



Network Georgia

PROGRESS REPORT 2018



The Ten Principles of the United Nations Global Compact



HUMAN RIGHTS

- 1 Business should support and respect the protection of internationally proclaimed human rights and
- 2 make sure that they are not complicit in human rights abuses.



LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labor;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

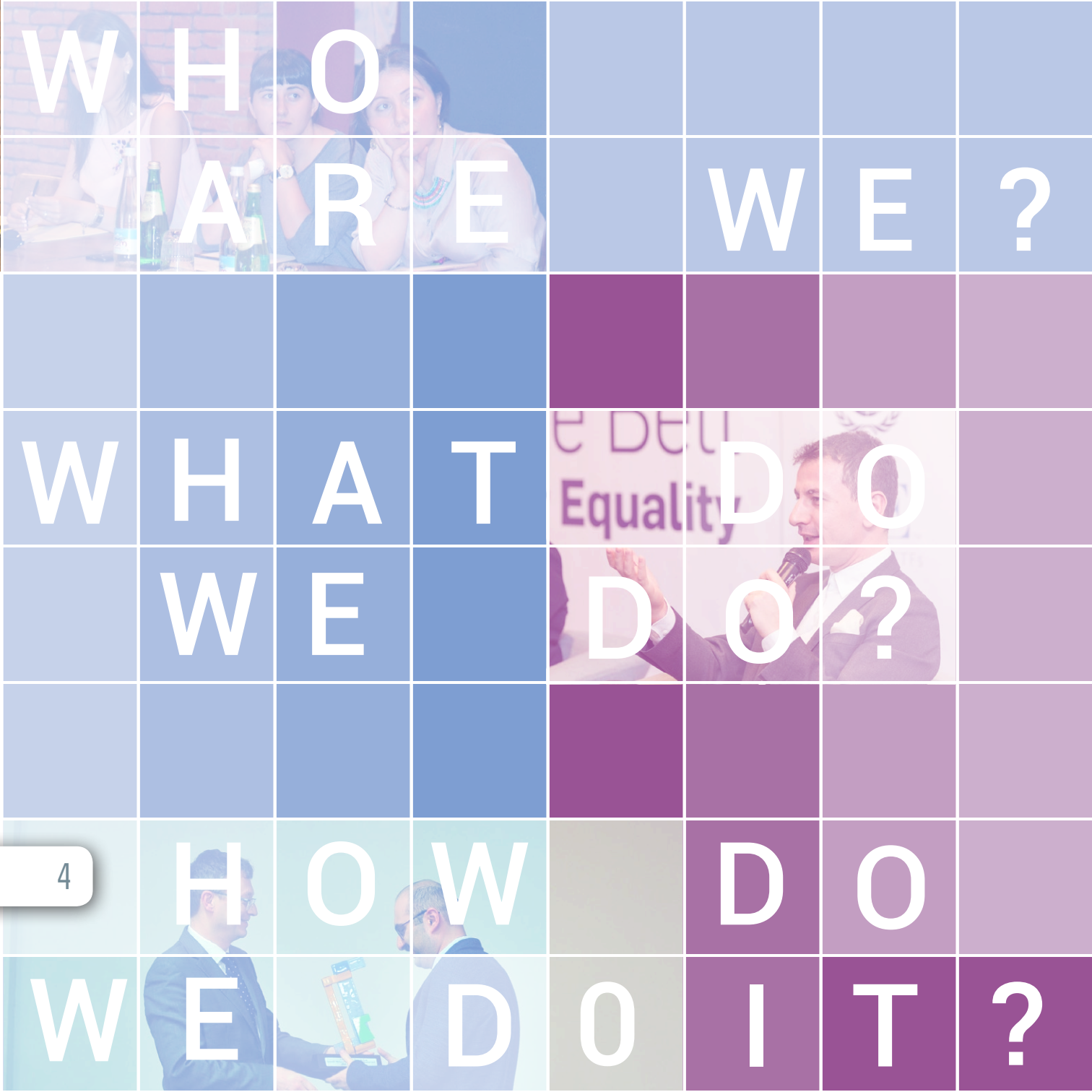
- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms including extortion and bribery





Corporate sustainability is the Past, the Present and the Future of successful business in Georgia.

We at Global Compact Network Georgia strive to create an enabling environment for business to learn, share experience and partner with likeminded companies. We facilitate multi-stakeholder partnerships that benefits both - the business and the society.

