

**COMMUNICATION
ON PROGRESS
REPORT
2021**



INTRODUCTION

Adjara Group Holding is a leading Georgian company, which operates as a decentralized corporate structure uniting three directions - hospitality, development, and agriculture.

It has gained worldwide recognition for creating and managing award winning hotels, multifunctional spaces, and F&B establishments. Moreover, one of the biggest agricultural and farming companies in Kakheti, Georgia, is also being operated as part of the holding and plays a key role in developing the industry.

With an aim of contributing to the development of Georgian economy and setting new standards in hospitality, agriculture, and context-driven development, the holding creates innovative, inclusive, and environmentally sustainable projects for locals, as well as international travellers.



6 Hotels
7 Ongoing Projects
8,000 Ha of Agricultural Land

LETTER FROM THE BOARD OF DIRECTORS

"We are pleased to present our fifth Communication on Progress report. Adjara Group Holding shares the UN Global Compact's principles on human rights, labor, anti-corruption, and environmental responsibility, and it is our goal to lead the team towards business practices that are more sustainable.

We aim to administer more efficient, accountable, transparent and accessible operations. We continuously engage with key stakeholders about our ongoing activities and future projects.

The year 2020 was filled with challenges for all of us and staying on the path of social, as well as environmental responsibility was especially important. For this reason, through partnerships and tireless work, Adjara Group Holding implemented many activities that ensured the health and wellbeing of our employees and customers, while also staying on our track of progress.

The year 2021/22 still poses many challenges to the private sector and we strongly believe that through our sustainable approach toward business administration and development, our company can only come out stronger and achieve bigger results both commercially and in terms of SDGs.

***Board of Directors,
Adjara Group Holding***

COVID-19 RESPONSE

Protocol and actions during the first outbreak

#Together Platform



Alternative Employment program for Hospitality Staff



1anoba Fund



RESPONSIBLE BUSINESS

Anti-corruption Practices



Harassment policy document



Code of Conduct



HSE Guidelines - safety risks document



PEOPLE

Gender Equality & Inclusivity



Youth Employment



Local Community Employment



High Value Job Creation



Vocational Training: Hospitality Staff



Education & Training: The Academy



Education & Training: Udabno



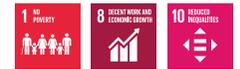
Health & Wellbeing



Employee Health & Safety



Communities & Partners



Partnerships with International Organizations



GFA & Local Farmers



Harvest-sharing



ARTS & CULTURE

Supporting Cultural Events



Supporting Musicians and Music Organizations



TheShop



TPMM



Propaganda Network



Mutant Radio



Artarea 2.0.



Center of Contemporary Art CCA



NATURE & PLACES

Sustainable Agriculture



Udabno

Space Farms



Sustainable Hospitality



Energy Consumption

Waste Management



Sustainable Development



Sustainable Construction and Sourcing



Ongoing Projects

COVID-19 RESPONSE

Protocol and actions during the first outbreak

The global COVID-19 pandemic poses a great threat to human well-being. Therefore, in the best interest of Adjara Group Holding's guests and employees, the company developed and successfully executed strict health safety norms and standards in all of the holding's facilities.

In adherence to the requirements from the Georgian government, recommendations of the World Health Organization (WHO), as well as the World Tourism Organization (UNWTO), Adjara Group Holding made serious changes to its spaces, operations, and protocols of interaction. The health safety norms and standards encourage physical distancing, prioritize enhancing cleanliness, promote personal hygiene and responsibility, and make it possible to immediately identify any health threats within the facilities.

The knowledge and skills, which Adjara Group Holding has accumulated while battling COVID-19 throughout the past year, made the implementation process of the new health safety plan more structured and coordinated.

Moreover, the holding's largest hotel - Holiday Inn Tbilisi, was first transformed into a quarantine zone for individuals entering the country. Afterwards, the establishment turned into a COVID-19 zone, accommodating infected patients with mild or minor symptoms. This way, the company's staff accumulated the invaluable experience of operating hospitality establishments amidst a pandemic.



#Together Platform

In 2020, Adjara Group Holding joined the UNWTO's #TravelTomorrow campaign with a new initiative. As a response to the COVID-19 pandemic, the #Together platform was launched in Spring last year, with the aim to kick-start recovery efforts and help the industry get back on track. The main objective of the initiative was to help the employees of Adjara Group Holding hospitality team in overcoming the hardships that COVID-19 has created.



Alternative Employment program for Hospitality Staff

All Adjara Group Holding's hospitality establishments temporarily halted operating during the COVID-19 lockdown. For this reason, Udabno's alternative employment program was initiated to retrain the hospitality staff and provide new job opportunities for them in the agricultural industry. Moreover, Adjara Group Holding also contacted other businesses on the Georgian market with an aim of ensuring that alternative employment opportunities were offered to the company's employees.



1anoba Fund

Adjara Group Holding actively supported the 1anoba Fund, which aimed to help single mothers, the elderly living alone, as well as other socially and economically vulnerable communities during the ongoing Covid-19 pandemic that caused major financial hardships for Georgian citizens all over the country.

1anoba Fund Database



Volunteers and donors have been integral in ensuring that the 1anoba Fund's objectives are achieved. More than 2,000 people have expressed interest in helping those who need it the most while international organizations, as well as the private sector, have contributed to the cause financially, as well as through resources and fundraiser campaigns.





