

## COMMUNICATION ON PROGRESS (COP)

### JSC MFO CRYSTAL

Period covered by your Communication on Progress (COP)

From: January, 2013      To: December, 2013

#### 1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

Please use the box below to include the statement of continued support signed by your company's chief executive

December, 2013

To our stakeholders:

I am pleased to confirm that Financial Inclusion Organization "Crystal" reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

**Malkhaz Dzadzua**

CEO, JSC MFO Crystal

## ABOUT US

**JSC MFO Crystal** is dynamically growing local Non-Bank Microfinance Organization, supporting micro entrepreneurs and farmers in realizing their business potential, reaching financial stability and elevating living standards.

### Corporate Values

Crystal conducts business with the following corporate values in mind:

**Responsibility** – responsible lending focused on avoiding over – indebtedness; we treat our customers fairly, with care and due forbearance; socially responsible attitude towards clients, employees, business partners, community and environment.

**Transparency** – customer should be able to compare costs, terms and conditions of a loan and understand consequences of a non-payment. Crystal’s relationship with clients, staff, funders and a wider society is based on transparency, frankness and fairness.

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**Access** – our product design, lending standards, distribution channels and customer interfaces are all about access. We are always accessible to our clients, business partners and each other.

**Innovation** – innovation and constant improvement is the way Crystal and its people work. We love technology and encourage creativity. Innovation is life!

## LABOUR AND HUMAN RIGHTS

Crystal acknowledges and upholds the United Nations Global Compact principles (elimination of discrimination in respect of employment and occupation) and conventions (recommendations) enforced by the International Labor Organization on the importance of developing employees' professional skills and providing trainings in safety/health issues (during working hours and at the expense of the employer).

The company fully realizes the importance of thoroughly protecting the rights of employed people. It establishes an impartial, transparent and unbiased system that, in turn, facilitates achievement of the strategic goal set by the management - to protect labor rights, human rights and freedoms of every employed individual; to protect them from any form of discrimination and harassment, to create safe and comfortable environment for day-to-day activities.

Human Capacity: *Step to happiness*

Company Slogan "Step to happiness" is not only for clients, but also for its team, which grew in 2013 by 54 % bringing together 249 committed professionals.

The emphasis on adequate work hours and working conditions, internal accountability, effective communication across the company, training and career opportunities as well as feelings of being part of a responsible enterprise are important components of success.

In company operates an internal document \_Staff Policy, which is defined and is regulated by Georgian legislation, charter of JSC MFO "Crystal" ("Crystal" afterwards), job contracts and the given policy. Acts adopted by Crystal's governing bodies (the Executive Board) and job contracts with hired employees should not contradict with the Charter of the company and the Georgian legislation.

This policy applies to the company personnel and has legal superiority over other internal norms in the field of personnel management and staff policy.

Fundamental Principles defined by Staff Policy

- ✓ Each member of the personnel is free to act within the defined competencies. In order to avoid illegal or other harmful results for the organization any involvement should be duly motivated by law of Georgia, charter of the organization, the given policy and employment contract.
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In 2010, In Crystal created an internal document “Code of Ethics”, which constitutes an integral part of the labor agreement and accompanies the contract of all employees.

The representative of the Human and Organizational Development Service of the Company informs new employees about the Code of Ethics principles and also helps them to understand and implement the Code of Ethics.

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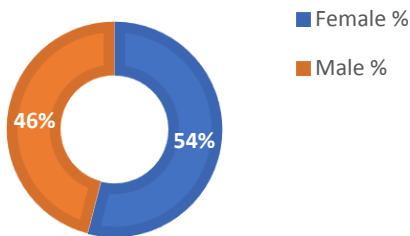
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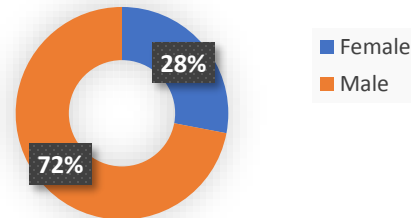
Member organization agrees it will:

- Foster teamwork, stimulate new and creative business opportunities and innovation
- Provide and regularly improve healthy, safe and secure working environment for its employees
- Give equal opportunities to its employees; its recruitment, promotion and compensation policy is based on merit and free of discrimination
- Not tolerate any kind of discrimination or harassment at the workplace
- Have in place training programs, accessible to all employees, adequate to proper development.

**GENDER TOTAL RATIO IN 2013**



**% Ratio in Women managerial positions 2013**



## ANTI-CORRUPTION SYSTEM IN CRYSTAL

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- An employee should handle personal and particularly financial affairs in the manner not to discredit either the company or his/her own name. An employee should never use his position to exert influence on public officials or clients for personal gain.
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- An employee shall promptly notify his/her supervisor and the internal audit if he/she:
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- For purposes of the present document, the terms “corruption” and “bribery” cover the concepts defined by the Georgian law as well as commercial bribery and similar actions.

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## ENVIRONMENT



One of the main practices of the organizations social responsibility is the environmental protection and study of “Crystal” influence on it.

In view of the above various eco actions were planned and carried out within the year.

In partnership with non-governmental organization Georgia Green Movement

cleaning campaign was held in Kutaisi in September within the frameworks of “Clean up the world” project “Our Country...Our Planet...Our Responsibility”. Organization’s staff took part in its implementation and cleaned the territory of “Kharazovi Park” from household wastes.

In order to increase the sense of responsibility on environment protection the staff was shown a National Geographic film “Human Footprint”.

On November 1, 2013 on Black Sea Day staff from Poti Branch together with CSR officer arranged Matlakva beach cleaning event having obtained permission from Poti local government in advance.



## Crystal's Key Highlights in 2013

2013 year was outstanding for Crystal by the scope of activities and projects implemented in terms of social responsibility and client protection. Along with the successful business and impressive financial results, the company remains strongly committed to international principles of socially responsible financing and makes its best to introduce these standards at maximum in daily activities.

- ✓ For High Responsible and Transparent Microfinance Standards in 2013 Crystal has received the most prestigious award in the worlds microfinance industry „S.T.A.R. 2013 MFI“ (Socially responsible and Transparent MFI) title. As the result of several months' intensive work and monitoring in August 2013 MIX has identified the most Responsible and Transparent microfinance organization worldwide. Approximately up to 1000 companies were studied and observed only 3 of them were assigned a special S.T.A.R. title and Crystal is one of the winners. This serious international recognition once again underlines that "Crystal" actually represents socially responsible and ethical company and maximally tries to protect clients rights in daily activities

Please see the link below:

- <https://crystal.ge/ka/news/332/>

In December 2013, The organization has gained recognition and received a prestigious award in the country. At the 10th award ceremony “Village Builder 2013” of governmental bodies and business companies actively participating in country development process, Crystal was awarded by a special diploma for transparent and trustworthy financial activity, high standards introduction and social projects assistance. For the charity activities assistance Crystal was bestowed 2013 Maecenas company status.



- ✓ 2013 was important for study of social influence of company activities. Within the frameworks of joint project between Crystal and Oxford Microfinance Initiative's project team the assessment of Crystal's social performance effect was studied, correspondingly the relative tasks definition and recommendations were made for the company management. OMI teams students have conducted on site visit in seven districts of West

Georgia: Kutaisi, Khoni, Martvili, Zugdidi, Senaki, Tsalenjikha and Chkhorotsku. About 70 clients were interviewed. On the basis of the research findings Oxford project team has provided recommendations regarding social performance management, measurement of social effect and social performance indicators following to which the company later has developed social performance management policy. The important recommendation was to strengthen the communication between the staff regarding social mission and objectives.

