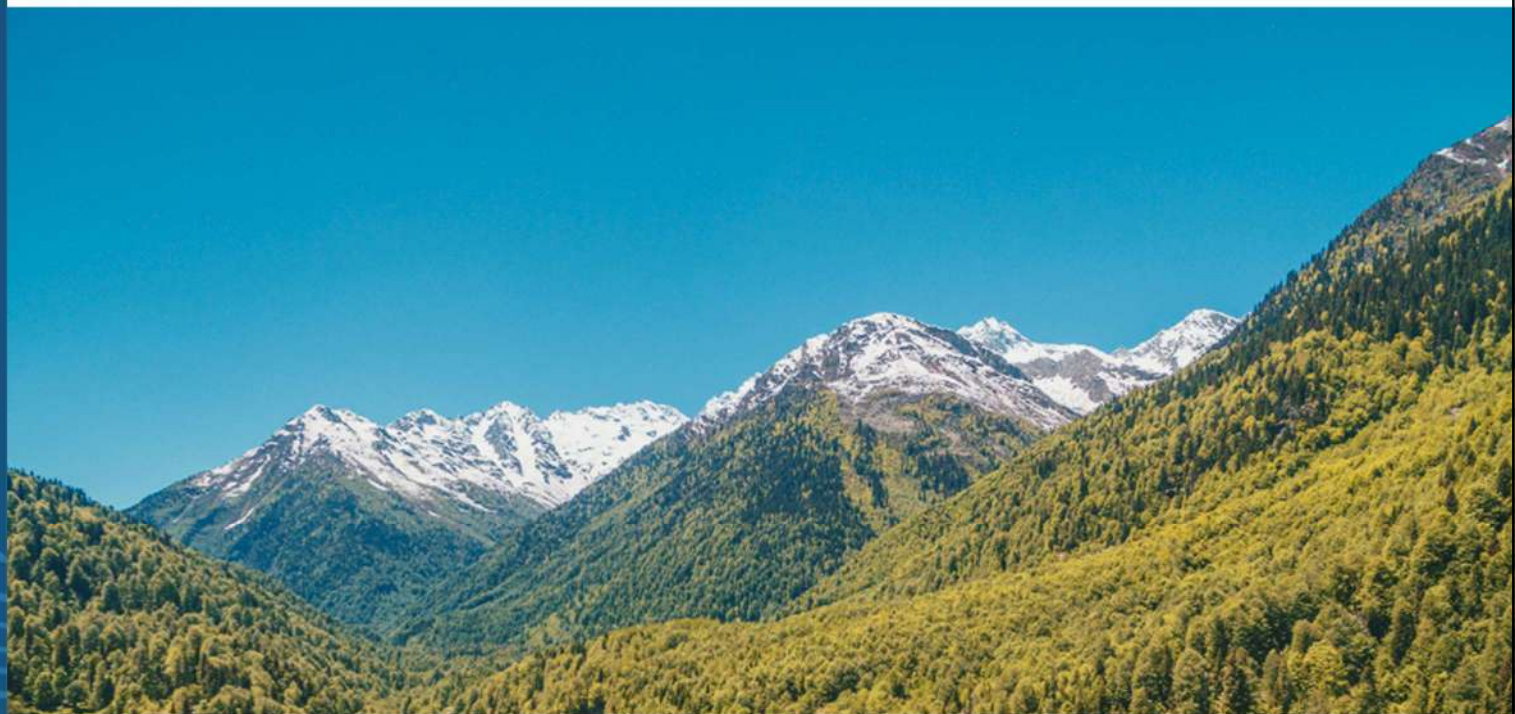




JSC Nenskra Hydro

SHEC Semi-Annual Report

January to June 2019



Statement from the CEO of JSC Nenskra Hydro

“JSC Nenskra Hydro is developing the 280 MW Nenskra Hydropower Project in Nenskra and Nakra Valleys. The EPC Contract Tenders for the Project were received by the Company on 28th June 2019, and currently under evaluation. While the tender process is ongoing, the Company continued to fulfill its commitments under its agreement with the Government of Georgia.

JSC Nenskra Hydro continued with the construction of access roads to Tita Village in Nenskra Valley in November 2018 and started the work at Bridge No. 4 in February 2019, in response to the request from the **Mestia Municipality and the local communities**, under the frame of the Emergency Works. JSC Nenskra Hydro commissioned the **Georgian Construction Consortium** to construct the access roads and bridges under the Emergency and Enabling Works Contract.

Furthermore, JSC Nenskra Hydro is delivering Corporate Social Responsibility and Community Investment Programs in the Nenskra and Nakra Valleys.

As part of the Company’s commitment to disclosure and transparency, we provide in this document the **Nenskra HPP Safety, Health, Environmental and Community (SHEC) monitoring report from January to June 2019.**”

- Mr. Sunyoung Kim, CEO of JSC Nenskra Hydro

TOPICS

#	TOPIC
1	Sustainability Policy
2	SHEC Management Systems
3	Stakeholder Engagement
4	Local Employment Opportunities
5	Public Relations
6	Corporate Social Responsibility & Community Investment Program
7	Environment and Biodiversity
8	Land Acquisition and Livelihood Restoration Plan
9	Health and Safety
10	External Monitoring



JSC Nenskra Hydro

Section 1

Sustainability Policy

Sustainability Policy

Vision

JSC Nenskra Hydro established as a company that conducts business and operates in an environmentally responsible manner. The company's long-term success is dependent on our ability to deliver high quality product and services whilst protecting the environment.

Commitment

JSC Nenskra Hydro staff has ultimate responsibility for environmental performance and is committed to the achievement of environmental excellence. JSC Nenskra Hydro is therefore committed to:

- Complying with all applicable environmental laws and regulations and relevant standards;
- Minimizing our impact on the environment through pollution prevention, minimization of waste and emissions and the efficient use of energy and resource;
- Pursuing a goal of zero environmental incidents
- Transparency in the reporting of the Company's environmental performance;
- Setting objectives and targets for continual improvement with auditing and monitoring of performance to ensure compliance;
- Promoting a culture in which all employees share this commitment by clearly defining our expectations;
- We are fully committed to sustainability and strive to integrate sustainable development principles and a comprehensive stakeholder engagement process into its operating philosophy.

Objective

To meet this commitment at high level JSC Nenskra Hydro will:

- Develop and maintain minimum standards and expectations
- publish regular performance reports and openly discuss our environmental performance with stakeholders;
- periodically review the suitability and effectiveness of this policy, our management systems, targets and objectives
- develop and maintain certified environmental management systems, in accordance with ISO 14001 standards;
- provide appropriate training to all employees to enable them to carry out their work with due respect and care for the environment;
- engage with clients, contractors and suppliers to deliver a high standard of environmental performance;
- Deliver long term value to our employees, contribute to the development of local communities, investing in sustainability and environment protection.

Responsibility and implementation

Responsibility for compliance with this policy lies with the Chief Executives and their respective Managing Directors. It is also the responsibility of individuals to be aware of potential environmental risks and to help to reduce these risks at the locations where they work. JSC Nenskra Hydro will implement this policy and will conduct periodic audits/reviews to verify compliance and promote continual improvement.

SHEC Management System



QHSE Policy

On 31 May 2019, JSCNH issued and approved the Quality Health Safety and Environment (QHSE) Policy.

- JSCNH is committed to conducting business with greatest care for health and safety of our employees, our partners, contractors, and subcontractors, personnel, and the people in the communities we work with.
- We are committed to achieving and sustaining “Zero Accidents” performance, and to working with all appropriate stakeholders to improve quality of work, health and safety of our people and the community, and environmental protection, which also stand for QHSE, consistent with the international standards of hydropower development and operation.
- We will adhere with these values in every action we take in promoting the development of renewable resources in Nenskra and Nakra Valley.



QHSE Policy


STATEMENT OF POLICY:
One of JSC Nenskra Hydro's (JSCNH) most important values is conducting business with the greatest care for the health and safety of our employees, our partners', contractors' and subcontractors' personnel and the people in the communities we work with. JSCNH is also dedicated to sustainable environmental protection as embodied in the Sustainability Policy of the company. We are committed to achieving and sustaining "Zero Accidents" performance, and to working with all appropriate stakeholders to improve quality of work, health and safety of our people and the community, and environmental protection, which also stand for QHSE, consistent with the international standards of hydropower development and operation. We will adhere with these values in every action we take in promoting the development of renewable resources in Nenskra and Nakra Valley.

JSC NENSKRA HYDRO'S RESPONSIBILITIES & COMMITMENTS:
QHSE is a line responsibility, requiring leadership and active participation by the Executive Management, Line Managers, Site Supervisors, and Employees. Through this leadership and involvement, JSCNH will:

- ✓ Educate executive management, and coach managers and employees on QHSE requirements and hold them accountable for compliance.
- ✓ Implement an integrated QHSE procedures in alignment with the SHEC management system to identify, assess, and manage QHSE risks associated with our business, development activities, and project operation.
- ✓ Perform our work with dedication to eliminate and/or mitigate potential environmental, safety and human health impacts.
- ✓ Conduct all of our activities in a manner that accounts for impact to the environment and the safety and health of our workforce and local communities.
- ✓ Comply with all applicable international and national laws, regulations and contract requirements relating to QHSE protection including all JSC Nenskra Hydro's QHSE code of conduct, policies, plans, procedures, and standards.
- ✓ Develop, maintain and apply standards where QHSE protection does not exist.
- ✓ Promote timely open communication and consultation with employees, stakeholders, clients, customers, partners, civil society groups, government agencies, communities, contractors, and subcontractors on QHSE matters.
- ✓ Develop and maintain appropriate QHSE metrics to measure and continuously improve QHSE performance.
- ✓ Provide resources and training to support quality, environmental, safety, and health protection and achievement of QHSE objectives.
- ✓ Require project contractor's and subcontractors' compliance with JSCNH QHSE policy and standards.
- ✓ Promote utilization of JSCNH QHSE standards on our project activities and community improvement programs.
- ✓ Regularly review set of standards and policies, with the aim of further improving QHSE performance targets.

IMPLEMENTATION OF THIS POLICY:
Management instructions will be issued to reinforce and describe the implementation of this QHSE Policy.

Sunyoung Kim
(CEO)



Issue Date: May 31, 2019

www.nenskra.ge

Section 2

SHEC Management Systems

Environmental and Social Management System (ESMS)

- Continuing improvement and updating of SHEC Management System – to achieve ISO 14001 certification
- Stakeholder Communication Log and Minutes of Meeting
- Grievance Monitoring Log and Close-out Forms
- Incident Reporting and Close-out Forms
- Environmental Monitoring Activities
- Corporate Social Responsibility and Community Investment Program Tracking
- Joint Weekly Site HSE Inspections and HSE Tracking Sheet
- Non-Conformance Records, Tracking Sheet and Close-out Forms
- Weekly and Monthly Reporting with Performance Indicators
- ESAP, EECC, ESMP Commitments Register
- SHEC Annual Work Plan and Budget Monitoring

Section 3

Stakeholder Engagement

Stakeholder Engagement Activities in Nenskra and Nakra Valleys

- In February 2019, formal and informal engagements with local communities to launch JSCNH Social Development Programs: (1) Land survey and registration assistance program, (2) Access to mechanization program, (3) Vocational skills training program. All these programs respond to community members' requests on social assistance programs.
- In February 2019, engagement with Youth members of communities in Nenskra Valley to seek ideas regarding rehabilitation of communal spring water in Chuberi and to request concept drawings for upgrading the wooden building.
- In January to June 2019, continuing engagement with CIP Advisory Committee members to discuss plans to rehabilitate LILE Sports Gymnasium and Cultural House and Ambulatory in Chuberi Center and the upgrade of Multi-functional Building in Nakra.
- From January to June 2019, various engagement with Government and Non-Government Technical Partners including Pro-Mestia, Agricultural Cooperative Development Agency (ACDA), National Tourism Agency, Research and Innovations for Business Solutions (RIBS) to progress on social enterprise and cooperative formation, and collaboration to enhance livelihood development in Nenskra and Nakra Valleys.

Stakeholder Engagement Activities in Nenskra and Nakra Valleys

- In March to April 2019, continuing engagement with **Project Affected Peoples in Memuli and Mashrichala** to finalize Memorandum of Agreement provisions and proceed with delivery of hay. First delivery of hay to Memuli Pasture Users was completed in Spring 2019. Second delivery was earlier agreed in Autumn 2019, but upon request by PAPs will be delivered during Summer 2019. Mashrichala MoA is still being finalized.
- **Negotiating with members of the community who blocked the road** in April 2019 in Okrili Area to discuss employment and vehicle hiring contractual arrangements and rotation on hiring corresponding to the demand for vehicle use.
- Engagement with **Chuberi Local Trustee** to seek support and assistance in resolving the road blockage issue in Okrili working area by owners of hauling trucks in Nenskra Valley asking for lease arrangements with GCC.
- Invited participation of **local residents to witness Blue Rivers river ecology monitoring** in Spring 2019.
- Engagement with **local resident nearby Bridge No. 4** to relocate electrical pole that will be affected by the left bank foundation of the bridge in May 2019.
- Supporting the Schools in Nenskra and Nakra through continuing engagement and providing supplies such as books, furniture and appliances for teacher needs.

Key stakeholder meetings from January to June 2019

- Total number of meetings held = 35 (27.9% of people met are women)

* Media and PR Meetings are not included in this chart.

