

A photograph of a tunnel interior, likely a mine. The tunnel is supported by a complex network of wooden beams and metal pipes. The walls are lined with a mesh of wire. In the distance, a bright blue light source illuminates the tunnel, creating a strong contrast with the dimly lit surroundings. The floor appears to be concrete or a similar hard material. The overall atmosphere is industrial and somewhat mysterious.

SAQNAKHSHIRI

COMPANY PROFILE

MARCH, 2021

LLC Saknakshiri

Coal deposit in Tkibuli was discovered in 1825. Its exploitation has started in 1847. In the 1950s, coal production in four mines exceeded 3 million tons per year. After the collapse of the Soviet Union, coal mining in Tkibuli was stopped. As of today, there are two operating shafts in Tkibuli - Mindeli and Dzidziguri. Since 2006, the right to extract minerals in Tkibuli coal mine and coal enrichment plant has been owned by Saknakshiri LLC (I/C 230868120).

According to the Registry of Entrepreneurs and Non-Entrepreneurial Legal Entities, Saknakshiri LLC was registered in 2006 and, until September 2019, had been owned by Ltd Georgian Industrial Group Holding– GIG, the owner of which was Davit Bezhuashvili, a member of the Parliament of Georgia of four convocations. Natia Turnava, the current Minister of Economy and Sustainable Development, had a close and long-standing relationship with the enterprise. In 2006-2013, she was a member of the Board of Directors of Georgian Industrial Group Holding Ltd and General Director, Chairwoman of Board of Directors of Georgian International Energy Corporation Ltd.

According to the company's 2018 financial report and management statement¹, the company has established three subsidiaries: Polchar Georgia Ltd, Saknakshiri Trading House Ltd (GIG Group), and CBM Georgia Ltd.. None of the subsidiaries had operating activities as of December 31, 2018 and 2017. The company is located at #13 Tabukashvili Street in Tkibuli, coal mines are also located nearby, where coal is extracted. The company is the only coal mining company in Georgia. Coal mining takes place from two main quarries, namely Mindeli and Dzidziguri mines. Along with coal mining, the company processes (enriches) coal in a coal enrichment plant and then sells it.

For years, alarming statistics on injuries (often with fatal damages) inflicted upon the coal miners in Tkibuli mines have been reported. However, until recently, in all cases, as the company management stated, the accidents were caused by negligence of the injured themselves². Only on June 16, 2018, after deaths of four miners in the same shaft of Tkibuli mine where 6 people died and 3 were injured two months earlier³, the company said that it was not able to provide a safe work environment for the employees. According to the company statement, "in recent years the company made every effort to improve security systems, unfortunately, due to the specifics of Tkibuli shafts, an engineering solution that would make coal mining fully safe could not be found within Saknakshiri. Therefore, Georgian Industrial Group expresses its readiness to transfer Saknakshiri Company to the state free of charge, despite the significant expenses spent during the last 12 years⁴". The Government of Georgia did not accept the offer of the company⁵. However, it seems that starting from that period, Georgian Industrial Group had started preparations for getting rid of Saknakshiri. In August 2018, GIG decided to change the brand name of Saknakshiri – "Saknakshiri Ltd (GIG Group)". 'GIG Group' indicating that the company joined Georgian Industrial Group (GIG) Holding, has been removed from the company name. In September 2018, the company's e-mail address was also changed: existing posta@gig.ge was changed into info@saknakshiri.ge. Again, at the request of GIG, the address of Georgian Industrial Group was removed from the data on Saknakshiri registered in the Entrepreneurial Registry, which was previously mentioned as address other than its legal address.

¹ [Saknakshiri Ltd., Consolidated and individual financial report and management statement with report of external auditor for reporting year ended 31 December 2018](#)

² [Tkibuli - Announced city of death, Zaza Tsuladze, April 9, 2018, Voice of America](#)

³ [6 people died and 3 were injured in Tkibuli mine, Reginfo, April 5, 2018](#)

⁴ [We express our readiness to transfer Saknakshiri to the State free of charge – Georgian Industrial Group, on.ge, July 16, 2018](#)

⁵ [Government response to Saknakshiri: Mine management is by no mean a public sector duty, on.ge, July 26, 2018](#)

According to the company's 2018 financial report and management statement⁶, "on April 27, 2019, the Georgian Industrial Group signed a memorandum with Shanxi Coking Coal Group Co. LTD⁷, China's largest coal mining organization. Within the framework of this cooperation, it is planned to upgrade the Mindeli mine and increase the production volume with the participation of the Chinese side in Saknakshiri capital. It is also planned to build a new high-technology mine". However, it appears that plans were later changed.

