

BEST ANNUAL REPORT AND TRANSPARENCY AWARD (BARTA) 2023

5TH EDITION

REPORT OF THE JURY: WINNERS, TRENDS,
AND RECOMMENDATIONS

BARTA.GE



INTRODUCTION

In 2019 the World Bank, in partnership with the [Accounting Reform's Stakeholders' Foundation \(RSF\)](#), established the Best Annual Report and Transparency Award (BARTA) to help improve the quality of reporting and transparency of Georgian companies. For the past 5 years BARTA has been highlighting Georgian companies that demonstrate high transparency and high quality non-financial reporting with an increasing emphasis on sustainability reporting (the disclosure of Environmental, Social and Governance (ESG) information).

On 15 December 2023 the awards for 2023 were conferred at an event in Tbilisi, Georgia. This report looks at the winners of the 2023 awards, takes a closer look at the results and highlights trends, and provides recommendations on how companies can improve their transparency and quality of reporting.

We wish to thank our [partner organisations](#) for helping make the award a success.

The 2023 the 29 nominated companies comprised:

- 12 companies (five large financial companies and seven large non-financial companies) listed on the [Georgian Stock Exchange \(GSE\)](#) – all GSE listed companies admitted to trade were automatically nominated and duly evaluated; and
- 17 companies classified as either public interest entities (PIEs) or first category companies – these companies self-nominated (around 150 companies were eligible to self-nominate).

OBJECTIVE

Georgia aims to be an attractive place to do business and to invest. Increasingly, investors around the world are not simply looking for a financial return. They are also looking to invest in a way that preserves, protects, and promotes the natural environment, society, and better business conduct – so called sustainable finance. In other words, countries and companies increasingly compete for capital based on their ESG or sustainability credentials, not just the financial return they offer.

In lockstep with the emergence of sustainable finance is the emergence of sustainability reporting where companies get to explain their sustainability performance. The European Union (EU) is at the forefront of the emergence of sustainable finance and sustainability finance: the [EU's Corporate Sustainability Reporting Directive \(CSRD\)](#) mandates sustainability reporting for all large or listed companies from 2025 (for financial periods ending in 2024) and that this reporting be subject to assurance (initially limited).

BARTA plays an instrumental part in encouraging Georgian citizens and institutions, such as pension funds, as well as foreign individuals, companies, and institutions, to invest their money in Georgian companies. The nexus of BARTA is that healthy competition and fostering an environment in which companies can share and learn from one another will help drive up the overall quality of reporting and transparency, especially on sustainability.

JURY MEMBERS

BARTA's success rests on the expertise and dedication of its jury members. The jury comprises Georgian and foreign members. Members are independent, expert, and not remunerated. They are drawn from a wide range of key stakeholders, most of which are [partner organisations](#) of BARTA. Jury members contribute their own time and expertise as explained below.

PANEL OF JUDGES

The international panel of judges comprises experts from Georgia and overseas as follows:



Paul Thompson

RSF Board Advisory Group
and Director, European
Federation of Accountants and
Auditors for SMEs

Belgium (Chair)



Giorgi Tabuashvili

Former Deputy Minister of
Finance of Georgia and
Executive Chairman

RSF, Georgia



Giorgi Rusiashvili

Deputy Director
RSF, Georgia



Irina Gordeladze

Senior Governance Consultant
World Bank

Georgia



Sophia Kolbaia

Manager,
PwC

Ireland



Nino Kurdiani

Acting Chief Executive Officer /
Chief Financial Officer
Georgian Stock Exchange

Georgia



Erik Vermeulen

Professor
Tilburg University

The Netherlands



Tariel Gvalia

Board Member RSF,
Independent Directors
Association

Georgia



Branko Ljusic

Partner in Charge
SFAI Montenegro

Montenegro



Elizabeth-Nutsa Davitashvili

Principal Banker
European Bank for
Reconstruction and
Development

Georgia



Edward Vakhtangishvili

Head of Supervision
Department
LEPL Insurance State
Supervision Service of Georgia