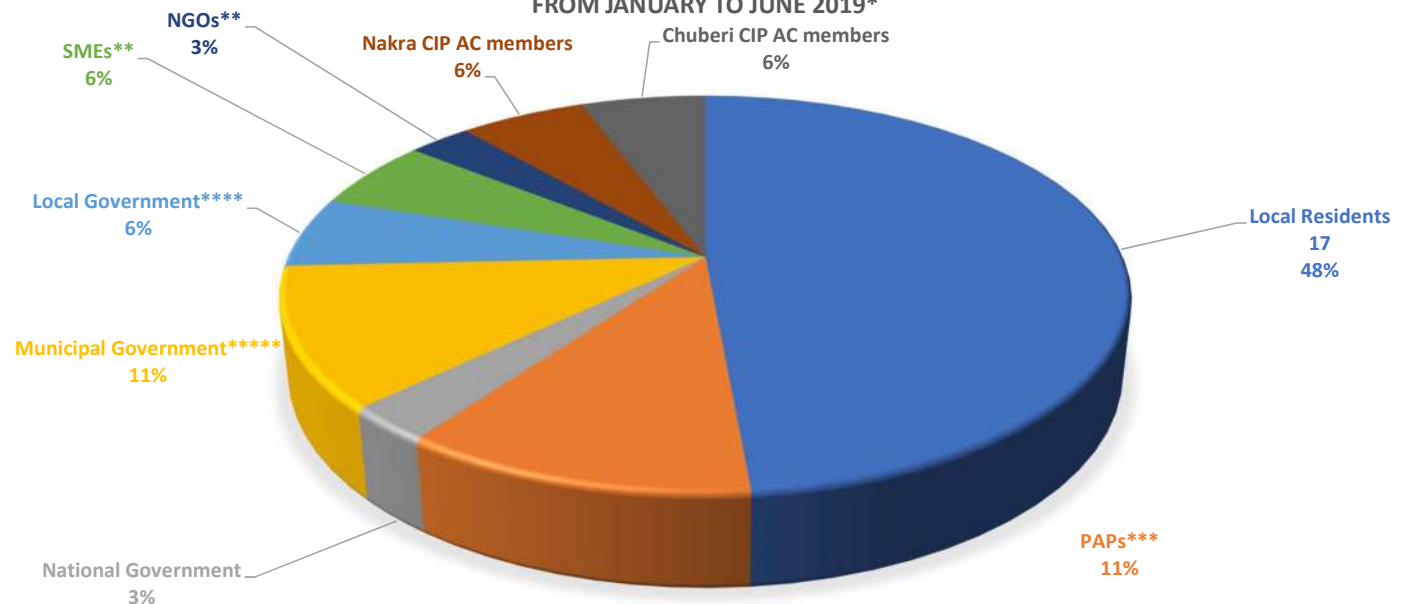
**SME and NGO engagements include potential partners for social enterprise development in Nenskra and Nakra Valleys.

*** Additional meetings with PAPs were held during negotiation on compensation packages under LALRP, which are not included in the count of meetings held in the graph

****Local Government involves the Chuberi and Nakra Local Trustees

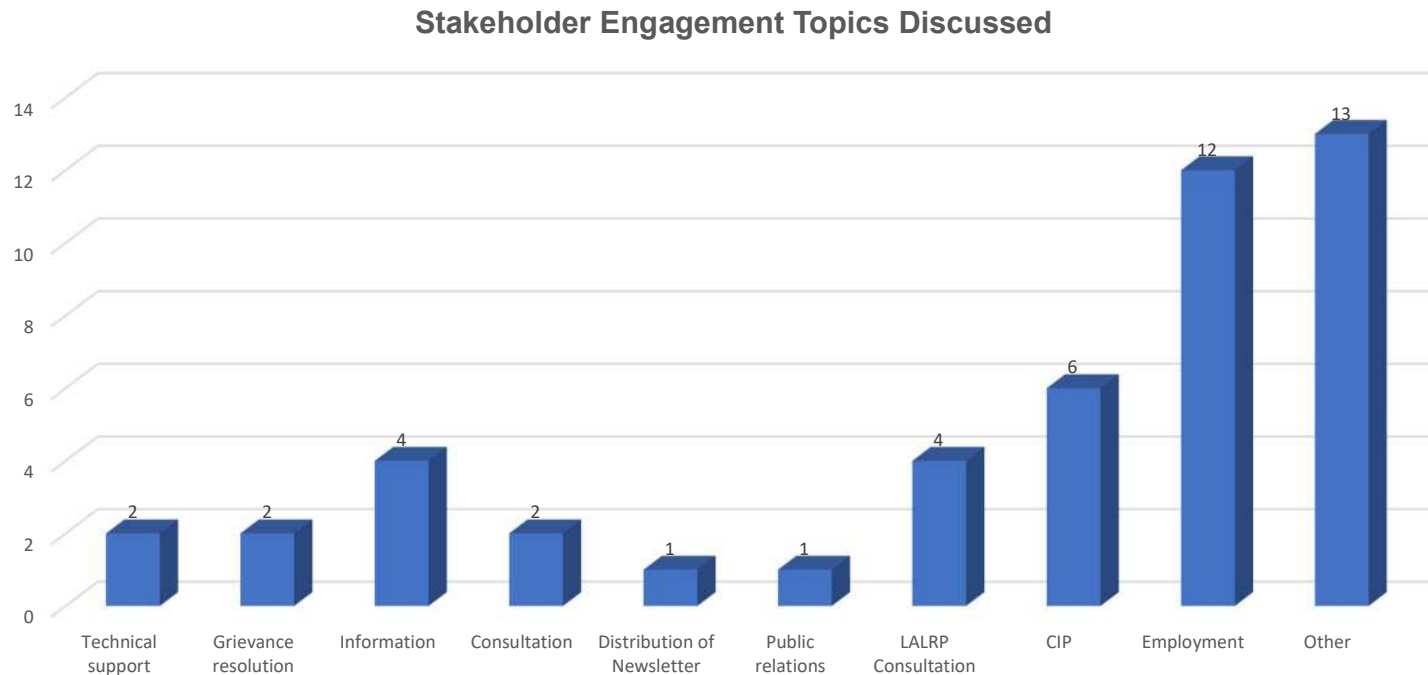
*****Municipal Government involves the Mestia Municipality

STAKEHOLDER ENGAGEMENT METRICS
FROM JANUARY TO JUNE 2019*

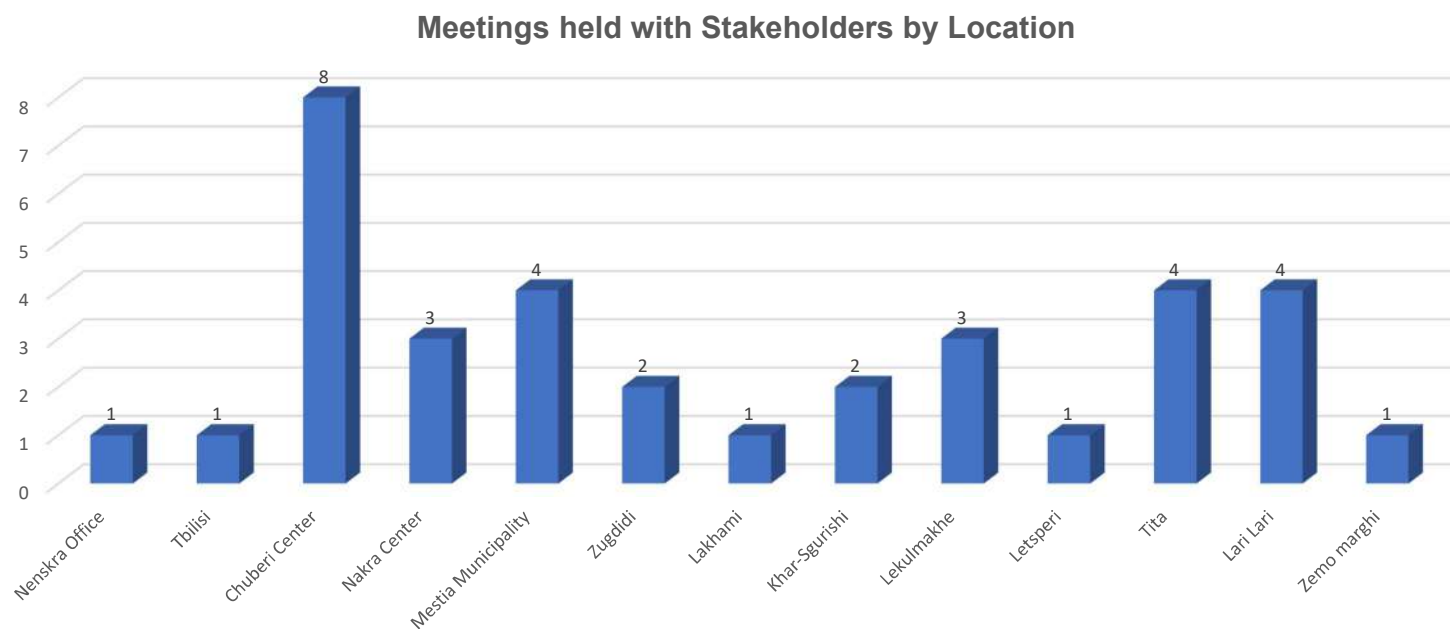


Key stakeholder meetings – topics discussed in January to June 2019

- Total number of meetings held = 35 (total of 448 persons, comprising 125 women 27.9%)



Meetings with Stakeholders by Location – January to June 2019



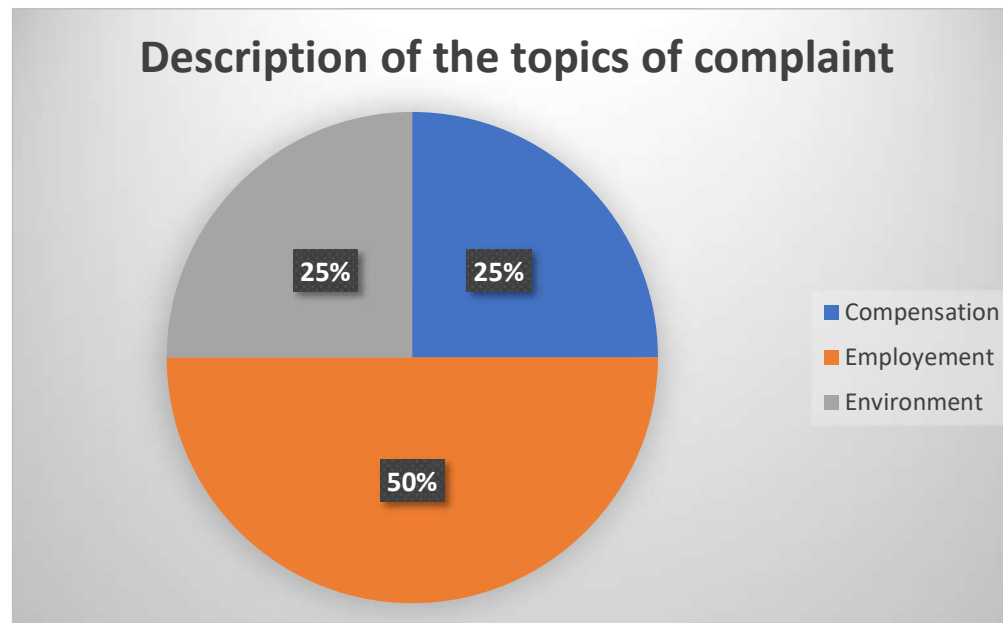
Reporting on Social Monitoring*

- Weekly and Monthly Social Monitoring Reports
- Fortnightly Excel® Communication Log Update
- Fortnightly Excel® Community Requests Log Update
- Fortnightly Excel® Grievances Log Update

*Copy of the Logs may be requested from JSC Nenskra Hydro Social Team through a formal written request.

Grievance Redress Mechanism

- Record of grievances received = 4 (GR033 to GR036, refer to Grievance Log)
- Closed out =1 (GR035 referring to Employment)



Local community engagement

- In February 2019, launched the three social development programs in Nenskra and Nakra Valleys: (1) Land survey and registration assistance program, (2) Access to mechanization program, (3) Vocational skills training program.





