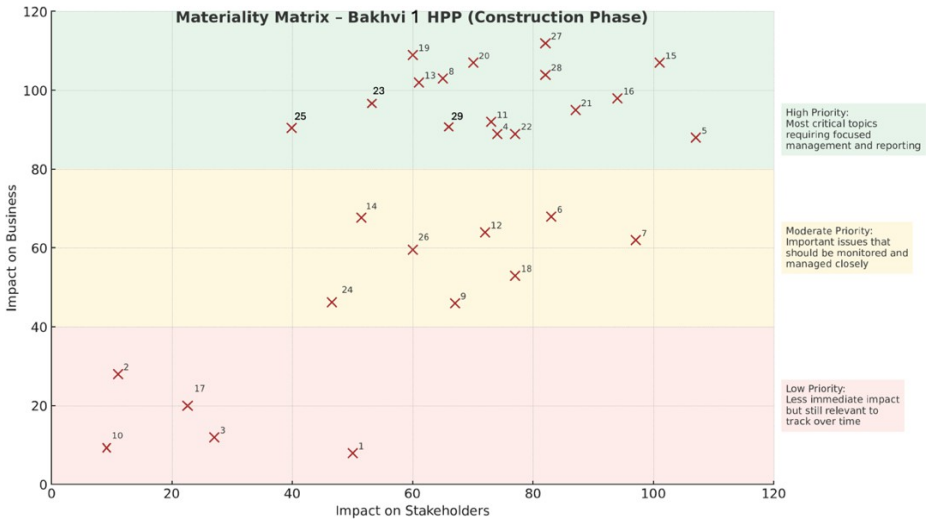
It is noteworthy that, during the active construction phase of Bakhvi 1 HPP in the first half of 2025, CCEH Hydro VI LLC remains focused on the environmental compliance, emissions tracking, safety, and stakeholder engagement. The systems and practices being implemented at this stage are design to serve as a strong foundation for effective ESG performance throughout future operations.

These include well-defined energy monitoring systems, a comprehensive ESG governance structure, and mechanism for tracking avoided emissions and social impact once electricity generation begins.

The prioritization of material issues follows a structured scoring methodology, which is explained in detail in the Materiality Analysis Scoring Methodology.

This process is aimed to assess and identifying the most and least critical areas for the company. Following the process, the scores are placed on Materiality Matrix to visualize and recognize the key elements affecting the company's overall performance. Please see the CCEH Hydro VI LLC's Materiality Matrix below:

**Graph 1:** *Materiality Matrix*



## Priority Table

| High Priority | Moderate | Low Priority |
|---|---|---|
| 4. Continuous assessment and monitoring on biodiversity in the area of HPP impact (E'*) | 6. construction waste management (E'*) | 1. Direct emissions: Scope 1 (E'*) |
| 5. Implementation of conditions included to the Environmental Permit and ESAP (E'*) | 7. Soil erosion and sediment control (E'*) | 2. Indirect emissions: Scope 2 (E'*) |
| 8. Water use and discharge management (E'*) | 9. Deforestation (E'*) | 3. Other indirect emissions: Scope 3 ('E'*) |
| 11. Employment of local labour and fair working conditions (S'**) | 12. Number of employees trained in ESG and H&S (S'**) | 10. Climate risk and infrastructure resilience (E'*) |
| 13. Number of workplace-related injuries and accidents (S'**) | 14. Community safety awareness – number of meetings and capacity building events (S'**) | 17. Number and scope of social projects developed (S'**) |
| 15. Grievance mechanism and community engagement (S'**) | 18. Gender inclusion in workforce (S'**) | |
| 16. Impact on local infrastructure and access (S'**) | 24. Gender equality mainstreamed at all levels (G'***) | |
| 19. Stakeholder engagement (S'**) | 26. Anti-corruption and ethics compliance (G'***) | |
| 20. Human Rights (S'**) | | |
| 21. Environmental and Social Management System ("ESMS") in place at CCEH Hydro VI LLC (G'**) | | |
| 22. Environmental and Social Action Plan ("ESAP") in place at CCEH Hydro VI LLC (G'***) | | |
| 23. ESG and Environmental Policies in place at CCEH Hydro VI LLC (G'***) | | |
| 25. ESG programming supported by the board (G'***) | | |
| 27. Procurement aligned with ESG standards (G'***) | | |
| 28. Data collection, monitoring, and reporting systems (G'***) | | |
| 29. Financial performance and budget control during construction (G'***) | | |