Georgia



Sonia Shah

Sustainability/ESG Consultant,
Speaker/Author and Board Member
and Finance, Audit and Risk
Committee Chair

United Kingdom



Philip Jungen

Chairman of the Supervisory
Board German Red Cross
Pension Fund

Germany



Jean-Frederic Paulsen

Vice-Chairman
Investment Board, Pension
Agency of Georgia

Georgia



Eka Gegeshidze

Director of RSF, professor
School of the Business and
Administrative Science
The University of Georgia

Georgia



Erekle Pirveli

PhD
Professor
Caucasus University

Georgia



Nino Samkharauli

Chief Legal Counsel at
Georgian stock exchange

Georgia



Salome Kerashvili

Capital Market Regulatory
Policy & Supervisory
Methodology,
National Bank of Georgia (NBG)

Georgia



Ana Khinchiashvili

Chief Investment & Pension
Funds Supervisor
National Bank of Georgia (NBG)

Georgia

ABOUT BARTA

BARTA methodology builds on global best practice, combining the best elements of awards in other countries, especially Singapore, Australia, and Belgium. The methodology is continually being improved to make it more robust and relevant

Awards

In 2023, like the last few years, BARTA had three main awards: one for each category of company – one for large financial companies, one for large non-financial companies (large referring to those with more than 500 employees) and one for small companies. And for each category there was an honorary award – for exemplary reporting but not necessarily the second best or runner-up. And, in recognition of the rapid emergence of sustainability reporting, BARTA 2023 had an award for the ‘Best Sustainability Report’ as well as an honorary award for sustainability reporting. BARTA policy is to award no more than one award per company. Finally, to celebrate the 5th anniversary of BARTA, a special award “Most Improved Reporting” was given to the company that improved the most since BARTA was founded in 2019.

Process

1. The World Bank and RSF send a call to participate in the awards to our [partner organisations](#) and other stakeholders. *(October 2023)*
2. [Business Media Georgia \(BMG\)](#) promotes the award via its Business Morning television programme. *(July-October 2023)*
3. Companies listed on the GSE are automatically nominated while other companies must self-nominate by filling out the [registration form](#). *(by 31 October 2023)*
4. The RSF secretariat downloads the annual reports of nominated companies and conducts an initial screening process to determine their eligibility for having their reports evaluated. The initial screening criteria consists of having an unqualified audit report on their 2022 financial statements *and* the online submission of their 2022 annual report to [SARAS](#) by 31 October 2023. This left 29 companies eligible to be evaluated. *(early November 2023)*
5. [Members of the jury](#) (see above) met to fine tune the evaluation criteria (see below) and form into four teams, one for each type of reporting and each with a team leader. A separate team was created for the sustainability reporting award. *(early November 2023)*
6. In each team Georgian judges scored, using detailed ‘scorecards’, all the Georgian language annual reports while foreign judges scored English language reports. Team leaders then aggregated the scores of team members and calculated average scores to ensure scores were robust and not distorted by the error or bias of any one jury member: members re-scored if their scores were far out of line. Team leaders submitted their final scores to the [chair of the jury](#). *(November 2023)*

7. The chair then consolidated the scores from each team, conducted some quality assurance checks, and convened an online meeting to discuss and agree award winners. *(early December 2023).*
8. Winners are announced publicly during the awards ceremony. *(Friday 15 December 2023)*

Evaluation Criteria

Table 2 provides a summary of the scorecards that form the evaluation criteria for the main category awards. In essence the scorecards serve as a proxy for transparency and quality of reporting: the higher the score, the better the transparency and quality of reporting. The scorecard spans four ‘types’ of reporting - management reporting, corporate governance reporting, non-financial information (NFI) reporting, and other transparency measures – with different weights afforded each.