Collaboration with Mestia Municipality Mayor
and JSCNH CEO and Korean Ambassador



Nakra School Engagement in April 2019



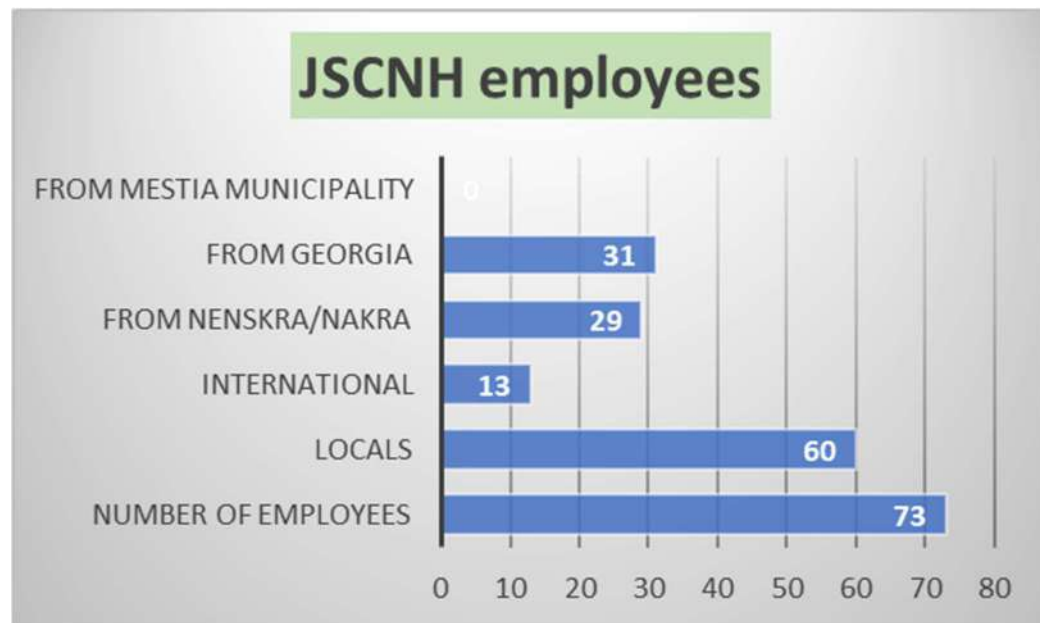
Engagement with Prime Minister Administration

Stakeholder engagement selected photos

Section 4

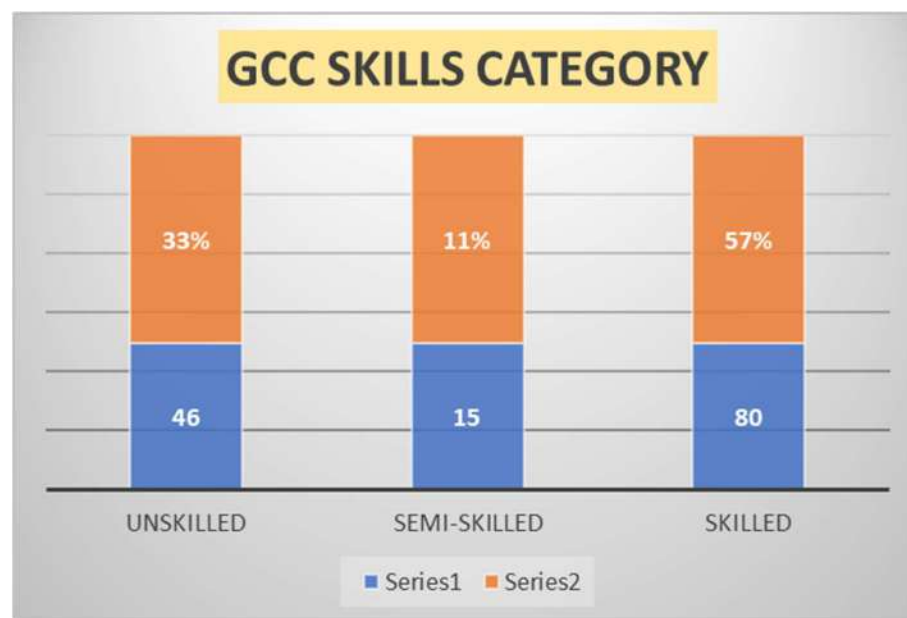
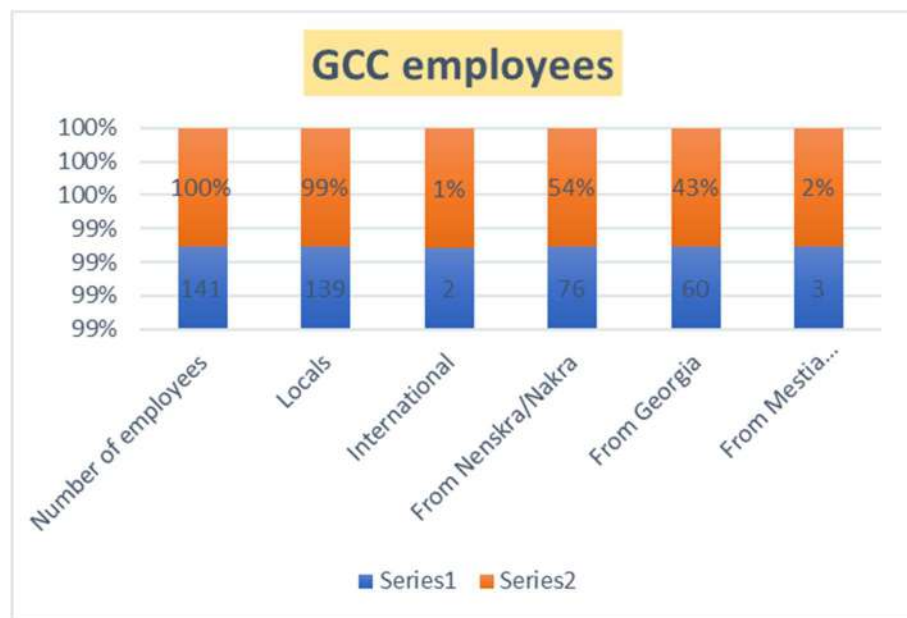
Local Employment Opportunities

Employment opportunities



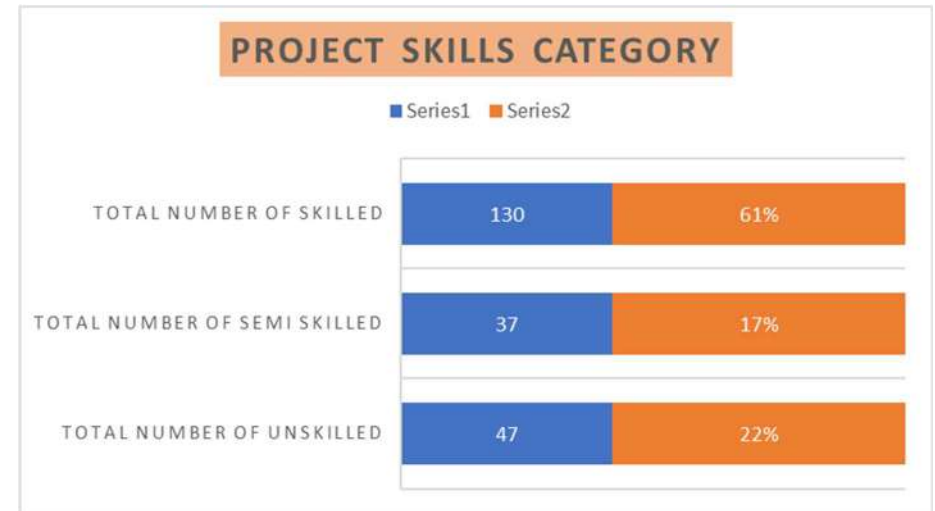
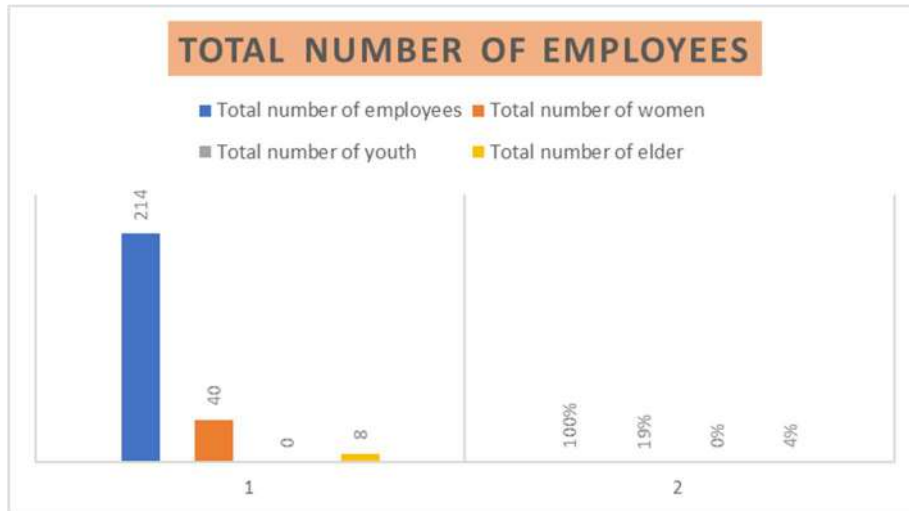
JSC Nenskra Hydro Employment Record as of June 2019

Employment opportunities



GCC Employment Record as of May 2019

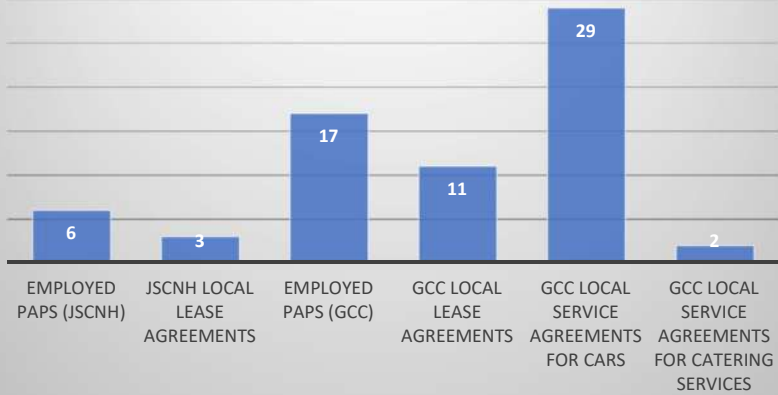
Employment opportunities



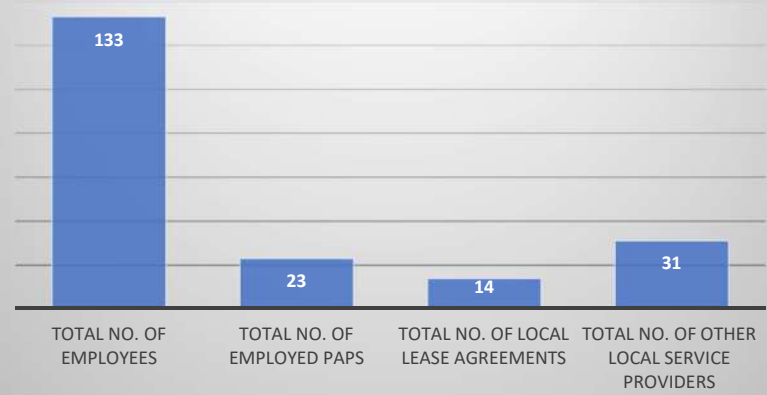
TOTAL Employment Record as of May/June 2019

Employment opportunities

JSCNH & GCC LOCAL BENEFICIARIES



LOCAL POPULATION BENEFICIARIES (TOTAL)



TOTAL Employment Record on PAP status and other opportunities as of May/June 2019

Section 5

Public Relations

Media and Communication Activities

- **Company-managed media:** Nenskra Website, Facebook, LinkedIn, YouTube, JSC NH Newsletter
- **Paid media:** TV Imedi (ranked #1 country-wide), TV Pirveli (ranked #3 country-wide), Commersant Media Holding (online media outlet and radio station), iPress Group (5 online media outlets), Palitra media (3 online media outlets), BM.GE (Georgian and English language online media outlets), Banks and Finances (online media outlet and a newspaper), Georgia Today (English language online media outlet and a newspaper) + 2 online media outlets to be added in August

From January to June 2019

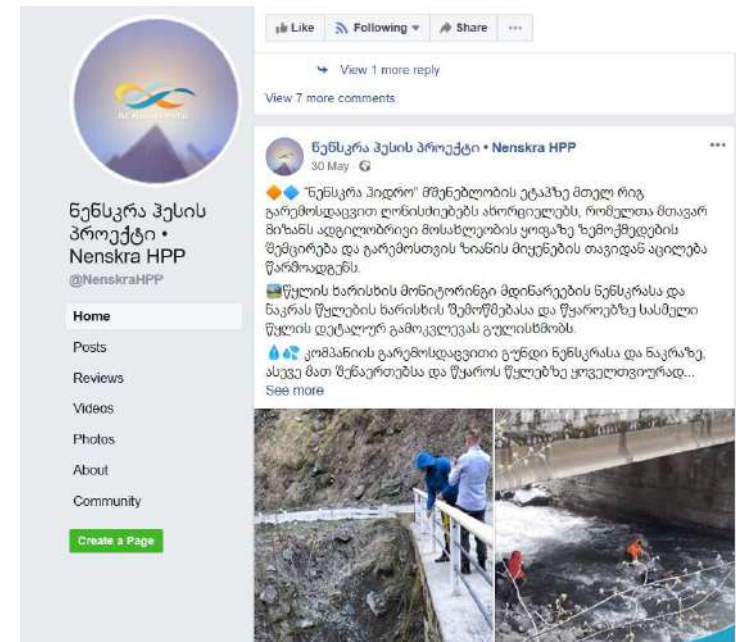
- 19 topics were initiated by JSC NH in the media (construction progress, social projects, environmental activities, taxes paid, local tourism promotion)
- 34 TV appearances were initiated
- 391 media appearances in total vs 261 media appearances in 2018
- 45 Facebook posts were published (construction progress, beneficiaries of social projects, environmental activities)

Media and Communication activities

Newsletter issued in June 2019 through door to door delivery. PR and Social Teams interviewed the household representative in regard awareness about the Nenskra HPP and social development programs.



LinkedIn and Facebook regular project updates (e.g. water quality monitoring in Nenskra and Nakra Rivers in May 2019).



Media and Communication activities

Interview with Mestia Municipality Mayor in June 2019 to inform the public about the total tax payment made by JSC Nenskra Hydro – amounting to GEL 3 million.