Being the UN initiative, we offer businesses globally recognized standards framework, international experience with a local touch.

This report highlights the work of the leading corporate sustainability platform in Georgia and aims to provide better understanding of why, how and what steps business should take to advance its own sustainability as well as make a difference for the surrounding communities.

Join us and let's take these steps together to achieve the world we all want.

Responsible business matters ...

Salome Zurabishvili
*Managing Head of the Global
Compact Network Georgia (2016-2018)*





ABOUT THE GLOBAL COMPACT

UN Global Compact is the world's largest corporate sustainability initiative that promotes a sustainable and inclusive global economy for people, society and the market. In order to achieve this, the UN Global Compact calls on the business to:

- (1) Carry out its activities in accordance to Ten Principles on human rights, labor, environment and anti- corruption.
- (2) Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The UN Global Compact counts more than 9 500 companies based in over 160 countries and about 3 000 non-entrepreneurial entities as its members.

Global Compact Network Georgia (GCNG) is a local network for the UN Global Compact platform. The Georgian Network was launched in 2016 with the aim to promote the United Nations Global Compact's 10 Principles with local businesses, as well as to contribute to the implementation of the United Nations' broader development goals in the country.

The Secretariat of the GCNG is a non-governmental organization Civil Development Agency (CiDA).

In 2018 the activities of Global Compact Network Georgia were financially supported by the USAID through the EWMI, and the Swedish Government.

GCNG STEERING COMMITTEE

The Steering Committee of the Global Compact Network Georgia holds quarterly meetings to regularly assess the work of the network.

THE STEERING COMMITTEE MEMBERS:



Valeri Chekheria
Adjara Group Hospitality, CEO
(Head of Steering Committee 2016-2018)