- ✓ Based on OMI team recommendation social performance management policy was developed and social mission and objective defined.
- ✓ Following to the recommendations made after credit rating conducted at the end of 2012 this year Crystal has strengthened the transparency quality towards clients. In particular, the depiction of effective interest rate is made on annual basis (instead of monthly rate). It is noteworthy the Crystal is actually the only microfinance organization that depicts the effective interest rate in the loan agreement.
- ✓ The company strictly controls the clients' protection from over indebtedness risk and loan approval is made only based on solvency of the client, the starting point formula for it is disbursement of loan which is proportionally 70% of net balance of the client.
- ✓ A field on social status of the client as separate article was added in loan resume form. Correspondingly there will be more comprehensive data base for clients' social status definition.
- ✓ For better implementation of clients rights protection principles the corresponding training–instruction was made for employees in all branches where Smart Campaign client protection principles were of explained as well as the importance of their introduction in daily activities. By means of the given training the employee of the company will get the better acquaint with the effect and importance of social performance.
- ✓ While hiring a new employee one course of the basic training is devoted to the social responsibility of the company and its core values issue.
- ✓ In terms of better informing client about their rights, provision the booklets on client rights and protection principles relying on Smart Campaign's Client Protection Principles were printed out and distributed. The information poster on clients rights protection were also placed on apparent places in the branches
- **Crystal Summer School:** In 2013 Crystal launched a Summer School program, for Georgian youth, which offers students of Georgian Universities a unique opportunity to gain practical skills and theoretical knowledge in the field of financial services through intensive training courses and internship in Crystal.  
The main themes were:
  - ✓ Financial Literacy
  - ✓ Planning marketing and selling tools for businesses



- ✓ Creating Career Development module and plan



In the First year (2013) of Crystal Summer School , 200 applications were received in summer school programs. 19 winner applicants became the summer school's students. After completion of the training period, 11 youth participants were successfully employed and joined the Crystal Team.

Please see links below, about Crystal Summer School participants and their activities:

<https://www.facebook.com/CrystalSummerSchool/>

## Social Investment in 2013

Crystal's basic CSR priorities in 2013 were:

- Orphan houses and day centers of children with disabilities;
- Old persons;
- IDPs;
- Dwellers of conflict zone;

For getting social impact and putting social responsibility into motion the following activities were implemented in orphan houses and day centers for children with disabilities in the mentioned fields during 2013.

## International Charity

As the UN Global Compact responsible member "Crystal" immediately joined UN call for and together with other world organizations took a small part in supporting population affected by the most strongest typhoon "Haina" on November 8, 2013.

Please see Links below:

<https://crystal.ge/ka/news/343/>

### CONTACT DETAILS:



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By the end of 2014 Crystal:

- Serves **38,175** micro borrowers (with **47,829** active loans);
- Manages **\$39.1M** Gross Loan Portfolio and **\$45.2M** Total Assets;
- Operates by network of **27** branches across **8** regions of Georgia;
- Cooperates with **15** reputable international funders (MIVs, DFIs, Banks)
- Demonstrates **53%** of average annual growth during last 10 years;

By holding market share of **8.5%**, Crystal is the second largest Non-Bank MFI in Georgia among 70 registered institutions.

Crystal offers wide range of financial services to its customers including: Micro loans for start-ups and existing businesses, Agro loans, Housing and Consumer loans, Currency Exchange services, Money Transfers, Utility Payment Services. Company's main target market is regional micro-enterprises, family-run businesses and economically active low-income households.

— In 2014 Company opened **5** new branch offices and hired **105** new employees.



In 2014 year, Crystal opened a new **Head Office** in 2014 in Imereti region, Kutaisi.

At the official opening event, the Crystal borrowers presented their products with the company's lending. The event was attended by US Ambassador to Georgia Mr. Richard Norland and Representatives of DWM/American investor company, were attended at the official HQ opening ceremony.



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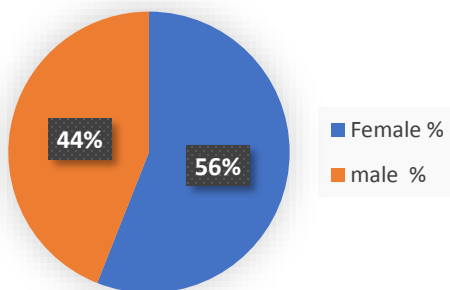
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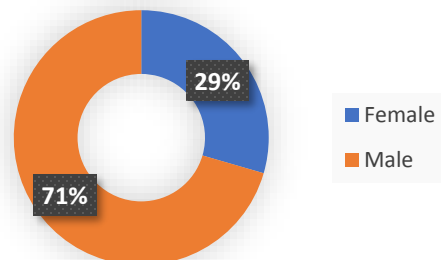
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**Gender Ratio in 2014**



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## ENVIRONMENT

In 2014, Loan resume contains information regarding environmental risk that's categorized at the credit committee for each loan individually.

The internal policy of "Ecological Risk Documents" has introduced a practice that envisages environmental protection and environmental risk categories.

According to the economic activity of the customer, ecological risk is divided into three categories:

- High ecological risk
- Low ecological risk
- Neutral

Any activity should be reviewed and evaluated according to the classification of ecological risks. The Loan Officer marks the relevant ecological risk category to the loan for consideration of a specific loan.

List of ecological risks categorization is based on the classification of potential ecological risks arising from the core activities of the client. Categorization and assessment is carried out during financial analysis.

- ✓ In 2014 Crystal started cooperation with JSC "Dasta" which provides archive service and this way helps the company to maintain its documentation and improves the process of paper usage.

## HIGHLIGHTS OF CORPORATE SOCIAL RESPONSIBILITY IN 2014

2014 was very active for Crystal by the scope of projects and initiatives implemented in terms of social responsibility and client protection. Along with successful financial outcomes, the company remains strongly committed to the best international practices for social responsibility and makes its best to introduce these standards at maximum in the field and daily activities.

- In October 2014, Crystal marked an official launch of a financial-educational campaign “Borrow Wisely” in its 3 regional branch offices. The project was carried out under the auspices of International Microfinance Center (MFC) based in Warsaw, Poland and was aimed at reinforcing protection of consumer rights and enhancing their financial literacy. The project lasted for one month. It went on concurrently in various regions of East Europe and Central Asia. Crystal was selected as a project partner in Georgia. Within the campaign, number of seminars and presentations were delivered to Crystal’s employees through which they got introduced to the concept and guidelines of the project. The campaign embraced a set of simple recommendations and questions a borrower should respond before taking a loan to ensure loan handling with less risk and greater responsibility.

Throughout the sequence of the campaign, Crystal employees kept informing the customers through supplying them with information posters and brochures. As a result, within the campaign more than **1200** clients went through consultations.

For more details about “Borrow Wisely” Campaign, Please see links below:

<http://www.smartcampaign.org/about/smart-microfinance-and-the-client-protection-principles>

- In 2014 Crystal conducted its second international social rating, this time implemented by Microfinanza Rating Agency (Italy) and obtained **B+** grade which means “Moderate social performance management and client protection systems, partial alignment to the social mission”.

Recommendations, received from the rating team were reviewed thoroughly and sent for consideration to the relevant departments. Some of recommendations have already been implemented others are under review and implementation.

- In 2013 Crystal launched a **Summer School program**, for Georgian YOUTH, which offers students of Georgian Universities a unique opportunity to gain practical skills and theoretical knowledge in the field of financial services through intensive training courses and internship in Crystal. The main themes were:

- ✓ Financial Literacy
- ✓ Planning marketing and selling tools for businesses
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→ **In 2014, 250 applications were received in summer school programs. 45 of them became a summer school's student. After completion of the training period, 8 youth participants were employed and joined the Crystal Team.**

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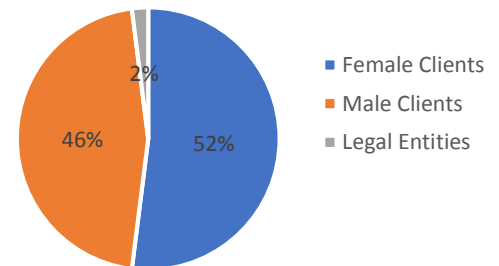
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- Crystal Staff : **531** employees

% Ratio Of Borrowers



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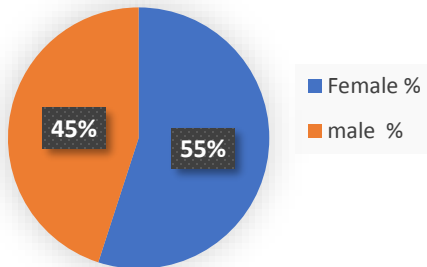
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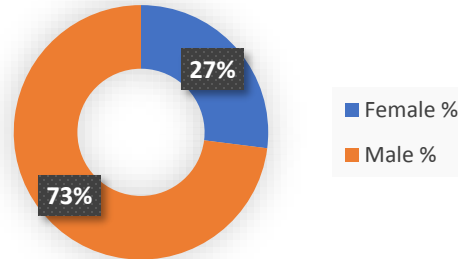
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It is an obligation of every employee of Crystal to prevent, detect and report any form of corruption. Employees are obliged to protect the interests of the company and to disclose any action that will be directed against them. Non-disclosure of such information will be regarded as participation in the crime and will entail the same degree of liability as the violation itself.