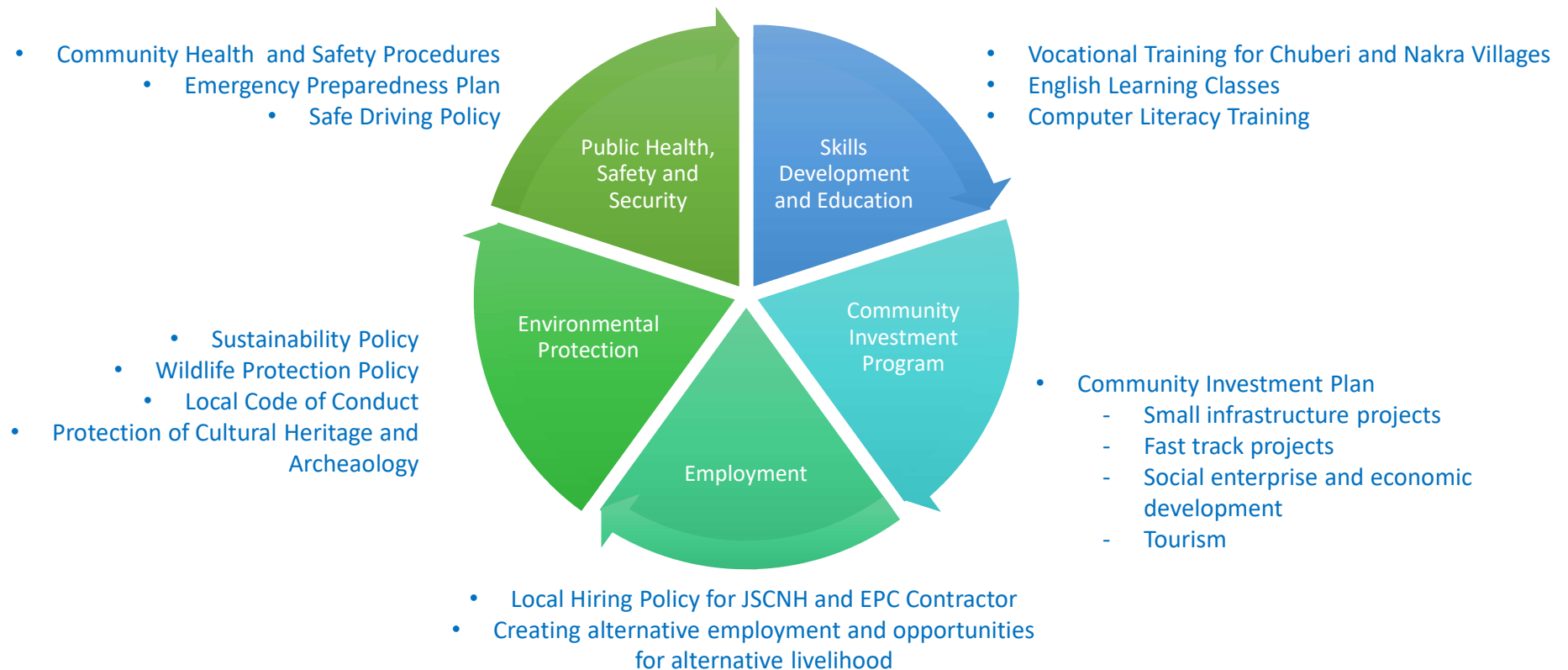
Interview with GCC HSE Manager in June to provide update to the media on ongoing construction works in Nenskra Valley (following high seasonal flow event on 6th/7th June 2019).



Section 6

Corporate Social Responsibility (CSR) and Community Investment Program (CIP)

Corporate Social Responsibility – key focus areas



Corporate Social Responsibility (CSR)

- JSC Nenskra Hydro Social and PR Teams held an internal workshop on 13-14 June 2019 to help focus and develop the CSR plan for Q3 and Q4 of 2019.
- The following CSR areas were underlined:
 - Environmental protection
 - Public health, safety and security
 - Sustainability through local SME development and value chain creation
 - Education and skills development, and enhancement of the local employment
 - Cultural heritage protection
 - Infrastructure improvement

Action Plan 2019 – Infrastructure

PROJECTS / NENSKRA	STATUS
Lile Sport & Cultural Complex Rehabilitation	Procurement being finalized as of end of June 2019
Ambulatory rehabilitation	Procurement being finalized as of end of June 2019
Mzhave Tskali mineral water pump room	Procurement being finalized as of end of June 2019
Lakhami Kindergarten Lease payment	Approved for procurement
Access to Mechanization Project	Ongoing and regularly monitored

PROJECT / NAKRA	STATUS
Rehabilitation of the school building	CIP-AC request
Riverbank protection works	Approved for procurement
Water supply system	Approved for procurement
Mineral water supply arrangement	CIP-AC request
Construction of the multi-functional facility	CIP-AC request
Construction of the central road in Kichkhulda	CIP-AC request

Action Plan 2019 – Education and Vocational Trainings

PROJECT	VALLEY	STATUS
English learning classes	Nenskra / Nakra	Ongoing
Computer skills training	Nenskra / Nakra	Started in June 2019
Heavy machinery operators vocational training program	Nenskra / Nakra	Ongoing
Tourism and hospitality vocational training	Nenskra / Nakra	Concept development
School handball teams' uniform sponsorship	Nenskra / Nakra	CIP-AC request
Educational Project Khar-Sgurishi School – “Tame the Book”	Nenskra	CIP-AC request

Action Plan 2019 – SME Development

PROJECT	VALLEY	STATUS
Lari-Lari agricultural cooperative support – supply chain from greenhouse to JSC NH camp cafeteria	Nenskra	Ongoing, cooperation with Pro-Mestia on greenhouse establishment
Chuberi agricultural cooperative support	Nenskra	Ongoing, cooperative registration completed
Lushnu Qor social enterprise support – fund rising	Nenskra	Ongoing, social enterprise established, link to market to be supported
Land Survey and Registration Assistance Project	Nenskra / Nakra	Ongoing, land registration support to help establish local businesses

Action Plan 2019 – Environment

PROJECT	VALLEY	STATUS
Waste management and sanitation	Nenskra	Concept development

Action Plan 2019 – Cultural Heritage and Sports

PROJECT	VALLEY	STATUS
Lushnu Qor social enterprise support – produces Svanetian salt – fund raising	Nenskra	Ongoing, link to market
Folk costumes sponsorship	Nenskra	Completed
Restoration of family towers	Nakra	CIP-AC request
Sponsorship of volleyball sports team uniforms and supplies such as balls	Nenskra	CIP-AC request
School handball teams' uniform sponsorship	Nenskra / Nakra	CIP-AC request

Community Investment Program (CIP)

- CIP was formalized in November 2017.
- Two CIP Advisory Committees were formed – Nenskra and Nakra Valleys.
- In July to December 2018, the CIP/Social Team focused in re-establishing engagement with CIP representatives in Nenskra and Nakra following the flood event in July 2018. Key focus areas include:
 - Economic development and SME formation
 - Skills training
 - Small scale infrastructure projects
 - “Fast track” projects
- Consultations with the CIP Advisory Committee members were continued in January to June 2019.

CSR/CIP Activities: January to June 2019 Highlights

- As of June 2019, total of 376 beneficiaries were reached by JSCNH CSR and CIP Programs

Program	Beneficiaries from Nenskra Valley	Beneficiaries from Nakra Valley	Total Number of PAPs	TOTAL BENEFICIARIES
Land survey and registration assistance	96 households <ul style="list-style-type: none"> 23 cadastral drawings prepared 139 hectares surveyed 	To start in September 2019	5 PAPs	96 households
Access to mechanization	Registered 91 requests 54 fulfilled requests <ul style="list-style-type: none"> 11 Collective requests 43 Individual request 	Registered 3 requests (collective). <ul style="list-style-type: none"> None are fulfilled yet 	9 PAPs	54 fulfilled individual/collective requests
Vocational skills training	57 individuals: <ul style="list-style-type: none"> 23 certified heavy machinery operators 34 to be certified 	34 in total, out of which: <ul style="list-style-type: none"> 7 certified heavy machinery operators 27 to be certified 	9 PAPs	91 individuals
English learning lessons	126 beneficiaries since Nov 2017 <ul style="list-style-type: none"> 112 certified by TLC 	16 beneficiaries since Nov 2018 <ul style="list-style-type: none"> 12 certified by TLC 	9 PAPs	126 individuals
Computer skills training	<ul style="list-style-type: none"> 3 locals participated in "Training of Trainors" 6 participants 	Not started	1 PAP	9 individuals
TOTAL BENEFICIARIES	342 beneficiaries	50 beneficiaries	33 PAPs	376 beneficiaries

CSR/CIP Activities: January to June 2019 Highlights

Access to mechanization support



Land survey and registration assistance



Practical training on heavy machinery operation



Social Development Programs initiated by JSC Nenskra Hydro



Support to Culture and Sports



Collaboration with Pro-Mestia
Greenhouse Establishment



Sponsorship of Chuberi School
Chorus costumes

Corporate social responsibility and Community investment programs

CSR/CIP Activities: January to June 2019 Highlights

- In March 2019, Social Manager engaged with the CIP Advisory Committee Members to identify and prioritize community projects in Nenskra and Nakra Valleys. Disclosure of budget spending and planning for 2019 were among the topics discussed.



CSR/CIP Activities: January to June 2019 Highlights

- English learning classes in Nenskra, Nakra and Khari continued. Computer skills training started in June 2019 at Khar-Sgurishi.



CSR/CIP Activities: January to June 2019 Highlights

- CIP Officer engagement activities to finalize MoU with CIP Advisory Committee in Nenskra Valley, and with school children in Chuberi for traditional costume sponsorship.



CIP Activities: January to June 2019 Highlights

Summary of CIP Expenses				as at 30 June 2019
	Category	Code	Category	Amount
Nenskra	CIP 2. (Delivering Community Investment)	[OC-49]	(OC-49) Investments in the health sector	\$ -
		[OC-50]	(OC-50) Internal Roads	\$ 5,399.46
		[OC-51]	(OC-51) Rehabilitation or Construction of Buildings	\$ -
		[OC-52]	(OC-52) Vocational training and skills development	\$ 28,135.10
		[OC-53]	(OC-53) Agriculture and livestock support	\$ -
		[OC-54]	(OC-54) Tourism enhancement	\$ -
		[OC-55]	(OC-55) Support to the preservation of Intangible Cultural Heritage	\$ 3,147.19
			Total in Nenskra	\$ 36,681.75
	Category	Code	Category	Amount
Nakra	CIP 2. (Delivering Community Investment)	[OC-50]	(OC-50) Internal Roads	\$ -
		[OC-51]	(OC-51) Rehabilitation or Construction of Buildings	\$ 926.51
		[OC-52]	(OC-52) Vocational training and skills development	\$ 9,283.43
		[OC-53]	(OC-53) Agriculture and livestock support	\$ -
		[OC-54]	(OC-54) Tourism enhancement	\$ -
		[OC-55]	(OC-55) Support to the preservation of Intangible Cultural Heritage	\$ -
			Total in Nakra	\$ 10,209.94
Grand Total				\$ 46,891.69

JSC Nenskra Hydro spent ~USD 47,000 from 01 January to 30 June 2019

- Most of the projects were requested from the CIP-AC Committee and approved by the JSCNH Executive Management.
- For Q3-Q4 of 2019, CIP AC and JSCNH will implement the following projects:
 - ☐ Full Rehabilitation of Sport and Cultural house "Lile" in Chuberi
 - ☐ Full Rehabilitation of Ambulatory clinic Building in Chuberi
 - ☐ Demolish and Build a New Multi-functional building in Nakra
 - ☐ Water supply in Nakra



Section 7

Environment and Biodiversity

Environmental Monitoring Activities in January to June 2019

- Water Monitoring – Monthly from January until June 2019
- River Ecology Monitoring – April 2019
- Brown Bear Monitoring – May 2019 (continuation of survey carried out in November 2018)
- Noise and Vibration Monitoring – June 2019
- Biodiversity Survey for PSL – June 2019
- Development of River Discharge Monitoring System for the Nenskra and Nakra Rivers – Continuously from April until June 2019
- Monitoring of Weather Data in Nenskra and Nakra Valleys – Continuously from January until June 2019
- Training on Cultural Heritage and Chance Find Procedure – January 2019
- Birds Nest Survey for Dam Camp and Technical Installation Area – April 2019
- Tree Survey at Disposal Area 12, Powerhouse and Serpentine Road Area – May-June 2019

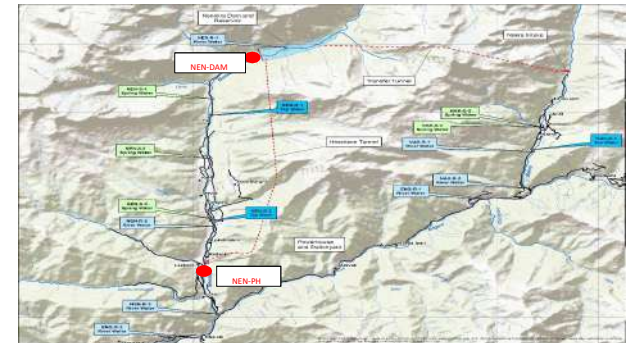
Baseline Monthly Water Quality Monitoring

❖ Total 17 Locations:

- Five on Nenskra River
- Two on Nakra River
- Two on Enguri River
- Three on Springs in Nenskra Valley
- Two on Springs in Nakra Valley
- Two Household Sources in Nenskra Valley
- One Household Source in Nakra Valley

❖ Parameters measured (baseline in-situ monitoring):

- pH
- Temperature
- Turbidity
- Dissolved oxygen
- Conductivity



1. Water Sampling Locations on the Map



2. Nenskra River



3. Nakra River

Fish, Invertebrates and Otter Survey

- ✓ In Spring April 2019, Blue Rivers was commissioned to continue river ecological survey in Nenskra River from confluence with Enguri up to 6 km upstream to the future impoundments structure (dam) and Nakra River from confluence with Enguri up to 2 km upstream of the proposed impoundments structure location.
- ✓ The survey established fish diversity and abundance, otter presence and invertebrates' diversity in the Project Area, including river stream, bed and bank hydro-morphological survey.
- ✓ The Blue Rivers Fish, Invertebrates, and Otter Survey Report for Spring 2019 will be made available in JSC Nenskra Hydro Website in July 2019.