In September 2019, against the background of the workers' protests and hunger strikes demanding their salaries, Natia Turnava, the Minister of Economy who visited the site to regulate the situation, informed the public that Saknakshiri would have a new owner, which would pay wage arrears to miners as well as ensure operation of mines soon⁸. As the Minister said, the new owner would become a company founded by Georgian and Ukrainian business partners with experience in selling coal in the African and the Black Sea basins. On the same day, it became clear that Saknakshiri's new owner became Steel International Trading Company, on behalf of which Alexander Chochia was authorized to speak to the public⁹. As Chochia stated, at first, the company planned to implement a plan for 8 million GEL for the development of Saknakshiri, which would be presented to the public and the state in the nearest future. As he said, negotiations were underway with the state over the timing of the construction of a 150-megawatt coal-based thermal power plant¹⁰.

Later, GIG Group made a statement, according to which Saknakshiri GIG Group, after 13 years of operation in Tkibuli, decided to transfer its assets at a symbolic price "to Steell International Trades company, which **the Ministry of Economy recommended**"¹¹.

New Owner

According to the Registry of Entrepreneurs and Non-Entrepreneurial Legal Entities, since September 27, 2019, Saknakshiri Ltd has been owned by Steel International Trading Company Ltd (I/C 405254692) registered on February 20, 2018. 100% shareholder and, at the same time, a director of Steel International Trading Company Ltd is Giorgi Chelidze.

In addition to Saknakshiri, Giorgi Chelidze is a shareholder of Meama Ltd (405139425), a shareholder and director of CFP Ltd (405301613), an owner and director of City Garden Ltd (405261988), an owner and director of King David Offices Ltd (405219918), a shareholder of Mobil Credit Ltd (404390547), a shareholder of Chelidze and Partners Ltd (204537803), a director of Geo Cos Ltd (405334918), an owner and director of Novus Investment Group Ltd

⁶ [Saknakshiri Ltd., Consolidated and individual financial report and management statement with report of external auditor for reporting year ended 31 December 2018](#)

⁷ One of the largest state-owned companies in China.

⁸ ["Saknakshiri resumes work from November, salaries to be covered by a new owner", bpi.ge, 26.09.2019](#)

⁹ [Who became the new owner of Saknakshiri - interview with the manager of Steel International Trading Company, bm.ge/, 27 September 2019](#)

¹⁰ [Investor taking over Saknakshiri in a week, bm.ge, September 28, 2019](#)

¹¹ [Statement of Saknakshiri, 11.10.2019](#)

(405330556), a director of Caucasus Online Tiz Ltd¹² (415080637), a shareholder of GNR Management Ltd (405356305) and a director of **GTS - Georgia Terminal Services Ltd** (405359222).

A 100% shareholder of GTS - Georgia Terminal Services Ltd (405359222) is **Georgian Manganese LLC** (230085797). Moreover, since April 2019, with the decision of Nikoloz Chikovani, the temporary environmental manager at Georgian Manganese, and with the consent of Giorgi Chelidze, the legal address of Georgian Manganese LLC is in the building owned by King David Offices.

Registration documents of Steel International Trading Company Ltd do not mention Alexander Chochia, who was the only person to speak to the public on behalf of the company from the very first days when the company appeared. Alexandre Chochia is mentioned in the registration documents of many companies, some of which are noteworthy in relation to Saknakshiri.

Alexander Chochia is a director and 50% shareholder of GNR Management Ltd (405356305), registered on October 4, 2019. 50% shareholder of the same company is Giorgi Chelidze.

In 2015, prior to the merger of JSC PrivatBank with JSC Bank of Georgia, Alexander Chochia served as Chairman of Board of Directors of PrivatBank owned by Privat Group Ukraine in 2007-2014 and was 1.3% shareholder (as of 2012)¹³. Since 2007, as it is known, [Ihor Kolomoysky](#) and [Henadiy Boholyubov](#), the founders of Ukrainian Privat Group, have been owners of GEORGIAN AMERICAN ALLOYS INC¹⁴ that holds Georgian Manganese (230085797).