- For purposes of the present document, the terms “corruption” and “bribery” cover the concepts defined by the Georgian law as well as commercial bribery and similar actions.
- An employee is obliged to follow the rules established by the Georgian laws on bribery and corruption.

## **ENVIRONMENT**

Loan resume contains information regarding environmental risk that’s categorized at the credit committee for each loan individually.

The internal policy of “Ecological Risk Documents” has introduced a practice that envisages environmental protection and environmental risk categories.

According to the economic activity of the customer, ecological risk is divided into three categories:

- High ecological risk
- Low ecological risk
- Neutral

Any activity should be reviewed and evaluated according to the classification of ecological risks. The Loan Officer marks the relevant ecological risk category to the loan for consideration of a specific loan.

List of ecological risks categorization is based on the classification of potential ecological risks arising from the core activities of the client. Categorization and assessment is carried out during financial analysis.

### **#Ecological Activities**

- ✓ Within “Green challenge” campaign 11 trees and 12 bushes of willow were planted in 8 regions of Georgia.
- ✓ In 2014 Crystal started cooperation with JSC “Dasta” which provides archive service and this way helps the company to maintain its documentation and improves the process of paper usage.

- ✓ During the year about **536** kg recycled paper was gathered through the branches and exchanged on the books that were presented to children from vulnerably by Kutaisi 3 branch.

**If We Know That 1000 kg of recycle paper saves 26,000 liter water and 17 trees \_ about 536 recycled paper saved 7 trees and 15,000 liter water.**

## **Key Highlights of Corporate Social Responsibility in 2015**

- In October 2014, Crystal marked an official launch of a financial-educational campaign “Borrow Wisely”, international educational program \_ the goal of which is to improve the protection of customer’s rights, by raising their level of financial education, which includes practical recommendations and advices delivered to customers, in an easy and understandable manner.

The project is implemented with the support and coordination of the International Microfinance Center of Poland (MFC) in the countries of Eastern Europe, Caucasus and Central Asia.

Crystal was selected as a project partner in Georgia. Within the campaign, number of seminars and presentations were delivered to Crystal’s employees through which they got introduced to the concept and guidelines of the project.

- Throughout the sequence of the campaign, Crystal employees kept informing the customers through supplying them with information posters and brochures. As a result, within the campaign more than **2000** clients went through consultations.

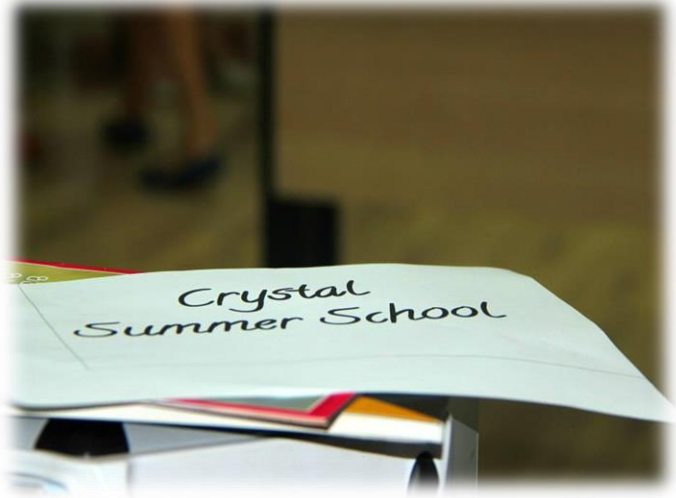
*For more details about “Borrow Wisely” Campaign, Please, see links below:*

<http://www.smartcampaign.org/about/smart-microfinance-and-the-client-protection-principles>

- In 2014 Crystal conducted its second international social rating, this time implemented by Microfinanza Rating Agency (Italy) and obtained **B+** grade which means “Moderate social performance management and client protection systems, partial alignment to the social mission”. **In 2015 the monitoring was launched to fulfill the recommendations of social rating.**

- In 2013 Crystal launched a **Summer School program** for Georgian youth, which offers students of Georgian Universities a unique opportunity to gain practical skills and theoretical knowledge in the field of financial services through intensive training courses and internship in Crystal. The main themes were:

- ✓ Financial Literacy
- ✓ Planning marketing and selling tools for businesses
- ✓ Creating Career Development module and plan



In 2015, Crystal summer School conduct in 3 cities in Georgia. In Total 448 applications were received in summer school programs. In One Cities 20-20 applicants became a summer school's student. After successfully completion of the training period, **19** youth participants were employed and joined the Crystal Team.

Please see the link below, about Crystal Summer School participants and their activities:

- <https://www.facebook.com/CrystalSummerSchool/>

**CONTACT DETAILS:**



<https://ir.crystal.ge/>

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## COMMUNICATION ON PROGRESS (COP)

### JSC MFO CRYSTAL

Period covered by your Communication on Progress (COP)

From: January, 2016

To: December, 2016

#### 4. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

Please use the box below to include the statement of continued support signed by your company's chief executive

December, 2016

To our stakeholders:

I am pleased to confirm that Financial Inclusion Organization "Crystal" reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

**Malkhaz Dzadzua**

CEO, JSC MFO CRYSTAL

## ABOUT US

**JSC MFO Crystal** is dynamically growing local Non-Bank Microfinance Organization, supporting micro entrepreneurs and farmers in realizing their business potential, reaching financial stability and elevating living standards.

### Corporate Values

Crystal conducts business with the following corporate values in mind:

**Responsibility** – responsible lending focused on avoiding over – indebtedness; we treat our customers fairly, with care and due forbearance; socially responsible attitude towards clients, employees, business partners, community and environment.

**Transparency** – customer should be able to compare costs, terms and conditions of a loan and understand consequences of a non-payment. Crystal’s relationship with clients, staff, funders and a wider society is based on transparency, frankness and fairness.

**Partnership** – a long-term, equitable and customer-focused relationship. The cornerstone of Crystal’s approach is care towards customers and sustainability.

**Access** – our product design, lending standards, distribution channels and customer interfaces are all about access. We are always accessible to our clients, business partners and each other.

**Innovation** – innovation and constant improvement is the way Crystal and its people work. We love technology and encourage creativity. Innovation is life!

Crystal offers wide range of financial services to its customers including: Micro loans for start-ups and existing businesses, Agro loans, Housing and Consumer loans, Currency Exchange services, Money Transfers, Utility Payment Services. Company’s main target market is regional micro-enterprises, family-run businesses and economically active low-income households.

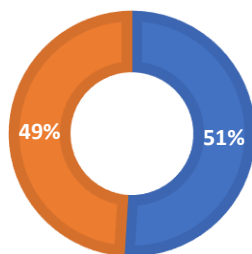
### Key highlights for 2016:

- GEL 170 million Total Assets
- 40 regional branches, up to 700 employees
- 60,000 borrowers; 68% rural and 51% female clients
- 75% collateral-free loans, 73% in local currency

- 10% of MFI market share; 2nd largest MFIs in Georgia
- \$100 million funding from international financial markets
- “BBB” credit rating, ”B-” social rating, 5-Star MFI by the MIX

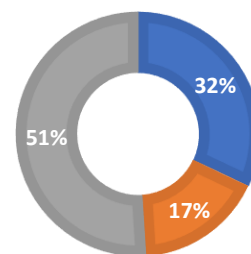
**% OF CLIENTS BY GENDER**

■ Female ■ Male



**% OF CLIENTS BY LOCATION**

■ Urban ■ semi-urban ■ Rural



## LABOUR AND HUMAN RIGHTS

Crystal acknowledges and upholds the United Nations Global Compact principles (elimination of discrimination in respect of employment and occupation) and conventions (recommendations) enforced by the International Labor Organization on the importance of developing employees’ professional skills and providing trainings in safety/health issues (during working hours and at the expense of the employer).