**RESPONSIBLE
BUSINESS**

RESPONSIBLE BUSINESS



Anti-corruption Practice

Thanks to Adjara Group Holding's employment structure, the problem of corruption does not affect the company. Nevertheless, every year the holding KPMG carries out a mandatory audit of the company's financial statement, in accordance with the law on Accounting, Reporting and Audit. The audit results are transparent and publicly accessible. Adjara Group Holding also arranges open meetings with government officials and the media to communicate and share the company's future development plans to ensure that the process is transparent and to demonstrate the commitment to anti-corruption practices.



Harassment policy document

Last year, in partnership with UN Women, Adjara Group Holding recently approved a new harassment policy. To implement it, the company will be working on designing and implementing it through training programs, while integrating it in corporate documents.



Code of Conduct

Adjara Group Holding has a designed Internal Code of Conduct, where the employees' obligations of following the company policies regarding human rights, labour, and anti-corruption, are underlined.

The said document has to be signed by all of the company's team members. The Adjara Group Holding's HR representatives are also tasked with introducing to every single new-hire, the ethical and legal topics mentioned in the Internal Code of Conduct. These themes are discussed in various presentations held for employees and implemented on a corporate level.



HSE Guidelines - safety risks document

In partnership with the Georgian Ministry of Environmental Protection and Agriculture of Georgia, Udabno has designed the HSE guidelines for the agricultural sector. It has now been implemented on a national level as well.

As a result, health and safety norms and regulations are now implemented throughout the country. Naturally, Udabno also uses the HSE guidelines and it goes even further in terms of ensuring that all agricultural workers are trained, constantly informed, and provided with protective equipment. Signs about any health and safety hazards are also provided throughout the territory.

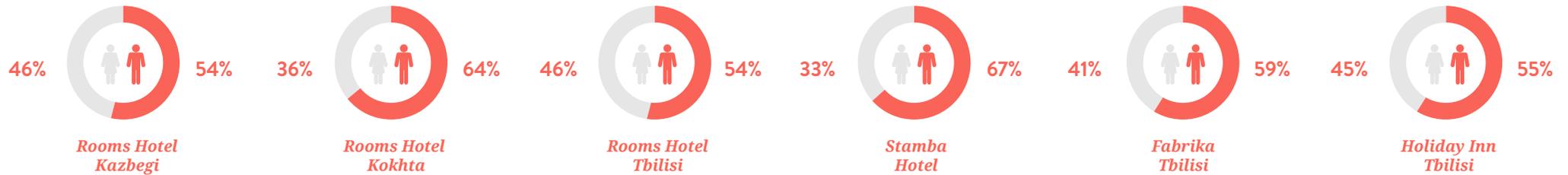


PEOPLE



PEOPLE

Our Staff



Gender Equality and Inclusivity

As a WEPs signatory company, Adjara Group has emphasized gender equality and inclusivity among its main values listed in the Internal Regulations. The document gets signed by every employee of the company. Moreover, all new hires receive introductory training, during which they get familiar with Adjara Group Holding's commitment to inclusivity and equality.

It is the holding's overall strategy to empower women by having an equal representation of both genders in all its departments and directions.

Currently, most of the members of the board of directors are women. Moreover, all the general and operational managers of the company's hospitality establishments are women.

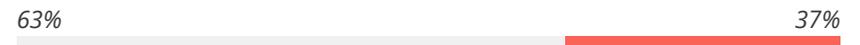
Board of Directors:



Importantly, 63.2% of the hospitality department's leadership is comprised of females. Whereas, most of the individuals employed by the Collective Development, which is responsible for developing the holding's ongoing projects, are also women.

Finally, Udabno - the biggest agricultural development in the region, which grows almonds, berries, endemic grape varieties, and vegetables along with managing a dairy farm, is co-managed by two - female and male, CEOs.

Collective Development



Mid-Level Management



Executive Management



● Women ● Men



Youth Employment

Adjara Group Holding highly prioritizes providing work and growth opportunities for the Georgian youth. The young individuals are employed on all levels of the holding and are always provided with career advancement as well as professional development opportunities.

The company also plays an important role in advancing vocational education for youth in the tourism, agriculture and development industries. Hence, in the long run, Adjara Group Holding contributes to accelerating the national economy and reducing poverty in the country by creating communities of dedicated and skillful individuals.

Moreover, taking into consideration that some of the young adults at Adjara Group Holding's companies are University students, the Holding takes an individual-centered approach and provides work schedule flexibility for each of its young employees.

Currently, 54.6% of the people employed at all levels of the Holding are aged 33 and below.

Avg. age of Udabno Team



Avg. age of Collective Development



Of all staff is 33 years or younger

Avg. Age at Adjara Group



Of all staff is 33 years or younger



Local Community Employment

Recognizing the challenges of unemployment and its detrimental effects on people’s lives, Adjara Group Holding’s companies prioritize hiring local community members for its existing internationally renowned regional projects, as well as ongoing development activities. Adjara Group Holding’s Collective Development also involves them in the creating new establishments in several regions of Georgia.

Local staff employed at all three directions of the holding, undergoes regular training, while gaining practical work experience at internationally acclaimed lifestyle brands, massive agricultural developments, and innovative development processes. Hence, Adjara Group Holding’s policy involving hiring local community members has positive effects on skills development and knowledge sharing with the local workforce.

As a result, the company plays a crucial role in advancing regional economies in Georgia by bringing new standards and implementing them in different parts of the country, together with the local populations.

Considerable number of employees at Rooms Hotels in Kazbegi and Kokhta, as well as Udabno’s full-time staff members, are from neighboring areas. Additionally, in 2020, 44% of full-time employees and 100% (470) of the seasonal staff in case of Udabno was composed of people from the neighboring villages and majority (300) of them were ethnic minorities.

