

Environmental and Social Action Plan Adjaristskali Hydropower Plants

The International Finance Corporation (IFC), the Asian Development Bank (ADB), and the European Bank for Reconstruction and Development (EBRD) (collectively, the Lenders or IFIs) are considering financing the Shuakhevi hydropower plant, the first phase of the Adjaristskali Hydropower Project on the Adjaristskali River in the Adjara region of southwestern Georgia.

Adjaristskali Georgia LLC (AGL) is a Georgian special purpose vehicle (SPV) owned by Clean Energy Invest AS (CEI) and Tata Power (together, the Sponsors). The SPV was established for the sole purpose of constructing and operating a cascade of hydroelectric power plants (HPPs).

AGL has prepared and disclosed an Environmental and Social Impact Assessment (ESIA). This ESIA described the project and the natural and human resources that could be affected, and evaluated the potential impacts the project could have on those resources. The ESIA also described a series of actions that will need to be taken to prevent, control, or otherwise mitigate potential impacts and comply with the lenders' environmental and social safeguards. Those requirements are described in this Environmental and Social Action Plan (ESAP). The ESAP in the table below will be included in AGL's financing agreements with the Lenders. Performance of the required actions will be reported to the Lenders by AGL and will be audited or otherwise evaluated by the Lenders during construction and operation of the project.

Implementation of the actions is the ultimate responsibility of AGL. When other companies perform work under contract, AGL will be responsible for their compliance with the requirements of the ESAP, even if direct oversight of the work is by a contractor. This is expected to be accomplished by inclusion of requirements in contracts and subcontracts, and by direct oversight and supervision by AGL and/or its oversight contractor.

As agreed by Lenders and AGL, this ESAP may be revised from time to time during project performance. No changes will allow violations of Georgia law or of the Lenders' requirements for environmental and social performance, which are found in IFC Performance Standards on Environmental and Social Sustainability (2012), ADB Safeguard Policy Statement (2009), and EBRD Performance Requirements (2008).

No	Action	Source of requirement	Implementation schedule	Target For Successful Implementation / Reporting Requirement
1	Report to Lenders on the status of each ESAP requirement and compliance with PRs/PSs/SRs.	ADB SR1 EBRD PR1 IFC PS1	- Semi-annually throughout construction until commissioning - Annually during operation	Submission of reports in format to be mutually agreed, acceptance by Lenders <i>ESHS Reporting Requirement:</i> - Completeness and adequacy of ESHS Report
2	Finalize development of the ESHS Management System to include (as required by ESIA, vol. IV, sec.4.2.2): - Register of environmental and social aspects - Register of requirements and conditions in legislation, consents, permits, etc. - Schedule of monitoring program, including required and recommended surveys / inspections/audits (EHS Monitoring Schedule) - Development of Environmental Improvement Plan through development of: - E&S Management and Monitoring procedures	ADB SR1 EBRD PR1 IFC PS1 Best Practice	Prior to commencement of construction works and then prior to commercial operation	- Finalized ESHS with all aspects included. - Lender approval of monitoring program - Monitoring of environmental management (including design change management) and mitigation as per AGL ESHS. <i>Report to Lenders:</i> - Status of ESHS Management System development - Metrics of key performance indicators as set down in AGL ESHS - Summary of audit results of AGL ESHS implementation

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	<ul style="list-style-type: none"> - Environmental Operating procedures - Preparation of action lists and responsibilities - Development of training materials and key performance indicators. - Design Change Management procedure 			
3	Acquire and comply with all required permits and authorizations	Georgian law ADB SR1 EBRD PR1 IFC PS1	Prior to beginning any activities that require permits or authorizations	<ul style="list-style-type: none"> - Permits & authorizations received - Reports submitted to authorities as required <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - <i>Compliance status</i> - <i>Report immediately any formal enforcement actions for noncompliance</i>
4	Implement ESMP and all associated plans	ADB SR1 EBRD PR1 IFC PS1 Best practice	Throughout construction and operation	<ul style="list-style-type: none"> - ESMP and all plans implemented - ESHS impacts avoided, minimized, mitigated or compensated <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - <i>Highlights of implementation, including major deviances</i>
5	Use best efforts to ensure ESIA on Batumi-Akhaltsikhe transmission line is completed	ADB SR1 EBRD PR1 IFC PS1	Throughout development of ESIA and construction/operation of line	<ul style="list-style-type: none"> - Transmission line ESIA meets international standards - Construction and operation in

