

BEST ANNUAL REPORT AND TRANSPARENCY AWARD (BARTA) 2024

6TH 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 six 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).

HIGHLIGHTS BARTA 2024

- Greatest number of companies applying for the award.
- Most companies have improved the quality of their reporting over previous years.
- Many companies recorded their highest ever BARTA scores.
- Some smaller companies are producing outstanding reports.
- Sustainability reporting continues to increase and is becoming a mainstream reporting.

On 28 February 2025 the awards for 2024 were conferred at an event in Tbilisi, Georgia. This report looks at the winners of the 2024 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 2024 the 28 nominated companies comprised:

- 19 companies (six large financial companies, two large non-financial companies and 11 small companies) listed on the [Georgian Stock Exchange \(GSE\)](#) – all GSE listed companies admitted to trade were automatically nominated and duly evaluated; and
- 9 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). EU companies within direct scope of the CSRD may request sustainability information from companies in their value chain, upstream (suppliers) or downstream (distribution channels) or both. Some of these companies may be Georgian companies.

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 relies on the expertise and dedication of its jury members. The jury comprises Georgian and foreign members. Members are independent, expert, and not paid. 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

Executive Director / Chief
Financial Officer
Georgian Stock Exchange

Georgia



Erik Vermeulen

Professor
Tilburg University

The Netherlands



Zurab Mamukelashvili

Board Member of Service for
Accounting, Reporting and Auditing
Supervision (SARAS)

Georgia



Branko Ljutic

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 continues to be improved to ensure the award scheme remains robust and relevant.

Awards

In 2024, just like every year since it was first established in 2019, 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. Furthermore, in recognition of the continued emergence of sustainability reporting, there was an award for the 'Best Sustainability Report' for each of the three categories of company (in 2023 there was just one overall award and an honorary award, spanning all three company categories, for the 'Best Sustainability Report'). BARTA has a policy to award no more one award per company. Finally, to encourage new self-nominated companies, a new special award for 'Best Debutant' was created for the company with the best score of all first-time participants.

Process

1. The World Bank and RSF send a call to participate in the awards to our [partner organisations](#) and other stakeholders. *(October 2024)*
2. [Business Media Georgia \(BMG\)](#) promotes the award via its Business Morning television programme. *(July-October 2024)*
3. Companies listed on the GSE are automatically nominated while other companies must self-nominate by filling out the [registration form](#). To encourage more self-nominations eligible companies were contacted and invited to participate. *(by 31 October 2024)*
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 2023 financial statements *and* the online submission of their 2023 annual report to [SARAS](#) by 31 October 2024. 14 companies failed to satisfy the initial screening criteria – four had qualified audit reports and 10 failed to submit their reports on time - and so were not eligible to be evaluated. This left 28 companies eligible to be evaluated. *(early November 2024)*
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 (management reporting, corporate governance reporting, non-financial information (NFI) reporting, and other transparency measures) and one for sustainability reporting. Each team has a leader. *(early November 2024)*

6. In each team Georgian judges scored, using detailed ‘scorecards’, all the Georgian language annual reports. Foreign judges meanwhile scored English language reports where these were available. 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 [co-chairs of the jury](#). (November 2024)
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 2024).
8. Winners were then announced publicly during the awards ceremony. (28 February 2025)

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 our 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. Work is underway to update the law to align it more closely with the EU’s CSRD. This alignment will make it easier for Georgian companies to sell goods and services into the EU market as well as to access EU sustainable finance.

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 based on the [EU Corporate Sustainability Reporting Directive \(CSRD\)](#) and the [European Sustainability Reporting Standards \(ESRS\)](#), in particular the ESRS Set 1. As mentioned above Georgia is in the process of aligning its law with that of the EU's CSRD.

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: <ul style="list-style-type: none"> • <i>Regulatory basis</i> • <i>Conciseness</i> • <i>Reliability</i> • <i>Completeness</i> • <i>Consistency and comparability</i> 	25
B. Content	
<ul style="list-style-type: none"> • Environment - disclosure about environmental factors 	25
<ul style="list-style-type: none"> • Social - disclosure about social factors 	25
<ul style="list-style-type: none"> • Governance – disclosure about governance factors 	25

Total	100%
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AWARDS

Large Financial Companies

Winner	TBC Bank JSC
Honorary	MFO Crystal JSC
No. of Nominees	7 (2023 – 5; 2022 – 4; 2021 – 5; 2020 – 4; 2019 - 5)

