

Georgian Business Zone

Heathy Food Guarantees Longer Life!





Nino Zambakhidze

***Executive officer of Georgian
Business Zone***

Statement of executive officer:

Georgian Business zone with all the responsibilities is understanding the honor of being the member of such important organization as UN Global Compact. It is our greatest challenge and responsibility to fully comply with the 10 principles, which encompass protection of the rights of people and labor, reduction of harm to the environment and conduction of anti-corruption policies.

As an executive officer of GBZ, my aim with my team is to achieve high social responsibility within top management and employees. We are creating these 10 principles as part of our main strategy and ensure their effective implementation to protect and improve the rights of workers and maintain gender equality. Promoting anti-corruption policies and reduction of harm to the environment is one of my company's main components in decision-making.



Georgian Business zone strives to improve the mechanism for the evaluation of complaints, we are aware of responsibility and the importance of a good complaint handling system which gives the company an opportunity to improve the quality of our products, being a good tool for the maintenance of Good Manufacturing Practices and a way to establish a committed relationship with our customers. A systematic procedure must be developed and implemented in order to register and investigate each complaint received and not only the Quality Assurance area must be involved. This process must involve other critical areas such as Marketing, Production, Quality Control, Finance, Regulatory and Legal Affairs. As a result a stronger and more effective reaction towards these complaints becomes more and more adequate and timely, in accordance with the regulations of The Global Compact.

***GEORGIAN
BUSINESS ZONE***

***Gogebashvili #38
Tbilisi, Georgia***

***Akhaltsikhe, Georgia
Village Tsnisi***

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Another challenge for the company is to keep flexible and friendly working environment for employees, providing them with transparent & open communication which means discuss the organization's philosophy, mission and values, from time to time during retreats, meetings. to preserve work-life balance, to have some sort of balance between work and personal life. It's crucial to fulfill employees various needs and goals in life, such as those of family, friends, self-growth, etc..

We try to make our employees feel more comfortable, confident about themselves and perform their best at work. we are using the rewarding system for those employees who put in the effort for their work, this is promoting similar behaviors in the future. Sometimes even a simple verbal recognition by the supervisor is all that is necessary to spur the employees' motivation. Day by day We are creating strong team spirit, a sense of unity which is evoked in the team and employees will feel that they are main assets of the company. Our mission is to enhance fair and equal standards, thereby following the national laws (about human rights, professional health and safety, working rights, environmental protection and war against corruption).



GBZ strives to guarantee proactive inform interested parties (partners and clients) with the most needed news and changes regarding the activities. The company is still actively involved in some social activities, including the provision of poor children and elderly people living in shelters, with some food and other necessities.

The company is motivated to be aware of the latest regulations and norms in Agricultural sector and economy and is actively involved in the policy-making process. As an example, we can emphasize the process of implementation of Estonian Model of Profit Tax.

The company constantly monitors and adapts to international standards in order to satisfy Market and customer's needs. To keep the leading position in the market, the company has to follow the changes and approaches in business models and being adaptive.



- **RECOGNITION FOR HARD WORK AND STRONG TEAM SPIRIT**
- **Transparent & Open Communication**
- **Work-Life Balance**
- **Training & Development-Focused**



The company always takes into consideration the risks connected to professional health, human rights, working rights, environmental protection and fighting against corruption. The management always tries to pay more attention to those groups, on which the new changes can have a direct impact.

In order to facilitate more involvement of employees in protecting the principles of The Global Compact, the company convened a meeting with its employees and provides them with the necessary information about their responsibilities and duties, while also listened to their thoughts and ideas regarding the subject.

The company is actively trying to involve its business partners in the implementation process of principals of Global Compact with the aim to help the partners and providers to improve quality of their products and standards according to the fast change requirements of the market.

Georgian business zone is very proactive about the process of implementing the principles laid down by the Global Compact - revised strategy, new approaches and challenges the company faces every day. For the better involvement of interested parties in the social responsibility which leads to the improvement and development of the situation and living conditions in regions, Company is organizing regular meetings (once in a month) with business partners and regional self-governing agencies, in order to collectively deal with the issues that arise in those regions.