The detailed evaluation criteria is based on the key elements of the [Law of Georgia on Accounting, Reporting and Audit](#) that became effective in 2017. The purpose of this law “is to promote financial transparency and economic growth through approximation to the requirements of the relevant European Union directives regulating the reporting and auditing of entities.” The [Non-Financial Reporting Directive \(NFRD\)](#), the predecessor to the CSRD, was one of those EU directives.

Table 2: Summary of Scorecards

Type of Reporting	Large Companies	Small and Medium Companies
Section A: Management Reporting	40	50
Section B: Corporate Governance Reporting	20	20
Section C: Non-Financial Information (NFI) Reporting	20	10
Section D: Other Transparency Measures	20	20
Total	100%	100%

The sustainability reporting scorecard, a summary of which is provided in Table 3, was developed taking into account various international frameworks and standards including the [International <IR> Framework](#), the [Global Reporting Initiative's \(GRI\) Standards](#), the [IFRS Sustainability Standards](#), the [EU CSRD](#) and the [European Sustainability Reporting Standards \(ESRS\)](#). Given Georgia has now become a candidate for EU membership then it seems most likely Georgia will eventually adopt CSRD and, in so doing, ESRS.

Table 3: Summary of Sustainability Reporting Scorecard

Criteria	Score
A. General Attributes	
Guide the preparation of a sustainability report, informing the content and how information is presented: <i>conciseness; reliability and completeness; consistency and comparability; and basis</i>	25
B. Content	
• Environment - disclosure about environmental factors	25
• Social - disclosure about social factors	25
• Governance – disclosure about governance factors	25
Total	100%

WINNERS

Large Financial Companies

Winner	TBC Bank JSC
Honorary	MFO Crystal JSC
No. of Nominees	5 (2022 – 4; 2021 – 5; 2020 – 4; 2019 - 5)

Large Non-Financial Companies

Winner	Silknet JSC
Honorary	Georgian Railway JSC
No. of Nominees	7 (2022 – 3; 2021 – 5; 2020 – 7; 2019 – 3)

Small and Medium Companies

Winner	TBC Leasing JSC
Honorary	MFO MBC Capital JSC
No. of Nominees	17 (2022 – 9; 2021 – 8; 2020 – 7; 2019 - 8)

Best Sustainability Report

Winner	Bank of Georgia JSC
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Honorary	Lisi Lake Development JSC
No. of Nominees	<i>All nominees</i>

5th Anniversary Award for Most Improved Reporting

Winner	United Airports of Georgia LLC
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TRENDS AND RECOMMENDATIONS