On June 9, 2020, Georgian Manganese LLC, represented by Nikoloz Chikovani, Special Manager, and Steel International Trading Company, represented by Giorgi Chelidze, "agreed to establish a company with the following company name: GM Energy Ltd in English. The shareholders of GM Energy Ltd were determined as follows:

- Georgian Manganese LLC (I/C 230085797) - 49% shareholder;
- Steel International Trading Company Ltd (I/C 405254692) - 51% shareholder "¹⁵.

Giorgi Karchava was appointed as a company director.

On November 29, 2019, an entry for registration of the right of pledge over shares appeared in the Excerpt from the Entrepreneurial Register on Steel International Trading Company Ltd. A general credit line agreement over a maximum amount of USD 2,600,000 was signed between Giorgi Chelidze, the owner of the company, and JSC Bank of Georgia. 100% shares of Steel International Trading Company Ltd was pledged to secure the contractual obligations.

Giorgi Chelidze is an active supporter of the party 'Georgian Dream - Democratic Georgia'. In 2017-2020, before self-government, parliamentary and presidential elections, he had donated 60,000 GEL three times¹⁶. Alexander Chochia also donated 60,000 GEL to Salome Zourabichvili in 2018 and the same amount to the 'Georgian Dream - Democratic

¹² Owner 211380833, Caucasus Online Ltd

¹³ [Who owns Bank of Georgia, b2p.ge](#)

¹⁴ [GEORGIAN AMERICAN ALLOYS INC. Last dossier update: Aug. 1, 2019](#) ©Anti-corruption Action Centre, 2015-2019

¹⁵ Protocol of meeting of GM Energy Ltd Founders (I/C 405390465)

¹⁶ [Donations to Georgian political parties](#), Transparency Georgia

Georgia' in 2019¹⁷. Giorgi Karchava is also a supporter of the 'Georgian Dream - Democratic Georgia' - he donated 60,000 GEL to the party in 2017 and 25,000 GEL in 2018.

General Director

After a change of owner of Saknakhsiri, the first change within the enterprise was the replacement of the General Director. On October 3, 2019, Giorgi Chkheidze, a director of CBM Georgia Ltd, a subsidiary of Saknakhsiri, assume the position of General Director. According to the amendment registered on November 7, 2019, Giorgi Chkheidze was dismissed and Coal of Georgia Ltd (400264361) was appointed as a General Manager of the company. Mikheil Turabelidze, a financial director of Saknakhsiri, was also dismissed.

Coal of Georgia Ltd (400264361) was founded in March 2019 by Ukrspectechnik - a scientific production company registered in Ukraine in 2017 (21783176, Director Vyacheslav Bogoslawski). Zurab Aghdgomelashvili has been a director of Coal of Georgia since its registration. According to the amendment to the company registration documents in October 2019, 50% shares of Coal of Georgia were transferred to Datvi Ltd free of charge. Datvi Ltd (400275368) has been registered in the Entrepreneurial Register the day before, and 10% of its shares are owned by Zurab Aghdgomelashvili while 90% - by a Russian citizen Mikhail Sotsky.

By the decision of September 1, 2020, Coal of Georgia Ltd (400264361) was replaced by the company Coal Georgia Ltd (400292535) registered two weeks earlier, on August 14, 2020. It is noteworthy that a director of Coal Georgia Ltd is again Zurab Aghdgomelashvili, while its owner is UNITED EUROPEAN ENERGY CORPORATION (5223179820) registered in Poland.

UNITED EUROPEAN ENERGY CORPORATION, though registered in Poland, is owned by Russian citizen Larisa Soppa (90%) and Georgian citizen Eter Aghdgomelashvili (10%). Chairman of Board of Directors is Mikhail Sotsky as well.

UNITED EUROPEAN ENERGY CORPORATION also owns 100% shares in Trans Logistics (405314468) and Aqua Georgia's Ltd (405443033).

Information about the state of the environment

Tkibuli is one of the alarming hot spots in terms of environmental pollution¹⁸. Saknakhsiri has three main facilities: shafts, coal enrichment plant and power plant - all three facilities face acute environmental problems that have been left unsolved for many years.