E*- Environmental; S**-Social; G***-Governance

## Enterprise Risk Management ("ERM") & Material Issues

The Materiality Analysis is directly integrated into CCEH Hydro VI LLC's Enterprise Risk Management framework. This includes:

1. Identifying ESG-related risks and their business impact.
2. Developing mitigation strategies for high-priority risks.
3. Aligning ESG initiatives with corporate strategy and risk management policies.
4. Enhancing sustainability disclosures for investors and stakeholders.
5. Informing investment and operational planning.

| # | Material Issue | Relevant ERM Risk | Mitigation Strategy |
|---|---|---|---|
| 1 | Direct emissions: Scope 1<br>Indirect emissions: Scope 2 | Regulatory compliance risk, Carbon pricing impact | Implement energy efficiency measures, invest in carbon offset programs |
| 2 | Direct emissions: Scope 1<br>Indirect emissions: Scope 2 | Supply chain emission risks, ESG investor scrutiny | Engage suppliers on emissions reductions, purchase renewable energy certificates |
| 3 | Other indirect emissions: Scope 3 | Supply chain emission risks, ESG investor scrutiny | Engage suppliers on emissions reductions, purchase renewable energy certificates |

| | | | |
|---|---|---|---|
| 4 | Continuous assessment and monitoring on biodiversity in the area of HPP impact | Ecosystem impact, environmental compliance, and reputational risk | Conduct regular biodiversity monitoring, ensure ecological flow, adapt construction practices to minimize habitat disruption |
| 5 | Implementation of conditions included in the Environmental Permit | Regulatory compliance and legal risk | Maintain a compliance tracking system, assign accountability, perform regular internal audits |
| 6 | Construction waste management | Environmental pollution and legal non-compliance risk | Implement a waste management plan, train workers, ensure licensed disposal contractors |
| 7 | Soil erosion and sediment control | Infrastructure damage and water pollution risk | Use erosion control measures (e.g., silt fences), monitor runoff, phase construction activities accordingly |
| 8 | Water use and discharge management | Water resource mismanagement and regulatory risk | Monitor withdrawals and discharge quality, use sediment basins, treat wastewater before release |
| 9 | Deforestation | Natural resource impact and stakeholder concerns risk | Minimize clearing, apply reforestation plans, engage environmental experts for impact assessment |
| 10 | Climate risk and infrastructure resilience | Physical climate risk and long-term asset vulnerability | Integrate climate risk assessments into design, apply resilient construction standards |
| 11 | Employment of local labour and fair working conditions | Labor relations and social stability risk | Prioritize local hiring, enforce fair labor practices, ensure grievance redress mechanisms |
| 12 | Number of employees trained in ESG and H&S | Workforce preparedness and compliance risk | Deliver regular ESG and safety training, keep training records, assess knowledge retention |
| 13 | Number of workplace-related injuries and accidents | Occupational health and safety risks; suspension of construction activities and associated reputational risks | Implement H&S plans, PPE enforcement, incident tracking and investigation procedures |
| 14 | Community safety awareness – number of meetings and capacity building events | Community health and safety risk; reputational risk | Conduct safety awareness programs, distribute materials, coordinate with local authorities |
| 15 | Grievance mechanism and community engagement | Community conflict and reputational risk | Maintain an accessible grievance mechanism, track and resolve issues promptly, ensure transparency |
| 16 | Impact on local infrastructure and access | Disruption to local services and mobility risk | Plan construction to minimize disruption, notify communities in advance, offer alternatives where possible |
| 17 | Number and scope of social projects developed | Community dissatisfaction and social license risk | Identify needs through consultation, monitor project effectiveness, ensure follow-through |
| 18 | Gender inclusion in workforce | Workforce inequality and discrimination risk | Promote inclusive hiring practices, provide gender sensitivity training, monitor gender metrics |
| 19 | Stakeholder engagement | Stakeholder disengagement and escalation risk | Implement a stakeholder engagement plan, maintain open communication, document feedback |
| 20 | Human Rights | Human rights risks related to labor conditions, worker safety, contractor conduct, and community impacts during final construction and transition to operation. | Mitigate through fair workforce transition, strong OHS controls, contractor compliance, effective grievance mechanisms, and ongoing community engagement during the final construction and transition phase. |
| 21 | Environmental and Social Management System (ESMS) | ESG non-compliance, Investor confidence risk | Maintain robust ESMS, undergo third-party audits |