Rank	Company Name (EN)	CATEGORY	Categ	A	B	C	D	TOTAL	2022	2021	2020	2019	SUSTAINABILITY	2022	2021	
1	TBC Bank JSC	Large Financial Company (Winner)	1	34.5	16.5	19.0	20.0	90.0	88.6	86.9	80.4	81.1	94.0	89.0	80.0	
2	Bank of Georgia JSC	Large Financial Company (Winner - Best Sustainability)	2	33.0	17.3	18.0	19.0	87.3	83.0	87.0	79.3	78.4	91.0	92.0	70.5	
3	MFO Crystal JSC	Large Financial Company (Honorary)	3	27.2	16.0	15.0	15.0	73.2	71.1	74.0	68.1	67.5	69.0	66.0	69.5	
4	Silknet JSC	Large Non-Financial Company (Winner)	1	30.2	12.3	16.0	13.0	71.5	N/A	62.3	31.6	44.1	81.0	N/A	35.0	
5	TBC Leasing JSC	Small Company (Winner)	1	33.8	12.0	9.0	15.0	69.8	74.3	65.7	39.3	N/A	75.0	73.0	40.5	
6	Georgian Railway JSC	Large Non-Financial Company (Honorary)	2	28.6	10.5	16.0	13.0	68.1	64.8	57.9	N/A	N/A	71.0	69.0	34.0	
7	Liberty Bank JSC	Large Financial Company	4	15.8	15.7	14.0	15.5	61.0	61.0	61.5	48.1	57.7	56.0	49.0	48.5	
8	Telasi JSC	Large Non-Financial Company	3	20.0	11.0	11.0	15.0	57.0	55.4	63.6	51.9	66.2	38.0	39.0	41.0	
9	MFO MBC Capital JSC	Small Company (Honorary)	2	24.3	10.7	9.0	13.0	57.0	59.3	55.1	33.5	N/A	68.0	62.0	58.0	
10	Lisi Lake Development JSC	Small Company (Honorary - Best Sustainability Report)	3	24.5	10.3	7.0	9.0	50.8	55.6	38.6	N/A	55.2	76.0	74.0	50.0	
11	United Airports of Georgia LLC	Small Company (Most Improved Reporting)	4	21.6	7.5	6.0	13.0	48.1	41.7	32.1	26.5	N/A	7.0	0.0	17.5	
12	Nikora JSC	Small Company	5	14.3	9.7	9.0	12.0	45.0	N/A	N/A	47.3	N/A	51.0	N/A	N/A	
13	MFO Rico Express LLC	Large Financial Company	5	12.3	8.0	8.0	14.0	42.3	N/A	N/A	N/A	N/A	27.0	N/A	N/A	
14	JSC Georgia Capital	Small Company	6	19.4	3.3	4.0	14.0	40.7	N/A	N/A	N/A	N/A	65.0	N/A	N/A	
15	Georgian Beer Company JSC	Small Company	7	11.6	9.7	3.0	14.0	38.3	37.1	36.7	33.3	44.5	39.0	41.0	7.0	
16	Tegeta Motors LLC	Large Non-Financial Company	4	8.4	6.3	10.0	13.0	37.7	N/A	46.8	33.5	47.8	61.0	N/A	57.0	
17	Telmico LLC	Small Company	8	21.3	3.3	4.0	8.0	36.6	N/A	N/A	N/A	N/A	40.0	N/A	N/A	
18	Green Insurance Georgia JSC	Small Company	9	12.0	6.0	3.0	12.0	33.0	30.1	21.0	N/A	N/A	35.0	35.0	0.0	
19	Georgia Real Estate JSC	Small Company	10	8.8	8.7	5.0	9.0	31.5	30.7	N/A	33.9	N/A	46.0	53.0	N/A	
20	GeoSteel LLC	Small Company	11	14.3	1.3	3.0	12.0	30.6	N/A	N/A	N/A	N/A	50.0	N/A	N/A	
21	GGU JSC	Large Non-Financial Company	5	7.0	5.3	4.0	14.0	30.3	N/A	N/A	N/A	N/A	49.0	N/A	N/A	
22	VIAN JSC (formerly Evex Hospitals JSC)	Large Non-Financial Company	6	6.3	4.7	5.0	14.0	30.0	34.5	38.7	29.0	N/A	65.0	67.0	68.0	
23	SILK Real Estate LLC	Small Company	12	12.6	0.7	3.0	13.0	29.3	N/A	N/A	N/A	N/A	18.0	N/A	N/A	
24	Georgian Leasing Company LTD	Small Company	13	9.8	1.3	5.0	13.0	29.1	38.5	47.8	40.2	59.5	29.0	30.0	0.0	
25	Georgian Renewable Power Operations JSC	Small Company	14	9.2	5.0	2.0	12.0	28.2	N/A	N/A	N/A	N/A	26.0	N/A	N/A	
26	Energy Development Georgia LLC	Small Company	15	12.0	6.0	3.0	7.0	28.0	27.0	32.7	20.0	N/A	19.0	22.0	24.0	
27	GWP LLC	Large Non-Financial Company	7	10.0	5.7	4.0	8.0	27.7	N/A	N/A	N/A	N/A	49.0	N/A	N/A	
28	ESCO JSC	Small Company	16	9.7	0.0	3.0	12.0	24.7	N/A	N/A	N/A	N/A	8.0	N/A	N/A	
29	CELLFIE LLC	Small Company	17	11.4	1.3	2.0	9.0	23.7	N/A	N/A	N/A	N/A	29.0	N/A	N/A	
Average					17.4	7.8	7.6	12.8	45.5	53.3	53.4	43.5	60.2	49.4	57.4	46.7