Right to use mining resources

Saknakhsiri is the only coal-producing company in Georgia. In addition to coal mining, the company processes (enriches) coal in a coal-enriching plant and sells it. Currently, the company has the following licenses:

¹⁷ [Donations to Georgian political parties](#), Transparency Georgia

¹⁸ Public Broadcasting Program "Real Space" – [Tkibuli facing ecological disaster](#)

Date of granting the license	License No.	Mining area	The volume of minerals to be mined under license	License validity period (years)
September 4, 2001	№10000246	Use of waste from Tkibuli coal enriching plant - 9 ha	Total extraction of 6 882 000 m ³	20
August 14, 2006	№10000237	Tkibuli-Shaori coal mine - 8 ha	Minimum 110 000 t/year in 2010-2011, unlimited in subsequent years	30
December 25, 2007	№01018	Tkibuli and Ambrolauri district - license area 5 479,9 ha	233 298 000 t	45
July 26, 2016	№1003794	Mining of Tkibuli colored sandstone (Imereti temporary quarry site) - license area on Tkibuli territory - 5.02 ha	602400 m ³	20

The company sells two types of coal: run-of-mine and enriched. In 2017, the company exported 224 946 tons and 115 060 tons of coal in 2018¹⁹.

According to the company's waste management plan²⁰, coal is mined through two shafts: Mindeli and Dzidziguri. Coal reserves on Dzidziguri shaft are almost exhausted. Mindeli mine area is 43 018 m². Dzidziguri mine area is 36,192 m². By 01.01.2020, coal reserves on Mindeli shaft are 45.2 million tons, while on Dzidziguri shaft coal reserves amount to 0.94 million tons. The Mindeli mine employs 1,091 people, out of whom 894 are miners. The company administration works from 9 a.m. to 6 p.m. The number of working days per year is 250. The shafts operate in four-shift continuous mode. The duration of one shift is 6 hours.

Inspection of license conditions

According to National Agency of Mines (NAM), terms and conditions of license #01018 owned by Saknakshiri were inspected in 2018. Any stakeholder interested in obtaining information on this fact and the inspection findings can only receive it through a request for public information.

From the documentation provided by NAM, it becomes evident that from June 26 to July 1, 2018, Technical and Construction Supervision Agency (TACSA) inspected the activities of independent entities having contracts for work in the license area of Saknakshiri Ltd. "During the inspection, LEPL Technical and Construction Supervision Agency has pre-determined minimum requirements defined by Technical Regulation on Safety of Coal Mines, based on which it was clear that most of them have been violated, furthermore, following violations were revealed that endanger human life and health:

1. Personnel with working contracts on the facilities transferred to the above-mentioned entrepreneurial entities are not equipped with automatic devices for controlling the content of hazardous/explosive gases, special

¹⁹ [Saknakshiri Ltd., Consolidated and individual financial report and management statement with report of external auditor for reporting year ended 31 December 2018](#)

²⁰ Agreed with the Ministry of Environmental Protection and Agriculture by letter #5540/01,17/06/2020

clothes, and personal protection means - self-rescue devices. Rates for methane and carbon dioxide are not measured in tunnels.

2. The entrepreneurial entities do not have a contract with a mine rescue service specialized in the mentioned works to prevent possible accidents at the facilities and carry out liquidation works.
3. The technical supervisor responsible for safe mining, having appropriate education, has not been defined.
4. Telephone communication between personnel in underground excavations and on the surface is not provided.
5. Apart from few facilities, no drainage system is installed to discharge surface and groundwater in the underground excavations.
6. Underground tunnels are not equipped with more than one independent exit to the surface, nor are they envisaged in their designs, and no electronic system for controlling the concentration of hazardous/explosive gases is installed in the underground excavations. Entry (exit) to tunnels is not observed.
7. Unused tunnels are not isolated by barriers to exclude the possibility of admission of harmful/explosive gases to acting tunnels.
8. Most of the local ventilation fans for dead-end tunnels are not factory-produced and none of them has technical documentation. There is no board installed near fans, which would reflect basic parameters of tunnel ventilation, therefore ventilation of tunnels is carried out by a non-standard method.
9. Electrical wiring in tunnels is connected without the explosion-proof device and, therefore, is faulty.
10. Artificially mounted winches on the ground surface do not have working brakes with protective caps.
11. Electrical appliances are without technical documentation and do not have local grounding.
12. Although the design of exploitation works is incomplete, the construction and fortification of underground tunnels do not comply with the parameters for the construction of the tunnel, namely: tunnel cross-section is reduced, distances between tunnel brackets are not ensured, tunnel entrance is not reinforced through fencing brackets, non-standard materials are used to support the tunnel, etc.

