Bakhvi HPP

CCEH Hydro VI LLC

Water Management Plan

This Water Management Plan is Approved by the Company Director: Giorgi Abramishvili

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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.s

Water Use and Management

CCEH Hydro VI LLC recognizes water as a shared and climate-sensitive resource. In line with the company's Environmental Policy, Enterprise Risk Management (ERM) approach, as outlined in the CCEH Hydro VI LLC Corporate Governance Manual and the CCEH Hydro VI LLC Materiality Analysis, the Company is committed to identifying, evaluating, and mitigating water-related risks that may influence its operational integrity, regulatory compliance, and environmental stewardship.

The Water Management Plan is a structured component of CCEH Hydro VI LLC's sustainability and governance framework. It reflects the company's understanding that access to reliable and clean water is not only essential for hydropower operations, but also critical to the ecosystems and communities in which it operates. The Water Management Plan is grounded in the principles of precaution, adaptive management, and long-term resilience. The program encompasses the following key elements, including prevention of water pollution:

1. **Hydrological Monitoring and Data Collection:**
    a. Monitoring of river flow conditions is conducted in order to ensure proper implementation of ecological flow requirements and to assess hydrological conditions within the HPP area. Automatic flow meter is installed at the intake structure to measure the ecological flow in a continuous mode. These device allow continuous monitoring of the quantity of water released downstream to ensure compliance with the ecological flow requirements. Monitoring data will be used to verify compliance with ecological flow requirements

2. **Ecological Flow Compliance:**
    a. Ecological Flow Compliance will be strictly monitored to ensure the health of aquatic habitats and biodiversity. As the hydropower facility is a run-of-river plant and does not utilize reservoirs, flow regulation relies on the natural availability of river water. Automatic flow meter is installed to monitor environmental discharge. After commissioning the data will be integrated directly into the Supervisory Control and Data Acquisition (SCADA) system for live tracking. Quarterly reports containing daily monitoring data are submitted to the National

Environmental Agency in accordance with the requirements set forth in the Environmental Impact Assessment (EIA) permit.

3. **Operational Risk Preparedness and Infrastructure Safeguards:**
    a. CCEH Hydro VI LLC has established procedures to address acute hydrological incidents such as floods and sediment surges. Measures include slope stabilization, emergency water flow protocols, and protective infrastructure design. Sensitive areas are regularly monitored by a qualified geologist, and if any hazardous or unstable slopes are identified, trained rock climbers are mobilized to carry out slope cleanup and stabilization work as needed.

4. **Governance, Oversight, and Stakeholder Engagement:**
    a. The Water Management Plan is overseen by the Environmental, Social, and Governance (ESG) function in close coordination with the Company Director, Technical Director, and Operations Team, ensuring that water-related risks are addressed as part of CCEH Hydro VI LLC's integrated Enterprise Risk Management (ERM) and corporate sustainability systems.

5. **Water Pollution Prevention and Control:**
    a. Team responsible for operations measures will be implemented to prevent deterioration of water quality within the Bakhvistskali River. These measures include proper maintenance of equipment, prevention of accidental spills of oil products, and careful management of sediment flushing operations. Sediment flushing from settling basins will be conducted gradually in order to prevent sudden increases in turbidity downstream. Monitoring of surface water quality is conducted on a quarterly basis to verify that operational activities do not negatively affect the aquatic environment.

6. **Disclosure and Accountability:**
    a. The outcomes and progress of the Water Management Plan are disclosed through CCEH Hydro VI LLC's annual Environmental, Social, and Governance (ESG) Report on the corporate web-page bakhvihpp.com. This aligns with the principles of transparency, accountability, and continuous improvement.

Through the Water Management Plan, CCEH Hydro VI LLC contributes to responsible water governance, enhances climate resilience, and upholds its commitments to environmental protection and long-term value creation.

Exposure to Competing Water Use Pressures

CCEH Hydro VI LLC operates in region where water use is not significantly influenced by competing demands such as irrigation or agricultural activities. While the HPP area is not classified as water-stressed, maintaining a balanced and sustainable use of water resources remains a key priority.

The company continuously monitors hydrological conditions through long-term flow measurements and operational controls. These measures ensure that water abstraction for hydropower generation does not adversely affect downstream conditions and remains in full compliance with the established Minimal Environmental Flow (MEF) requirements, as well as national regulatory obligations and environmental commitments.

Business Impacts of Water-Related Incidents

CCEH Hydro VI LLC acknowledges that the operation of its hydropower plants fully depends on the availability and continuity of river water. Water-related incidents, such as prolonged droughts, sudden flooding, or infrastructure disruptions linked to extreme hydrological events, may therefore lead to operational delays, damage to assets, and compromised ecological flow compliance. Such incidents can also impact local community members, and result in reputational and regulatory risks. The company incorporates water-related scenarios into its broader Enterprise Risk Management (ERM) processes to anticipate and address

these potential impacts proactively. Periodic risk reviews, adaptive infrastructure design, and early warning systems will be used to strengthen preparedness and reduce vulnerability.

In line with the international good practices, CCEH Hydro VI LLC is exploring ways to deepen scenario-based risk planning and long-term adaptation strategies that address both acute and chronic water-related risks. This includes the integration of hydrological variability into business continuity plans and further alignment of operational resilience with corporate sustainability commitments.

Water Management Plan Revision Process

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

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

Annex: Water Management Plan Implementation Schedule

The following implementation schedule outlines the key activities, responsible functions, and indicative timeframes for the Water Management Plan:

Activity	Description	Responsible Function	Frequency/ Timeline
Hydrological flow monitoring	Measurement of flow volumes at designated river cross-sections	Technical Director / ESG Manager	Daily
Infrastructure inspection and maintenance	Assessment and upkeep of risk mitigation structures (e.g. slope stabilization)	Technical Director / Operations Team	Semi-annual / After incidents
Risk review and update	Evaluation of water-related risks and adaptive measures	Director/ Technical Director / ESG Manager	Annually
Stakeholder engagement	Consultation with local communities and regulatory agencies	ESG Manager	Annually / As needed
Disclosure in ESG Annual report	Reporting on WMP progress and incidents	ESG Manager	Annually