Despite that, our company is trying to do its best to be successful in the implementation of the main principals of the Global Compact, we cant say that we fully achieved our goals, but it is worth noting that a lot of work was done, we are becoming better and better every day with the aim to be the company with high sense of social responsibility because we feel an obligation to act for the benefit of society at large.

“Again the greatest use of a human was to be useful. Not to consume, not to watch, but to do something for someone else that improved their life, even for a few minutes.”

— Dave Eggers, A Hologram for the King



we are oriented on progress and strive to reach the main goal – protect the human rights, working rights, protect the environment and help promote anti-corruption policies



L.T.D. "Georgian Business Zone" was founded in 2008 and since then it has been implementing numerous agricultural projects in Georgia. There are 45 workers at the enterprise who offer services to 350 farmers. The enterprise works in accordance with international standards and has obtained ISO and HACCP certificates.

We are an agricultural company, based in Tbilisi but operating in Samtshe-Javakheti Region. Company is mostly involved in milk-processing business, as well as animal-husbandry and food-processing. It operates on 200 hectares of arable land of which some part is obtained by leasing.

We have ISO and HCCP certified milk and mixed fodder in village Tsnisi and Milk-Gathering centers, founded and improved by the funds from BP's Millennium Challenge Project and Care and Mercy Corps. in certain villages of Akhaltsikhe: Tsira, Tskaltbila and Pamaji. This funding made up the 50% of the financial contribution made by Georgian Business Zone.



In 2010 the company obtained ISO: 14000 and ISO: 2800 certificates and became the first milk-processing enterprise in Georgia, which uses only natural milk for processing its goods. The factory has 45 employees.

The milk factory of Tsnisi was opened in September, 2009. The factory was financed by Millennium Challenge Georgia Fund,(the project - ADA) as well as British Petroleum (BP) and its partners' initiated public investment programs. The implementation of this project was supervised by CARE International in the Caucasus.

The factory is equipped with modern technological equipment and can process 5000 liters of milk daily. The factory processes Georgian, Imeretian and Sulguni Cheese made from natural milk and sells its products in Tbilisi Supermarket with brand name "Akhaltsikhuri".

In the milk-processing factory, the methods of sorting and branding of the production were created by highly qualified milk professionals and marketing specialists in accordance with the program funded by USAID, called "Farmer for Farmer".

Despite many successes, on the road to improvement, GBZ had to deal with many social, political, economic and mental challenges, which is why it has become a more socially oriented enterprise. Throughout all these years, we enriched our experience by communicating with farmers, regional government and all Donor Organizations based on SJ.



In 2010, Georgian Chamber of Commerce and Georgian Ministry of Economics and Sustainable developed rewarded us with the title "Best agro-firm 2010".

- The company owns Apple Orchards
- There are apple orchids on 4 hectares of land:
- 2.5 hectares I phase: Georgian Sinafi, Golden, Banani, Kekhura and etc.
- 1.5 hectares II phase: Granny Smith, Braeburn, Golden Delicious, Reine des, Mutsu and etc.

Milk-processing Factory in Tsnisi

We also offer technical support and funding from our own economic activities. Specifically, we give free consulting services in veterinary and feeding issues and try our best to help our beneficiaries(farmers who give us milk) maintain healthy animals. For this reason, we buy important vaccines and medicine to our beneficiaries for free.