Key:

- A = Management Reporting (40% of total score for Large Financial Institutions and Large Non-Financial Institutions, 50% of total score for Small Companies)
- B = Corporate Governance Reporting (20% of total score for Large Financial Institutions and Large Non-Financial Institutions, 20% of total score for Small Companies)
- C = Non-Financial Information Reporting (20% of total score for Large Financial Institutions and Large Non-Financial Institutions, 10% of total score for Small Companies)
- D = Other Transparency Measures (20% of total score for Large Financial Institutions and Large Non-Financial Institutions, 20% of total score for Small Companies)

This section highlights the main insights from the 2023 BARTA, identifies the key trends in BARTA scores, summarizes the feedback from the jury, and makes some recommendations on how companies can improve their transparency and quality of reporting. Table 4 shows the 2023 award winners, provides a section-by-section breakdown of the scores, and provides comparative data from 2019-2022.

Main Category Awards

General

2023 marked the fifth year of BARTA. In many ways it proved to be a breakthrough year. An 80% increase in the number of companies participating, largely due to a significant increase in self-nominees. And many companies scored slightly better than 2022, a number logging their highest ever score. While this is encouraging the jury notes that many companies, especially the small and medium companies, are not trying hard enough and need to focus on improving sooner rather than later.

The big two listed banks, TBC Bank JSC and Bank of Georgia JSC, continue to dominate the rankings, comfortably outscoring all other companies and recording their highest ever scores in 2023. In 2023 many companies marginally improved their score over prior years (while the average scores for 2023 (45.3%) were lower than 2022 (53.3%) and 2021 (53.4%), this is due to the many more self-nominated smaller companies in 2023, companies that tend to score lower than larger listed companies.)

United Airports of Georgia LLC recorded the biggest improvement over 2022. MFO Crystal JSC continues to excel. While its [2022 Annual Report](#) lacks the depth of disclosure provided by Bank of Georgia JSC and TBC Bank JSC its reporting is innovative, concise, and 'reader friendly'. Silknet JSC, absent from the 2022 BARTA award, made a strong comeback, recording their highest ever score as they comfortably won the award for the large non-financial company category. Silknet JSC's management reporting was especially good, its corporate governance reporting less so. As in 2022 TBC Leasing JSC bagged the award for the small and medium company category with a score higher than most large companies. TBC Leasing JSC were the highest scoring small company, clearly benefiting from being a subsidiary of TBC Bank JSC. TBC Leasing JSC's management reporting was exceptionally good but their corporate governance reporting and NFI reporting leaves room for improvement.

Recommendations for Improvement

- *Write reports using a simple language that a typical member of the public can readily understand.*
- *Ensure reports are concise and to the point.*
- *Prioritize preparation of the reports in-house, as opposed to outsourcing to auditors.*
- *Prepare report in Georgian language and then translate it into English.*
- *Do **not** use 'boilerplate' disclosure.*
- *Do **not** 'cut and paste' text from other sources.*
- *Ensure all reports filed with SARAS are also uploaded to company's website.*
- *Merge financial statements and all non-financial disclosures into one report - the 'Annual Report'.*
- *Include graphics, tables, charts, and pictures to improve the visual appeal and readability.*
- *Aim to be as concise, avoid repetition, and cross reference within the annual report where necessary: for most companies their annual report, excluding the financial statements, ought to be in the range of 50-75 pages.*
- *Build trust by being honest and genuine, including bad news as well as good.*
- *Do **not** make general statements and assertions that lack explanation and evidence.*
- *Learn from award winners, for example MFO Crystal JSC Annual Report 2022 hosted [here](#).*
- *Use the resources provided at www.barta.ge, in particular [this guidance](#).*

Management Reporting

TBC Bank JSC (34.5 out of 40) logged the highest score for this type of reporting, just like it did in 2022. Similarly, Silknet JSC (30.2 out of 40) and TBC Leasing JSC (33.8 out of 50) were the highest scoring large non-financial and small and medium companies respectively, again a repeat of 2022. A closer look at the scores reveals that most companies scored about the same as in 2022.