Based on the review of documentation by TACSA and taking into account the above discrepancies, the following statement and recommendation were given to Saknakshiri Ltd (GIG Group):

"During the inspection of facilities by TACSA, it was revealed that these entities are mining coal in a non-traditional way. The extraction process is carried out under conditions of minimal mechanization, and most of the requirements of safety rules of coal mines have been violated, which poses a real threat to the life and health of on-site workers.

It should be noted that according to Paragraph 2.3 of the Agreement concluded by Saknakshiri Ltd with entrepreneurs, all entrepreneurial entities were obliged to immediately stop the exploitation works in case of such violation of requirements defined in Technical Regulation on Safety of Coal Mines that endanger the life and health of workers. Also, according to Paragraph 3.3.3 of the same Agreement, in case of the above-mentioned violations, Saknakshiri Ltd was authorized to suspend the works and immediately terminate or suspend the validity of the Agreement, which had not been implemented.

In view of the above, against the background of the observed violations, we consider it reasonable for Saknakshiri Ltd (GIG Group) to terminate the working contract with the entities operating in their licensed area, also, to prevent possible entry/fall of people into the tunnels, endogenous fires, and other risk factors to liquidate and conserve facilities following requirements of Article 14 of Technical Regulation on Safety of Coal Mines"²¹.

²¹ Letter #07/1247 of 19 July 2018 of Head of Technical and Construction Supervision Agency

On June 27-30, 2018, independent entities working contracts in the Saknakshiri licence area were also inspected by National Agency for Mines (NAM). Before the inspection, based on information provided by the company, it was determined that the extraction of mines was carried out by 23 persons having working contracts. However, the company failed to submit project documentation for the use of minerals in these areas.

Based on all the above, a protocol on administrative offense was drawn up against Saknakshiri Ltd for violation of conditions specified in the license, in particular: breaches of rules and norms of exploitation defined by Article 9 of Resolution #450 of the Government of Georgia of December 31, 2013, and safety requirements defined by Articles 42 and 47 of the Law of Georgia on Use of Entrails. The protocol and materials of the offense were reviewed by Tkibuli Magistrate Court and, by its Ruling #4/80-8 of September 28, 2018, Saknakshiri Ltd was recognized as an administrative offender under Article 573, Part 2 of the Administrative Code of Georgia, and **was fined 2,000 GEL**.

NAM has banned Saknakshiri Ltd from conducting extraction works on the outer shafts under mining license #10000236 (01018), where activities were carried out based on the contract for work by independent entities producing exploration and exploitation works until the rules and norms of exploitation and safety requirements are followed²².

On November 7, 2020, Green Alternative applied to NAM and requested documents on compliance with the conditions of mine extraction licenses issued for Saknakshiri Ltd at the Tkibuli-Shaori coal mine in 2018-2020: 1. Reports submitted by the enterprise and 2. Materials of inspection conducted by controlling agency (including documents on legal dispute, if any). On November 19, 2020, NAM sent a request of Green Alternative to Saknakshiri Ltd and requested to provide information on its "position on the release of public information" "in the shortest possible time". It should be assumed that NAM asked the companies' position on the release of public information in line with Article 29 of the Law on Entrails, according to which the requested information is the property of the licensee and should only be released with the consent of the owner.

Even four months after the request for information, the reports on compliance with the conditions of mining licenses were not given to Green Alternative.

On November 17, 2020, Green Alternative also applied to TACSA and requested the report of technical inspection of Mindeli mine for 2019-2020 conducted by NAM and documentation submitted by the company on the measures taken to eliminate the violation identified during the inspection.

TACSA provided us with information about the activities that were carried out. According to it: "In 2019-2020, TACSA conducted six technical inspections in Tkibuli mine, during which a total of 49 non-compliances (including 2 non-essential, 46 substantial and 1 critical) were detected, and the facility was fined 13,000 GEL. Some of these violations, as of today, have been corrected within the set timeframe. To rectify the remaining violations, TACSA has defined a reasonable timeframe, within which Saknakshiri Ltd is obliged to rectify. Otherwise, TACSA will again carry out measures defined by law²³". Unfortunately, TCSA only provided us with copies of documents on the imposed fines.