Large Non-Financial Companies

Winner	Georgian Railway JSC
Honorary	Silknet JSC
No. of Nominees	7 (2023 – 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	14 (2023 – 17; 2022 – 9; 2021 – 8; 2020 – 7; 2019 - 8)

Best Debutant

Winner	Basis Bank JSC
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Best Sustainability Report

Large Financial Companies	Bank of Georgia JSC
Large Non-Financial Companies	Tegeta Motors LLC
Small and Medium Companies	JSC ProCredit Bank Georgia
No. of Nominees	<i>All nominees</i>

TRENDS AND RECOMMENDATIONS

This section highlights the main insights from the 2024 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 2024 award winners, provides a section-by-section breakdown of the scores, and provides comparative data from 2019-2023.

Table 4: BARTA Scores for 2024 and Comparatives 2019-2023

Overall Rank	Company Name (EN)	Company Name (GE)	CATEGORY	Category Rank	A	B	C	D	TOTAL	2023	2022	2021	2020	2019	SUSTAINABILITY	2023	2022	2021
1	TBC Bank JSC	სს „თიბისი ბანკი“	Large Financial Company (Winner)	1	34.7	17.3	20.0	20.0	92.0	90.0	88.6	86.9	80.4	81.1	87.5	94.0	89.0	80.0
2	Bank of Georgia JSC	სს საქართველოს ბანკი	Large Financial Company (Winner - Best Sustainability)	2	32.0	17.3	20.0	18.9	88.2	87.3	83.0	87.0	79.3	78.4	86.0	91.0	92.0	70.5
3	TBC Leasing JSC	სს თიბისი ლოზინგი	Small Company (Winner)	1	38.7	18.3	8.8	14.5	80.3	69.8	74.3	65.7	39.3	N/A	69.5	75.0	73.0	40.5
4	MFO Crystal JSC	სს კრისტალი	Large Financial Company (Honorary)	3	27.7	16.0	14.3	16.0	74.0	73.2	71.1	74.0	68.1	67.5	58.5	69.0	66.0	69.5
5	Georgian Railway JSC	სს საქართველოს რკინიგზა	Large Non-Financial Company (Winner)	1	28.0	14.0	17.0	13.3	72.3	68.1	64.8	57.9	N/A	N/A	67.3	71.0	69.0	34.0
6	Basis Bank JSC	ბაზისბანკი	Large Financial Company (Best Debutant)	4	21.7	16.7	12.3	20.0	70.6	N/A	N/A	N/A	N/A	N/A	31.0	N/A	N/A	N/A
7	Silknet JSC	სს სილქნეტი	Large Non-Financial Company (Honorary)	2	30.0	10.7	14.0	13.1	67.8	71.5	N/A	62.3	31.6	44.1	76.5	81.0	N/A	35.0
8	JSC ProCredit Bank Georgia	პროკრედიტბანკი	Small Company (Winner - Best Sustainability)	2	28.3	10.0	10.0	15.4	63.7	N/A	N/A	N/A	N/A	N/A	83.0	N/A	N/A	N/A
9	Liberty Bank JSC	სს „ლიბერტი ბანკი“	Large Financial Company	5	22.5	15.7	9.3	15.9	63.4	61.0	61.0	61.5	48.1	57.7	36.5	56.0	49.0	48.5
10	MFO MBC Capital	მეგრო ბიზნეს კაპიტალი	Small Company (Honorary)	3	26.7	13.7	9.5	13.4	63.3	57.0	59.3	55.1	33.5	N/A	65.3	68.0	62.0	58.0
11	Telasi JSC	სს „თელასი“	Large Non-Financial Company	3	22.3	14.7	10.5	13.4	60.9	57.0	55.4	63.6	51.9	66.2	47.0	38.0	39.0	41.0
12	Lisi Lake Development JSC	სს „ლისი ლეიქ დეველოპმენტი“	Small Company	4	27.7	11.7	7.3	13.1	59.7	50.8	55.6	38.6	N/A	55.2	54.3	76.0	74.0	50.0
13	JSC Georgia Capital	სს „საქართველოს კაპიტალი“	Small Company	5	26.3	10.7	3.8	14.1	54.8	40.7	N/A	N/A	N/A	N/A	60.0	65.0	N/A	N/A
14	Tegeta Motors LLC	შპს „თეგეტა მოტორსი“	Large Non-Financial Company (Winner - Best Sustainability)	4	14.0	13.0	7.8	13.2	48.0	37.7	N/A	46.8	33.5	47.8	89.0	61.0	N/A	57.0