Monitoring station in Nenskra River – April 2019



Monitoring station in Nakra River – April 2019

Brown Bear Monitoring

- Brown Bear Monitoring survey was continued in Spring May 2019
- Seven transects walked, total length 67.1km
- Recorded evidence of bear (e.g. prints, scats) and other mammals
- No samples were taken for DNA analysis
- Deployed five camera traps
- Monitoring report will be made available in JSC Nenskra Hydro Website in July 2019



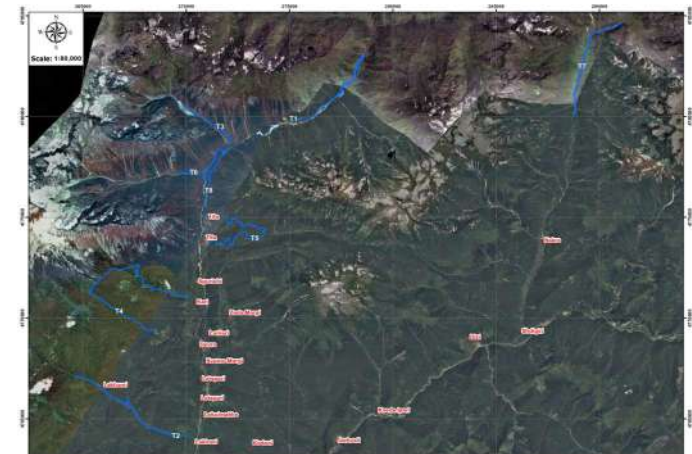
Installation of Camera Trap



Recording of Bear Footprints



Camera Traps Locations – June 2019



Bear Transects Map – June 2019

Noise and Vibration Monitoring

The purpose of the Noise Impact Assessment (NIA) is to assess whether construction noise/vibration and operational noise/vibration emissions from the Powerhouse Area, Powerhouse Temporary Technical Installation, “Blue Ravine” Disposal Area, Serpentine Road construction, Penstock Construction Area, Tunnel Exit Area, Bridge and Road Construction areas are in compliance with Georgian and IFC guidelines and standards.

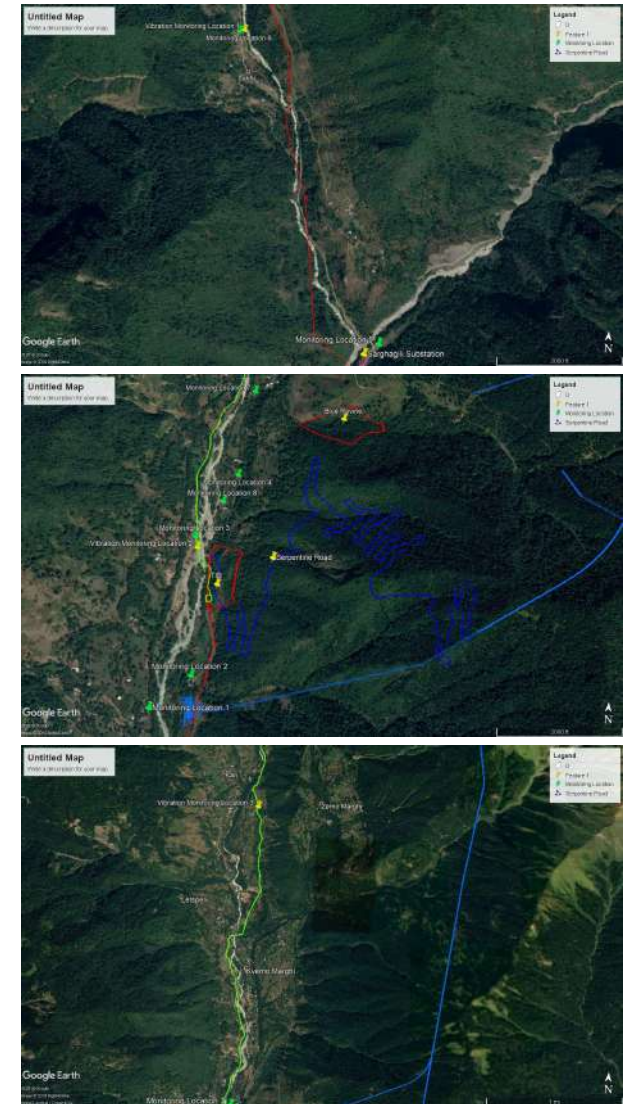
- Gathering noise level data and audio recordings of sufficient quality from 8 locations on 25 June to 1 July 2019
- Gathering baseline vibration levels at up to 3 locations
- Noting the soundscape at each location;
- Noting the weather conditions during the survey at each location;
- Noting how many equipment pass the road during the vibration monitoring;
- Noise Monitoring was conducted in an unattended position, by leaving microphones at each location over a 24-hour period.



Vibration Monitoring at Bridge N4 Area



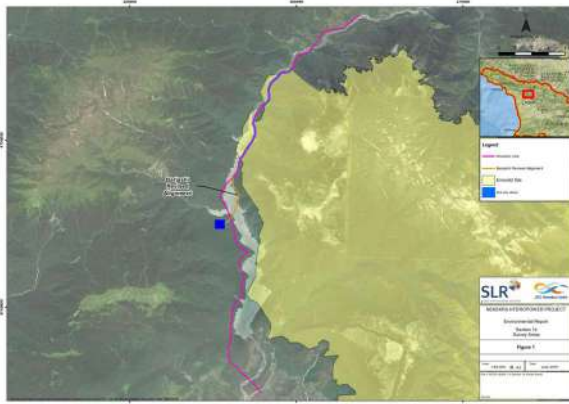
Noise Monitoring at Location N4



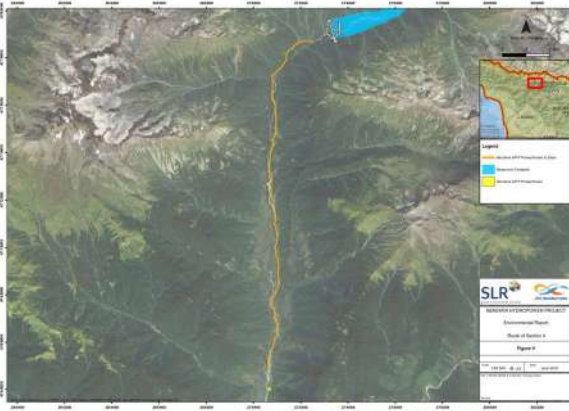
Noise and Vibration Monitoring Locations

Biodiversity Survey for Power Supply Line (PSL)

The construction of the PSL will cause localized impacts on the surrounding biodiversity. Surveys have been undertaken (Gergili, June 2018) and a local scoping report and national EIA report written.



PSL -Section 1b

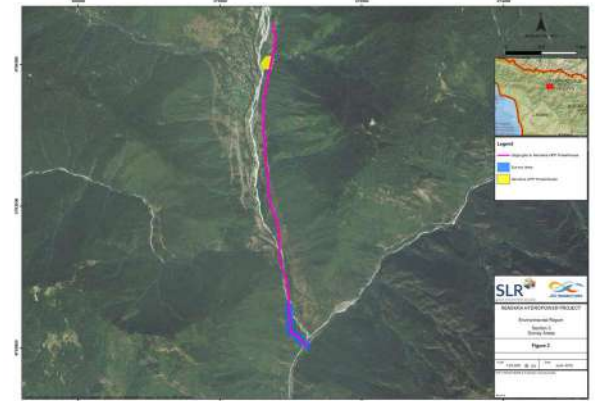


PSL – Section 4

- The study area for Section 1b is shown on Figure 1 - Jvari to Khudoni but is limited to: tower location T1 of the Barjashi realignment section with a 50 metre buffer; and the section of component 1b which passes through the Samegrelo candidate Emerald site. This section of the PSL exists and had been upgraded.
- The study area for Section 2 (Khudoni to Sagergila) will be limited to a corridor of 100m width (i.e. 50 metres either side), centred upon and running the length of the Khudoni Revised Alignment and the Khaishi Revised Alignment only. The survey areas are shown on Figure 2. This section of the PSL exists and shall be rehabilitated and upgraded.
- For Sections 3 the study area comprise a corridor of 100m width, centred upon and running the length of the PSL route from Sagergila to the point at which it crosses the Nenskra River. The survey area is shown in Figure 3. This will be a new power supply line to be shared with Lakhami SHPP transmission Line.
- For Section 4, the study area comprise a corridor of 25m width, centred upon the running length of the length of the PSL route. The survey area is shown on Figure 4. This will be a new power supply line and will share the same right-of-way as the existing road to avoid and minimize environmental and social impacts.



PSL - Section 2



PSL – Section 3

Development of River Discharge Monitoring System for the Nenskra and Nakra Rivers

- Topographical survey for the river cross-section including riverbed at the gauging stations are carried out.
- Discharge measurement will be executed maximum 20 times in a year.
- Discharge measurement will represent each flow regime (i.e. low, medium and high flow regime).
- Rating Curve indicating the relationship between water stage and river discharge will be developed using field measurement.
- Installation of Automatic Hydrological Station includes water level radar sensor. System includes SMS warning function.



Automatic Hydrological Station on Nenskra River



Measurement of flow velocity on Nenskra River



Calculating of Rating Curve on Nenskra River



Automatic Hydrological Station on Nakra River

Monitoring of Weather Data in Nenskra and Nakra Valleys

Continuous monitoring of Weather Data from three different locations in Nenskra and Nakra Valleys:

- ✓ Automated Weather Station in Tita
- ✓ Automated Weather Station in Mashrichala
- ✓ Automated Weather Station in Nakra

The following data are recorded by Automated Weather Stations:

- ✓ Rainfall (mm/10min)
- ✓ Wind Speed (m/s)
- ✓ Wind Direction (°)
- ✓ Temperature (°C)
- ✓ Pressure (hPa)
- ✓ Humidity (%)



Automated Weather Station in Tita



Automated Weather Station in Nakra



Automated Weather Station in Mashrichala

Training on Cultural Heritage and Chance Find Procedure

The Training on Cultural Heritage and Chance Find Procedure was provided to JSC NH, Stucky and GCC employees in January 2019.

The following topics were discussed:

- Introduction and definitions of cultural heritage.
- Brief summary regarding cultural heritage lender requirements and Georgian legislation regarding cultural heritage.
- Cultural heritage in Svaneti area.
- Chance Find Procedure.
- Present Nenskra project mapping of cultural heritage, including location, importance and type of cultural heritage and summary of the sites.



Training on Cultural Heritage in Tita Camp



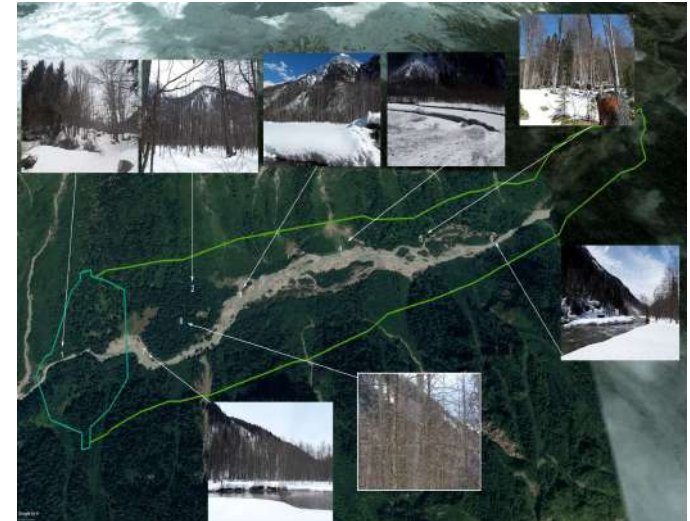
Training on Cultural Heritage and Chance Find in Tita Camp

Birds Nest Survey

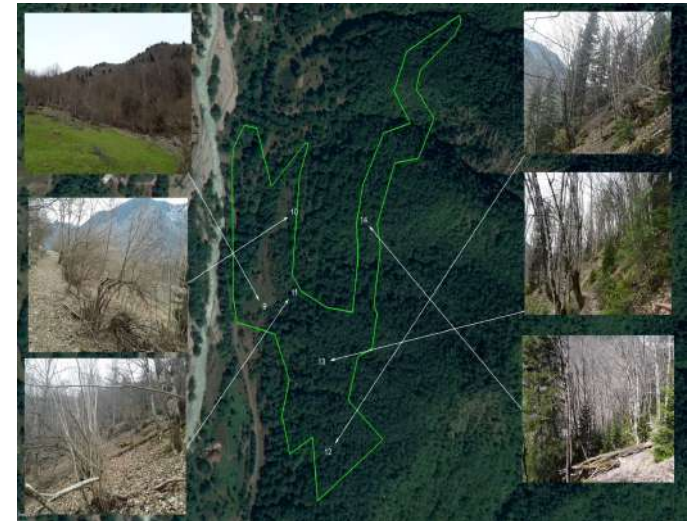
In April 2019, ornithology specialists undertook survey at the project affected areas during Emergency and Enabling works. The goal of the survey is to study the bird species distributed on the study area, and to confirm or disprove existence of the Red List species and predatory birds on the territory, as well as identification of active or inactive nests within the site.

Nesting Survey was conducted on the following areas:

- ☐ Adjacent Area to Dam
 - ☐ Impoundment Zone
 - ☐ Powerhouse Area
-
- ✓ According to survey results, existence of nesting of “Red List” species was not confirmed within the target area. They are only present for short periods during seasonal migration and nomading.
 - ✓ Nests of predatory birds and owls were not discovered in the work implementation areas.
 - ✓ Main core of inhabiting and nesting birds within the study area is represented by small passerines.
 - ✓ Most nesting species have not flown yet at the time of the survey.