²² Letter of Head of NAM #22/495 dated 4 February, 2019, sent to General Director of Saknakshiri

²³ Letter of TCSA #03/1731 dated 10 December

Environmental permits

Positive ecological examination reports have been issued to the enterprises owned by Saknakhshiri at various times:

Enrichment plant

1. In Tkibuli, on the right bank of the River Tkibula, to set up a coal-enrichment plant on the site of the former central enrichment plant and for the gravitational enrichment of run-of-mine coal extracted in Dzidziguri and Mindeli shafts.

[The decision of May 16, 2008](#), has been issued based on an ecological expertise of environmental impact assessment report prepared by a scientific research company Gamma. The document is available on the website of Environmental Information and Education Center: [Environmental Impact Permit Map/Register](#).

According to the terms of the ecological expertise report, the enterprise is obliged to:

1. Perform activities following the technical regulations presented in the EIA report;
2. Before starting activities, to set up dynamic equipment used in the enterprise with vibration-isolating shock absorbers;
3. Before starting activities, arrange barrier together with the dam to prevent contamination of the River Tkibula from waste rock dump during frequent rains and mudslides; Plant non-invasive species common to the region on the dump perimeter;
4. Use modern, relatively low-noise vehicles for waste rock transportation during operation of the enterprise;
5. Install ventilation systems in the enrichment plant and other indoor workplaces before starting activities;
6. Carry out measures envisaged in the environmental protection management plan proposed in the EIA report;
7. Before commissioning the enterprise, improve the site used for construction-reconstruction works. Arrange a protective strip of trees at the border of the residential zone;
8. Within three months after commissioning enterprise, ensure the development of environmental monitoring plan and waste management plan; Envisage full reporting on acoustics in the process of commissioning of the enterprise in the monitoring plan; Agree on these plans with the Ministry of Environmental Protection and Natural Resources of Georgia;
9. Ensure pre- and periodic medical check-ups for workers employed at the enterprise.

In June 2020, Saknakhshiri Ltd agreed on the Waste Management Plan for 2020-2022 with the Ministry of Environmental Protection and Agriculture.

As it appears from the documents provided by the Ministry of Environmental Protection and Agriculture, on March 12, 2020, an employee of the West Regional Division of the Environmental Supervision Department drew up a protocol on an administrative offense, based on the fact that the company had not submitted data on emissions of harmful substances into the atmospheric air for 2019. **The enterprise was fined 150 GEL.**

Thermal power plant

2. For the construction and operation of the local coal-fired 13.2 MW thermal power plant (TPP) near Tkibuli coal enrichment plant. The report was also issued with a number of mandatory conditions.

[Report of January 5, 2011](#) has been issued on the basis of ecological examination of the environmental impact report prepared by a scientific research company Gamma. The document is available on the website of Environmental Information and Education Center: [Environmental Impact Permit Map/Register](#)

According to the terms of the report, Saknakshiri is obliged to:

1. Construct the designed facility and put it into operation following the plan proposed in the EIA report;
2. Prior to the commissioning of the facility and after launching and running enterprise equipment, submit the documentation on testing of high pressure and high-temperature technology equipment to National Environmental Agency.
3. Conduct environmental monitoring (self-monitoring) and submit to the controlling authorities upon request;
4. Carry out monitoring of noise intensity at the nearest settlement during the construction and operation process and submit to the controlling authorities upon request;
5. Protect sources of emission and discharge of harmful substances presented in the draft maximum permissible dispersion norms for harmful substances into the atmospheric air, as well as parameters of air-dust collection devices and, thus, comply with maximum permissible dispersion norms that are established accordingly;
6. Comply with maximum permissible discharge norms for pollutants discharged with wastewater into surface waters;
7. Plant perennials on the enterprise perimeter;
8. Arrange temporary disposal facilities for produced hazardous waste (waste oils, oil pollution spills, expired and outdated accumulators, vehicle filters, etc.) in accordance with environmental requirements;
9. Transfer to organizations with respective environmental permits with the purpose of further management of hazardous waste management (recycling, disposal or storage);
10. Manage waste in accordance with the waste management plan proposed in the EIA report;
11. Fulfil mandatory requirements, recommendations and environment impact mitigation measures proposed in the EIA Report.