Rusudan Medzmariashvili
BP Georgia, CSR Manager



George Welton
AmCham Georgia,
Executive Director

Salome Zurabishvili
CiDA, Executive Director



Malkhaz Dzadzua
MFO Crystal, CEO



Michael R. Cowgill
Georgian-American
University, President

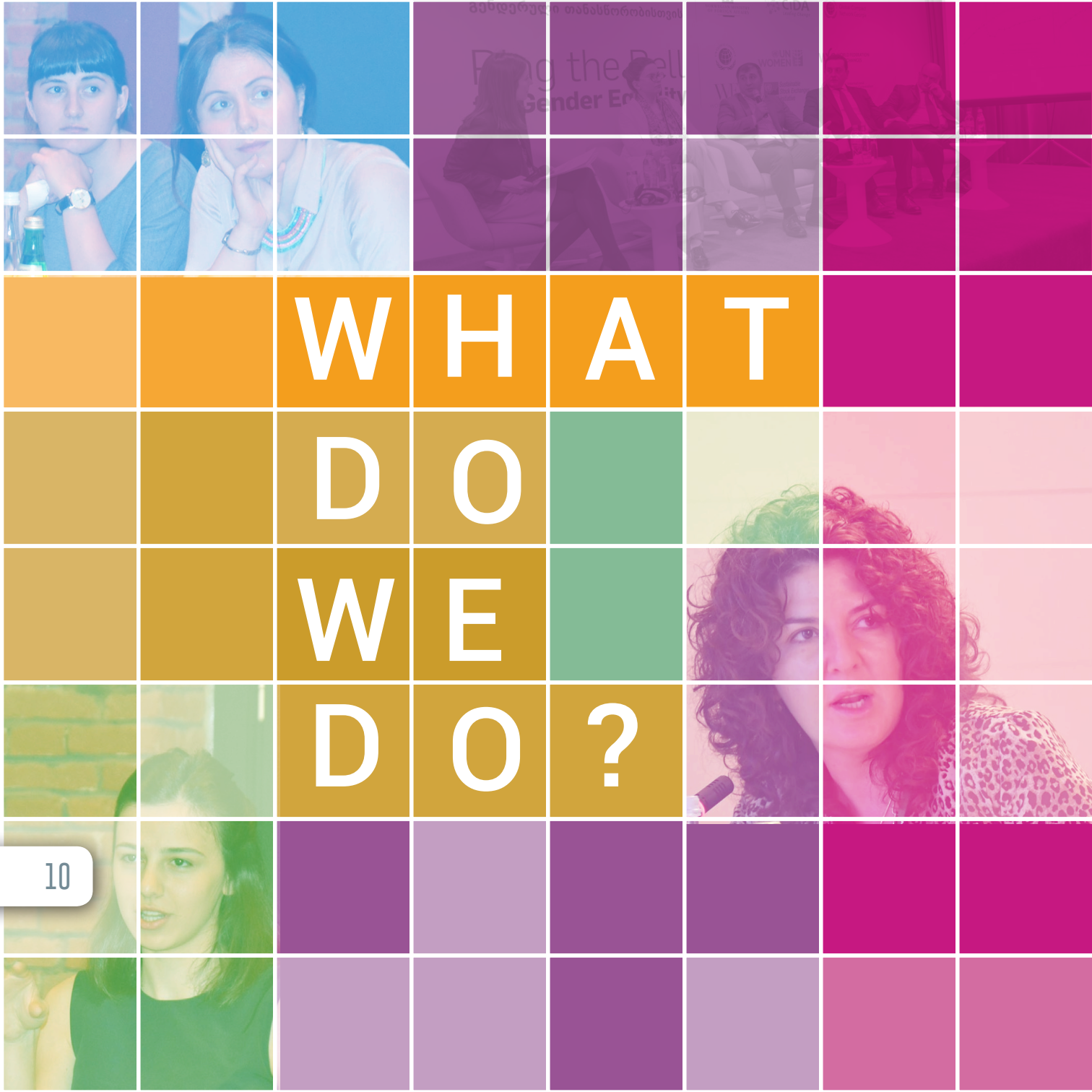


Tinatin Stambolishvili
GPI Holding, Head of
Marketing Communications



Klaus Laursen
APM Terminals Poti, Managing Director





GENERAL MEETING OF THE NETWORK

June 8, 2018 – Global Compact Network Georgia members gathered to attend the second general meeting of the network on June 8, 2018.

Along with other issues the members discussed action plan of the network on the local and global level, identified the priority areas for the next year and discussed engagement opportunities in the activities organized by the platform. The GCNG statute updated in accordance to the new business model and Quality Standards of the UNGC was presented and adopted by the General Assembly.

In addition, board elections were held and the General Assembly approved new composition of the GCNG board. Following three members left the board: The Financial, Ltd Georgian Business Zone and TI Georgia. Two members – APM Terminals and GPI Holding, joined the board and one seat was reserved for the UN Resident Coordinator in Georgia.



WORKSHOPS

HOW TO REPORT?

Global Compact members are required to report on their annual activities in accordance to the Ten Principles. The local secretariat of GC is actively engaged individually with its members providing assistance in drafting corporate responsibility reports. The assistance includes initial recommendations and directions, face-to-face consultations, feedback on the draft reports.

On June 29, 2018 GCNG organized a workshop aimed to present the importance and advantages of corporate responsibility reporting and to give the participants practical recommendations on how to prepare the communication; Besides the COP (Communication on Progress) participants were also introduced to other international standards of reporting.

WORKING GROUP ON WOMEN'S EMPOWERMENT IN BUSINESS SECTOR

With the aim of advocating gender equality issues in the business sector, in 2017 GCNG established a working group within the network on Women's Empowerment Principles. In 2018 working group met five times to share their progress, challenges and future plans, as well as to organize joint activities / projects:

February 16, 2018 - Within the framework of WG meeting, CiDA introduced to the member companies the new project organization was implementing in cooperation with UN Women and explained how companies can engage.

March 6, 2018 - an ad hoc WEPs working group meeting was held where WG members had opportunity to meet with Lena Vonka, Founder and CEO of Norwegian Company - Lenas HelsePersonell AS. She shared her own experience of climbing the corporate ladder in Norway, the Women's Empowerment programmes in her company, and the national policy overview of Norway on economic empowerment of women.

May 30, 2018 - The working group representatives discussed the WEPs assessment process within the companies. Participants gave feedback on WEPs consultants' work who have been hired by CiDA to help businesses to promote WEPs on policy level.

June 11-12, 2018 - Up to 30 representatives from private sector, non-governmental and international organizations participated in the workshop of the working group on Women's Empowerment in Business Sector. The main goal of the meeting was to raise awareness on the principles of gender equality and women's empowerment and to introduce practical mechanisms of implementation. Discussions evolved around the issues of gender equality and unequal working environment.