| | | | |
|---|---|---|---|
| 22 | Environmental and Social Action Plan (ESAP) | Delays due to ESG issues | Ensure ESAP implementation, monitor ESG performance regularly |
| 23 | Environmental Policy Implementation | Reputational damage, Regulatory fines | Align policy with international ESG standards, transparent reporting |
| 24 | Gender Equality Mainstreaming | Workplace discrimination risk, Legal liabilities | Implement equal opportunity programs, monitor diversity metrics |
| 25 | ESG Programming Supported by the Board | Weak governance, Stakeholder trust erosion | Formalize board-level ESG oversight, ensure accountability |
| 26 | Anti-corruption and ethics compliance | Fraud, misconduct, and regulatory breach risk | Enforce code of conduct, provide anti-corruption training, audit procurement and contracting |
| 27 | Procurement aligned with ESG standards | Supply chain and third-party non-compliance risk | Set ESG criteria for suppliers, conduct due diligence, include ESG clauses in contracts |
| 28 | Data collection, monitoring, and reporting systems | Data integrity and ESG reporting risk | Automate data systems, ensure internal verification, prepare for third-party audits |
| 29 | Financial performance and budget control during construction | Cost overrun and financial governance risk | Apply budget monitoring tools, review spending regularly, enforce procurement controls |

## Principle of Double Materiality

The double materiality approach considers both:

- **Internal impact on the business:** How ESG risks affect financial performance, operations and legal standing.
- **External impact on society and the environment:** How CCEH Hydro VI LLC's operations influence local communities, biodiversity and climate action.

To ensure transparency and consistency in prioritizing material issues, CCEH Hydro VI LLC utilizes a structured scoring system to assess the significance of ESG factors.