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	in accordance with international best practice and that required mitigation measures are fully implemented.			<p>accordance with agreed mitigation</p> <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - Status of transmission line ESIA and approval process - Summary of construction and operation
6	Further develop OHS plan to be specific to Adjaristskali project(s) and ensure that the procedures and HSE manuals referred within it are an integral part of health safety and environmental management on site	ADB SR1 EBRD PR2 IFC PS 2 Best Practice	Prior to construction	<ul style="list-style-type: none"> - OHS plan further developed, adopted, and implemented - Minimum lost time incidents and fatalities - Monitoring of environmental and social management and mitigation as per AGL ESHS Monitoring Schedule <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - Status of updating of OHS plan - Outcome of OHS monitoring as per ESHS Monitoring Schedule. - Summary of OHS issues, including incident and enforcement statistics, status of training, etc. Report to cover AGL and contractor workforces - Report to Lenders immediately in case of major accidents

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				<i>and/or fatalities</i>
7	Implement Labor Grievance Plan (2012), including grievance mechanism made available to all AGL and contractor workers	ADB SR1 EBRD PR2 IFC PS 2	Throughout construction and operation	<ul style="list-style-type: none"> - Plan implemented, mechanism made available. - Timely resolution of all grievances <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - Outcome of labor grievance monitoring as per ESHS Monitoring Schedule - Summary of grievances and resolutions
8	Review Spoil Management Plan to ensure: <ul style="list-style-type: none"> - Plan is consistent with ESIA and project design, including estimated spoil quantity - Specific method statements and risk assessments are completed for each spoil disposal site - Clarity on potential land acquisition - Site specific subsidiary plans to cover management of each individual site during fill and subsequent site reinstatement - Designs sufficient to prevent erosion due to specified flooding events 	Georgian law ADB SR1 EBRD PR3 IFC PS3 Best Practice	Prior to spoil generation	<ul style="list-style-type: none"> - Site specific spoil management plans developed/approved by AGL - Spoil managed according to plan - Monitoring of environmental management and mitigation as per AGL ESHS Monitoring Schedule <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - Status of site specific spoil management plans - Outcome of spoil monitoring as per EHS Monitoring Schedule

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9	Complete all necessary additional surveys, reviews and consultations identified in the ESIA and project permit approval conditions. Modify ESMP and associated plans as needed to incorporate findings into environmental and social management.	Georgian law ADB SR1/SR2 EBRD PR3 IFC PS3 Best Practice	Prior to commencement of construction	<ul style="list-style-type: none"> - Surveys, reviews, consultations completed - ESMP modified as needed <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - Status of additional surveys and impacts of outcomes on ESMP
10	Identify mitigation measures for concrete within CEMP11 and ensure appropriate management techniques are employed through the ESMP.	ADB SR1 EBRD PR3 IFC PS3 Best Practice	Prior to commencement of construction	<ul style="list-style-type: none"> - Mitigation measures identified - ESMP modified as needed <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - Updated CEMP12 - Outcome of CEMP12 implementation monitoring as per EHS Monitoring Schedule
11	Identify within CEMP09 specific solutions with regards to the need for management of waste at appropriately licensed landfill or other sites.	Georgian law ADB SR1 EBRD PR3 IFC PS3 Best Practice	Prior to commencement of construction	<ul style="list-style-type: none"> - Solutions identified - CEMP09 modified <p><i>Report to Lenders:</i></p> <ul style="list-style-type: none"> - Updated CEMP09 - Status of site – specific spoil waste disposal site risk assessments and method statements - Outcome of monitoring spoil management practices as per EHS Monitoring Schedule
12	Identify and evaluate risks to	ADB SR1	Prior to creation of	<ul style="list-style-type: none"> - Community H&S risk

