



GLOBAL COMPACT NETWORK GEORGIA

Statutes

Terminology

United Nations Global Compact (UN Global Compact): A special initiative of the United Nations Secretary-General, is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. UN Global Compact has participants and operates through the Global Compact Office, the Foundation for the Global Compact (Foundation) and more than 60 Local Networks in different parts of the world. Local Networks are independent, self-governed and self-managed entities, working closely with the UN Global Compact in New York and acting as a point of contact for UN Global Compact participants in a country.

UN Global Compact Participant: refers to an organization that has joined the UN Global Compact and is provided with access to the range of events and activities organized by the UN Global Compact.

Global Compact Office (GCO): headquartered in New York, it is the principal office through which UN Global Compact policies, strategies and activities are developed. The Executive Director (ED) is the most senior employee of GCO and reports directly to the Secretary General and Deputy Secretary General of the United Nations.

Foundation for the Global Compact (Foundation): headquartered in New York, it provides vital financial, operational and programmatic support to the United Nations Global Compact and other UN Global Compact activities around the world. Established in 2006, it is incorporated under the laws of New York State as a not-for-profit corporation.

Global Compact Network Georgia (GCNG): Global Compact Local Network in Georgia, is a non-commercial legal entity established in Georgia that works closely with the Global Compact Office (GCO) through a signed agreement to advance the UN Global Compact and its principles at the country level, helping to root the initiative within different national, cultural and language contexts and managing groups of UN Global Compact Participants in a specific country.

Global Compact Network Georgia members: Those UN Global Compact participants, that are legal entities registered in accordance to the Georgian legislation, automatically join the Global Compact Network Georgia as members. The legal entities, registered in accordance to the Georgian legislation, that are delisted by the UN Global Compact from its participants list, are no longer considered as members of the GCNG. Only participants of the UN Global Compact can be members of the GCNG.

Global Compact Network Georgia Secretariat (GCNG Secretariat): the GCNG team responsible on an ongoing basis and paid for implementing GCLN strategies and activities, including recruitment, participant engagement, coordination and collaboration with the GCO.

Global Compact Network Georgia Board (GCNG Board): a recognized group of people who jointly oversee the operations of GCNG Secretariat.



Global Compact Network Georgia Executive Director (GCNG ED): the most senior person of the GCNG Secretariat.

GCNG General Assembly: a platform through which the UN Global Compact participants from Georgia, the GCNG members, have the opportunity to voice their opinions. Also, often known as an Annual General Meeting. The GCNG General Assembly consists of all the members of the GCNG.

UN Country Team: the UN's highest level inter-agency coordination and decision-making body in a specific country. It is led by the United Nations Resident Coordinator, the designated representative of the UN Secretary General in a specific country.

Chapter I. General Provisions

Article 1. Mission and Vision

The mission of Global Compact Network Georgia (GCNG) is creating a progressive future by stimulating sustainable approaches and engaging businesses.

To make this happen, GCNG will support stakeholders to:

- a) Do business responsibly by aligning their strategies and operations with the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption; and
- b) Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The vision of GCNG is to improve the quality of life of people in Georgia.

Article 2. Objectives

The objectives of GCNG are to:

- a) Promote the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption;
- b) Mobilize business in support of the Sustainable Development Goals (SDGs);
- c) Deliver local programming aligned with the UN Global Compact strategy for UN Global Compact participants in Georgia;
- d) Promote sustainable practices among local organizations;
- e) Contribute to the growth of the UN Global Compact initiative;
- f) Influence national policies on corporate sustainability;
- g) Facilitate multi-sectoral partnerships for the achievement of the 2030 Agenda;
- h) Manage and protect the integrity of the UN Global Compact initiative; and
- i) Align with "The UN Global Compact Way - Values and Behaviours Model" and the Local Network Quality Standards.



Article 3. GCNG Activities

In order to achieve the above-stated mission, GCNG will:

a) Promote education and raise awareness on sustainability

GCNG enables organizations to advance their knowledge and expertise on sustainability, set sustainability targets and make continuous progress by raising ambition. GCNG offers quality education to various stakeholders through Accelerator Programmes, Peer learning groups, workshops, conferences, and Professional Certificate Programmes through GCNG's Corporate Sustainability Academy.

b) Provide in-depth support to participant organizations on corporate sustainability

GCNG supports participant organizations on corporate sustainability in line with the Ten Principles of the UN Global Compact. GCNG provides guidance on sustainability benchmarking, gaps identification and corporate governance. It supports participants in developing and submitting a Communication on Progress (COP) or a Communication on Engagement (COE) report. GCNG helps companies integrate sustainability best practice into business policies, plans and everyday operations.

c) Facilitate partnerships

GCNG facilitates multi-stakeholder partnerships towards the achievement of the 2030 Agenda. It links businesses to civil society organizations (CSOs) and other stakeholders and provides peer-to-peer networking opportunities on the local and global level.

d) Promote corporate sustainability on the national policy level

GCNG engages in policy dialogue with the government to support their work in the field of corporate sustainability. The organization assists government to adopt relevant policy mechanism, tools and guidance that promote responsible business conduct in Georgia in line with the EU-Georgia Association Agreement, the UN Agenda 2030 and other international framework documents. GCNG promotes participatory implementation of Agenda 2030, through strengthening capacity of state agencies. GCNG further facilitates public-private dialogues in the process of policy making and implementation.

e) Recognize leadership in sustainability

GCNG incentivizes responsible business conduct through various recognition schemes, while highlighting corporate achievements and encouraging sustainable action.