15	MFO Rico Express LLC	შპს „ზიკროსაფინანსო ორგანიზაცია რიკო ექსპრესი“	Large Financial Company	6	17.0	8.3	8.0	13.3	46.7	42.3	N/A	N/A	N/A	N/A	14.0	27.0	N/A	N/A
16	United Airports of Georgia LLC	შპს საქართველოს აეროპორტების გაერთიანება	Large Non-Financial Company	5	17.0	9.0	7.0	13.1	46.1	48.1	41.7	32.1	26.5	N/A	45.0	7.0	0.0	17.5
17	SILK Real Estate LLC	შპს „სილქ რიალ ესთეით“ (ძველი სახელწოდებით)	Small Company	6	18.5	7.3	2.5	13.4	41.7	29.3	N/A	N/A	N/A	N/A	37.0	18.0	N/A	N/A
18	Telmico LLC	შპს „თბილისის ელექტრომომწოდებელი კომპანია“	Small Company	7	22.0	7.0	3.8	7.9	40.7	36.6	N/A	N/A	N/A	N/A	31.0	40.0	N/A	N/A
19	GPI Holding Insurance Company	სადაზღვევო კომპანია „გაიპი ჰოლდინგი“	Large Financial Company	7	14.5	3.7	7.5	13.2	38.9	N/A	N/A	N/A	N/A	N/A	45.5	N/A	N/A	N/A
20	Green Insurance Georgia JSC	სს გრინ დაზღვევა საქართველო	Small Company	8	12.0	10.3	3.3	13.3	38.9	33.0	30.1	21.0	N/A	N/A	27.0	35.0	35.0	0.0
21	Georgian Renewable Power Operations JSC	სს „საქართველოს განახლებადი ენერჯის ოპერეიტივს“	Small Company	9	13.5	10.0	2.0	11.6	37.1	28.2	N/A	N/A	N/A	N/A	25.0	26.0	N/A	N/A
22	GeoSteel LLC	შპს „ჯეოსტილი“	Small Company	10	13.0	13.7	3.0	7.4	37.0	30.6	N/A	N/A	N/A	N/A	39.0	50.0	N/A	N/A
23	Energy Development Georgia LLC	შპს „ენერჯი დეველოპმენტ ჯორჯია“	Small Company	11	16.0	11.7	2.3	6.8	36.7	28.0	27.0	32.7	20.0	N/A	14.0	19.0	22.0	24.0
24	Georgia Real Estate JSC	სს საქართველოს უძრავი ქონება	Small Company	12	15.0	10.0	2.0	7.5	34.5	31.5	30.7	N/A	33.9	N/A	46.0	46.0	53.0	N/A
25	Airnavigation.ge	საჰაერონავიგაცია	Large Non-Financial Company	6	11.0	5.3	7.8	9.6	33.7	N/A	N/A	N/A	N/A	N/A	35.0	N/A	N/A	N/A
26	Magti	შპს „მაგთიკომი“	Large Non-Financial Company	7	12.0	3.3	6.8	8.4	30.5	N/A	N/A	N/A	N/A	N/A	12.0	N/A	N/A	N/A
27	Austrian-Georgian Development LLC	შპს „ავსტრიან ჯორჯიან დეველოპმენტი“	Small Company	13	12.0	4.7	5.0	7.0	28.7	N/A	N/A	N/A	N/A	N/A	16.0	N/A	N/A	N/A
28	ESCO JSC	სს „ელექტროენერჯეტიკული სისტემის კომერციული“	Small Company	14	10.5	1.0	2.8	12.3	26.5	24.7	N/A	N/A	N/A	N/A	6.0	8.0	N/A	N/A
Average					20.9	10.9	8.1	12.8	52.7	49.8	57.1	56.1	45.5	62.3	46.6	51.0	55.6	44.7

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)

Main Category Awards

General

2024 marked the sixth year of BARTA. It was a year of consolidation, after a dramatic increase in participation the previous year. While there was a significant increase in self-nominated companies, a number of these companies failed to satisfy the initial screening criteria. As a result, a similar number of companies were evaluated in 2024 compared with 2023 (28 versus 29). Relative to other similar corporate reporting award schemes around the world, the participation rate for BARTA is exceptionally high. For example, in 2024 the long-established [Belgian Awards for Sustainability Reporting](#) attracted submissions from 72 organisations, less than three times that of BARTA for an economy over 20 times larger.