The company fully realizes the importance of thoroughly protecting the rights of employed people. It establishes an impartial, transparent and unbiased system that, in turn, facilitates achievement of the strategic goal set by the management - to protect labor rights, human rights and freedoms of every employed individual; to protect them from any form of discrimination and harassment, to create safe and comfortable environment for day-to-day activities.

In company operates an internal document \_Staff Policy, which is defined and is regulated by Georgian legislation, charter of JSC MFO “Crystal”, job contracts and the given policy. Acts adopted by Crystal's governing bodies (the Executive Board) and job contracts with hired employees should not contradict with the Charter of the company and the Georgian legislation.

This policy applies to the company personnel and has legal superiority over other internal norms in the field of personnel management and staff policy.

### **Fundamental Principles defined by Staff Policy**

- ✓ Each member of the personnel is free to act within the defined competencies. In order to avoid illegal or other harmful results for the organization any involvement should be duly motivated by law of Georgia, charter of the organization, the given policy and employment contract.
- ✓ Discrimination of employees against language, race, skin color, religion, social, national or ethnic belonging is strictly forbidden.
- ✓ Every office of the organization is declared free from weapons, cigarettes, alcohol and drugs. Bringing, use or consumption of such materials in the office area is strictly forbidden.

In 2010, In Crystal created an internal document “Code of Ethics”, which constitutes an integral part of the labor agreement and accompanies the contract of all employees.

The representative of the Human and Organizational Development Service of the Company informs new employees about the Code of Ethics principles and also helps them to understand and implement the Code of Ethics.

The principles in Code of Ethics are a mixture of SMART Campaign Principles as well as other good relationship standards.

### **Relationship With Employees #8(principle from Code of Ethics)**

Relationship with employees means that member organization values its employees as the keystone to success, thus committed to treating all employees with dignity, trust and respect, and to build a long-term relationship based on Georgian labor law and the respect of human rights.

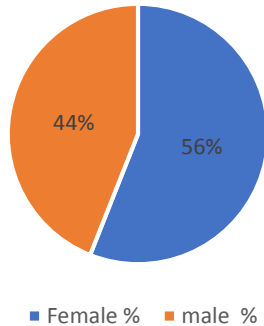
Member organization agrees it will:

- Foster teamwork, stimulate new and creative business opportunities and innovation
- Provide and regularly improve healthy, safe and secure working environment for its employees
- Give equal opportunities to its employees; its recruitment, promotion and compensation policy is based on merit and free of discrimination
- Not tolerate any kind of discrimination or harassment at the workplace

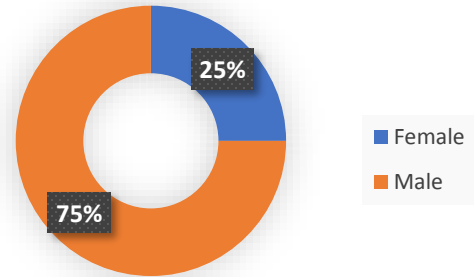


- Have in place training programs, accessible to all employees, adequate to proper development.

Gender Ratio in 2016



Ratio in Women managerial positions 2016



## ANTI-CORRUPTION SYSTEM

- An employee is obliged to get familiar with the company rules directed against bribery and corruption.
- When performing job duties, an employee is required to act in accordance with the highest standards of honesty and good faith. It is mandatory to observe the procedures effective in the company at all times.
- An employee should handle personal and particularly financial affairs in the manner not to discredit either the company or his/her own name. An employee should never use his position to exert influence on public officials or clients for personal gain.
- An employee is obliged to immediately inform his/her supervisor and internal audit of any violation, which has been committed (or is likely to be committed) by any employee, partner, supplier and/or client of the company.
- Bribery and corruption may trigger criminal liability of a particular employee implicated in the corruption and possibly, of the entire company.
- An employee shall promptly notify his/her supervisor and the internal audit if he/she:
  - A) Has suspicions about bribery and corruption;
  - B) There was an attempt to offer him/her a bribe, extort bribe or engage him/her in illegal activity;

C) Has information about ongoing violations, even if they are not directly related to him/her.

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- For purposes of the present document, the terms “corruption” and “bribery” cover the concepts defined by the Georgian law as well as commercial bribery and similar actions.

- An employee is obliged to follow the rules established by the Georgian laws on bribery and corruption.

## ENVIRONMENT

In 2014 Crystal started cooperation with JSC “Dasta” which provides archive service and this way helps the company to maintain its documentation and improves the process of paper usage. Loan resume contains information regarding environmental risk that’s categorized at the credit committee for each loan individually. The internal policy of “Ecological Risk Documents” has introduced a practice that envisages environmental protection and environmental risk categories. According to the economic activity of the customer, ecological risk is divided into three categories: High ecological risk/Low ecological risk/Neutral

Any activity should be reviewed and evaluated according to the classification of ecological risks. The Loan Officer marks the relevant ecological risk category to the loan for consideration of a specific loan.

List of ecological risks categorization is based on the classification of potential ecological risks arising from the core activities of the client. Categorization and assessment is carried out during financial analysis.

- ✓ During the year about **430** kg recycled paper was gathered through the branches and exchanged on the books that were presented to children from vulnerably by Kutaisi 3 branch.

**If We Know That 1000 kg of recycle paper saves 26,000 liter water and 17 trees \_ about 430 recycled paper saved 6 trees and 13,000 liter water.**

## Key Highlights of Corporate Social Responsibility in 2016

- In 2016, Crystal is one of the 1st companies in Georgia who had signed the **UN Women’s WEPs** (Women Empowerment Principals) program and is actively participating in the working group meetings.

- In October 2014, Crystal marked an official launch of a financial-educational campaign “**Borrow Wisely**”, international educational program the goal of which is to improve the protection of customer’s rights, by raising their level of financial education, which includes practical recommendations and advices delivered to customers, in an easy and understandable manner.

The project is implemented with the support and coordination of the International Microfinance Center of Poland (MFC) in the countries of Eastern Europe, Caucasus and Central Asia.

Crystal was selected as a project partner in Georgia. Within the campaign, number of seminars and presentations were delivered to Crystal’s employees through which they got introduced to the concept and guidelines of the project.



- In 2016 more than **8,000** borrowers have been reached and consulted by Crystal about how to borrow wisely and be protected from over-indebtedness. Number of educational video lectures on financial literacy have been prepared and spread through social media and network:

*For more details about prepared BW2016 Video Campaign by Crystal, Please, see links below:*

- <https://www.youtube.com/watch?v=0z8q4Bq7RLY>
- <https://www.youtube.com/watch?v=dIV4v0ho1Co>

- Crystal established Young Entrepreneurs School program, which is implemented in 21 cities of Georgia in partnership with PH International, Crystal Fund and USAID, as a 3-years Program

The overall goal of the program is to increase opportunities for self- or waged employment of Georgia’s youth through enabling youth-led enterprises, innovative delivering of relevant skills and new discourse contributing to youth economic

empowerment. The program will accomplish this overall goal through a targeted system of training in entrepreneurial, business skills, enhancement of financial capabilities, online micro-equity fund and development of youth-friendly employment practices led by the business community within Georgia and informed by the experience of international partners.

Young Entrepreneurs School entails training in two stages. At the first stage participants develop a variety of job skills, whereas the second stage entails preparation of investment proposals. Top projects get funding from Crystal.