This year's highest scoring companies in management reporting stood out for their effective use of graphics, a well-structured narrative of the company's activities and achievements, and detailed information about strategy and key projects in the future.

Recommendations for Improvement

- *Disclose information about:*
 - *outlook and strategy, focusing on targets and how the company plans to meet them.*
 - *non-financial risks facing the company, preferably company specific, and their financial impact together with measures being taken to mitigate these risks.*
 - *achievements and progress from year to year to supplement activities.*
 - *market/sector and competitive analysis.*
 - *brief assessment of regulatory environment and possible changes.*
 - *segment analysis if applicable.*
- *Learn from award winners, for example TBC Leasing Annual Report and Audited FS 2022 hosted [here](#) (pages 6-69).*

Corporate Governance Reporting

Bank of Georgia JSC (17.3 out of 20) logged the highest score for this type of reporting, just like it did in 2022. Similarly, Silknet JSC (12.3 out of 20) and TBC Leasing JSC (12 out of 20) were the highest scoring large non-financial and small and medium companies respectively, again a repeat of 2022. A closer look at the scores reveals that most companies scored about the same as in 2022.

Corporate governance reporting is required for companies admitted to trading on the Georgian Stock Exchange. However, PIEs and large companies voluntarily participating in the BARTA competition are also expected to include a corporate governance statement in their annual report. The corporate governance statement must be part of the annual report but presented under a separate section organized as the company sees fit.

Recommendations for Improvement

- *Make sure to include a corporate governance statement even if the company is not obligated to provide such a report.*
- *Disclose information about:*
 - *the applicable corporate governance code and an explanation of any deviations from it and the reasons - voluntary compliance with a relevant code is encouraged.*
 - *internal control and risk management systems related to the financial reporting process including roles and responsibilities of staff and bodies in this process.*
 - *the functioning of the general meeting of shareholders and the rights of shareholders.*
 - *the composition and functioning of the governing body and the supervisory board – list the members, their biodata, responsibilities, and meeting attendance; the chairman of the board and their tenure; the functions of the board, evaluation of the Board's performance and attendance at meetings; and committees including their role, membership, and attendance.*
 - *the diversity policy, of the governing body and the supervisory board, and its implementation – diversity of age, gender, background, education, and experience on the board is encouraged.*
- *Learn from award winners, for example MFO Crystal JSC Annual Report 2022 hosted [here](#) (pages 38-55).*

Non-Financial Information (NFI) Reporting

TBC Bank JSC (19 out of 20) logged the highest score for this type of reporting, bettering its second place in 2022 to the Bank of Georgia JSC. Silknet JCS (16 out of 20) was the highest scoring large non-financial company while TBC Leasing JSC and MFO MBC Capital JSC (both 9 out of 10) were the equal highest scoring small and medium companies. A closer look at the scores reveals that most companies marginally improved on their score of 2022, largely due to increased sustainability (ESG) disclosures.

Recommendations for Improvement

- *Disclose information about:*
 - *the effectiveness of the company's activities development, results achieved, and position on key ESG matters (such as employment, human rights protection, and anti-corruption) including:*
 - *a brief description of the company's business model.*
 - *a description of the policies pursued in relation to those matters, including due diligence processes implemented and the outcome of those policies.*
 - *the principal risks related to those matters linked to the undertaking's operations including its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks.*
 - *non-financial key performance indicators.*
- *Learn from award winners, for example Silknet JSC Annual Report 2022 hosted [here](#).*

Other Transparency Measures

TBC Bank JSC (20 out of 20) logged the highest score for other transparency measures, edging out Bank of Georgia (19 out of 20), repeating their score of 2022. This was due to the timely submission of their annual report, uploading the annual report to their website, and well-presented financial statements. Silknet JSC (13 out of 20) and TBC Leasing JSC (15 out of 20) were the highest scoring large non-financial companies and small and medium company respectively. A closer look at the scores reveals that most companies scored about the same as in 2022.