On March 12, 2020, an employee of the West Regional Division of the Department of Environmental Supervision also recorded an administrative offense in this case, which also consisted of the failure to submit data on emissions of harmful substances into the atmospheric air for 2019. The enterprise was fined 150 GEL.

At the same time, the issue of operation and ownership of the thermal power plant is unclear. According to the 2019 financial and management [statement](#) of Georgian International Energy Corporation Ltd:

"In September 2019, the company purchased fixed assets owned by the thermal power plant from Saknakshiri Ltd for 16,621 thousand GEL, including VAT. Meanwhile, Saknakshiri Ltd purchased fixed assets related to coal processing from the company for 5,311 thousand GEL, including VAT. The fair value of fixed assets, both purchased and sold, was received from an external appraiser independent from the company. As a result of these two transactions, the company incurred a liability towards Saknakshiri Ltd of 11,310 thousand GEL, which was deducted from the loans issued by the company to Saknakshiri Ltd. As a result of this deduction, the balance of loans issued by the company amounted to 3,790 thousand GEL. Since Saknakshiri Ltd, a subsidiary of the immediate parent company, suffered financial difficulties due to its operating activities, the company forgave the rest of its loan because Holding Georgian Industrial Group Ltd decided to sell Saknakshiri Ltd.

Availability of information on compliance with terms

Since January 1, 2018, with the enactment of the Environmental Assessment Code, the Ministry of Environmental Protection and Agriculture is obliged²⁴ to publish further analysis of its activities on the Ministry's website, which includes:

- a) monitoring of conditions and mitigation measures;
- b) analysis of the environmental impact of the activities;
- c) assessment of changes in environmental characteristics provided in the EIA report.

This obligation has not been fulfilled even at fourth year after the entry into force of the Code - neither for Saknakshiri nor for any other enterprise. Information on fulfillment of the conditions can only be obtained upon request for public information.

Safe environment for humans (labor)

To ensure the safety of labor in high-risk enterprises, on May 11, 2017, two Ministers issued a joint Order on Creation of a Joint Monitoring Group of the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Labor, Health and Social Affairs of Georgia²⁵. According to the Order, with the purpose of monitoring working conditions and technical inspection in the workplace with heavy, harmful, hazardous conditions as well as increased technical risk to human life and health, a joint monitoring group is established composed of representatives of Technical and Construction Supervision Agency and Labour Inspection Department under the Ministry of Labour, Health and Social Affairs.

Soon after the enactment of the Order, it was reported that Saknakshiri was one of the first enterprises to be inspected by the Group²⁶. The results of monitoring and technical inspection of the Group **have not been published**.

"In June 2018, Saknakshiri Ltd suspended coal mining due to several fatal incidents. However, as of December 31, 2018, and for the date of the current financial statement, Georgian Industrial Group has been conducting active negotiations with foreign mining companies for restoration and reconstruction of coal mining operations with new technologies to make coal mining in Saknakshiri cost-efficient from a technical and commercial point of view" – it is said in the company's financial statement 2018²⁷. In fact, "several fatal incidents" were two tragic incidents at a four-month interval: (1.) on April 5, 2018, 6 miners died, and three miners were injured in the Mindeli shaft, and (2.) on July 16, 2018, four died, and six miners were injured in the Mindeli shaft. Cases of injuries and deaths at the Mindeli shaft have become an integral part of the enterprise operations - at least 20 people were injured, and 27 died in the workplace within 2010-2018²⁸.

²⁴ Environmental Assessment Code, Article 17.

²⁵ [A joint Order on Creation of a joint monitoring group of the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Labour, Health and Social Affairs of Georgia](#)

²⁶ [Inspection of Tkibuli and Chiatura mines have been started, netgazeti.ge - 16.05.2017](#)

²⁷ [Saknakshiri Ltd., Consolidated and individual financial report and management statement with report of external auditor for reporting year ended 31 December 2018](#)

²⁸ [Four miners dead. Mine shafts closed. „Saknakshiri” to the State? Nino Tarkhishvili, Radio Liberty, July16, 2018](#)

In September 2018, the Minister of Health announced²⁹ the decision of the Ministry to hire German company [DMT Group](#) to study the situation in Tkibuli mine. According to the Minister's statement, the expenses of the invited specialists would have been covered by the state budget.