Collective Development’s construction work in Samtskhe-Javakheti, Adjara, and Kakheti, provides people from these regions with skills development and knowledge acquisition opportunities by directly involving them in innovative development processes. Once the ongoing regional projects are finalized, Adjara Group Holding’s hospitality team will work on including the local workforce in their operations and administration, as in case of Rooms Hotels in Kazbegi and Kokhta.

Local Population Employment



Local Population Employment - Ongoing Projects





High Value Job Creation

Adjara Group Holding highly prioritizes creating high-value jobs and thus plays an important role in advancing the country's economy. It offers competitive salaries to staff members on all levels of the holding. Moreover, Adjara Group Holding provides unique opportunities for professional development.

Avg. Income at Adjara Group Holding

Administration: 3,185 GEL

Operational Departments: 1,114 GEL

In spite of the challenges caused by the COVID-19 pandemic, Adjara Group Holding maintained competitive salaries and wages that are much higher than the national average, which according to the National Statistics Office of Georgia, is approximately 336 GEL/Month per person.

In 2020, Adjara Group also started analyzing the gender wage gap within the company. Currently, on an administrative level, there was a 71 GEL difference between average male and female salaries.

Avg. Income by Gender

(Administrative Departments)

Females: 2,767

Males: 2,838

In the coming years, the company means to reduce the existing gap and also start analyzing it on operational levels.

Adjara Group Holding believes that providing high-value jobs and reducing the gender wage gap creates a diverse, more productive, and efficient work environment. Hence, the company works actively to contribute to the advancement of the Georgian economy, while also making its business operations more successful.



Vocational Training: Hospitality Staff

Vocational training programs developed by external coaches and consultants or the in-house team members are actively implemented at Adjara Group Holding's three main corporate entities.

10 VOCATIONAL TRAINING PROGRAMS

29 AVG. ATTENDEES PER SESSION

Last year, notwithstanding the COVID-19 pandemic challenges the company offered service management, senior management, banqueting supervision, kitchen management, and Sous Chef training sessions for its hospitality team members.

Adjara Group Holding is planning to enhance its vocational program development, which is going to be especially important once the tourism industry is back on track.



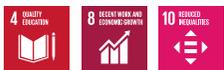
Education & Training: The Academy

The Academy has been set up to create a sustainable business environment, while advancing the effectiveness of the Adjara Group Holding. With the continuing professional development plan, it is encouraging interested individuals and the company's employees to be creative and empowered through knowledge, skills and values. Hence, the Academy plays a crucial role in developing a well-trained regional workforce that meets the demand on the international market.

In 2020, The Academy implemented its first educational culinary school course, which was attended by 33 individuals. They were provided with opportunities of attaining valuable skills and experience of working in Adjara Group Holding's internationally renowned hotels and restaurants.

To increase the school program's accessibility, all of the attendants have been provided with a special scholarship of 1,100 GEL.

1,100 | *Special Scholarship Offered to All Students*



Education & Training: Udabno

Agricultural traditions run deep in the Georgian culture and Adjara Group Holding works on preserving them, while also introducing cutting edge technologies, as well as farming techniques, in the region.

In this process of development, Udabno prioritizes training and educating local populations by providing regular trainings for them and trips to renowned exhibitions in Europe, Turkey, Armenia, and the US, to accumulate more knowledge and experience within the country.

In 2020, due to the COVID-19 pandemic, the Udabno team was not able to provide knowledge sharing meetings with international consultants, or send employees to various International events. However, such events and trips are being planned in 2021.

Importantly, Udabno team still managed to provide comprehensive training sessions for all seasonal workers and contracted individuals (470 people).

Moreover, Udabno has continued its partnerships with Universities in Georgia. Students are regularly offered paid internships.

Hence, Udabno has become a knowledge hub for local and regional communities in Georgia. It provides opportunities for farmers to further their skills in the field and experience some of the cutting-edge technologies, as well as techniques, in agriculture.



Health & Wellbeing

Considering that access to medicine and healthcare services poses a serious financial challenge in Georgia, special, corporate health insurance packages for its team members are offered on all levels of Adjara Group Holding. Using their status, the employees of the Holding can also ensure their family members with discounted rates.

Moreover, in adherence to Georgia's regulations, female employees at Adjara Group Holding are granted 6-month maternity leave, during which they receive company updates relevant for their fields of expertise. In accordance with the individual-centered approach, maternity leaves do get extended to accommodate the employees' individual needs.



Employee Health & Safety

Employee safety is one of Adjara Group Holding's top priorities and various measures are implemented to ensure that all its members are well protected especially in potentially hazardous situations and environments.

Adjara Group Holding's hospitality, development, and agriculture teams all hold safety training sessions for both full-time employees as well as contracted individuals. Through active communication with the Georgian government institutions, the Udabno team has pioneered new health, safety and environment (HSE) standards for the agricultural sector, in adherence with which all employees within the agricultural sector undergo safety training.

Similarly, the hospitality direction of Adjara Group Holding also organizes such sessions where through presentations and practical demonstrations the company employees are informed about ensuring health and safety for them and others around them.

Along with training courses, all directions of Adjara Group Holding integrate safety signs for their employees, while also providing special safety equipment for some of the holding's team members and contracted individuals.

In partnership with international organizations, Adjara Group Holding is currently further strengthening its health and safety policies for the holding's three directions.