September 13, 2018 - The meeting aimed at exchanging information and practice among WEPs WG members, including summarizing the elaboration process of the WEPs Action Plans and outlining the future work plan was held, with additional focus on visibility of WEPs in business sector, discussing the importance of an effective communication campaign on WEPs. International communication specialist presented the best practice examples of promoting WEPs in private sector.



PARTICIPATION IN INTERNATIONAL EVENTS AND ACTIVITIES

March 14-15, 2018 - the managing Head of the Global Compact Network Georgia Salome Zurabishvili participated in series of events in the framework of the annual WEPS Forum, taking place in New York. The objective of the forum was to build awareness of business innovations that accelerate women's empowerment and have a real impact on the quality of life for women, men, families and communities.

Managing Head of GCNG participated in the discussions held in UNGC HQ and multinational companies, showcasing Georgian case and exchanging experience and information around implementation of WEPS by companies.

April 23-26, 2018 - Managing Head of the GC Network Georgia participated in the series of events organized by the Global Compact and Global Compact Network Argentina, including the Annual Local Network Forum and the Conference - Making Global Goals Local Business. The XVI Annual Local Network Forum explored how Local Networks can play a leading role in facilitating private sector engagement on the SDGs. Bringing together 100 Local Network Contact Points and Representatives from around the globe, participants discussed subjects related to network governance and activities.

November 26-28 - GCNG members participated in Business and Human Rights Forum held in Geneva. GCNG Managing Head Salome Zurabishvili gave a speech at the following two sessions of the forum: "Trends and Challenges in Promoting Business Respect for Human Rights in Eastern Europe" and "Progress of the States in Implementation of UN Guiding Principles on Business and Human Rights". She underlined the relevance for joint action in promoting the role of

business in supporting sustainable development and elaborated on the progress and existing challenges for promotion of business and human rights in Georgia. The UN Forum is the world's largest annual event bringing over 2000 participants from different stakeholders. With the support from GC NG three business companies from Georgia, including members of the Network (GEPRA, Socar Georgia, Wis-sol Group) participated in the Forum, giving them excellent opportunity for networking, securing partnerships and showcasing their own practice in supporting SDG Agenda in Georgia.



CORPORATE RESPONSIBILITY AWARD 2018

First ever Corporate Responsibility Award Ceremony was held in Georgia on February 23, 2018. The event was organized by CSR Club and Global Compact Network Georgia, hosting representatives of government, business, academia, international organizations, media and civil society. The call for applications for the CSR Award was announced in October, 2017. The secretariat received 23 applications from 16 companies – **Adjara Group, Bank of Georgia, BIA, BP Georgia, Crystal, Dio, Geocell, GPI Holding, GWP, Heidelbergcement, m2, Natakhtari, Nova Technology, Poti Sea Port, Tbilisi Mall, Wissol Group**

Projects were assessed by the independent and integral multi-stakeholder evaluation committee, which included international and local experts in the field. As a result of the evaluations, three winner companies were named in three nominations:

Best Project in the Area of Human Rights – APM Terminals Poti

Project: Trainings for truck drivers on road safety

In 2017, as part of UN Global Security Week, Poti Sea port launched large-scale project with the participation of 2279 truck drivers. The company shows high level of responsibility and is committed to maintain a safe and healthy workplace for employees and contractors, as well as safe living environment for the population of Georgia.

Best Project in the Area of Environmental Protection – Natakhtari

Project: Effective wastewater treatment procedure

Within the framework of the project, the company runs high standard wastewater treatment technology – a biological waste water treatment

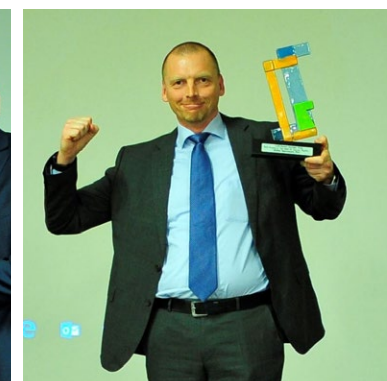


plant, which processes the wastewater produced throughout the entire industrial cycle. In addition, in 2016–2017, the company carried out trainings and awareness raising activities on wastewater treatment for the employees, local communities and other interested stakeholders. The company staff has also been involved in the tree planting project around the premises of the Natakhtari facility.