Mapping of Bird Nest Survey at Dam Area



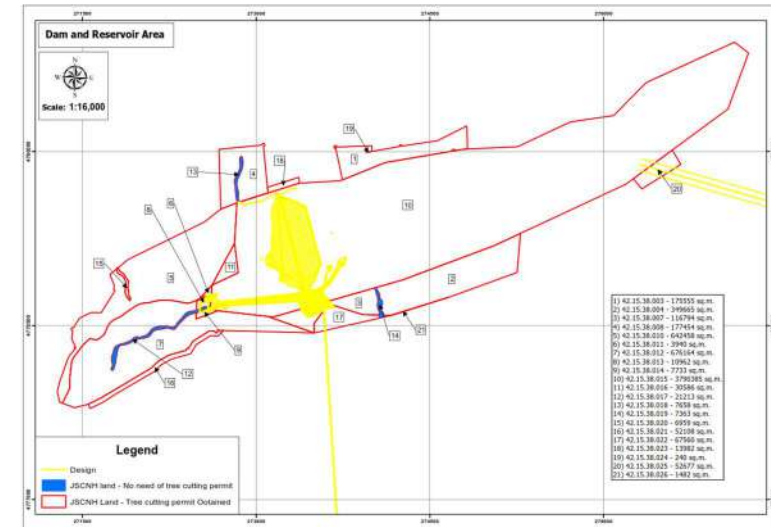
Mapping of Bird Nest Survey at Powerhouse Area

Tree Survey

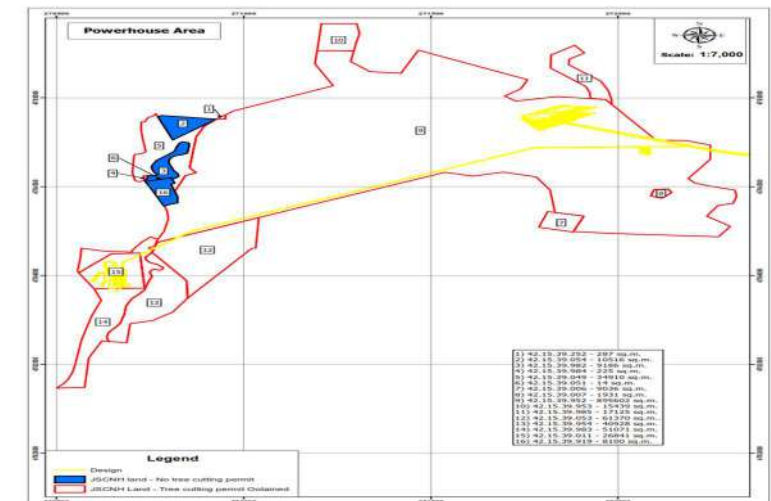
Tree Survey was conducted on the following areas from January until June:

- ❑ Disposal Area N12
- ❑ Powerhouse Area
- ❑ Serpentine Road Area

- ✓ The field works were carried out in accordance with the ordinance #179 of 17 July 2013 by the Government of Georgia “on approval of the rule for forest physical count, planning and monitoring”.
- ✓ The territory designated for construction of HPP was isolated from the adjacent territories according to the cadastral plans using GPS tools and the red tapes are tied at the border.
- ✓ The tree count was carried out according to the forestry blocks, stratum, cadastral plans and timber species.
- ✓ The method for counting was selected according to the root and model areas.
- ✓ Tree Survey Report was prepared containing the data of tree and bush registration by blocks, strata, sketches and cadastral plans.



Tree Cutting Permit Map Design at Dam & Reservoir Area



Tree Cutting Permit Map Design at Powerhouse Area

Natural Hazard Risk Assessment

- Consultation regarding Natural Hazard Risk Assessment was carried out by the Emergency Management Services (EMS) under the Ministry of Internal Affairs in May 2019 according to the Government of Georgian regulations.
- Based on consultations made by the EMS, Emergency Preparedness Plan was developed as per GoG regulations.
- As per the EPP document, implementation of JSCNH's Emergency Rescue Team is required; and will be finalized in the second half of year 2019.





JSC Nenskra Hydro

Section 8

Land Acquisition and Livelihood Restoration Plan

Powerhouse Area (Permanent Structures)

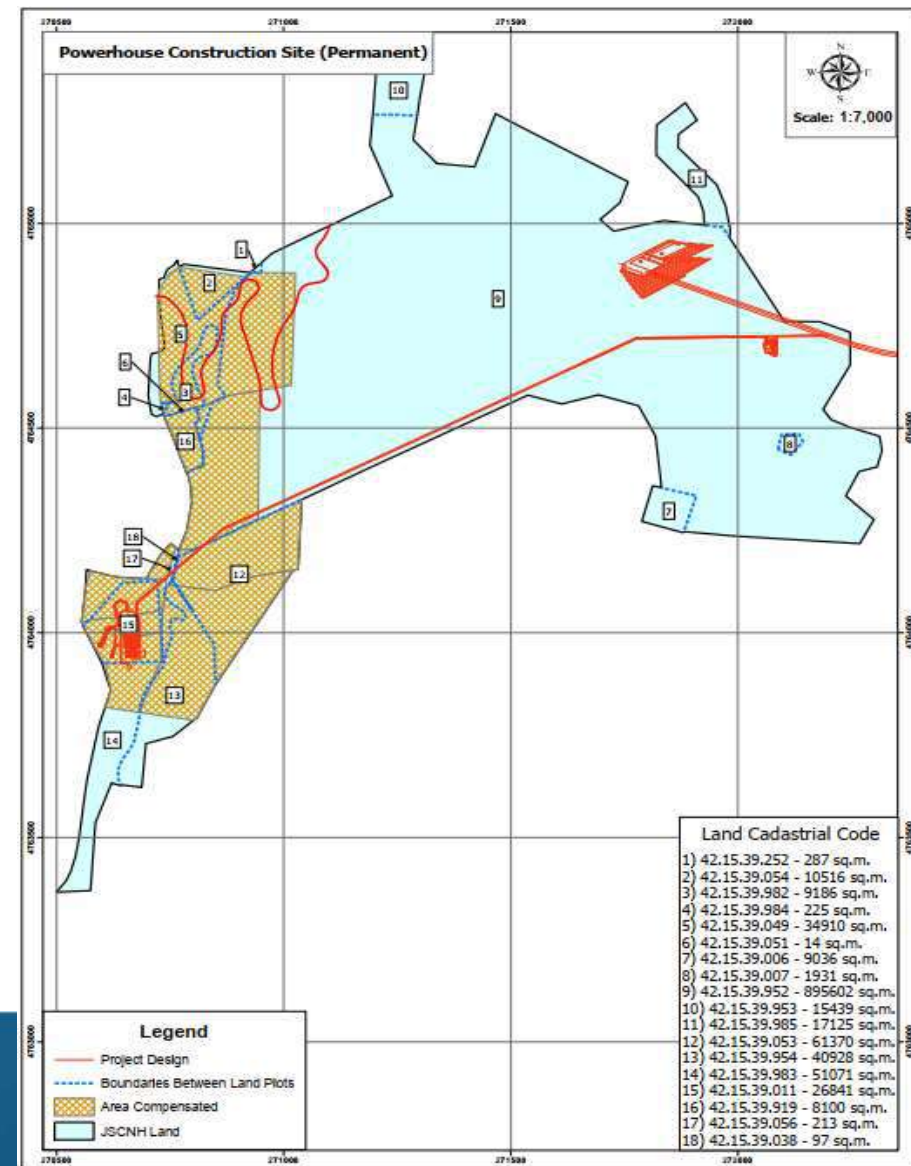
Area Description

(facilities to be constructed within the area):

- ☐ Powerhouse
- ☐ Penstock
- ☐ Serpentine Road to HRT
- ☐ Technical Installations

-
- ✓ Total area for the facilities listed above: 118.3 (ha)
 - ✓ Legal Right to Land – Obtained (100%)
 - ✓ Private Ownership – Compensated (100%)
 - ✓ Customary Rights – Compensated (100%)
-

No Pending Issues



Powerhouse Area (Temporary Structures)

Area Description (facilities to be constructed within the area):

Subcontractor's Area N1 (10027 m²) and N2 (7420 m²)

- ✓ Legal Right to Land – Obtained (100%)
- ✓ Private ownership – Compensated (100%)
- ✓ Customary Right – Compensated (100%)

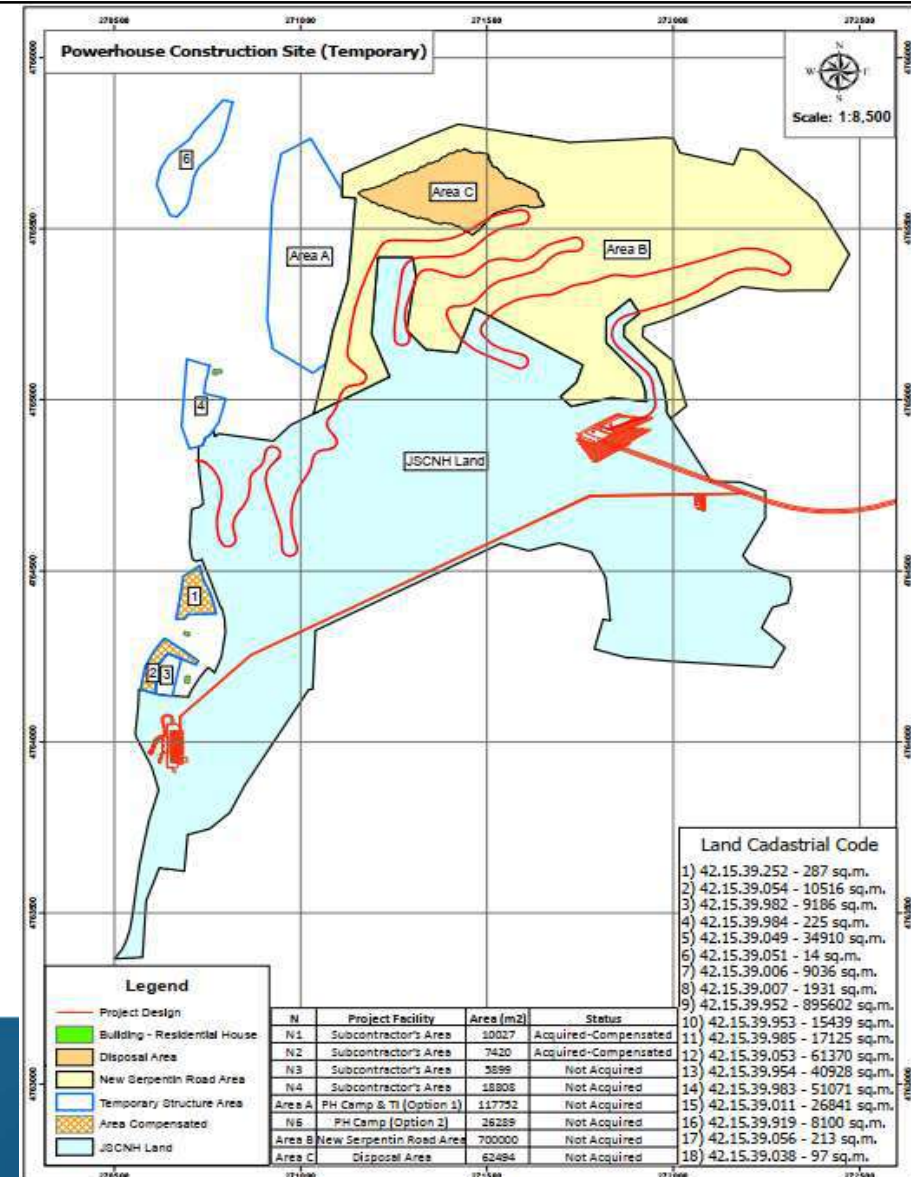
No Pending Issues

Subcontractor's Area N3 (5899 m²) and N4 (20119 m²)

- ✓ Agreement with PAP - Reached
- Legal Right to Land – Not yet obtained
- Private Ownership – Not yet compensated

Pending Issues:

- Registration of Area N4
- Payment of compensation for N4 and N3



Powerhouse Area (Additional Area)

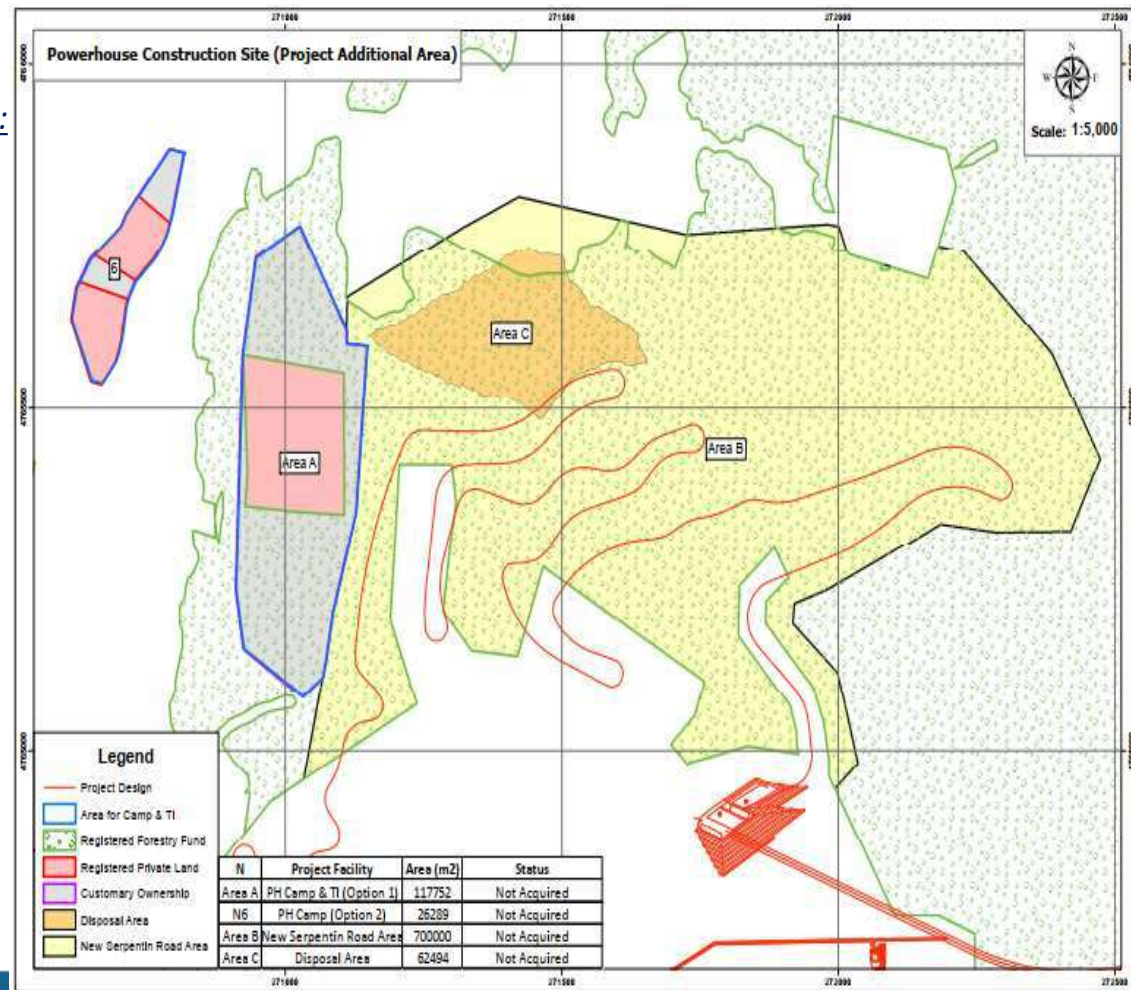
Area Description (facilities to be constructed within the area):