Communities & Partners

By Engaging with regional businesses through its projects in Kazbegi, Kokhta-Mitarbi, and Udabno, Adjara Group Holding actively works with local communities. Hence, the company plays a role in advancing regional economies while also diversifying its products and services.

This approach to project management encourages skills development in the local workforce and creates more employment opportunities. As a result, the company plays a major role in advancing regional economies and reducing poverty in Georgia by engaging with local businesses as well.

Rooms Hotels in Kazbegi and Kokhta currently work with guesthouses, transportation companies, local tour operators, and farmers. Moreover the Udabno and Collective Development teams directly engage with local communities by contracting individual works, as well as utilizing local business services and products.

Food and drinks, which Udabno provides for its team members in Kakheti, is bought exclusively from local vendors. Last year, the company spent 46,847 GEL in this direction.

46,847 | ***Udabno's Spending on Purchasing Food from Local Vendors***

Partnerships with International Organizations

Adjara Group Holding's companies partner with organizations to achieve its CSR objectives relating to social, economic, as well as environmental sustainability. The holding is a UN Global Compact member and works with CIDA to advance its corporate responsibility efforts, while pioneering innovative concepts in the country.

Adjara Group Holding's representatives have also worked with international institutions such as USAID, IFC, EBRD on developing some of its projects. Such partnerships have been important in advancing environmental sustainability, as well as social and economic inclusivity of the company's three directions.

The holding is a member of business organizations such as AMCHAM, Business Association of Georgia and ICC as well, through which the company has been gaining valuable partnerships and accumulating knowledge relevant for advancing the country's economy.

Moreover, Adjara Group Holding works with Georgian public institutions such as Enterprise Georgia, Georgian National Tourism Association, as well as the Ministry of Environmental Protection and Agriculture on advancing projects that are commercially successful, while also being highly beneficial for the country's economy and environment.

It should also be noted that Udabno is a member of the International Nut and Dried Fruit Council (INC), Georgia's Almond & Walnut Producer Association, and Georgian Farmers' Association. The company also consults with the Spanish firm Nogaltec, that has vast knowledge and experience in almond cultivation and exploitation. Moreover, Udabno partners with the Agricultural and Rural Development Agency and is a recipient of a number of grants from Georgia's Agricultural Ministry as well as Enterprise Georgia.



GFA & Local Farmers

By engaging with the local communities directly, in partnership with the Georgian Farmers' Association (GFA), Adjara Group contracted hundreds of Georgian farmers. By purchasing produce from them, the company ensured that a steady flow of fresh produce was supplied to the company's restaurants and bars.

As a result, Adjara Group Holding has transformed the demand for local produce on the national market and the contracted farmers increased their profits and set production quality trends in the agricultural industry.

Additionally, Rooms Hotels in Kazbegi and Kokhta prioritize purchasing agricultural goods from local farmers operating in neighboring villages to create a truly local experience for its guests and, as a result, also play their parts in advancing regional economies in Georgia.



Harvest-sharing

In 2020, Udabno hosted several harvest-sharing events where local populations had the opportunity to pick fruits and vegetables from Adjara Group Holding's agricultural land in Kakheti, Georgia.

Interested parties received **400 kg** of tomatoes and berries for free, while **500kg** of berries were sold for **0.5 gel/kg**, which is significantly cheaper than the national market price of this produce.

Hence, the local populations were able to use the products for their families and commercial purposes as well.

TBILISI
PHOTOGRAPHY
& MULTIMEDIA
MUSEUM.

ARTS & CULTURE



ARTS & CULTURE



Supporting Cultural Events

In 2020, Adjara Group Holding's hotels were mostly closed due to the COVID-19 pandemic for a large period of time during the year. However, the company still managed to support several cultural events by hosting them at its establishments.

Creative industries were some of the most affected in Georgia's private sector. Hence, Adjara Group Holding prioritized providing artists and art organizations with spaces for exhibiting their work, exchanging knowledge and networking, notwithstanding the crisis faced by the hospitality industry itself.