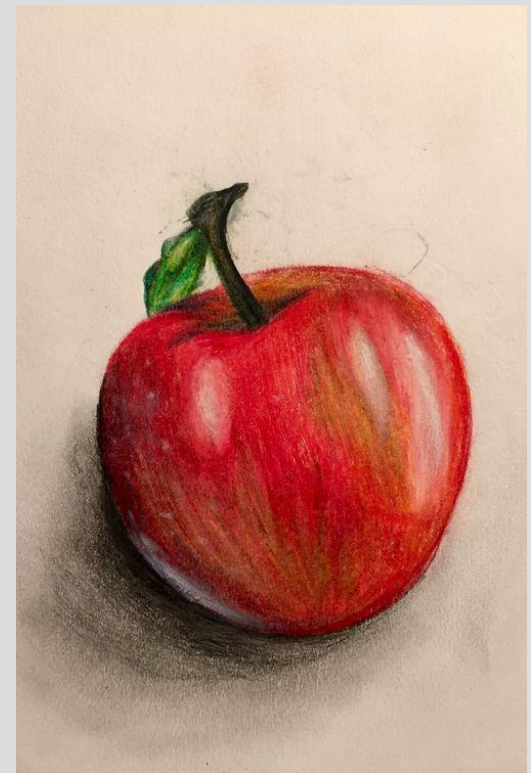
In 2010, we signed the memorandum of cooperation with Akhaltsikhe and Gori universities, after which 68 students have passed trainings in our factories. These activities are in major accordance with our company's interests and we hope to get good results by improving the mentality of the villagers.

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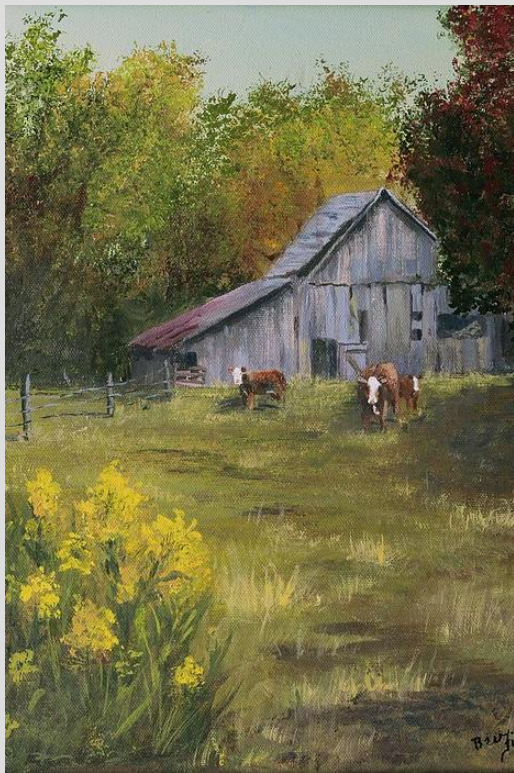
Mixed Fodder Factory in Tsnisi

The modern Mixed Fodder factory started functioning in 2010 with mutual cooperation of GBZ and "Farmers and Markets", project, which is being implemented by CARE International in the Caucasus.

GBZ buys crops for the production of animal food from around 500 farmers in Samtshe-Javakheti. The factory produces five tons of fodder an hour. In October of 2010, the factory obtained ISO: 22000 food safety and ISO: 9001 quality control certificates.



GBZ owns 2.5 hectares of artificial lake and farm with 100 animals of Holstein breed.



The company's cold-storage

For the cold-storage, new building was built, and equipped with modern equipment. It is possible to store up to 120 tones of harvest in cold-storage. For the project, the company bought agricultural tractor and the trailer aggregate.

Mechanisation Autopark

Tractor with 4 trailers, Hay packer 1, Food granulator-mixer 1, 1 Round Press, Distribution Cars.

Products we are producing:

- ✓ *Cheese with Brine;*
- ✓ *Imeruli Kveli (Cheese from Imereti, New Cheese);*
- ✓ *Grilled Cheese "Sulguni"*
- ✓ *Salty Cheese, Packed*
- ✓ *Smoked Cheese "Sulguni"*
- ✓ *Imeruli Kveli(Cheese from Imereti)*
- ✓ *Mixed Fodder (Beef and Pork)*
- ✓ *Apple*

Our partnership is based on mutual trust, which has been strengthening during last couple of years. We value our partners and share with them our successes and problems.

In the last couple of years, GBZ has attracted lot of funding from the donors and formed partnership with such companies as:

- ❖ **Regional Development Agency;**
- ❖ **Georgian Farmers' Association;**
- ❖ **Millennium Challenge Georgia Fund;**
- ❖ **BP;**
- ❖ **CARE;**
- ❖ **CNFA;**
- ❖ **Mercy Corps;**
- ❖ **PUM.**



GBZ's milk-processing factory has its distribution service and milk products with brand name "Akhaltsikhuri" which it sells every day on Tbilisi and Akhaltsikhe in following markets.