Successful Partnership for Sustainable Development - m2.

Project: Restoration of Mtatsminda Forest

The project aimed to restore the burnt part of Mtatsminda forest and plant 3000 trees. The company will be financing care costs for plants for three years. Jointly with partner non-governmental organizations, the company is launching conflagration prevention campaign in public schools. The disaster risks reduction related project is being implemented in residential complexes of the company.



GCNG MEMBERS ACTIVELY ENGAGE IN THEMATIC MEETINGS

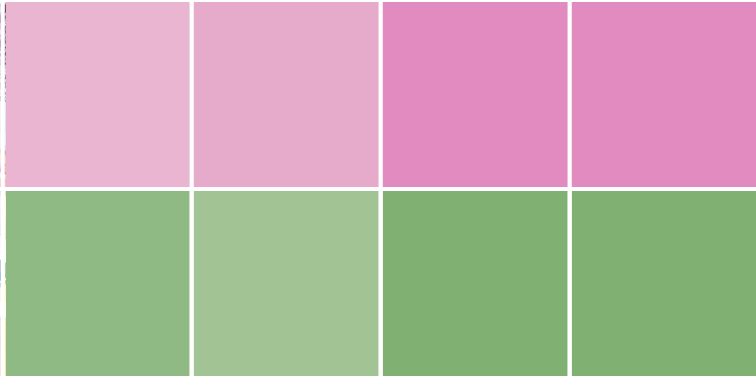
EMPOWERMENT OF PERSONS WITH DISABILITIES

CiDA as the Secretariat of the CSR Club and the GCNG, initiated the project to facilitate the employment of persons with disabilities (PwDs) in the business sector. In the framework of the project, Persons with Disabilities' Empowerment Principles were adopted; 8 principles aim to empower PwDs at the workplace, marketplace and in the communities:

1	Affirm high-level support for non-discriminatory approach towards persons with disabilities and implement the relevant practices;
2	Workplace accessibility for the persons with disabilities;
3	Promote training and professional development of the persons with disabilities;
4	Create Decent and safe workplace for the persons with disabilities;
5	Consider the needs of persons with disabilities while developing company products and services;
6	Empower persons with disabilities in the marketplace through supporting entrepreneurship and integrating in the supply chain;
7	Support the education of persons with disabilities;
8	Promote visibility of the persons with disabilities into the society;

The consultant, hired by CiDA worked with four companies – Carrefour, Nexia TA, Socar and Wissol Group, in order to assess their policies and operations and determine the opportunities, risks and impact, related to the employment of persons with disabilities. The results of the assessment served as a basis for the adoption of recommendations and the action plans.





SUPPORTING ECONOMIC EMPOWERMENT OF THE WOMEN ENTREPRENEURS

Members of the GCNG have been engaged in mentoring program aimed to empower local women entrepreneurs in Tbilisi and in the regions of Georgia. Within the program business companies mentored 14 women entrepreneurs on the specific issues of their interest: finance, budgeting, marketing and etc. At the final stage of the project, 10 selected women entrepreneurs received small grants, equal to USD 1,300 to develop their small businesses.

RAISING AWARENESS ON PRIVATE SECTOR ENGAGEMENT IN DISASTER RISK REDUCTION

GCNG was one of the initiators of the workshop on private sector engagement in Disaster Risk Reduction, where the network members along with other business companies were introduced to the main concepts related to disaster management, presenting the links between corporate responsibility and disaster risk management.

The trainers highlighted the importance of this issue for business, focusing on advantages of implementing appropriate systems for disaster risk reduction in the company. On the other hand, company representatives shared their practice on DRR and agreed that business should play the vital role in managing and reducing disaster risk and discussed the necessity of embedding relevant systems in operations of the company.

In order to support companies in integration of disaster risk management into business model and practices, one-pager on disaster risk reduction was created, covering the following information: (1) what is disaster risk reduction? (2) Private sector engagement in disaster risk deduction; (3) main measures that companies could take in order to reduce disaster risk.