More than **200 start-ups** have been trained in business planning, management and entrepreneurship skills in 2016; **10** start-up business ideas have been already financed by Crystal.

For Further Details about YOUNG ENTREPRENEUR SCHOOL's participants, Please see links below: <https://www.facebook.com/mfocrystalyes/>

- Crystal is a financial partner of **Social Entrepreneurship** project, implemented by the Center for Strategic Research and Development Georgia. The project is aimed at the capacity building of social enterprises and to facilitate the economic empowerment of vulnerable groups in Georgia.

**CONTACT DETAILS:**



<https://ir.crystal.ge/>

## COMMUNICATION ON PROGRESS (COP)

### JSC MFO CRYSTAL

Period covered by your Communication on Progress (COP)

From: January, 2017                      To: December, 2017

#### 5. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

Please use the box below to include the statement of continued support signed by your company's chief executive

December, 2017

To our stakeholders:

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Sincerely yours,

**Malkhaz Dzadzua**

CEO, JSC MFO CRYSTAL

## ABOUT US

**JSC MFO Crystal** is dynamically growing local non-banking financial organization, supporting micro entrepreneurs and farmers in realizing their business potential, reaching financial stability and elevating living standards.

**The mission of Crystal** is to support micro and small entrepreneurs as well as farmers in their efforts to realize business potential, achieve financial stability and improve living conditions. The company is mainly focused on the development of micro-enterprises and farmers working in regions and in remote areas.

The following are the **corporate values** of JSC “Crystal”:

- **Responsibility** – which implies to help customers avoid over-indebtedness through responsible lending. This component also includes a responsible approach to employees, business partners, society and environment at large.
- **Transparency** – customers are able compare our prices, terms and conditions and get familiar with possible threats.
- **Partnership** – a long-term and equitable relationship with customers and investors.
- **Access** – accessibility is a crucial factor when designing products and selecting delivery channels.
- **Innovation** – constant strive towards innovation and improvement.

Crystal offers wide range of financial services to its customers including: Micro loans for start-ups and existing businesses, Agro loans, Housing and Consumer loans, Currency Exchange services, Money Transfers, Utility Payment Services. Company’s main target market is regional micro-enterprises, family-run businesses and economically active low-income households.

By the end of 2017 Crystal:

- GEL 227 million Total Assets
- 40 regional branches, up to 896 employees
- 65,000 borrowers; 54% rural and 53% female clients
- 77% collateral-free loans, 64% in local currency
- 14% of MFI market share; 2nd largest MFIs in Georgia
- GEL 100 million funding from international financial markets
- Target groups: micro entrepreneurs, start-ups and smallholder farmers

## LABOUR AND HUMAN RIGHTS

Crystal acknowledges and upholds the United Nations Global Compact principles (elimination of discrimination in respect of employment and occupation) and conventions (recommendations) enforced by the International Labor Organization on the importance of developing employees' professional skills and providing trainings in safety/health issues (during working hours and at the expense of the employer).

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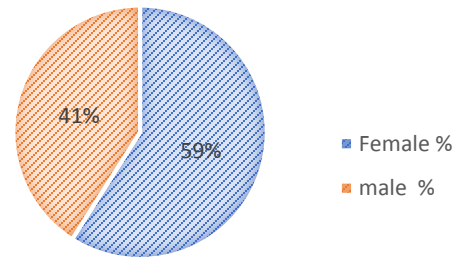
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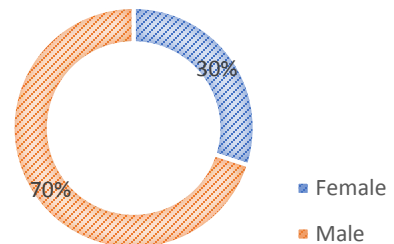
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- Provide and regularly improve healthy, safe and secure working environment for its employees
- Give equal opportunities to its employees; its recruitment, promotion and compensation policy is based on merit and free of discrimination
- Not tolerate any kind of discrimination or harassment at the workplace
- Have in place training programs, accessible to all employees, adequate to proper development.

GENDER RATIO IN 2017



RATIO IN WOMEN MANAGERIAL POSITIONS 2017



## ANTI-CORRUPTION SYSTEM IN CRYSTAL

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## ENVIRONMENT

**GREEN FINANCE from FMO:** In 2017 year, JSC MFO Crystal and FMO (Netherlands Development Finance Company) signed the USD synthetic local currency (GEL) term facility in an aggregate amount of USD 10,000,000.

The facility will be used to support micro and small enterprises through innovative financial products and green financing in the regions of Georgia with special emphasis on tourism, agriculture and service sectors.

The signing ceremony was attended by representatives of the government authorities, international organizations, financial sector, international financial institutions and mass media. Key-note speakers included Mr. Koba Gvenetadze, President of the National Bank of Georgia, H.E. Mr. Jos Douma, Ambassador Extraordinary and Plenipotentiary of the Kingdom of the Netherlands to Georgia and Mr. Giorgi Cherkezishvili, Deputy Minister of Economy and Sustainable Development of Georgia.

**ECO–Risk Policy** \_ Loan resume contains information regarding environmental risk that's categorized at the credit committee for each loan individually. The internal policy of “Ecological Risk Documents” has introduced a practice that envisages environmental protection and environmental risk categories.

According to the economic activity of the customer, ecological risk is divided into three categories:

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### #Ecological Activities

- ✓ Within the “Build The Forest BORJOMI” \_ which was completely destroyed by fire In 2008, covered of 250 hectares. Destroyed forest classification belongs to a unique, special functional forest, the existence of which preserves ecological balance in the region and economic-social development. Crystal bought **800** saplings for the development of Borjomi forest.



## Key Highlights of 2017

- In October 2014, Crystal marked an official launch of a financial-educational campaign “Borrow Wisely”, international educational program \_ the goal of which is to improve the protection of customer’s rights, by raising their level of financial education, which includes practical recommendations and advices delivered to customers, in an easy and understandable manner.

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Crystal was selected as a project partner in Georgia. Within the campaign, number of seminars and presentations were delivered to Crystal’s employees through which they got introduced to the concept and guidelines of the project.

- Throughout the sequence of the campaign, In 2017 Crystal employees kept informing the customers through supplying them with information posters and brochures. As a result, within the campaign more than **8000** clients went through consultations.

For more details about “Borrow Wisely” Campaign, Please, see link below:

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The overall goal of the program is to increase opportunities for self- or waged employment of Georgia’s youth through enabling youth-led enterprises, innovative delivering of relevant skills and new discourse contributing to youth economic empowerment. The program will accomplish this overall goal through a targeted system of training in entrepreneurial, business skills, enhancement of financial capabilities, online micro-equity fund and development of youth-friendly employment practices led by the business community within Georgia and informed by the experience of international partners.

Young Entrepreneurs School entails training in two stages. At the first stage participants develop a variety of job skills, whereas the second stage entails preparation of investment proposals. Top projects get funding from Crystal.

As of 2017, more than 330 young people from 20 cities of Georgia have been trained. Crystal financed 26 business ideas, including 4 ones from Abkhazia (conflicted region of Georgia).

For Further Details about YOUNG ENTREPRENEUR SCHOOL’s participants, Please see links below: <https://www.facebook.com/mfocrystalyes/>

In 2017 year, Total 248 applications were received in summer school programs. 21 applicants became a summer school’s student. After successfully completion of the training period, **11** youth participants were employed and joined the Crystal Team.





Please see links below, about Crystal Summer School participants and their activities:  
<https://www.facebook.com/CrystalSummerSchool/>

- In 2017 year, Crystal is Proud Supporter of Georgian Rugby and is the official sponsor of the rugby club “Bagrati”



- **Social entrepreneurship** Crystal has been cooperating with the Center for Strategic Research and Development (CSRDG) since 2016. Through joint efforts, we promote development of social entrepreneurship in Georgia. Our support encompasses expert and consultative engagement, as well as financial assistance, such as sponsorship of various social events and forums and an innovative project – “Social Credit” for social entrepreneurs. The latter was launched in 2017 and envisages disbursement of interest-free loans up to 5,000 GEL, with no collateral requirements, zero interest and fees for starting or expanding social entrepreneurship. The maturity is up to 2 years, repayment schedule is adjusted to cash flow of the enterprise.