Total area for the facilities listed below: 74 (ha)

- Camp (Option 1) – Area 6
- Camp and Technical Installations (Option 2)– Area A
- New Serpentine Road – Area B
- Disposal Area – Area C

Pending Issues:

- Social Survey – to be done (On-going)
- Customary Right – to be defined and compensated
- Land Registration – to be registered (On-going)
- Land Transfer – Legal right to land



Dam and Reservoir Area (Permanent Structures)

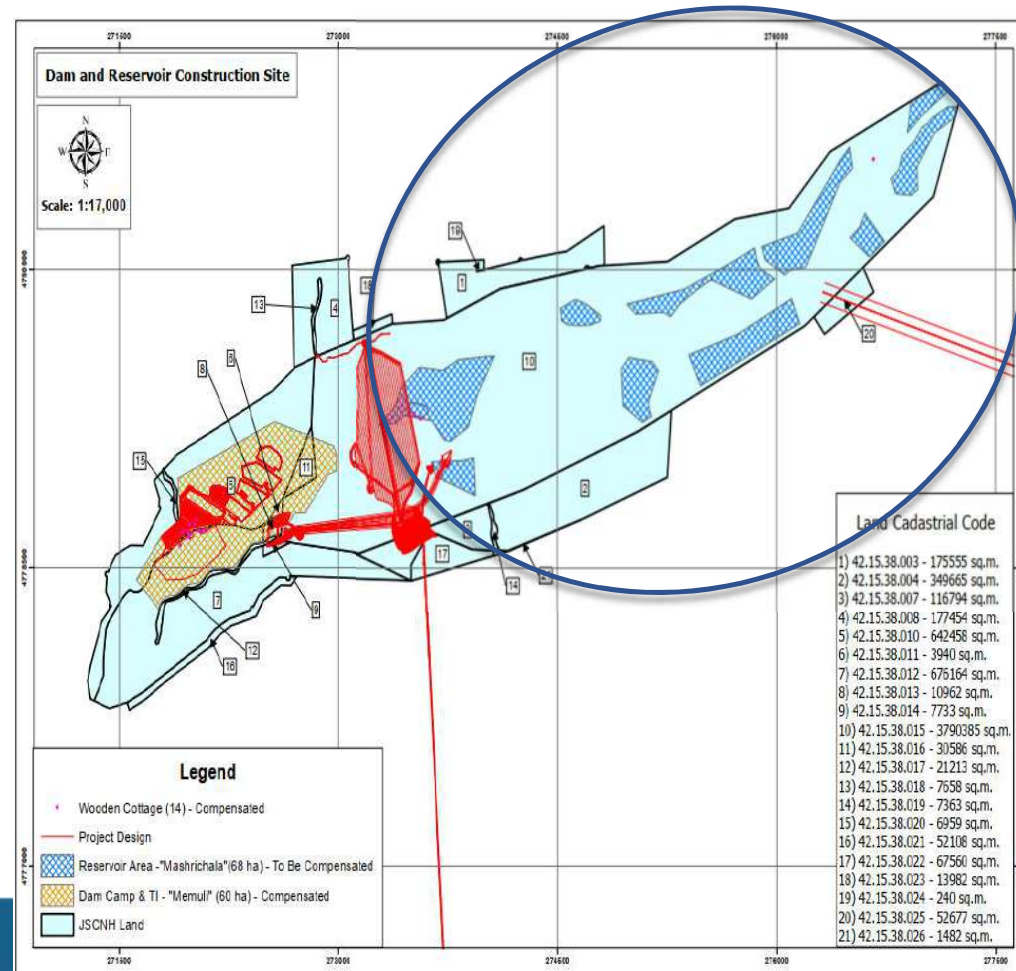
Area Description (facilities to be constructed within the area):

- ☐ Dam
- ☐ Reservoir

-
- ✓ Total area for the facilities listed above : 486.6 (ha)
 - ✓ Legal Right to Land – Obtained (100%)
 - Customary Rights – Not Yet Compensated
-

Pending Issues:

- The two group of families of village Sgurishi and Zeda Marghi who were claiming among themselves about the customary land rights, they reached verbal agreement to share land cash compensation with proportion 50/50
- They should present the written document (Agreement) they made and only after the compensation will be paid



Dam and Reservoir Area (Temporary Structures at “Memuli”)

Area Description

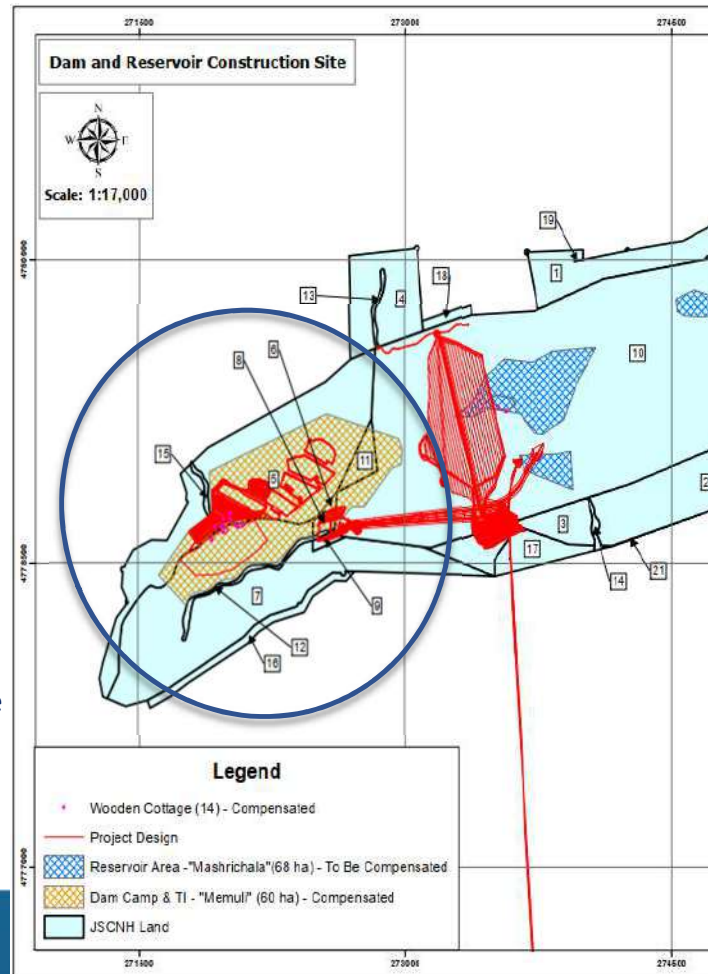
(facilities to be constructed within the area):

❑ Camp and Technical Installations

- ✓ Total Area: 134.9 (ha)
- ✓ Legal Right to Land – Obtained (100%)
- ✓ Customary Rights – Compensated (100%)

Pending Issues:

- The transitional supply of hay – Started and will be continued During 7 years;
- The construction of access road to alternative pasture;



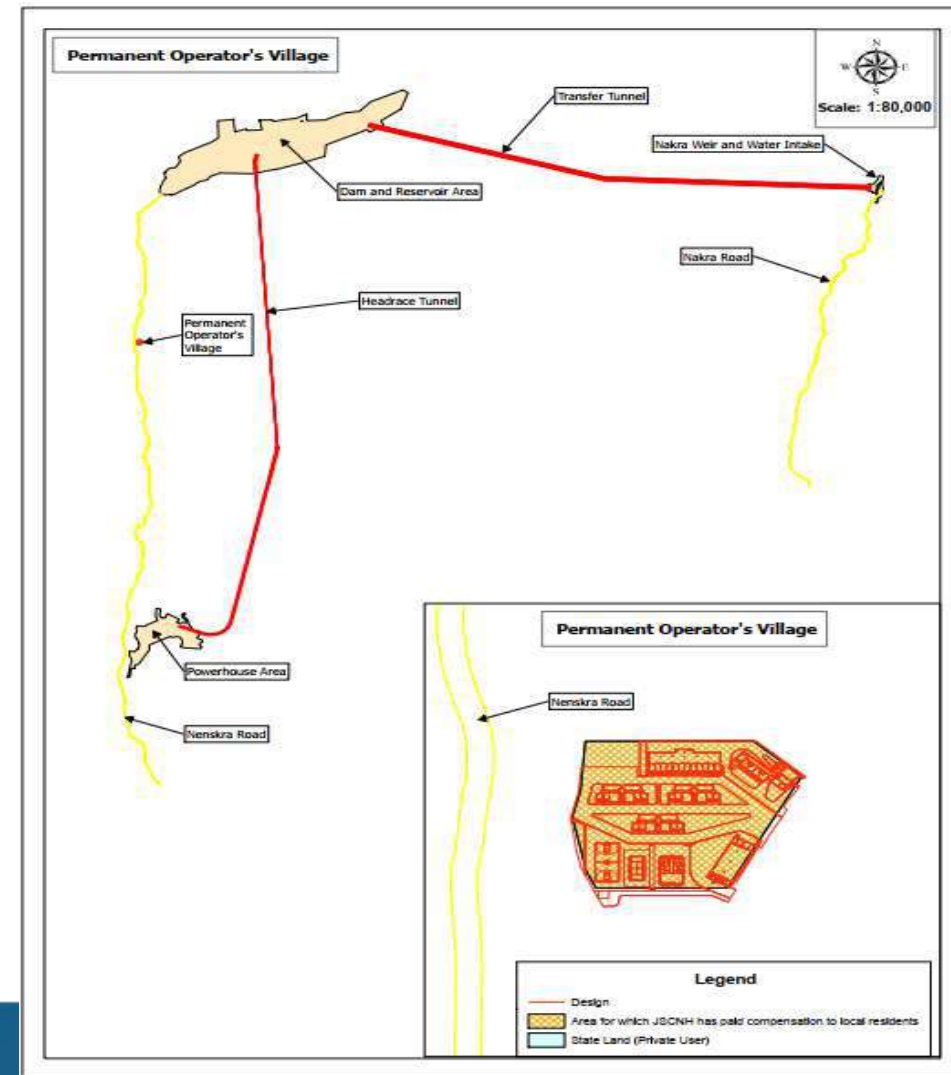
Permanent Operator's Village

Area Description (facilities to be constructed within the area):

□ Permanent Operator's Village

- ✓ Total Area: 1.2 (ha)
- ✓ Legal Right to Land – Obtained (100%)
- ✓ Customary Rights – Compensated (100%)