**Materiality Analysis Scoring Methodology**

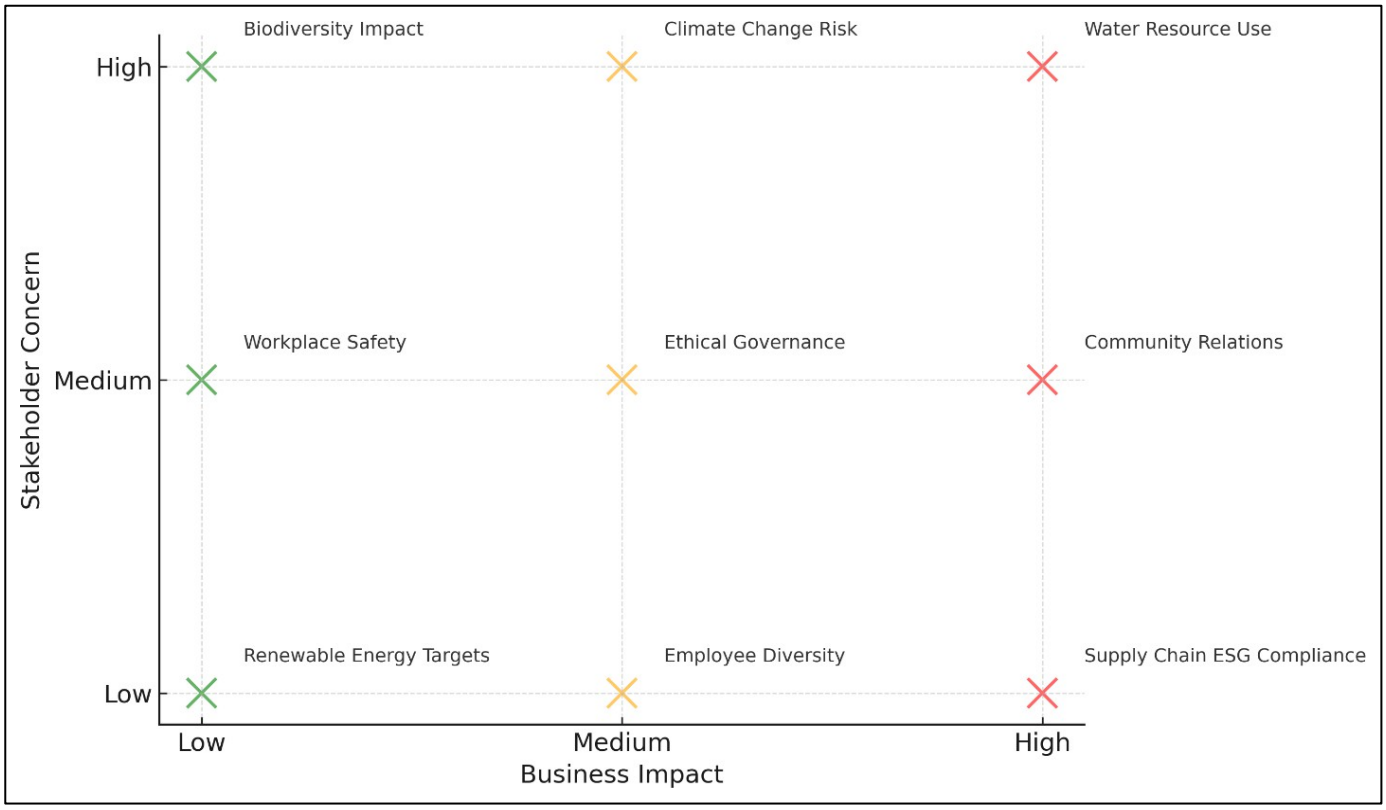
Material issues are prioritized using a scoring system based on internal discretion, industry best practices, and strategic business relevance. Each issue is evaluated based on its impact on operations, regulatory compliance, stakeholder expectations, and long-term sustainability.

The scoring system follows a **1-100 range**, categorized as follows:

- **Low Priority (1-50):** Issues with minimal impact, monitored for future relevance.
- **Moderate Priority (51-80):** Important issues requiring active management but with lower immediate risk.
- **High Priority (81-100):** Critical issues with a significant impact on operations, compliance, or stakeholder trust.

Scoring is conducted through an expert-driven process involving senior management, ESG specialists, and functional departments. This approach ensures informed decision-making, aligns with CCEH Hydro VI LLC's strategic objectives, and allows flexibility in responding to evolving business and regulatory environments.

| | | Business Impact | | |
|---|---|---|---|---|
| | | LOW | MEDIUM | HIGH |
| Stakeholder Concern | HIGH | Biodiversity Impact | Climate Change Risk | Water Resource Use |
| | MEDIUM | Workplace Safety | Ethical Governance | Community Relations |
| | LOW | Renewable Energy Targets | Employee Diversity | Supply Chain ESG Compliance |




## Emerging Regulation

CCEH Hydro VI maintains a forward-looking approach to regulatory compliance by systematically embedding environmental and social considerations into its corporate governance and risk management practices. In anticipation of evolving domestic and international ESG regulations, the company ensures its operations remain aligned with frameworks such as UN Global Compact Ten Principles, the IFC E&S Performance Standards, EIB E&S Standards. Material topics, like greenhouse gas emissions, environmental flow, biodiversity, community health and safety, and human rights due diligence (HRDD), are regularly evaluated through CCEH Hydro VI LLC's Materiality analyses process, which is formally reviewed and updated on an annual basis. This approach ensures alignment with evolving regulatory requirements, including emerging human rights obligations, and stakeholder expectations.

The results are fully embedded into the Enterprise Risk Management (ERM) framework, enabling informed scenario planning, timely compliance responses, and strategic decision-making.