- ❖ **Nugeshi**
- ❖ **Mzareuli**
- ❖ **Goodwill**
- ❖ **Smart**
- ❖ **Ioli**
- ❖ **Gmart**
- ❖ **Ori nabiji**
- ❖ **Nikora**



When it comes to the safety of the personal documents of the employees, the company works fully in accordance with the national laws. The company fully acknowledges the administrative responsibility in case of violating these laws.

None of the employees at GBZ is forced to do any activity. Each employee has the right to private freedom, as well as the respect towards them and their family members, freedom of ideas, conscience, religion, speech and gathering.

Georgian Business Zone has employed 45 persons, and the balance between them is protected. The company recognizes gender equality and accepts the obligation to honor human rights. When is it achieved? When people are able to access and enjoy the same rewards, resources and opportunities regardless of gender. The company makes sure its employees work in a healthy and safe environment.

Every employee is equal and has same rights regardless of race, gender, religion, language, ethnicity, financial situation, political or any other thoughts. The company regularly, as indicated by the law and contract, pays salary to all its employees.

Working environment is comfortable and clean, providing proper temperature, ventilation, lighting and appropriate sanitary norms for each gender.

In case of need, the company also provides special safety measures for pregnant women, for persons with disabilities and etc.

The company guarantees that the working hours aren't more than 48 hours a week; that the extra work to be done is not above the limits, is small and seldom. Extra working hours are correctly compensated and are not more than 12 hours a week or 36 hours a month. The employees also have time to rest during the day according to the law.

The company gives its employees the amount of salary that is above the minimum wage standard and lets them fulfil their basic needs (food, clothing and housing).

- ✓ *Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights*
- ✓ *Principle 2 - Make sure that they are not complicit in human rights abuses*
- ✓ *Principle 3 - Businesses should uphold freedom of association & effective recognition of the right to collective bargaining*
- ✓ *Principle 4 - The elimination of all forms of forced and compulsory labour*
- ✓ *Principle 5 - The effective abolition of child labour*
- ✓ *Principle 6 - Eliminate discrimination in respect of employment and occupation*
- ✓ *Principle 7 - Businesses should support a precautionary approach to environmental challenges*
- ✓ *Principle 8 - Undertake initiatives to promote greater environmental responsibility*
- ✓ *Principle 9 - Encourage the development and diffusion of environmentally friendly technologies*
- ✓ *Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery*

The company ensures teaching about procedures and standards, for the managers. It also tries to take part in the development of local society by offering training to the employees in the areas of entrepreneurship and food-processing. For this aim, the employees of Georgian Business Zone passed the certification of HASP standards.

Concrete Activities aimed at protecting the working rights:

Regarding the protection of the rights of employees, the policy of the company is unchangeable. GBZ follows all the laws present in the Georgian Labor Code and tries its best to avoid imposing any kind of compulsory work on its employees. For all its employees, the company guarantees a fair working environment and they all have equal rights.

The company ensures that its employees receive salary regularly, without delay. It has the responsibility not to delay paying wages for any reason that is not justified by the national law.

To increase the motivation of its employees and to value their work, the company uses a system of bonuses. Also, for the encouragement of demographic development, pregnant women still get the salary and have their working position reserved until they return back to work.

Every employee can use his/her own free time during the working day and leave the company's territory during a break.

The company honors the standards of the minimum age of employment. According to national law, employing a person of age less than 16 is prohibited unless the contract is signed by a legal guardian. While in case of a person less than 14 years old, the contract can only be formed regarding activities such as sports, arts, or advertising.

How we are tackling with the development of sustainable community

For the development of the local society, employees of the organization took part in the training regarding the DCFTA requirements, they also were taking part in the training linked to the milk-processing, reproduction and related diseases.