6 EVENTS SUPPORTED

11,600 GEL

Worth of Spaces & Services

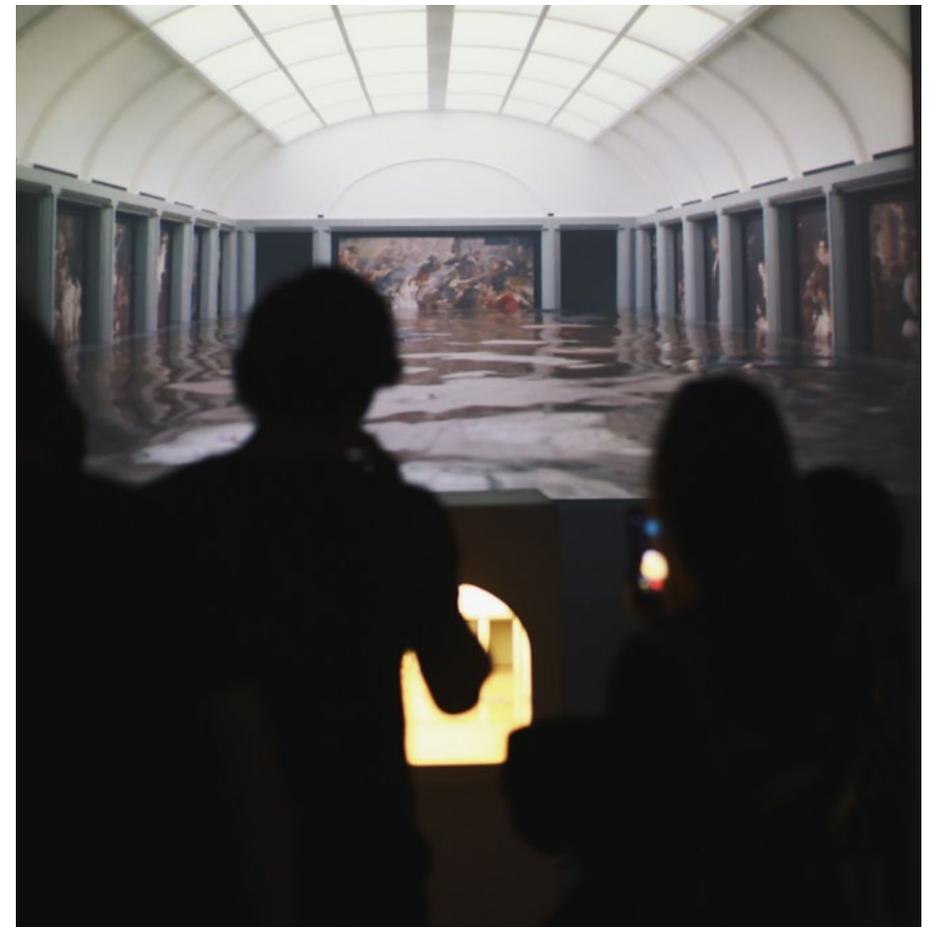


Supporting Musicians and Music Organizations

Georgia's music industry is one of the most important factors placing Georgia on the world map. Additionally, Adjara Group Holding also recognizes that supporting such institutions better knowledge-sharing capacities in the country, while preserving and advancing its cultural development. Hence, the company highly prioritizes partnering with institutions and individuals from the sector and plays its role in advancing the field in the country and internationally.

The company provides friendly rates for the guests of the Georgian National Opera Theatre and the Tbilisi State Conservatoire. Georgian night clubs such as Bassiani, Khidi and Mzesumzira also utilize the friendly rate for their visiting artists.

Moreover, TES, which is one of Adjara Group Holding's ongoing projects implemented by Collective Development, is very much connected to the music scene as well. Mutant Radio - the first Georgian online radio channel focusing on electronic music and community building, is situated in this space. Additionally, a night club is being developed at TES, which will turn into a major hotspot in the country for locals and international visitors alike.