The company recognizes the importance of transparency, accountability, and alignment with international sustainability standards. As such, CCEH Hydro VI LLC integrates key focus areas - such as double materiality, climate-related risks, and stakeholder engagement - into its internal ESG processes and external reporting. This approach not only enhances the quality and credibility of disclosures but also prepares the company for future regulatory alignment and increases trust among investors and stakeholders.

## Lobbying and Trade Associations

CCEH Hydro VI is a member of the Georgian Renewable Energy Development Association (GREDA), which serves as a lobbying partner to the Government of Georgia on energy and environmental legislation. While CCEH Hydro VI does not engage in direct political lobbying, its affiliation with GREDA provides a formal channel for contributing to policy development that supports sustainable renewable energy practices. This relationship is considered an indirect impact pathway within CCEH Hydro VI's sustainability reporting boundary, reflecting the company's commitment to transparent and responsible engagement beyond its operational footprint.

## Business Case

### Environmental Management System

Hydropower plants provide clean and renewable energy, contributing to the transition towards a more sustainable future. However, it is crucial to recognize and address the environmental management system risks associated with these HPPs to ensure their overall environmental sustainability and minimize negative impacts. As Bakhvi 1 HPP progresses through its construction phase, the HPP actively supports Georgia's clean energy goals by laying the groundwork for low-carbon hydropower. While the future contribution to climate mitigation is significant, continuous attention to environmental compliance, operational preparedness, and risk management during construction is essential to ensure long-term sustainability and regulatory alignment.

The table below outlines key ESMS risks relevant to the construction phase, along with the mitigation measures implemented to address them in line with national regulations, and good international industry practices.

| Risk | Mitigation measures |
|---|---|
| Loss of biodiversity and habitat disturbance | • Avoid sensitive areas during site clearing<br>• Conduct pre-construction ecological surveys and establish buffer zones<br>• Conduct regular monitoring |
| Soil erosion and sedimentation into rivers | • Use of erosion control barriers, sediment traps, and phased excavation<br>• Regular site inspections and runoff water quality monitoring |
| Water pollution from construction runoff or fuel spills | • Establish bunded storage for fuels and chemicals<br>• Use sediment ponds and enforce spill response procedures |
| Noise, dust, and vibration affecting nearby communities | • Restrict heavy work to daylight hours<br>• Use dust suppression techniques and maintain machinery |
| Improper construction waste disposal | • Segregate hazardous and non-hazardous waste<br>• Engage licensed waste contractors and maintain disposal records |
| Non-compliance with Environmental Permit conditions | • Maintain a permit compliance register<br>• Assign clear roles and responsibilities for each environmental requirement |
| Worker health and safety incidents | • Ensure Site-specific H&S plans with toolbox talks and supervision<br>• Enforce usage of personal protective equipment (PPE) and safety audits |
| Labor and working conditions violations | • Implement contractor management procedures and grievance redress system<br>• Enforce fair wages, contracts, and working hours |
| Community grievances or dissatisfaction | • Maintain functional grievance mechanism with transparent logging and response<br>• Hold regular community meetings and construction updates |

| | |
|---|---|
| Damage to local infrastructure (e.g., roads, access) | • Coordinate with local authorities on road use and repairs<br>• Provide detours or compensation where applicable |
| Lack of gender inclusion or discrimination in workforce | • Ensure inclusive hiring and gender-sensitive site facilities<br>• Provide training on workplace equality and harassment prevention |
| Inadequate stakeholder engagement | • Implement Stakeholder Engagement Plan (SEP) with ongoing consultations<br>• Document feedback and integrate concerns into site planning |
| Procurement and contractor ESG non-compliance | • Include ESG clauses in contracts<br>• Monitor contractor performance through site visits and audits |

Employee Wellbeing, Health & Safety

Hydro industry plays a significant role in renewable energy production and the sustainable development of society in Georgia and across the globe in general, which is both labour and capital intensive business, especially during the construction phase, however this encompasses operation phase as well. Thus, all risks associated with H&S should be carefully assessed and mitigated. Various risks associated to H&S are categorized as follows:

**Construction phase:**

1. Accidents involving heavy machinery and equipment
2. Landslides, rockfalls, and unstable slopes
3. Avalanches
4. Falls from height, edges, cliff areas, or open excavation
5. Poor visibility and vehicle collisions on narrow mountain roads
6. Electrical hazards during temporary installations
7. Exposure to extreme weather conditions (cold, fog, rain, heat)
8. Material transport accidents and loading/unloading injuries
9. Inadequate use of Personal Protective Equipment (PPE)
10. Exposure to dust, noise, or vibration
11. Manual handling and ergonomic injuries
12. Chemical exposure (fuels, lubricants, concrete additives)
13. Fire or explosion risk
14. Lack of emergency preparedness (landslide, fire, flood)
15. Contractor non-compliance with H&S standards
16. Different pandemics

**Operations phase:**

1. Electrical safety
2. Operations team health and safety
3. Proper Personal Protective Equipment
4. Proper Collective Protective Equipment
5. Confined space
6. Working at height
7. Lifting safety
8. Fire Safety
9. Community Health and Safety
10. Health and safety plans
11. Health and safety Policy
12. Covid 19 and different pandemics

Implication on CCEH Hydro VI LLC

Since the early stages of development, CCEH Hydro VI LLC has maintained a clear intersection with local communities living in the Guria region. Throughout the construction phase, CCEH Hydro VI LLC has remained responsible for ensuring the safety of both the HPP workforce and the neighboring population, while minimizing risks to public health, safety, and community infrastructure.

The HPP infrastructure is located in a mountainous and forested area, with the nearest population centers situated at a safe distance from active construction zones. No permanent residential settlements or vital public infrastructure are located within the immediate impact area of the HPP.

Clear safety signage is installed throughout the construction premises, including warnings against entry, swimming, fishing. To support safe working conditions, all relevant health and safety equipment is stationed within the residential camp, where a number of local residents are actively employed. The camp is organized to ensure proper accommodation, welfare facilities, and immediate access to protective gear and emergency supplies for all workers.

To promote safety awareness, CCEH Hydro VI LLC's H&S and ESG team organized regular information sessions with nearby communities, including targeted safety education for school children. These engagements focus on awareness of construction-related risks, emergency procedures, and long-term environmental and safety commitments.

The strategic siting of HPP infrastructure, combined with strict access control and proactive community engagement, ensures that potential health and safety, and security risks are effectively minimized throughout the construction phase – and will continue to be managed responsibly as the HPP transitions into operation.

Resource Efficiency & Circularity

The resource efficiency and circularity risks associated with HPP construction and operation are essential to ensure long-term sustainability and minimize environmental impacts. The main risks associated to resource efficiency are:

1. Need for unplanned repairs and upgrades that may lead to the use of additional materials, energy and water
2. Use of significant amount of natural and industrial resources such as concrete, steel and other materials
3. Not compliant to regulations

Circularity bears the following risks:

1. Increase of reusage of resources
2. Ineffective policy regarding recycling materials
3. Increase of waste
4. Minimization of resource utilization
5. Not compliant to regulations

Implication on CCEH Hydro VI LLC

All permits and licenses as per national regulations have been obtained by HPP, and these have been renewed as and when they expire in instances where permit validity is time limited. Key requirements in international standards (e.g., World Bank Group EHS Guidelines, IFC PS, EIB ESS) regarding pollution and waste management are strictly reflected in the ESMS ("Environmental and Social Management System").

The waste management plan agreed with the National Environmental Agency according to the law, and in this respect, of the waste hierarchy: prevent – minimize – reuse – recycle – dispose.

Municipal and domestic waste is managed by the local municipal service center, while hazardous waste is collected and treated by the Company, certified by the Ministry of Environment and Agriculture of Georgia,

based on the agreement. Before the hazardous waste is treated further, it is stored at the temporary storage area, settled based on the requirement by law.

To minimize oil spills, the construction site and residential camp is well-equipped with spill kits/absorbents. Workers in well aware of how to handle spills if applicable, according to the environmental training plan and Spill Response Plan.