Recommendations for Improvement

- *Ensure timely submission and uploading of the annual report and related documents to www.reportal.ge.*
- *Upload annual report to company website.*
- *Learn from award winners, for example MFO Crystal JSC's Investor Relations webpages [here](#).*

Sustainability Reporting Award

While sustainability reporting is in its infancy in Georgia, as it is in many countries, in 2023 many companies greatly improved their score over prior years as both the quantity and quality of their sustainability reporting increased (as with the main category scores, while the average scores for 2023 (49.4%) were lower than 2022 (57.4%) this is due to the surge in self-nominated smaller companies that tend to score lower than larger listed companies.).

While TBC Bank JSC scored the highest (94%), like they did for the main category award, companies can win no more than one award. Hence, the award went to the second highest scorer, Bank of Georgia JSC (91%). Similarly, while Silknet JSC had the next highest score (81%), it had won the main category award so that opened the door to Lisi Lake Development JSC taking the honorary award (76%).

There was significant variation in the quality of sustainability reporting across size of company as well as industry. Perhaps not surprisingly financial sector companies and companies from environmentally sensitive industries such as construction and real estate disclose the most on sustainability matters. With their listings on the London Stock Exchange the two big banks had to satisfy a big appetite for information from international investors.

Financial institutions are also increasingly being impacted by the exponential emergence of [sustainable finance](#) - the process of taking ESG considerations into account when making investment decisions in the financial sector, leading to more long-term investments in sustainable economic activities and projects - and the reporting to support it.

Much of the reporting was 'boiler plate', simply copied from the previous year. In many cases companies do no more than provide a brief description of their sustainability policies. There is no description of impacts, risks and opportunities, no explanation of actions, and no targets and achievements using key performance indicators (KPIs).

Across the three pillars of ESG (Environmental, Social and Governance) companies tended to score best for social matters followed by governance matters and lastly environmental matters.

Some companies include sustainability information in their annual report, others in a separate stand-alone report, some merged their Georgian and English language versions, some reports were scanned while others pdf. Furthermore, the EU CSRD requires sustainability reporting to be part of the management report, that is an integral part of the annual report rather than separate stand-alone report.

Recommendations for improvement:

- See the *general recommendations for the main category awards above*.
- Take a close look at the [EU CSRD](#) and the [European Sustainability Reporting Standards \(ESRS\)](#).
- Include sustainability reporting within the annual report in line with global trends and EU regulation.
- Keep 'front of mind' the following general attributes while drafting the disclosures:
 - *conciseness - the sustainability report should be concise.*
 - *reliability and completeness - the sustainability report should include all material matters, both positive and negative, in a balanced way and without material error.*
 - *consistency and comparability - the information in the sustainability report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations.*
 - *basis - the sustainability report should be prepared using internationally recognized frameworks and standards.*
- Focus on increasing the disclosure of environmental matters to bring it on a par with social.
- Support policy statements with explanation of actions, targets and achievements using key performance indicators (KPIs).
- Learn from award winners, for example Silknet JSC Annual Report 2022 hosted [here](#) (pages 61-78).
- Use the resources provided at www.barta.ge, in particular [this guidance](#).

CONCLUDING REMARKS

Since BARTA was launched in late 2019, Georgian companies have been incrementally improving their transparency and quality of reporting. But many companies need to significantly improve their reporting and the report above includes many recommendations on how to improve. Regulation and market demand are driving the emergence of sustainability reporting. In the coming few years sustainability reporting will become as important as financial reporting. It will need to grow in quantity and quality. BARTA will evolve to reflect this.