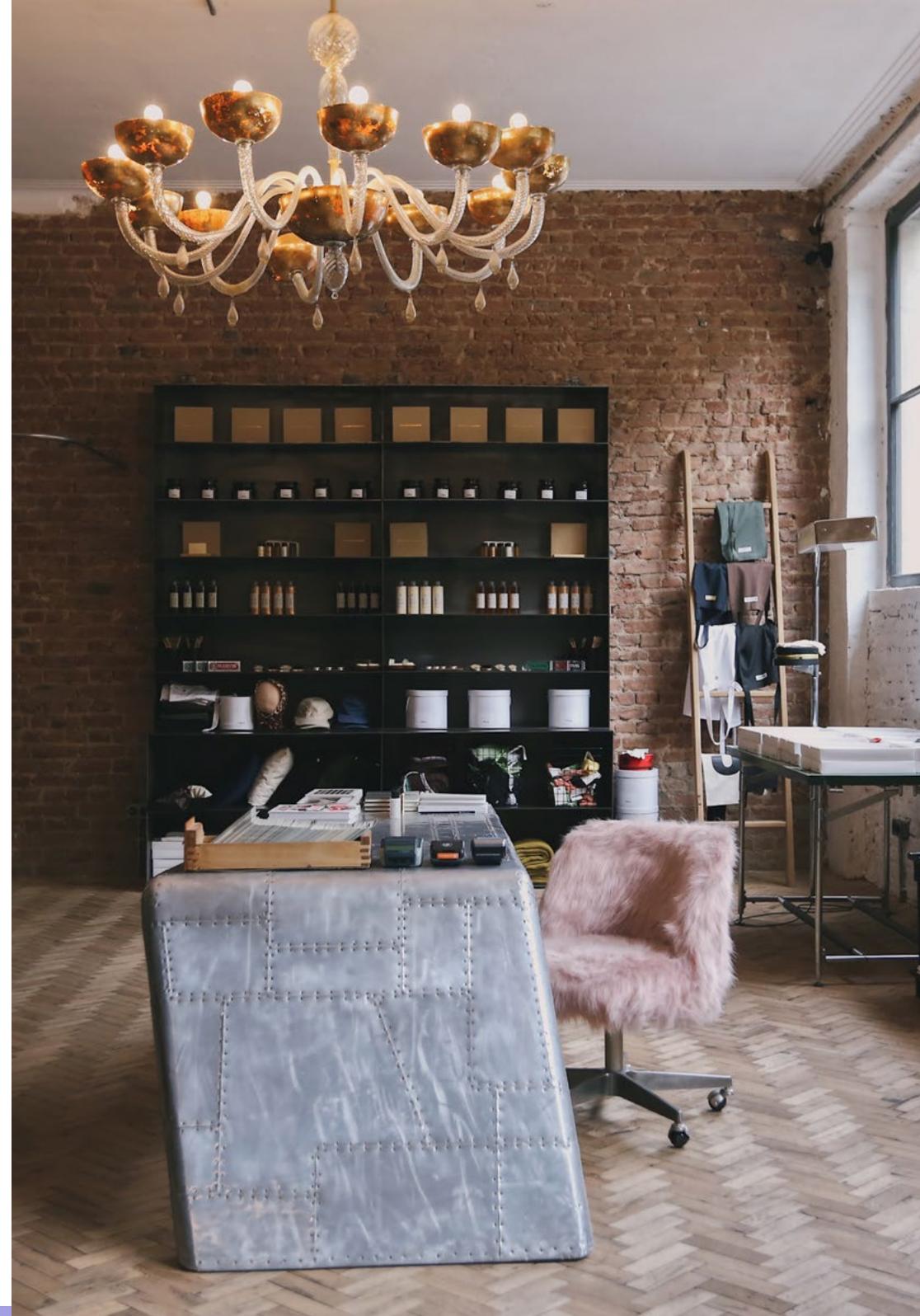
TheShop

Supporting Georgia's creative industries by engaging with domestic businesses has been the centerpiece of the holding's in-house concept store TheShop. Located in Tbilisi's Stamba Hotel, Rooms Hotel Kazbegi and Rooms Hotel Kokhta, TheShop showcases handpicked items from local, independent artists and entrepreneurs. Currently, 14 out of the 16 contributors of the store are Georgian designers, artisans, or craftspeople. Hence, TheShop has turned into a successful platform, where unique, local products are showcased and sold.

14 **Out of 16**
Local Businesses

10 **Out of 14**
Female Contributors

Importantly, TheShop also gives prominence to the holding's commitment to expand gender inclusivity by supporting female entrepreneurs, thus, 10 out of the 14 local contributors are female. By partnering with local brands that focus on sustainability and environmental protection, TheShop further advances Adjara Group's allegiance to responsible consumption and combating climate change. In 2020, TheShop has spent 25 000 GEL for the purchase of the goods from Georgian contributors.





Tbilisi Photography and Multimedia Museum

TPMM is one of Adjara Group Holding's major partners from the national creative industries. Developed and run by a female cultural leader - Nestan Nijaradze, the institution provides opportunities for artists with different socio-economic and cultural backgrounds, while building an international network of photographers, as well as visual arts producers. In fact, TPMM is the only arts organization in the South Caucasus, which regularly implements educational initiatives, as well as residency and grant programs for photographers, videographers and other visual artists.

With women empowerment being one of the main objectives of the institution, currently, TPMM is managed by 2 females, while its team is composed of 4 women and 1 man. They are the ones behind various innovative initiatives where knowledge and ideas are exchanged.

In 2020, the majority of TPMM's events were cancelled due to the COVID-19 pandemic. However, the team still managed to organize 1 exhibition, 3 roundtables with screenings, 2 lectures, and 3 online lectures.

Moreover, last year, TPMM implemented 5 workshops and residency programs, thus creating professional development opportunities to 45 Georgian and foreign artists. Importantly, financial aid was also available for some of the program participants.

It should also be noted that TPMM features a unique archive of visual artists from Georgia, Europe, Asia, America, as well as Austria and New Zealand. While being developed for the past 15 years, the platform has turned into a unique space filled with valuable art-works.

In partnership with Adjara Group Holding, TPMM is situated at Stamba Hotel and features a 160 m² library and mediatheque, as well as a 950 m² exhibition space along with a book shop. Moreover, the institution is actively partnering with Tbilisi City Hall, UN Women, Prince Claus Fund, Open Society Georgia Foundation, UNDP, and Magic Carpets/Creative Europe.



MANAGED BY 2 FEMALES:

Team of 4 Women; 1 Man



EVENTS HELD IN 2020:

*5 Workshops & Residency Programs; 1 Exhibition,
3 Roundtables, 6 Lectures*



TPMM ARTIST ARCHIVE

408 Multimedia Projects 508 Artists 500+ Art Works



Propaganda Network

Propaganda Network is a Georgian collective of artists who take part in defining contemporary Georgian culture. Located in the same building as Stamba Hotel, groups of individuals with diverse backgrounds converge and work collaboratively, as well as individually on various art and creative projects.

Propaganda Network is managed by 8 individuals, who work with a project-based team of 3 people. Importantly, the creative group is further diversified with local and international residents and tenant organizations.

The COVID-19 pandemic strongly affected Propaganda Network's activities. Nevertheless, the group of creatives held various art workshops and welcomed new International residents in 2020. Moreover, last year, Propaganda Network announced a grant program for artists.

Supporting ethnic, racial, religious, and sexual minorities is one of the organization's key priorities. Inclusivity is also accentuated in the online archives created by the organization's team.

Apart from Adjara Group Holding, the institution is funded by the Ministry of Education, Science, Culture and Sport of Georgia, as well as Creative Georgia, Tbilisi City Hall, Goethe Institute in Georgia, Institut Francais, and Alumni Association for International Education Center.

Propaganda Network also partners with the embassies of Italy and Hungary, L.C. Queisser gallery, Tbilisi International Film Festival, Visual Arts and Design School, Tbilisi State Academy of Art, Ambrolauri Visual Art Museum, Tbilisi Architectural Biennale, Artarea 2.0., and Brooklyn Rail.

PEOPLE INVOLVED

- 16 *International Residencies*
- 20 *Collective Workspace Residents*
- 4 *Tenant Organizations*



ACTIVITIES:

Held 11 Workshops
Hosted 4 International Residents



ONLINE ARCHIVES

171 Artists, 60,558 pageviews,
170 Avg. Visits per Day



Mutant Radio

Run by 5 women, Mutant Radio is an online platform devoted to music and the issues surrounding it. It is aired in audio-visual, as well as audio formats. The shows are hosted by Georgian or foreign artists and creative individuals. With the studio set up in a wagon, Mutant Radio is also distinctive for its capacity to physically relocate and stream shows from different locations.