The quality of reporting continues to improve. The average score for all 28 companies of 52.7% compares with 47.7% in 2023. Most companies (20) scored better than in 2023 and most of these (19) logged their highest ever score. While this is encouraging, the jury notes that many companies, especially the small and medium companies, can improve with minimal extra effort.

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 2024.

In third place overall was TBC Leasing JSC. As in 2022 and 2023 TBC Leasing JSC was the top scoring small and medium company. With high scores across all types of reporting, TBC Leasing JSC benefits from being a subsidiary of TBC Bank JSC by emulating its reporting practices.

Fourth place MFO Crystal JSC also continues to excel. While its [2023 Annual Report](#) lacks the depth of disclosure of the two London-listed banking giants, its reporting is innovative, concise, and 'reader friendly'.

Georgian Railway JSC was the highest scoring large non-financial company with 72.3%, its highest ever score. Georgian Railway JSC has been steadily improving and edged out last year's winner Silknet JSC that scored 67.8%. Silknet JSC was one of a handful of companies that scored lower in 2024 than in 2023.

Recommendations for Improvement

- *Use simple straightforward language that a typical member of the public can readily understand.*
- *Ensure reports are concise and to the point.*
- *Avoid repetition and cross reference within the annual report where necessary.*
- *Aim for an annual report, excluding the financial statements, to be in the range of 50-75 pages.*
- *Where possible prepare reports in-house rather than outsourcing report preparation.*
- *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.*
- *Combine financial statements and all non-financial disclosures, including sustainability disclosures, into one report - the 'Annual Report'.*
- *Include graphics, tables, charts, and pictures to improve the visual appeal and readability.*
- *Build trust by being honest and genuine, acknowledging areas for improvement, and including bad news as well as good.*
- *Do **not** make general statements and assertions that lack explanation and evidence.*
- *Carefully consult the recently updated nonbinding [Management Report Guide](#) published by SARAS – this now includes a section dedicated to non-financial disclosures and serves to help align Georgia's reporting framework with best international and European practices.*
- *Learn from award winners – see 'Best Practice Reporting' below.*
- *Use the resources provided at www.barta.ge, in particular [this guidance](#).*

Best Practice Reporting

[TBC Leasing Annual Report 2023](#)

[MFO Crystal JSC Annual Report 2023](#)

[Georgian Railway JSC Annual Report 2023](#)

Management Reporting

TBC Bank JSC (34.7 out of 40) logged the highest score for this type of reporting, just like it did in 2022 and 2023. Similarly, Silknet JSC (30.0 out of 40) and TBC Leasing JSC (38.7 out of 50) were the highest scoring large non-financial and small and medium companies respectively, a repeat of 2022 and 2023. A closer look at the scores reveals that most companies scored higher than in 2023. The average score for all 28 companies was 20.7 compared with an average of 17.4 in 2023. 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 future strategy and priorities.

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, their financial impact, and 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 - see 'Best Practice Reporting' below.*

Best Practice Reporting

[Georgian Railway JSC Annual Report 2023](#) (pages 6-73).

Corporate Governance Reporting

TBC Leasing JSC (18.3 out of 20) posted the highest score for this type of reporting, beating into second place its parent company TBC Bank JSC and Bank of Georgia JSC, joint top scorers for the large financial company category with 17.3. This was a remarkable achievement for a small company. Georgian Railway (14 out of 20) was the highest scoring large non-financial company, comfortably beating Silknet JSC (10.7) that had topped the rankings for this type of reporting in the previous two years. Closer examination of the scores reveals that most companies scored higher than in 2023. The average score for all 28 companies was 10.9 compared with an average of 7.8 in 2023.

Corporate Governance reporting is mandatory for all issuers of public securities. Additionally, commercial banks and microbanks have their own (separate) corporate governance codes, which require corporate governance reporting to be conducted through the publication of "Pillar 3" forms. However, other types of 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. In 2025 corporate governance reporting requirements will be tightened.

Recommendations for Improvement

- *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 - see 'Best Practice Reporting' below.*

Best Practice Reporting

[TBC Leasing Annual Report 2023](#) (pages 74-93).