No Pending Issues



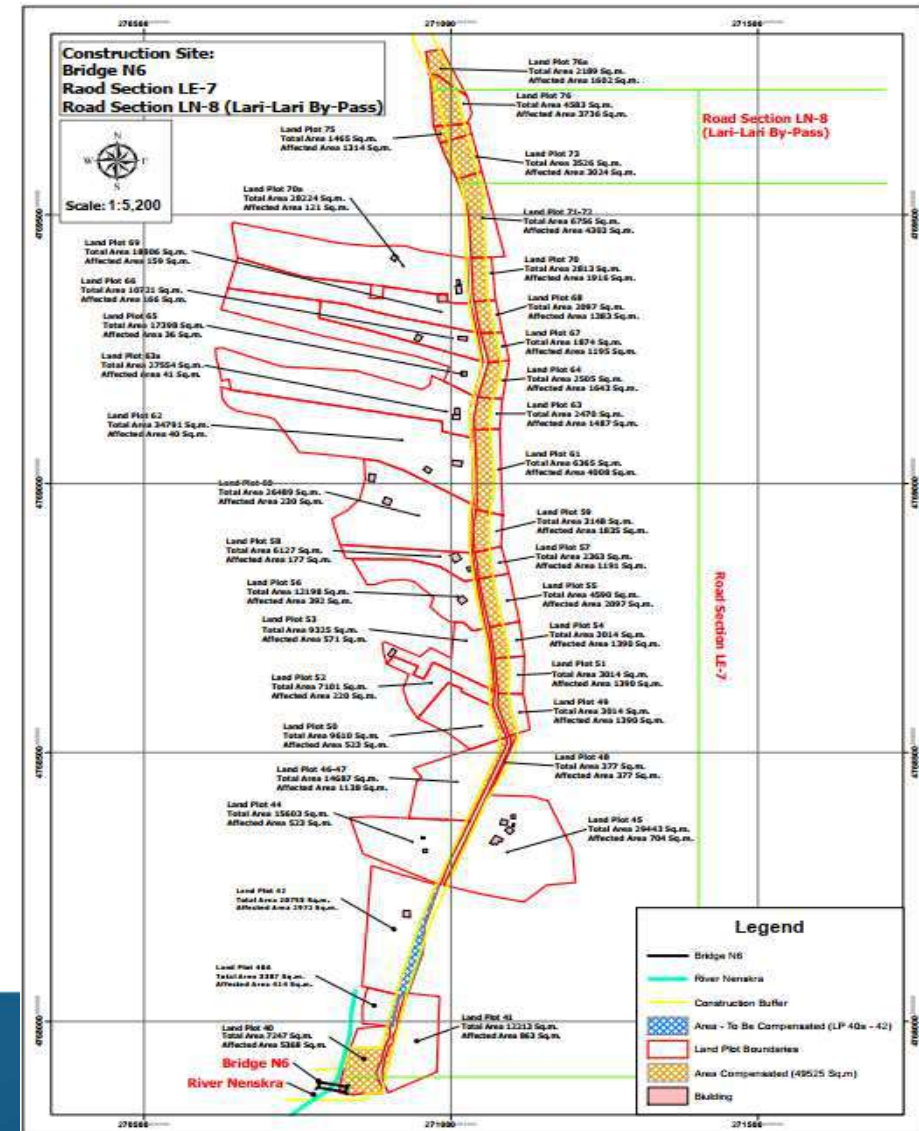
Bridge N6, Road LE-7 and LN-8 (Lari-Lari By-Pass)

Area Description (facilities to be constructed within the area):

- ❑ Bridge N6
- ❑ Road Section LE-7
- ❑ Road Section LE-8 (Lari-Lari By-pass)

-
- ✓ Total Area: 5 (ha)
 - ✓ Legal Right to Land – No need
 - ✓ Customary Rights – Compensated (100%)
-

No Pending Issues



Nakra Construction Area (Permanent)

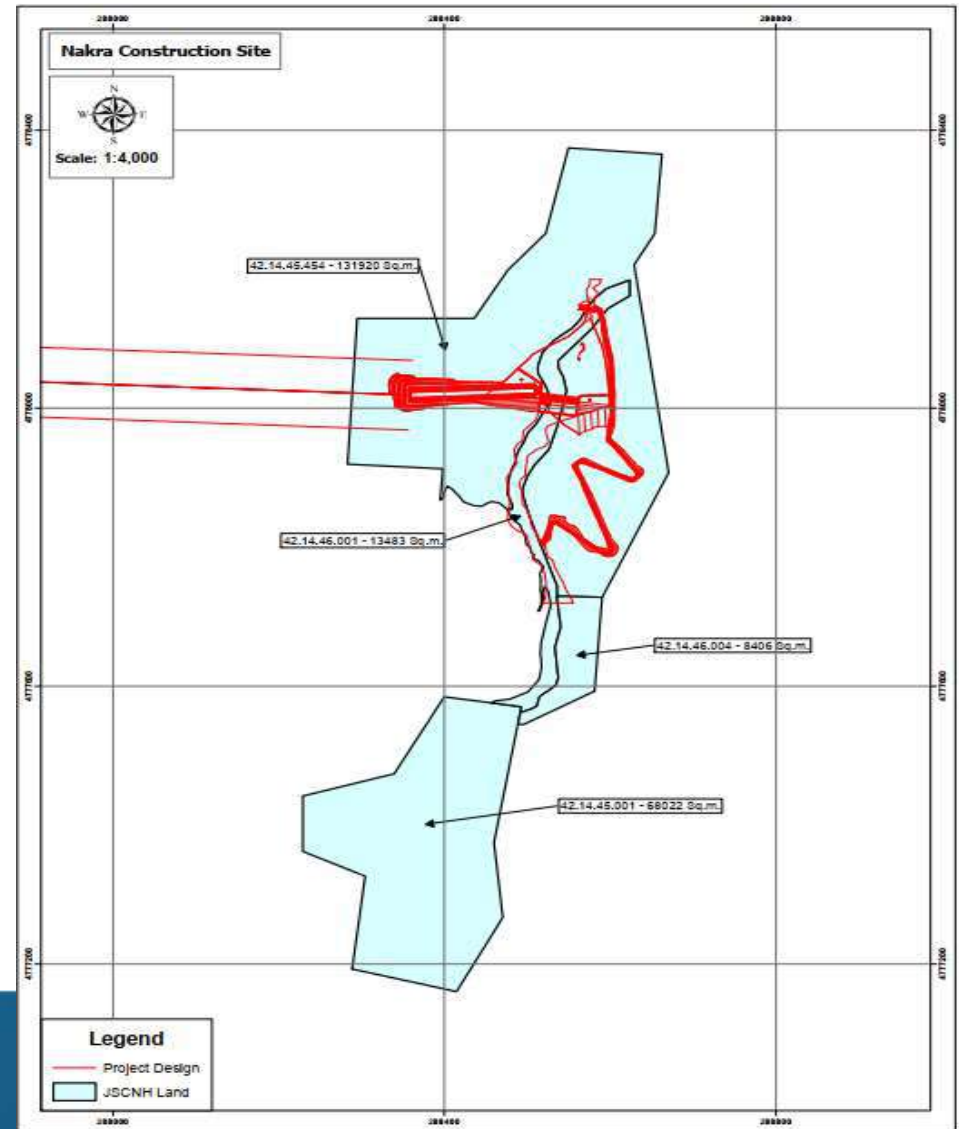
Area Description (facilities to be constructed within the area):

- Nakra Weir and Water Intake
- Fish Pass

-
- ✓ Total area for the facilities listed above – 22.2 (ha)
 - ✓ Legal Right to Land – Obtained (100%)
 - Customary Rights – Not Yet Compensated
-

Pending Issues:

- Process of the inventory survey – (On-going)
- Consultation with PAPs – (On-going)
- Memorandum of understanding – to be signed
- Customary rights – to be compensated



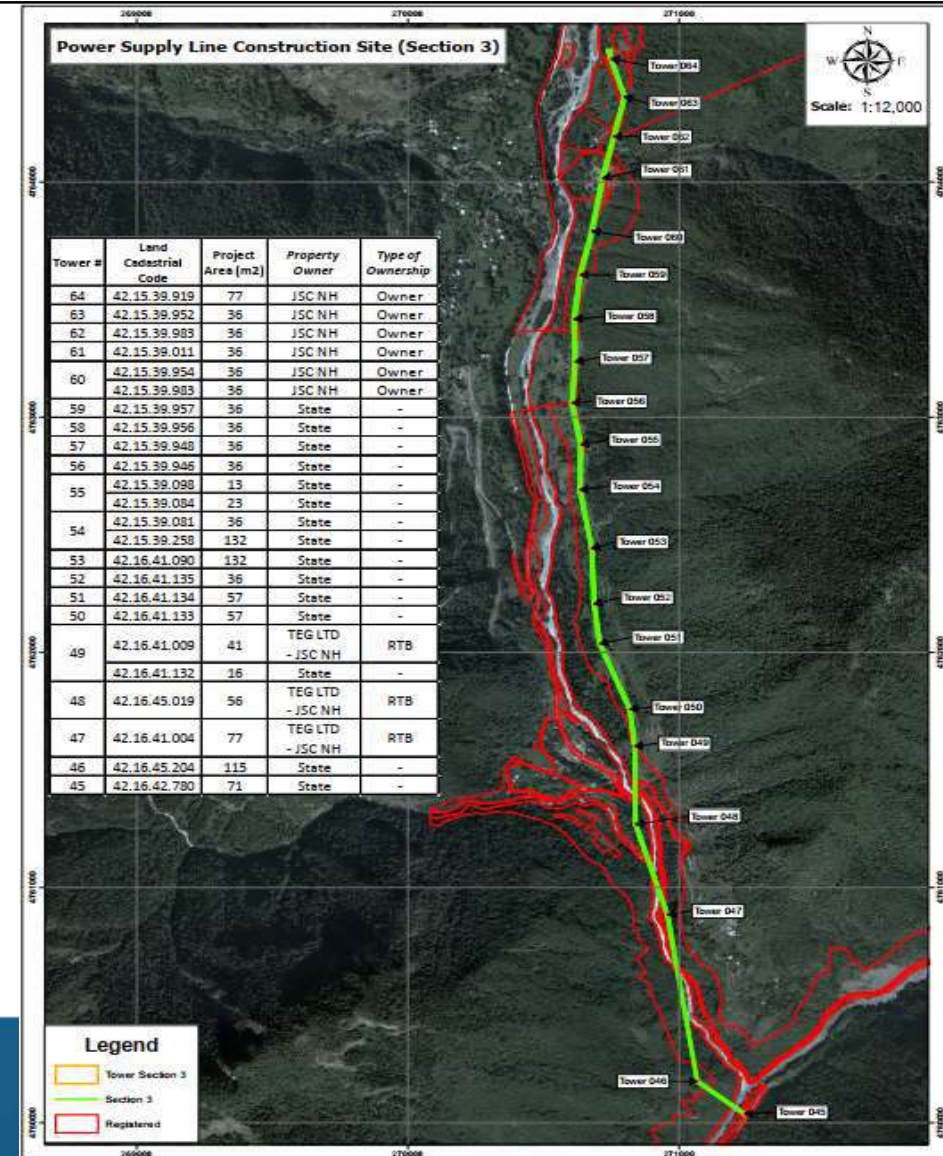
PSL (Section – 3) Construction Area

Area Description (facility to be constructed within the area):

☐ Power Supply Line

- ✓ Total Area: 0.12 (ha)
- ✓ Legal Right to Land – No need
- ✓ Customary Rights – No Customary Rights
- ✓ Land Ownership – Registered State Land

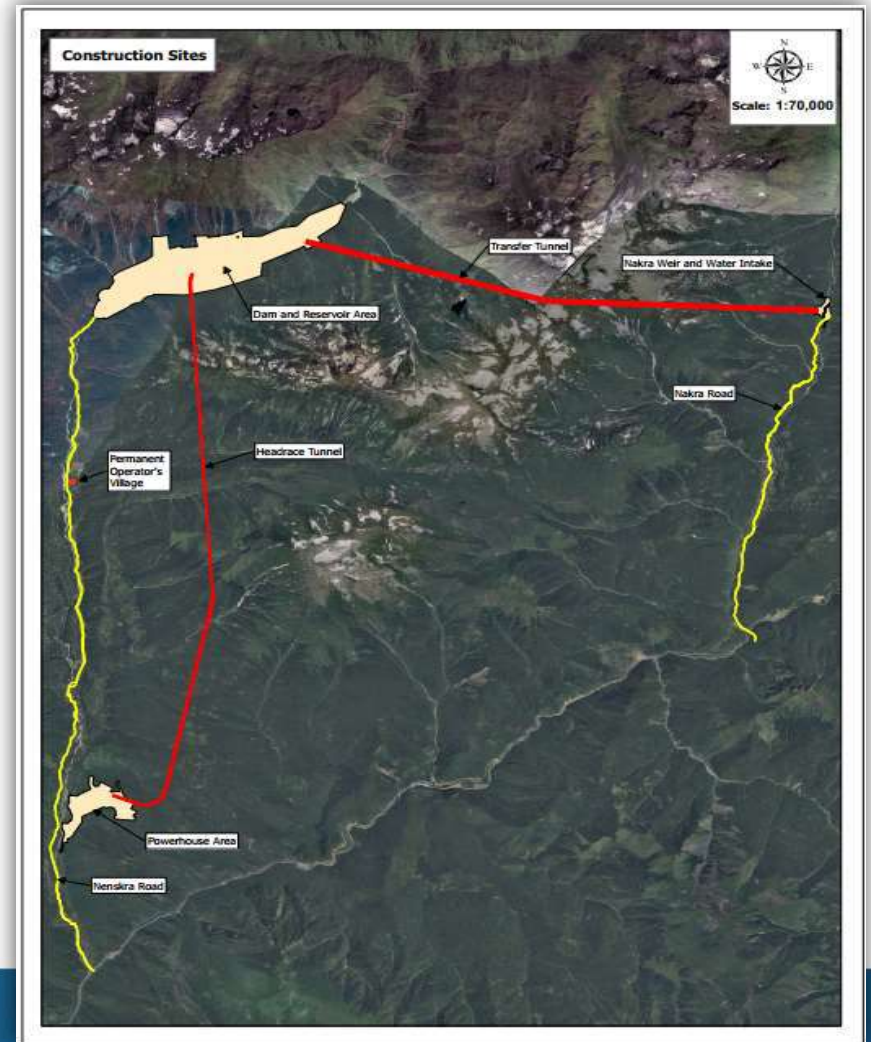
No Pending Issues



Summary

As of June 2019:

- ✓ Land area transferred to JSC NH – 765 (ha)
- ✓ Number of land plots acquired – 49
- ✓ Number of households compensated – 46
- ✓ Compensation Paid – GEL 3,509,029.00



Section 9

Health and Safety Monitoring

HSE Metrics– from January to June 2019

Good Practices Observed	42
Observation Notifications Issued	148
Non-Compliances Recorded	15

Section 10

Monitoring

External Monitoring in January to June 2019

- LESMC (Artelia) Monitoring Mission performed in March 2019.
- Lenders Resident E&S Personnel was commissioned in March 2019.
- Independent Advisory Panel members were commissioned – environmental and social advisors. First mission is scheduled in July 2019.

END