A year later, on November 1, 2019, DMT Group presented its report on the labor safety situation in Mindeli shaft at the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs of Georgia. **The report has not been published in this case either.** The presentation of the report was also attended by new owners of Saknakshiri. Representatives of Steel International Trading Company stated that they would continue to cooperate with a German company that would permanently follow up the implementation of labor safety works in Mindeli mine and issue the recommendations. "To some extent, our company has already undertaken strides aimed at eradication of deficiencies. We have invited a German company to develop a new conclusion on the progress made. In parallel, we have invited Turkish specialists to develop behavior rules and assist in explosion management. They are expected to complete work before the end of the week. German specialists will prepare a document before the end of the year. The document will describe issues to be corrected, and the monitoring will be continued by the specialists. The staff will also be trained on labor safety. The next stage covering two years envisages the introduction of new technology in coal mining", - stated the representative of Steel International Trading Company, Alexander Chochia³⁰.

On November 18, 2019, Green Alternative applied to the person responsible for providing public information at the LEPL Technical and Construction Supervision Agency (TACSA) under the Ministry of Economy and Sustainable Development of Georgia and requested a copy of the report prepared by German company DMT Group after auditing the situation in Tkibuli mine. In response, TACSA informed us that the owner of the information is the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs (MoIDPLHSA) of Georgia, which requested the preparation of the report, and advised us to apply to MoIDPLHSA.

Green Alternative applied to TACSA again. The letter stated: "According to Article 2 of the General Administrative Code of Georgia, public information is an official document, i.e. any information stored at a public institution, as well as any information received, processed, created or sent by a public institution or public servant in connection with official activities; also any information proactively published by any public institution. The owners of public information (as mentioned in your letter) are citizens of Georgia and not any agency, and it can be stored at various public agencies. Thus, if the report requested by us is stored at TACSA, we request to provide us with a copy of it; however, if the report had not been available to TACSA and, therefore, it is not stored, we request, to send our application to an administrative body, which is authorized to resolve the issue requested by our application, following the rules established by the General Administrative Code".

A few days after the second application, we received the following explanation from TACSA: "The Department of Labour Inspection under the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia, based on a letter #01/19801 dated November 23, 2019, submitted the official English version and unofficial translation of the report on the Mindeli shaft produced based on the agreement between the MoIDPLHSA and DMT GmbH & CO.KG concluded on November 2, 2018. Thus, TACSA has only the above-mentioned documents and holds no information about the official translation; that is why we could not provide you with comprehensive

²⁹ [German company DMT Group will study the working conditions in Mindeli shaft, First Channel, 07.09.2018](#)

³⁰ [Meeting of Tripartite Commission of Social Partnership, 1 November, 2019](#)

information. Based on your request, we provide you with the documents mentioned above that we have. To receive comprehensive, accurate information, we will send your letter to the Department of Labour Inspection." The letter was accompanied by the official [English version](#) and unofficial [Georgian](#) translation of the report on Mindeli mine prepared by DMT GmbH & CO.KG.

It is noteworthy that on January 10, 2020, Green Alternative received a letter from the MoIDPLHSA stating that **the report may contain commercial and professional classified information; therefore, the Department of Labour Inspection had applied to Steel International Trading Company for obtaining permission to transfer the document to the organization.** According to the Department's explanation, we would be additionally informed about the decision; however, for more than a year, we have not received any refusal or requested document from the MoIDPLHSA.

Conclusion

In conclusion, it can be said that, **like other companies, Sakhakhshiri does not make publicly available information on: terms of mining license, terms and conditions of permit of enrichment plant and their fulfillment; damage caused to the environment as a result of company activities, planned and implemented measures to repair and/or reduce environmental damage; as well as on the state of the environment being affected by company's activities.** Sakhakhshiri Ltd does not have its website any longer. Nor the Ministry of Environmental Protection and Agriculture provides information about the environmental conditions in the area affected by company activities, although, according to international and national legal requirements, this information should be available to the public proactively – without having to request the information.

From 2015, Green Alternative issues periodic reports on the availability of information on the state of the environment in Georgia. During the analysis of the availability of information of the state of the environment, we study accessibility of information on so-called "large-scale pollutants" and prepare company profiles of four enterprises that are singled out in terms of the scope of activities and impacts on the environment and human health. These enterprises are RMG LLC, Georgian Manganese LLC, Saknakshiri Ltd, and HeidelbergCement.

This document reflects the availability of information on HeidelbergCement Georgia LLC.



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