Non-Financial Information (NFI) Reporting

TBC Bank JSC and Bank of Georgia JSC both posted perfect scores (20 out of 20). Georgian Railway JSC (17 out of 20) was the highest scoring large non-financial company while MFO MBC Capital JSC (9.5 out of 10) was the equal highest scoring small and medium company. Closer inspection of the scores reveals that many companies scored marginally higher than in 2023: the average score for all 28 companies was 8.1 compared with an average of 7.6 in 2023. NFI reporting is increasingly being superseded by sustainability reporting. In the EU the [Corporate Sustainability Reporting Directive \(CSRD\)](#) has now replaced the [Non-Financial Reporting Directive \(NFRD\)](#).

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:*
 - *brief description of the company's business model.*
 - *description of the policies pursued in relation to those matters, including due diligence processes implemented and the outcome of those policies.*

- *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 - see 'Best Practice Reporting' below.*

Best Practice Reporting

[Georgian Railway JSC Annual Report 2023](#) (pages 43 to 55).

Other Transparency Measures

TBC Bank JSC and Basis Bank JSC, a BARTA debutant, were joint top scorers with perfect scores (20 out of 20). JSC ProCredit Bank Georgia (15.4 out of 20) and Telasi JSC (13.4 out of 20) were the highest scoring large non-financial companies and small and medium company respectively. Companies scored much the same as they did in 2023: the average score for all 28 companies was 12.8, the same as in 2023.

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 - see 'Best Practice Reporting' below.*

Best Practice Reporting

[MFO Crystal JSC's Investor Relations webpages](#).

Best Debutant

Six of the 28 companies evaluated were first time participants in BARTA. The best performing of these companies, and accordingly winner of the Best Debutant award, was Basis Bank JSC with 70.6% (6th place overall) followed by JSC ProCredit Bank Georgia on 63.7% (8th place overall).

Sustainability Reporting Award

Globally, and especially in Europe, sustainability reporting is fast becoming a mainstream activity. Over the coming few years the EU aims for sustainability reporting to gain equivalent status to that of financial reporting. This is the ambition behind the CSRD. In Georgia momentum around sustainability reporting is growing. A greater proportion of companies are disclosing at least some sustainability information. Many of these companies are self-nominated smaller companies that tend to score lower than the larger listed companies. As a result, the average scores for 2024 (46.6%) were lower than 2023 (51.0%). Average scores were also depressed somewhat by the fact that this year the sustainability scorecard was made more robust and more closely aligned with the CSRD and ESRS.

Tegeta Motors LLC, a large non-financial company, was the highest scoring company with 89.0%. Of the large financial companies TBC Bank JSC scored the highest (87.5%), just like they did for the main category award. However, as BARTA rules dictate that companies can win no more than one award, the award for the 'Best Sustainability Report' for large financial companies went to the next highest scorer, Bank of Georgia JSC (86%). The best performing small and medium company was BARTA debutant JSC ProCredit Bank Georgia with 83.0%. JSC ProCredit Bank Georgia published a standalone Impact Report and included key sustainability disclosures in its annual report.

There was significant variation in the quality of sustainability reporting across size of company and from one industry to another. Perhaps not surprisingly large financial 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 large and growing 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. The CSRD is intended to regulate reporting to support sustainable finance.

Much of the reporting was 'boiler plate', simply copied from the previous year. In many cases companies do little more than provide a brief description of their sustainability policies. There is often little or no description of impacts, risks and opportunities, little or no explanation of policies, actions, and targets, and the absence of achievements against targets 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. 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:*
 - *regulatory basis - the sustainability report should be prepared using internationally recognized frameworks and standards.*
 - *conciseness - the sustainability report should be concise.*
 - *reliability - the information contained in the sustainability report should be accurate, trustworthy, and free from bias or material errors.*
 - *completeness - the sustainability report should include all material matters, both positive and negative, in a balanced way.*
 - *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.*
- *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).*
- *Carefully consult the recently updated nonbinding [Management Report Guide](#) published by SARAS – this now includes a section dedicated to non-financial disclosures and serves to help align Georgia's reporting framework with best international and European practices.*
- *Learn from award winners – see 'Best Practice Reporting' below.*
- *Use the resources provided at www.barta.ge, in particular [this guidance](#).*

Best Practice Reporting

[JSC ProCredit Bank Georgia Annual Report 2023](#) and [Impact Report 2023](#).

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. Sustainability reporting will need to grow in quantity and quality. BARTA will evolve to reflect this.