The aim of another training was the strengthening of the women's role in business. Also was managed Cross visit for farmers and training in management. The main focus of the training was how to develop main marketing message. Trainings provided necessary information and knowledge with the aim to improve the agriculture and defeat the poverty in regions.

All these events helped employees improve their knowledge and skills in business administration, food safety issues, as well processing and distributing the milk products.

The company tries and is planning to encourage initiatives to ensure the project implemented by GBZ and its outcomes met the community's expectations. Our aim is to work towards creating a sustainable community.



Almost all rural socioeconomic activities occur at the community level. Community development encourages voluntarism and self-development, which contribute to the adoption of more modern ideas, morals, and values.



The company makes sure that every decision, about hiring, paying a salary, promoting and teaching is always based on objective criteria and never on any kind of discrimination.

The company fully complies with the law about "Extinguishing all forms of Discrimination".

Every job category has its detailed job description, in which the information about qualification, salary and any other relevant details are clearly provided.

The company strives to create a comfortable environment for employees with special needs so that persons with disabilities (or any kind of health problems) can have a chance to work at the company.

The company's management regularly (once a month) meets with its employees to discuss their concerns and suggestions.

For the better communication with the local population, the company is arranging meetings with the aim to keep in touch about every stage of its activities. On the very last meeting was discussed the issue regarding the alienation of agricultural land for foreigners.

For the protection of the rights of the employees, the company often convenes informal meetings where all the employees can discuss and freely talk about any issue they want, provide their insights, suggestions and etc.

The company has taken the responsibility to openly contact local inhabitants and its employees regarding the new activities that could endanger or make a negative impact on their environment

For the Protection of rights of Consumers, the Company does the following:

Georgian Business Zone follows all the guidelines and norms regarding the processing and marketing of the goods. It tries to constantly monitor the international principles and standards and process its goods accordingly.

The company takes appropriate measures to extinguish all kinds of problems, connected with the processing of goods, design or any other component or event that could endanger the life or health of the consumers.

On every pack and product, the company makes sure all the written information is easy to understand for the consumers. The company continuously strives to check the quality of its processed goods and tries to improve it as much as possible.

The company has implemented the standards of HASP and ISO, which means that it protects the rights of consumers by providing them with extremely healthy food.

GBZ has implemented the HASP and ISO STANDARDS



Georgian Business Zone regularly meets local population to keep them informed during every stage of its activities, especially regarding the new activities that could endanger or make a negative impact on their environment.



Environmental Protection:

Georgian Business Zone fully acknowledges its social responsibility – to protect the environment and prevent its pollution.

The company is working on the creation of a separate document regarding the environmental protection, which is planned to be done in near future. simultaneously, GBZ tries its best to prevent the harm to the environment and shows it with various activities. For example: with the purpose of the clever use of natural resources such as water and electricity, the company holds a license, which outlines duties for using these resources, in this case, for the arrangement of boring wells and drainage systems.

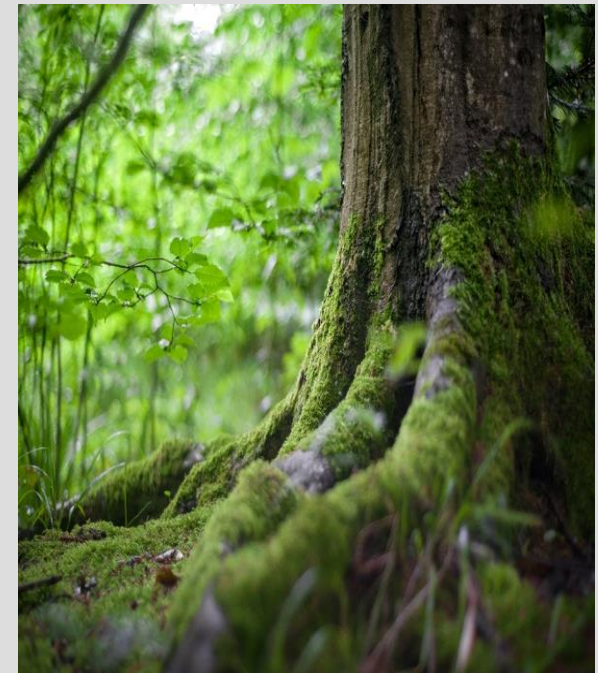
The protection of key elements of our environment is important for human health. The ability to breathe clean air, to have a supply of wholesome drinking water and to be protected against the harmful effects of things like waste and noise are fundamental to our well-being. The company mostly processes milk, the only waste that can pollute the environment is whey, which it gives to inhabitants for feeding pigs. With this act, the company not only avoids pollution of the environment but also helps local inhabitants feed their cattle. The company owns several reservoirs for storing whey. Georgian Business Zone supports the development of the technology that does not harm the environment.