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	community health and safety from construction and operation of the project, develop and implement commensurate preventive measures and plans to address them.	EBRD PR1 IFC PS1	potential risks	assessment for all project stages - Mitigation/prevention measures developed and implemented - ESMP monitoring and reporting <i>Report to Lenders:</i> - Status of risk identification and mitigation, and planning - Outcome of monitoring of H&S management of risks to the community as per EHS Monitoring Schedule
13	Develop and enforce a Code of Conduct for Security Personnel	ADB SR1 EBRD PR4 IFC PS1 Best practice	Prior to commencement of construction	Code of Conduct developed and enforced <i>Report to Lenders:</i> - Status of Code of Conduct development - Outcome of monitoring of effectiveness of Code of Conduct for Security Personnel as per EHS Schedule
14	Develop and enforce Worker Code of Conduct in accordance with the Worker Behavior Guidelines	ADB SR1 EBRD PR4 IFC PS4 Best Practice	Prior to commencement of the construction phase	- Code of Conduct developed and enforced <i>Report to Lenders:</i> - Status of Code of Conduct

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				<i>development</i> - Outcome of monitoring of effectiveness of Worker Code of Conduct as per ESHS Schedule
15	Implement the LALRP, including timely disclosure of up-to-date land acquisition and resettlement documentation, summary of LALRP and information on progress (e.g. monthly Information Letters, booklets, brochures, etc.)	ADB SR2 EBRD PR5 IFC PS5	Throughout land acquisition process	- LALRP implemented - Up-to-date land acquisition and resettlement documentation available on AGL's website and locally. <i>Report to Lenders:</i> - Status of acquisition - Summary of disclosures
16	Implement the BAP, including: - developing and implementing detailed monitoring schedule for evaluation and reporting of ecological impacts and recognizing findings of additional surveys undertaken - monitoring flow upstream and downstream of all dams to verify required minimum flows are met - Ecological assessments as performed to verify flows are adequate to preserve biodiversity, or to redefine minimum flows	Georgian law ADB SR1 EBRD PR6 IFC PS4, 6	- Develop schedule: Prior to construction - Implement monitoring schedule: as specified in BAP throughout during construction and operation - Monitor flow: throughout operation - Ecological assessments: as per BAP	- BAP implemented - ESMP monitoring and reporting <i>Report to Lenders:</i> - Status of schedule development - Outcome of ecological monitoring as per Monitoring Schedule - Summary of minimum flows against requirements - Summary of ecological assessments, including need for adjustments in minimum flows.

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17	Conduct additional surveys to determine presence of graveyards, and if needed work with communities to minimize impacts	ADB SR1/SR2 EBRD PR8 IFC PS8	- Survey of area: prior to disturbance of the area - Consultation with communities to minimize impact: prior to disturbance of graves	- Surveys conducted - Consultations held and actions agreed <i>Report to Lenders:</i> - Summary of surveys and actions taken (consultations, etc.) - Outcome of monitoring of graveyard protection as per EHS Monitoring Schedule
18	Update CEMP01, Chance Finds Procedure, to call for archaeologist to be on site as needed to verify archaeological finds, provide advice to a nominated AGL representative, and liaise with relevant authorities.	Georgian law ADB SR1 EBRD PR1 IFC PS1	Prior to construction	- Updated Chance Finds Procedure <i>Report to Lenders:</i> Status of ADB SR1 EBRD PR4 - IFC PS1 updated Chance Finds Procedure - Outcome of chance finds procedure implementation, monitored per EHS Monitoring Schedule
29	Implement Stakeholder Engagement Plan	ADB SR 1 EBRD PR10 IFC PS1	Throughout construction and operation	- SEP implemented <i>Report to Lenders:</i> - Summary of stakeholder engagement
20	Evaluate and update SEP to improve/ refine stakeholder list,	ADB SR1 EBRD PR10	Evaluation and update: annually during	- SEP evaluated and updated if needed

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	communication methods, media, etc.	IFC PS1	construction, biennially thereafter	<i>Report to Lenders: - Updated SEP</i>