## COMMUNICATION ON PROGRESS (COP)

### Financial Inclusion Organisation CRYSTAL

Period covered by your Communication on Progress (COP)

From: 2018. January To: 2018, December

## STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

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In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

**David Bendeliani**

Acting CEO/CFO

Financial Inclusion Organization "Crystal"

## ABOUT US

JSC MFO Crystal is the leading financial inclusion organization and the largest by assets non-banking financial institution in Georgia. It manages the loan portfolio of GEL 265 million, employing more than 1,000 members of staff, operating through 62 branches and serving more than 100,000 unique customers across Georgia. Crystal acts as a platform for economic development providing micro, small entrepreneurs and farmers with innovative financial products and services tailored to their needs.



Crystal is the development platform for micro and small entrepreneurs, which aims to defeat poverty in Georgia through promoting entrepreneurship in a financially, socially and environmentally sustainable way.

**Crystal's vision is to be a leading regional customer centric, people-oriented and data-driven financial inclusion organization.**

Crystal's comparative advantage is that we view ourselves as a platform for development for our customers. Our solutions-based approach helps us to move away from the sole focus

on provision of credit. Financial inclusion requires access to more services, such as current account, insurance as well as an array of non-financial services, including business and financial advice, technological stack as well as knowledge, information, networking and leadership development opportunities.

Crystal is the first Fitch-rated non-banking financial institution in the region with a rating 'B' stable outlook:

<https://ir.crystal.ge/fitch-affirms-mfo-crystal-b-outlook-stable/>

**For more information and digital version of the 2018 full report, please visit:**

[https://crystal.ge/uploads/files/reports/JSC-MFO-Crystal\\_Audited-Financial-Statements\\_2018.pdf](https://crystal.ge/uploads/files/reports/JSC-MFO-Crystal_Audited-Financial-Statements_2018.pdf)



## CRYSTAL RE-BRANDING AND NEW CORPORATE STRATEGY

Crystal had been rebranded in 2018, that's why you'll see new logo, new color and new Corporate Strategy (2019-2023) in the above-mentioned link of the Annual Report 2018.

### Our Mission and Desired Outcomes

As a platform for the development of Georgia's micro entrepreneurs and farmers, Crystal aims to reduce poverty in Georgia by promoting entrepreneurship in a financially, socially and environmentally sustainable way.

Crystal plans to serve more than 10% of the employable population, offering different financial and non-financial services. Our customers will act as role models of micro entrepreneurship for the rest of Georgia.

This ambitious mission is contingent upon the Georgian Government delivering its inclusive economic growth strategy and meeting its commitments under the 2030 Sustainable Development Goals (SDGs).

Crystal's desired outcomes each fall under the 3Ps: Planet, People and Profit. We target an average Return on Equity (ROE) of 18%, alongside the social and environmental benefits.

Crystal aims to demonstrate positive societal impact on at least 50% of households served (a minimum of 34,600 customers in 2019), while measurable environmental targets, such as reduction of carbon footprint, improvement of waste management and supporting a bio-diversity, will be elaborated over the course of 2019.



By reaching our desired outcomes, Crystal shall contribute towards the chosen 6 SDGs:



## HUMAN RIGHTS AND LABOUR

### Equal Opportunities

The Company offers equal employment opportunities to all employees and job candidates, irrespective of their race, skin colour, language, gender, age, citizenship, origin, birthplace, place of residence, material status or position, religion or belief system, nationality, ethnicity, social status, profession, marital status, health condition, disability, sexual orientation, gender identity and expression, political or other opinions, or due to any other distinctive personal features. These policies are in force for all conditions of employment, including hiring, promotion, contracting, compensation, training, etc.



The organization is managed by professional and motivated staff. The Company constantly strives to create new opportunities to engage its employees, and to increase their motivation and professionalism.

## **ANTI-DISCRIMINATION POLICY AND PREVENTION OF HARASSMENT**

The Company has a clear antidiscrimination policy, which strictly prohibits any form of discrimination or harassment behavior or intent towards individuals who have business relationships with the Company at the pre-contractual and all other stages of labour relations (regardless of contract type, be it a labour or service contract). Employees should immediately report any incidence of discrimination to the Talent Development and Management Department and cooperate with the Company to ensure that relevant investigations are conducted for each of discrimination cases.

The goal is to create a healthy work environment and to prevent the harassment of any employee. The term ‘harassment’ relates to any behavior that involves unjustified interference with an employee’s work, resulting in a hostile or abusive environment, or other negative impacts on any employees’ working conditions. The Company is committed to prohibiting and preventing sexual harassment in the workplace.

### **Human Rights, Labour Safety and Work Conditions**

The Company acknowledges the importance of the full protection of every employee’s rights and creates a completely impartial, transparent and unbiased system that, in turn, contributes to achieving the strategic goals of the Company’s management – to protect the rights of each staff member and employee, their human rights and freedoms, to protect them from any form of discrimination or harassment and to create a wholly safe and comfortable environment for the implementation of everyday working activities. For this purpose, the Company has created and uses a confidential notification mechanism - the whistleblowing disclosure system.

Our open and transparent communication culture is a primary factor in helping eliminate discriminatory actions. The Company constantly strives to create an environment where every employee can express their opinions, where everybody knows that they will always be heard and be treated properly.

The Company always offers straightforward opportunities to access the operating risk management department, and thus protect themselves and the Company from the negative consequences of discriminatory action.

Crystal, as a socially responsible organisation, has provided training on labour safety and health care issues for all employees.

Though the Georgian law on labor safety does not yet apply to financial institutions, by 2018 figures:

- 130 employees in Kutaisi head office have already attended fire safety training;
- 28 employees were trained in transport safety;
- 730 employees throughout Georgia have attended labor safety training

Please, see the video for fire safety training:

<https://www.youtube.com/watch?v=xKcHTQb6XII>

### Staff policy of Crystal

Staff policy and talent management are regulated by the effective legislation of Georgia, acts adopted by the management of Crystal, labor agreements and internal regulations, which fully conform with the company's Charter and the Georgian laws.

### Restrictions related to commencement of labor relations

It is not allowed to employ a physical person at Crystal, who:

- Is convicted for deliberate offense, financing of terrorism, legalization of illicit income or other economic crime;
- Encourages or is engaged in discriminatory and propaganda activities inciting hatred between people or groups of people on the basis of political, religious, gender, national, racist, social attributes and other grounds;
- Pursues political activity and is engaged in active campaigning with the company's employees and clients, which may inflict a damage on the company's reputation and image
- In some way participates in the activities of a competitor institution and represents its interests
- A person or his/her family members and/or related persons, who hold stock/shares, are members of the management bodies or have other financial or commercial claims
- Is a family member and/or relative of top management, internal audit and the company's employee;
- represents the family member of the Crystal Management and Risk Service and / or relative to the immediate subordination or co-ordination position
- is a family member and / or relative of a company employee when such person may be directly in the position or position of the position of the employee, as well as in the same service department.