PRIVATE SECTOR ENGAGEMENT IN ENSURING ROAD SAFETY

In May 2018, CiDA as the secretariat for the Global Compact Network Georgia facilitated creation of the working group on Road Safety led by Poti Sea Port. Members of the Platforms interested in the issue including, CENN, GPI Holding, Heidelbergcement, m2, Wissol Group are participating in the working group. The working Group held several meetings to determine the interest and the needs of the participants. To plan the project implementation the WG organized the training of trainers, led by the safety supervisor of the Poti Sea Port. The training included information about the main problems and challenges regarding the road safety, as well as practical exercises on how to take the necessary measures and integrate safety procedures in the company's policy. Participants received the materials and tools to conduct the training in their respective organisations.

ACTIVITIES IN COOPERATION WITH DIFFERENT STAKEHOLDERS

March 7, 2018 - For the first time, Tbilisi hosted Conference "Ring the Bell for Gender Equality", emphasizing the importance of gender equality for economic development and growth. Part of a global campaign taking place in around 60 other cities, the event in Tbilisi was a partnership between IFC, a member of the World Bank Group, the Georgian Stock Exchange, Civil Development Agency (CiDA), the Secretariat of Global Compact Network Georgia and UN Women in Georgia. The event highlighted how empowering women can help achieve higher productivity in private companies, ultimately supporting the economy and job creation, raising income, and promoting development.

May 29, 2018 – Members of the GCNG were among the companies who actively engaged in CiDA organized workshop – "Role of Business in Prevention of Crime". During the workshop the attendees determined employment opportunities for people in conflict with the law. Discussion evolved around the role of the business in prevention of crime and experience of other countries on the issue. Several companies expressed the interest in employing the mentioned target group.

WEBPAGE OF THE GLOBAL COMPACT LAUNCHED

In 2018 webpage of the Global Compact Network Georgia was created and launched (www.globalcompact.ge) The web page is bilingual (geo-eng) and contains information regarding the vision, mission of the Global Compact as well as the 10 principles of the initiative. Webpage includes information about the managing board and the team of the Georgian network.



HOW DO WE DO IT?

GLOBAL COMPACT NETWORK GEORGIA EMPLOYS DIFFERENT METHODS FOR SUPPORTING ITS MEMBERS:

General Assembly Meetings

Meetings have regular character and they provide members with information around achievements of the platform and the future plans, as well as new trends in the field of corporate sustainability.

Workshops, Thematic Discussions

GC NG regularly organizes workshops and thematic discussions on subjects relevant to the Network. Members are able to join three working groups on Labour issues, Environmental Protection and Equality, focusing their interests even further within the Groups. The Network Secretariat facilitates and supports this work through workshops and thematic discussions.

Trainings, Seminars

GC NG Secretariat offers its members trainings and seminars based on the needs of companies and relevancy of the topic in the country, offering expert knowledge and experience-sharing opportunities.

Masterclasses

International and local experts, leaders, prominent company managers are invited to share their experience and showcase their success stories to the Network members, offering them unique opportunity to see how corporate responsibility supports business.

Award Ceremony

The network annually organizes CSR award ceremony, which aims to promote responsible and sustainable business practices in the country. The Award enables companies to:

- ✓ Gain recognition among the peers as leaders in corporate sustainability;
- ✓ Increase their credibility and reputation among the consumers, partners and investors;
- ✓ Showcase that they are motivated to support economic and social development in Georgia;
- ✓ Influence CSR development in Georgia, through sharing best practice.

Multi-stakeholder events

Network regularly organizes roundtable discussions which are aimed at supporting multi-stakeholder partnership, allowing representatives from various fields to find ways of coordinating and working together.

International Events

Global Compact Network Georgia strongly supports the participation of its members in international events – Business and Human Rights Forum, OECD Roundtable, Leaders' Summit are among those few, where the Members are encouraged and supported to participate.

Advocacy

Based on the discussions, General Assembly Meetings, regular consultations, Global Compact Network Georgia advocates the issues relevant for the network members with the Government as well as with other stakeholders.

Technical Assistance

GC NG secretariat offers its members technical assistance based on the needs the network members share with it, including, but not limited to assistance in drafting Annual reports to be submitted to the UN Global Compact, and other topics.

Coaching

Thematic support/ coaching in fields relevant to the network members on issues raised by them, such as labour rights, environmental protection, equality and gender issues, working with vulnerable groups and other topics is offered to the member companies, based on their relevant needs and interests.

Individual Consultancy Services

On-job trainings, drafting and adoption of corporate sustainability strategies, stakeholder management and other issues requested by the network members based on their individual needs is also offered by the GC NG Secretariat.





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