

SAKNAKSHIRI - COMPANY PROFILE

From 2015, Green Alternative issues periodic reports on availability of the information on state of environment in Georgia. During the analysis of availability of information of the state of environment, we study accessibility of information on large-scale pollutants and prepare company profiles of four notable enterprises in terms of scope of activities and impacts on the environment and human health. These are: (1) RMG, (2) Georgian Manganese, (3) Saknakshiri; and (4) HeidelbergCement. This document reflects the availability of information on Saknakshiri.

SAKNAKSHIRI

Coal deposit in Tkibuli was discovered in 1825 and its exploitation has started since 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. Today, there are two operating mines in Tkibuli - Mindeli and Dzidziguri. Since 2006, the right to extract minerals in the Tkibuli coal mine and the coal enrichment plant is owned by Saknakshiri (I/C 230868120).

According to the Registry of Entrepreneurial and Non-Entrepreneurial (Non-commercial) Legal Entities, Saknakshiri Ltd is owned by the Georgian Industrial Group Holding Ltd - GIG (I/C 205138493). The GIG is owned by the Chemexim International Ltd registered in the Marshall Islands offshore zone, which, according to the registration documents, is governed by Davit Bezhuashvili, a Member of Parliament of Georgia of four convocations. At the same time, Davit Bezhuashvili is the General Director of the Georgian Industrial Group Holding.

Gela Bezhuashvili, brother of Davit Bezhuashvili (former Minister of Defense in 2004, Assistant to the President of Georgia on National Security Issues – Secretary of National Security Council – in 2004-2005, Minister of Foreign Affairs – in 2005-2008, Head of Intelligence Service – in 2008-2014, etc.) serves as Non-Executive Director of the Company.

For years, alarming statistics on injuries inflicted upon the coal miners in Tkibuli mines (often, deadly injuries) have been reported. However, until recently, in all cases, as the company management has reported, the accidents were caused by the negligence of the injured themselves¹. Only on June 16, 2018, after the death of four miners in the same shaft of Tkibuli mine where 6 people were died and 3 injured two months earlier², the company stated that it was not able to provide a safe work environment for the employees. According the company statement: “In recent years the Company worked on improving security systems, unfortunately, due to the specifics of Tkibuli shafts, we could not find an engineering solution that would make coal mining fully safe. Therefore, Georgian Industrial Group expresses its willingness to transfer the Saknakshiri Company to the State free of charge, despite the significant expenses spent during the last 12 years.”³ The Government of

¹ [Tkibuli - Announced city of death](#), Zaza Tsuladze, 9 April, 2018, Voice of America

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

³ [We express our willingness to transfer the Saknakshiri to the State free of charge - Georgian Industrial Group](#), <https://on.ge>, 16 July 2018

Georgia did not accept the offer of the company⁴, however, it might be assumed that, starting from that period the Georgian Industrial Group has begun preparing for expropriation. In August 2018, the GIG decided to change the Saknakshiri Ltd. (GIG Group) - the Sakhnakhiri brand name. The GIG Group has been removed from the company's name. It showed that the company joined the Georgian Industrial Group (GIG) Holding. In September 2018, the e-mail address of the company has been changed: existing posta@gig.ge was changed into info@sagnakhshiri.ge. Again, at the request of the GIG, the address of the Georgian Industrial Group was removed from the Sakhnakhshiri date registered in the Entrepreneurial Registry, previously mentioned as address other than its legal address.

ABOUT US

Information about Saknakshiri Ltd is presented on the website of the owner – the Georgian Industrial Group (GIG): www.gig.ge.

The web site provides general information about the company, history and scale of coal mining and enrichment factory.

As we mentioned in our report of 2015⁵, Sakhnakhshiri Ltd was the only exception among the companies reviewed, and a rare exception among the industrial enterprises operating in Georgia whose website contained annual financial audit reports (2007-2014). Unfortunately, this information was no longer available on the company website that we indicated in our company profile prepared within our survey in 2017⁶. It is noteworthy that financial reports of Saknakshiri as well as of its owner GIG issued in 2017 are available on the company website in Georgian and English.

It should also be noted that information on resources within the coal mining license of the Company was available in 2015 and is still available on the company website.

INFORMATION ABOUT THE STATE OF ENVIRONMENT

The company website has a special section “Environment”, although the information presented there has nothing in common with the company's environmental impact and reflects so called “Green Actions” organized at various times at the initiative and/or with participation of the Company.

There is also a special section “Leave Your Green Trace” on the company website that says: “Saknakshiri GIG Group joins the initiative and leadership of the Ministry of Environmental Protection, according to which June [2014] was announced as the “Green Month”. In the framework of this Action, Saknakshiri has been conducting different weekly activities throughout the month. The Company organizes educational, maintenance and restoration, cleaning and greening activities within the framework of “Leave Your Green Trace”. Tkibuli miners and their families' youngest members are actively involved in the events. Saknakshiri

⁴ [Government response to Saknakshiri: Mine management is by no mean a public sector duty](https://on.ge), <https://on.ge>, 26 July 2018

⁵ [Report on availability of information on state of environment in Georgia](#), 31 July 2015

⁶ [Saknakshiri \(GIG Group\) – Company profile, 2017](#)

GIG Group also traditionally proceeds with implementation of events envisaged by the action plan for environmental protection of the year.”

Based on the above quotes, we should assume that the company has an “environmental protection plan for the year” that is not available to the public.

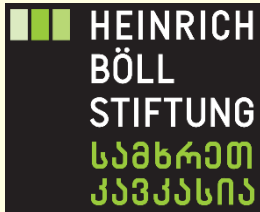
In the same section there are links to “Programmes”, which was prepared together with environmental NGO [ECOVISION](#). Unfortunately, out of 16, only two links are workable that contain audio ads with duration of several seconds. [In the first audio ad](#), Nino Tsulukidze, the theater researcher, encourages citizens to dispose paper napkins, and [in the second audio ad](#), Nanuka Gogichaishvili, the journalist, encourages them to dispose cigarette butts putting them in a bin.

Tkibuli is one of the alarming hot spots in terms of environmental condition⁷. The Saknakshiri has three main objects: shafts, enrichment plant and thermal power station - all three objects face acute environmental problems that have not been solved for years. It is noteworthy that one of the most serious problems is the waste management. According to the report for 2013-2014 of the Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection, the damage caused to the environment as a result of violation of terms of the environmental impact permit of the coal enrichment plant amounted to 3 170 760 GEL.

Like other companies, the company does not make publicly available information on: terms of license for mining, terms of permit of enrichment plant and fulfillment of its terms and conditions; damage caused to the environment as a result of company activities, planned and implemented measures to reduce or repair environmental damage; as well as the state of the environment under the influence of the company's activities.

Nor the Ministry of Environment and Agriculture provides information about the environmental condition in the area affected by the company's activities, although, according to the requirements of the international and national legislation, this information should be accessible to the public proactively –without having to request the information.

⁷ Public Broadcasting Program “Real Space” – [“Tkibuli facing ecological disaster”](#)



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