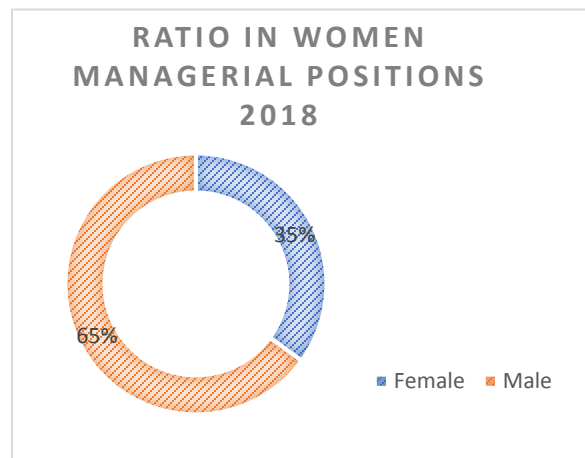
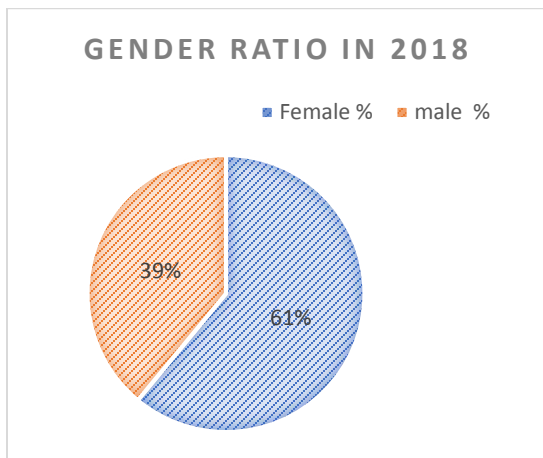
### Important Facts in Human Rights as of 2018

2018 proved to be a turning point for the Company, marked by the establishment of People and Organizational Development division. In accord with the ambitious strategic plan 2019-2023, the goal of the division is to ensure the smooth function of relevant processes and procedures, and to provide an assurance that staff are equipped with the necessary skills and correct knowledge at the appropriate time and place.

The motivation and engagement of each Crystal employee is critical for the Company's management team. Therefore, in 2018 several important projects were launched and

implemented, which have since led to a completely new stage in the relationships between the Company and its employees.

- One of the most important projects implemented by the team in 2018 was the introduction of new labour contracts and internal labour regulations, based upon recommendations provided by international partner organisations and experts from KPMG.
- The main set of new documents regulating labour relations is in full compliance with local and international norms, which, according to leading experts and organisations, is of a qualitatively high standard and in compliance with the mentioned standards;
- These norms fully cover all aspects related to gender equality, based on the set standards and recommendations provided by UN Women;
- The digitalisation of the process is noteworthy. The Company arranges signing of the new labour contracts through an innovative system solution based on electronic signature and other features.
- This innovation significantly increases the reliability, protection and quality of any documentation;



## **ANTI-CORRUPTION SYSTEM**

- An employee is obliged to get familiar with the company rules directed against bribery and corruption.
- When performing job duties, an employee is required to act in accordance with the highest standards of honesty and good faith. It is mandatory to observe the procedures effective in the company at all times.

- An employee should handle personal and particularly financial affairs in the manner not to discredit either the company or his/her own name. An employee should never use his position to exert influence on public officials or clients for personal gain.
- An employee is obliged to immediately inform his/her supervisor and internal audit of any violation, which has been committed (or is likely to be committed) by any employee, partner, supplier and/or client of the company.
- Bribery and corruption may trigger criminal liability of a particular employee implicated in the corruption and possibly, of the entire company.
- An employee shall promptly notify his/her supervisor and the internal audit if he/she:
  - A) Has suspicions about bribery and corruption;
  - B) There was an attempt to offer him/her a bribe, extort bribe or engage him/her in illegal activity;
  - C) Has information about ongoing violations, even if they are not directly related to him/her.
- It is an obligation of every employee of Crystal to prevent, detect and report any form of corruption. Employees are obliged to protect the interests of the company and to disclose any action that will be directed against them. Non-disclosure of such information will be regarded as participation in the crime and will entail the same degree of liability as the violation itself.
- For purposes of the present document, the terms “corruption” and “bribery” cover the concepts defined by the Georgian law as well as commercial bribery and similar actions.
- An employee is obliged to follow the rules established by the Georgian laws on bribery and corruption.

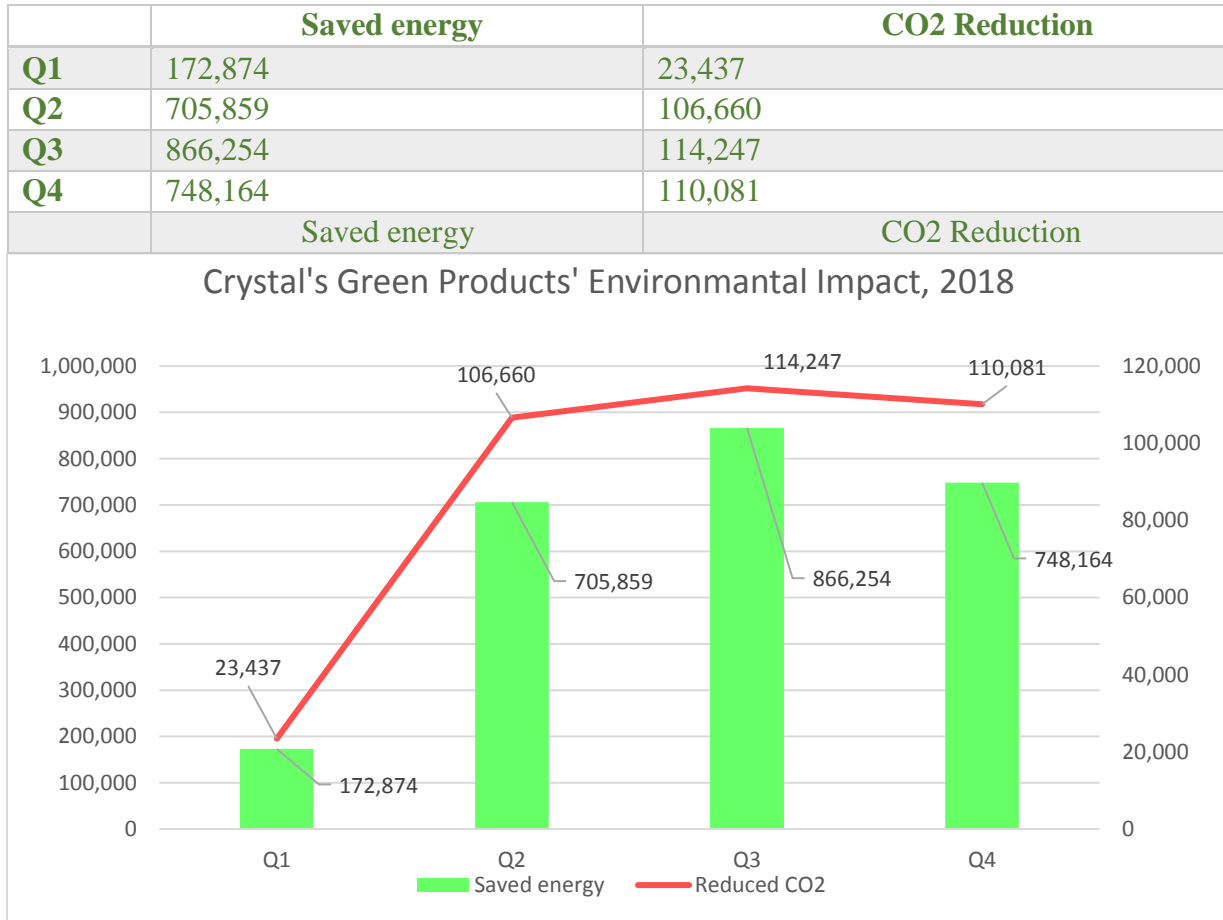
## **ENVIRONMENT AND GREEN FINANCE IN CRYSTAL**

In the scope of the investment raised by JSC Microfinance Organization “Crystal” from the Dutch Development Bank FMO in 2017, the company launched the “green product” line, which envisages offering of “green” solutions to customers.

By introducing “green financing”, the organization is driven by the goal to inform the population and raise public awareness about the benefits of eco-friendly products, to increase their accessibility, to reduce emissions and adverse environmental impact

With help of local experts, a calculator was developed by the end of 2018, enabling us to calculate energy savings and consequently, CO2 footprint reductions (the calculator provides rough estimates, the accuracy of measurement is about 10-20%). We used the calculator to estimate

average impact of green products disbursed in 2018.