With its 70 residents, the platform is gradually turning into a digital gathering space for a growing international community of like-minded individuals. Currently, Mutant Radio is active on Facebook, Instagram and SoundCloud as well as its website mutantradio.net.

Mutant Radio's list of residents is quite diverse, featuring ethnic, religious, and sexual minorities.

 **14,673**
Followers

 **7,866**
Followers

 **7,038**
Followers

*Avg. 18K/Week audio playbacks,
Avg. 5K Views/Video*



Artarea 2.0.

TES is Adjara Group Holding's ongoing conversion project, which provides spaces for cultural entrepreneurs and leaders of different backgrounds for developing their work and shaping the face of contemporary Georgia. Artarea 2.0. is one of the tenants on site and it represents a TV channel, which is also active on social media.

With more than 123,000 followers on Facebook, it is the only major Georgian video content producer, which solely focuses on culture. Its TV program features shows, interviews, concerts, as well as recordings of important cultural events

Artarea 2.0. has thousands of devoted viewers from all over the country. Importantly, it serves as one of the biggest cultural education platforms for Georgian audiences interested in national as well as international visual arts, literature, music, and contemporary art.



Center of Contemporary Art CCA

For the past 10 years, CCA has been working actively mainly as an educational institution, which features an informal 9-month master's program. The organization focuses on contemporary arts and has already trained about 150 young artists, most of whom have successfully implemented creative initiatives locally and on an international level.

CCA also hosts an International Triennale, which has turned into a major cultural event in Georgia. It focuses on discovering unique skills and represents a part of the innovative education model.

The organization also works on Conversia, which is a regional project uniting grassroots initiatives in different regions of Georgia, working within the frames of the local context and developing communities.

CCA actively partners with Georgian public institutions and major International Organizations such as the Open Society Foundation, Swiss Agency for Development and Cooperation, Goethe Institute, Creative Europe, among others.

Avg. Age of Staff

30

*Avg. Age of
Staff*

Gender Distribution

5

Men

2

Women

NATURE & PLACES



NATURE & PLACES

Sustainable Agriculture



Udabno

From 2017 onwards, Udabno has been playing an important role developing the agricultural industry by turning up to 8,000 hectares of previously degraded land into an arable one, thus increasing its productivity while reducing the threats of desertification and deforestation in the region.

With approximately 675,000 almond trees already planted, along with berry fields with strawberries, blackberries, and raspberries, as well as vineyards, the largest-in-the-region development has also been key in creating more oxygen and reducing global greenhouse gas emissions.

Importantly, Udabno has created a 25 kilometer water pipeline, to ensure that the site is supplied with the essential resource. Moreover, the automated drip irrigation system, integrated into the farm ensures that water is utilized efficiently.

With the newly built pipeline Adjara Group is also planning to create a lake, which will be used for watering the plants at the site. Hence, Udabno is a pioneer in developing sustainable food production systems and implementing resilient agricultural practices in Georgia.

Adjara Group Holding's agricultural development has been maintaining the region's ecosystem and strengthening Georgia's capacity to adapt to climate change, extreme weather, drought, and other disasters. The orchard is expanding every year and by creating an almond nursery, the company plans to fully cultivate the plants in-house.



Almond Nursery

150,000 Seedlings



Almond orchard

2,000 Ha
675,000 Trees



Vineyard

8 Ha
150 Endemic Varieties



Berry Farm

18 Ha

Dairy & Poultry Farm



60 *Mediterranean*
Water Buffalos



90 *Alpine*
Goats



120 *chickens*



Space Farms: Responding to the Challenges of Our Time

Space Farms at Stamba Hotel is the first indoor vertical farm in the Caucasus region. Recognizing the importance and urgency of the challenges associated with climate change, is being hosted to assist the development of agriculture, which has historically been an integral part of Georgia's economy.

The increasing frequency of natural disasters and the rising global temperature create risks of reduced productivity for traditional farms. Space Farms introduces cutting-edge digital technologies to cultivate plants in a closed environment that is not weather dependent. As a result, the project plays an integral role in developing alternative spaces for advancing sustainable agriculture that is resilient to climate change.

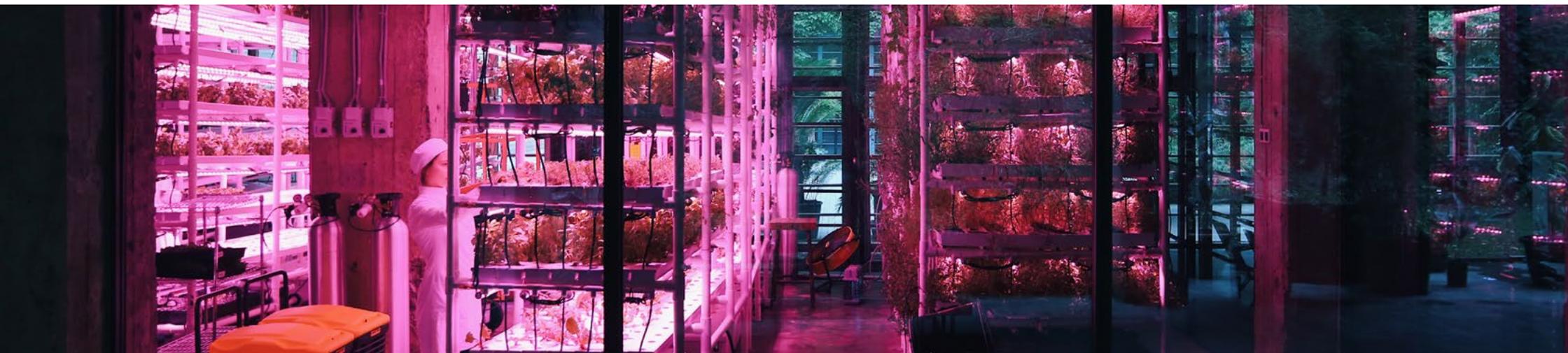
Moreover, the automated system for watering, humidifying, and ventilating the facility allows for growing and harvesting several plant varieties, otherwise not available in Georgia. Hence, the technologies at Space Farms advance biodiversity in the country by cultivating baby greens, leafy greens, and other produce otherwise not available in the region.