Transformers and generators are equipped with drip trays. For river pollution prevention, oil separator structures were designed and arranged.

No signs of substantial oil spills were observed during the fiscal year (e.g., at oil storage facilities, or construction sites).

CCEH Hydro VI LLC conducts a formal Materiality Analysis on an annual basis, with semi-annual reviews to ensure relevance and alignment with evolving business, regulatory, and stakeholder expectations. The most recent full assessment was conducted in 2025.

## Roles and Responsibilities in Materiality Assessment

- **Supervisory Board:**
    1. Defines strategic direction, approves materiality issues, and makes final decisions.
    2. Conducts an annual review to ensure alignment with corporate values, priorities, and regulatory requirements.
    3. Reviews and approves the final version of the materiality assessment.
- **Management of the Company:**
    1. Coordinates ESG materiality analysis and engagement with relevant departments.
    2. Oversees the approval process and manages strategic decisions related to ESG.
    3. Ensures the publication of the board-approved report for stakeholder access.
- **Functional Departments (ESG, H&S, Technical, Finance and Legal teams):**
    1. Collect, analyze, and report ESG data.
    2. Identify ESG risks and integrate sustainability measures into operations.
    3. Provide ongoing monitoring and internal reporting on ESG performance.
- **External Auditors & Consultants: Evaluation and Analysis:**
    1. Conduct independent assessments of materiality analysis.
    2. Provide recommendations to enhance sustainability disclosures and risk mitigation.
    3. Verify adherence to regulatory and industry standards.

**Materiality Assessment Process:**

The materiality assessment process follows a structured approach to ensure accuracy, transparency, and alignment with CCEH Hydro VI LLC's governance framework. The key steps are outlined below:

1. Evaluation and Analysis: Functional departments and the sustainability committee compile and assess ESG materiality data.
2. Internal Review: The Management team reviews and refines the materiality assessment.
3. External Audit: Independent auditors assess documentation and verify accuracy.
4. SB Review: The board reviews the final version of the assessment.
5. Approval and Publication: The board-approved report is made publicly available.

## Conclusion

The materiality analysis of CCEH Hydro VI LLC reflects the company's strong commitment to integrating ESG factors into its strategic planning and ERM processes. Through the identification and prioritization of 29 key sustainability issues, CCEH Hydro VI LLC ensures that its current activities, as well as its future operations, are aligned with national regulations, good international practices, and the expectations of local stakeholders.

The company has effectively assessed and visualized these ESG priorities through a detailed Materiality Matrix, which highlights critical areas such as community health and safety, biodiversity protection, emissions management, workforce welfare, and compliance with the Environmental Permit. Integrating this materiality analysis into its ERM framework enables CCEH Hydro VI LLC to proactively manage ESG-related risks, strengthen internal governance, and build long-term resilience.

CCEH Hydro VI LLC's approach demonstrates a structured and forward-looking commitment to sustainability - minimizing environmental and social impacts during construction, while laying the foundation for responsible operations post-commissioning. Furthermore, by continuously enhancing its ESMS and aligning with international sustainability frameworks CCEH Hydro VI LLC reinforces its position as a responsible and transparent developer, committed to creating long-term value for both the business and surrounding communities.

### Materiality Analysis Annual Revision Process

Aligned with internationally recognized corporate governance practices, the Supervisory Board defines the strategic direction of the Materiality Assessment, approves material issues, and makes final decisions. The Board conducts an annual revision to ensure alignment with the Company's values, strategic priorities, and regulatory requirements.

The Management of the Company coordinates the ESG materiality analysis, ensuring relevant stakeholder input. Functional Departments collect data, assess ESG risks, and integrate sustainability measures into operations.

To ensure objectivity and compliance, External Auditors and Consultants provide independent assessments and recommendations, verifying adherence to regulatory and industry standards.

During the revision, the Board reviews material topics, ESG risk mitigation, and governance frameworks. If modifications are proposed, they are evaluated, discussed, and formally approved by a majority vote. Once finalized, the updated Materiality Assessment is published on the Company's website, with previous versions archived for reference.