**Brief overview:**

Average energy saving through disbursement of green loans (6,186) in 2018: 2,493,154 kW;  
 Avoided CO<sub>2</sub> emission: 354,426 kg;

*1 tree absorbs (cleans up) 25kg of CO<sub>2</sub> per year. If we look at green portfolio of Crystal in terms of CO<sub>2</sub> emission avoided to the environment, it will be tantamount to CO<sub>2</sub> offset by 14,177 trees.*

## Environmental protection

Given the specificity of its work, Crystal does not inflict a negative impact on the environment. Still, the company seeks to implement initiatives aimed at bearing positive impact on the environment.

The company implements the following environmental initiatives:

- a 3-year initiative for protection of the environment **#CrystalForEnvironment** - In the framework of the project, employees of “Crystal” volunteer to clean up and plant greenery on two protected sites for the period of three years. In 2018, 3 clean-up actions were carried out on the given locations. Endemic varieties were also planted there.



➤ Please, see the link below:

[https://drive.google.com/file/d/1YFHpy305cvWH9K2viTtxr\\_OByCfDsWJk/view](https://drive.google.com/file/d/1YFHpy305cvWH9K2viTtxr_OByCfDsWJk/view)

- Information meetings on effective waste management and reduction of harmful environmental impact for employees of #Crystal – in 2018, employees from 15 branches of East Georgia attended the training about reduction of harmful impact on the environment;
- The company has introduced the practice of collecting/processing secondary paper. In line with confidentiality principles, accumulated paper is provided to the serving company and old documentation is destroyed in accordance with effective rules. 360 kilograms of scrap paper were recycled from Crystal during 2018.

## ACHIEVEMENTS IN CORPORATE SOCIAL RESPONSIBILITY

- ✚ In 2018, Crystal invested 1.93% of the net profit into corporate social responsibility projects, including:
  - \* 9 social enterprises;
  - \* 15 social projects covering 3,000 direct beneficiaries (young people with limited abilities, elderly people in need, etc.)
  - \* 32 youth projects.



- The mentioned social enterprise and youth projects across Georgia include: small manufacturing, agricultural and innovation sectors. The fourth round of the **Young Entrepreneur School** (YES Georgia) was conducted across seven regions in Georgia in 2018, from which 467 applications were received (207 male and 258 female participants). Of these entrants, 130 applicants were selected. Since 2015, Crystal's Young Entrepreneur School has received approximately 2,000 applications, out of which 650 young people were selected to participate in school training, where 44 business ideas were financed.



## YOUTH ENTREPRENEURSHIP

- **Crystal Young Entrepreneurs School** – ‘Youth Entrepreneurial Skills for Advancing Employability and Income Generation in Georgia’ (shortly “YES – Georgia”) is Crystal's Youth Entrepreneurship School funded by the USAID. The project is implemented in partnership with Crystal Fund, PH International and Junior Achievement in Georgia (JAG). It launched in September, 2015 as a 3-years Program, but because of its positive impact on youth (especially in the regions), the USAID had prolonged it for the next 3 years. The overall goal of the program was and is to increase opportunities for self- or waged employment of Georgia's youth through enabling youth-led enterprises, innovative delivering of relevant skills and new discourse contributing to youth economic empowerment. The program will accomplish this overall goal through a targeted system of training in entrepreneurial, business skills, enhancement of financial capabilities, online micro-equity fund and development of youth-friendly employment practices led by the business community within Georgia and informed by the experience of international partners. Particular emphasis focused on working with an estimated 1,000 youth, aged 17-25 in Tbilisi and in 20 municipalities of Georgia. The selection criteria of participants and a choice of targeted regions \_ in mind USAID's strategic objectives related to integration of ethnic minorities as well as broadening participation and economic empowerment of girls and young women. The project had three major components/objectives (intermediate results): Entrepreneurship Development Component; Increased Employability Component and New Discourse on Youth Economic Participation. Each intermediate result was broken

down into Sub-Intermediate Results, each achieved by specific activities and sub activities and actions that in combination lead to the end results and achievement of the project goals and objectives.

Major achievements (so far) were: Around 283 applications submitted from Tbilisi and 13 municipalities of Georgia and 107 young people (among 53 boys and 54 girls) were admitted to the “Young Entrepreneurs’ School”. Through the Youth Micro Equity Facility in April 2018, 9 new business ideas/youth enterprises were financed. The owners of these new businesses get not only co-financing but also regular mentoring and coaching from Crystal Managers, in order to develop their businesses effectively. “ **Young Entrepreneurs School** “continues and please see link below \_ the pitching session of the fourth flow participants:

<https://www.facebook.com/CrystalJscMfo/videos/1534439190034049/>

- ✚ In 2018, Crystal has included the United Nations’ sustainable development goals and environmental impact assessment into its Company strategy;
- ✚ The loan portfolio amounts to GEL 4.5 million, with more than 5,000 green loans disbursed;
- ✚ Crystal has helped to save 2,493,154 kilowatt (kW) of electricity and 354 tons of CO2 through the 6,186 ‘green’ products issued in 2018;
- ✚ Crystal had joined- as the 1st company from the region – the UN Business Call to Action network.
  - Here’s the link - a spotlight in the British Guardian regarding Crystal’s gender (and not only) commitment as the Member of UN Business Call to Action:

<https://www.theguardian.com/business-call-to-action-partnerzone/2018/may/23/were-saying-yes-to-minorities-yes-to-youth-how-microfinance-helps-georgia>

- ✚ Crystal is one of the 1<sup>st</sup> companies in Georgia, which had signed the UN Women’s WEPs (Women Empowerment Principals) program and In 2018, Crystal was very actively involved in UN Women’s Working Group meetings alongside private sector representatives.

UN Women had conducted the company’s overall gender gap analyses. Then Crystal has developed an innovative WEP action plan for its organization and collaborated with UN Women Georgia. Within the UN Women’s Economic Empowerment Principles (WEPs), Crystal was among five companies to sign WEPs through the gender monitoring process, conducted by the UN Women’s Human Resources and Gender Advisors.



Given Crystal's WEP action plan and specifically its commitment, increases opportunities for women's leadership within the organization. Also, In 13<sup>th</sup> December 2018, for Crystal Female staff members, was conducted leadership workshop with international consultants such as Mrs.

Adriana Greenblatt - Gender Equality & Organizational Alignment Consultant, ALG Consulting (Canada).



✚ Support people with disabilities:

✚ One of the important points in "Crystal" strategy is that, its services and service centers will become adapted and open to people with special needs. From 2019 Crystal branches and service centers will be adapt with appropriate infrastructural conditions.

Crystal tries to become an open company for people with disabilities and special needs at the employment and labor market. Preparation for this purpose has begun since 2018. On December 22, in Kutaisi head office, training about "The Ethics of Working with Persons with Disabilities, Stigmas and Successful Examples of their Employment" was conducted in collaboration with the Organization for "Education, Development and Employment Centers", which provides advocacy of persons with disabilities and encourages their social realization.

At the initial stage, the employment of the first disabled person will be implemented in the Kutaisi headquarters, Archives section. The selection process will be conducted in accordance with the ethics of working with persons with disabilities.

Video material about training "working Ethics with people with disabilities", Please see below:

- <https://www.youtube.com/watch?v=RxZbgKA1H9Y&t=36s>

## The Main Achievement Of 2018 Year

Responsible Business Awards [MELIORA 2018](#)

In 2018, the first Responsible Business Awards MELIORA was conducted with the support of the EU Commission and organized by the Centre for the Strategic Research and Development of Georgia (CSR DG). The competition included 41 companies, which incorporated 76 corporate social responsibility projects. Leading foreign and Georgia experts (an independent jury of 27 representatives from Georgia, UK, USA, Belgium, Denmark, Israel, Norway and Slovakia) assessed and identified the most responsible and exemplary projects. Crystal was awarded with the Grand Prix as [“the Most Responsible Company of the Year 2018”](#)



Responsible Business Award  
"Meliora 2018"

#First Fitch-rated non-banking financial institution in the region with a rating ‘B’

#First non-banking financial institution with the Social Rating from Microfinanza (International Rating Agency) with the rating ‘A-‘