Environmental protection also provides a framework for consumers and industries to reduce waste, optimize energy consumption, and leave the smallest environmental footprint that is feasible. Environmental protection means measuring water, soil, and air for potential red flags and ensuring we leave a healthy planet for the next generation. For achieving this goal the company identifies in its own territory the level of water and soil pollution, then evaluates its impact on the environment and conducts activities to clean it. In addition to this, Food Safety Agency also checks the territory for any traces of pollution in accordance with governmental policy.

The company tries to avoid polluting the environment in many ways, by controlling the production process and using the systems of environmental protection.

Georgian Business Zone continuously evaluates the used materials, products and production process risks according to the principle of caution.

The company supports scientific research which that is connected to its production and activities. It takes all possible measures to reduce the energy and water consumption.





Anticorruption policy

After changing the government's attitude towards fighting against corruption in 2003, the progress is obvious. According to the corruption index of Transparency International Georgia was on 127th place, today it is on 23 th. This change was a challenge for many companies to ensure maximum transparency. Georgian Business Zone has a clearly defined policy for fighting against corruption.

the policy of the company towards fighting against corruption is unchanged. The company's management clearly states, that in no way it will touch any agreements involving corruption, nor will it support forming any such agreements, on the contrary – it will do its best to keep the company free from corruption and strictly demands from all of its employees and managers to follow this rule.

“There is no compromise when it comes to corruption. You have to fight it.” » A. K. Antony

The company acknowledges its responsibility in fighting against corruption, towards its employees, government, for this reason, it constantly monitors and prevents the risks of corruption. For prevention purposes and for avoiding corruption, the company explains its anti-corruption policy to all of its prospective employees.

All employees of the company are familiar with the anti-corruption duties, especially the ones who work in the selling and buying departments. The company strictly prohibits informal employment and any type of “black accounting”.

The company investigates the activities (financial, environmental protection, fiscal, working rights and etc.) of its potential partners.

All agreements with middle-men and consultants, involving issues of fighting against corruption, is signed by both sides.

The company supports sharing the experience with the business-partners and thus promotes cooperation in dealing with corruption.

Fight Corruption:
Be The
One Who
Helps Build
A Better
Society
For All.

“Corruption is like a ball of snow, once it's set a rolling it must increase.”

Charles Caleb Colton



Measurement of outcomes:

The company is working to develop a working plan next year, which encompasses reducing negative effects on itself, as well as improving its standards.

The company will protect gender equality in the future as well and will provide workers with the worthy working environment.

GBZ also plans to improve the approach to the following issues: How can the company take part in the prevention of air pollution; How can the company secure the reduced and/or safe usage of harmful chemical substances;



The company will continue trying to monitor international principles and industry standards in the future, to create and process products with required standards. The company will also secure the teaching procedures regarding the new, international standards(especially, for the persons working on the corresponding managerial position)

In the end, the company “Georgian Business Zone” is pleased to be able to be part of such important initiative as UN Global Compact. We understand that this is a huge challenge(in a positive way) and responsibility for the company of our stature. We fully acknowledge the responsibility we have towards our employees and shareholders. Georgian Business Zone is constantly trying to accommodate its activity with 10 principles of UN Global Compact.

"A woman is human. She is not better, wiser, stronger, more intelligent, more creative, or more responsible than a man. Likewise, she is never less. Equality is a given. A woman is human".