Space Farms also serves as a model for efficient water management. According to FAO, crops and livestock account for 70% of all water withdrawals worldwide. With its water recycling systems, the first urban vertical farm in the region uses 75% less water when compared to traditional farms.

Space Farms exclusively operates on electricity, which is derived from hydroelectric stations. Hence, the project does not produce carbon emissions, which is the result of its climate-smart approach to agriculture, as well as Adjara Group's decision to exclusively use electricity at its property.

The company has recently implemented a unique subscription function on the website, allowing subscribers to receive Space Farms produce at a desired frequency by just one click. In total, Space Farms will be able to sell 630 boxes of greens per month through the new website feature.

75% | **LESS WATER USED**



Sustainable Hospitality



Rooms Tbilisi Parking

*Incandescent lights replaced with
150 energy efficient LED bulbs*



Energy Consumption

Recognizing the importance of sustainable consumption of energy, Adjara Group has been integrating energy-efficient solutions into its properties. In previous years, thousands of incandescent light bulbs were replaced with LED bulbs in Adjara Group Holding's hotels. As a result, the establishments have become more energy-efficient and use less electricity to light up the guest rooms.

As a part of IHG's green engage program, Holiday Inn Tbilisi is monitoring and working on reducing its water & energy consumption.

Georgia produces its own electricity with its ecologically clean hydroelectric power stations. For this reason, Stamba Hotel only uses electricity for its heating systems to reduce carbon emissions from burning natural gas and increasing the country's energy independence.



Waste Recycling

*8624 ltr of natural oil and
350 kg of paper recycled.*



Waste Management

Sustainable hospitality endeavors are detrimental in ensuring that the tourism sector advances in the country. Land pollution and loss of biodiversity are risks that can have devastating effects on human health and the industry itself. Therefore, Adjara Group Holding is strongly committed to reducing waste production at its facilities and forming valuable partnerships to accelerate the company's waste recycling methods.

Adjara Group prioritizes reducing the use of plastic products and for this reason, the company decided to only provide straws made from recycled paper for its guests. Moreover, during take-out, the holding's restaurants offer an optional choice, if the customers want plastic fork or knife to be included in their order. As a result, production of plastic waste has been reduced at the holding's facilities.

In 2020, Adjara Group Holding conducted a waste inventory in its hotels, according to which a waste management plan was developed. The plan aims to transfer as much recyclable waste as possible to specialized companies. Moreover, infrastructure rehabilitation has set in motion in 2020 and will be completed in the first quarter of 2021 that will enable to increase the amount of waste sorted in the future (plastic, glass, paper).

Sustainable Development

7 *Ongoing Conversion
& Restoration Projects*

3 *Hospitality
Establishments*

4 *Synergetic
Ecosystem Projects*



Sustainable Construction and Sourcing

The company's sustainable approach to urban and rural development positively affects the environment. Rooms Hotel Tbilisi, Stamba Hotel and Fabrika are all conversion projects while the construction of Holiday Inn Tbilisi and Rooms Hotel Kazbegi implied restoring previously built hospitality establishments.

Hence, by keeping the original structure and facades of the mentioned buildings largely intact, Adjara Group Holding's projects used less construction materials per property. Moreover, they have largely been built by materials available on the local market, which has reduced carbon emissions associated with international transportation of goods. Such an approach to developing infrastructure decreases waste production and carbon emissions associated with transportation.

Moreover, repurposed wood is often used for decorating interior and exterior spaces of Adjara Group Holding's properties. The approach enriches the company's properties with signature architectural and design elements while promoting sustainable development practices nationally and on an International level.

Ongoing Projects - Strengthening the Commitment to Environmental Sustainability

Currently, Collective Development, which represents one of the three main directions of Adjara Group Holding, is working on the development of several hospitality and synergetic ecosystem projects.

All of the ongoing projects imply converting or restoring existing buildings in different regions of Georgia. With a special focus on wellness, a landmark Sanatorium building from the first half of the 20th century is going to be transformed into a new Rooms Hotel in Abastumani.

Moreover, Collective Development is also creating a unique village in the eastern part of the country by converting houses into cottages and developing communal, as well as private spaces for interaction, work, and relaxation. Notably, the village is located in Udabno, where Adjara Group Hospitality's agricultural direction is being managed.

Collective Development is also working on bringing Adjara Group Holding's signature hospitality concept to Adjara, Georgia. The company's project in Batumi, which includes restoring an old sanatorium in the nearby Tsikhisdziri as well.

In terms of advancing a synergetic ecosystem for creative industries in the country, Collective Development is converting four industrial facilities, one of which is located right next to the now Internationally renowned Stamba Hotel.



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