Article 4. GCNG Membership

4.1 An organization that wants to join GCNG must first apply on the UN Global Compact website and become a participant of the UN Global Compact. Those UN Global Compact participants, that are legal entities registered in accordance to the Georgian legislation, automatically join the Global Compact Network Georgia as members.

4.1 Only participants of the UN Global Compact, registered as legal entities according to the Georgian legislation, can be members of the Global Compact Network Georgia.

4.3. A GCNG member's membership will automatically cease when the member is no longer a UN Global Compact participant.

4.4 GCNG Secretariat will keep the register of the UN Global Compact Participants registered as legal entities in Georgia, according to the local legislation. The Register will be aligned and communicated with the Global Compact Office.



Chapter II. GCNG Governance

Article 5. General Assembly Meetings

5.1 The General Assembly (GA) is composed of all members of the Global Compact Network Georgia.

5.2 The General Assembly shall convene for an annual ordinary meeting upon the invitation of the Chairperson or the decision of the Board. The invitation is sent to the GCNG members through email correspondence.

5.3 All GCNG members shall be given at least 7 day notice of the General Assembly and shall be entitled to attend and vote.

5.4 The Chairperson shall preside at the meetings of the General Assembly. If Chairperson is not available, the Board decides on which of its members shall preside at the GA meeting.

5.5 The Board together with the Executive Director of the GCNG shall set the schedule and agenda for the meetings of the General Assembly and shall notify all members of the General Assembly by electronic mail or personal letters.

5.6 Any member of the General Assembly may suggest off-agenda items he/she/it would like to discuss during ordinary General Assembly meetings provided that he/she/it communicates the topics in writing to the GCNG Board at least one week prior to the General Assembly meeting.

5.7 General Assembly meetings may be held by means of telephonic conference or similar communications equipment that enables all persons participating in the meeting to hear and speak to each other throughout the meeting.

5.8 The ordinary General Assembly may also be called to hold extraordinary meetings during the year, where necessary, upon the invitation of the GCNG Board or the request of twenty-five percent (25%) of member of the General Assembly.

5.9 The business of the General Assembly shall include:

- a) Receiving the annual upcoming Work Plan of GCNG and providing any feedback;
- b) Receiving a report on the finances and past activities of GCNG;
- c) Participating in the GCNG Board Elections;
- d) Discuss topics raised by participants or by the Board members;
- e) Learning and exchange among participants on sustainability matters.

5.10 Observers without voting rights can be invited to attend the General Assembly.



Article 6. General Assembly Quorum and Voting

6.1 To constitute a quorum, the ordinary General Assembly meeting shall be attended, in person or remotely, by majority of its members (more than 50%). If the quorum is not achieved in the first call, the second call for the General Assembly is made within two-weeks time and General Assembly is held irrespective of the number of participants.

6.2 Any decisions at the General Assembly are made by majority vote (half plus one of members present) by show of hands, written ballot or electronic voting. Each GCNG member is granted one vote at the General Assembly.

6.3 Members may attend and vote by proxy, provided the latter is in writing, ascertained in accordance to the Georgian legislation.

6.4 The decision of the General Assembly is recorded in the minutes of the General Assembly meeting and signed by a Board member presiding the General Assembly meeting.

Article 7. Board Composition

7.1 GCNG is governed by its Board, consisting of a minimum of 5 and maximum of 9 Board members.

7.2 Each legal entity member on the Board shall be represented by a natural person proposed by the candidate GCNG member to be elected by the General Assembly. If the representative is no longer accepted by the member for whatever reason or has left the organization, such as the end of his/her job, the member may substitute the representative, provided that the Board members approve by a two-thirds majority.

7.3 The Board can allow for 1 Independent Board member, which is someone not representing any organization, if they bring specific expertise to the table. Independent member is still subject to elections or approval by the General Assembly.

7.4 At least 50% of Board members must at any time represent businesses or business associations or in other ways represent the business community.

7.5 An employee of a company that is (a) not a Global Compact Participant or (b) of a company that is a Global Compact Participant not in good standing (*i.e.* not holding an Active status due to failure to submit an annual Communication on Progress or making the required financial contribution on time) shall not be on the GCNG Board.

7.6 The Board must at any time have representation from at least one non-business organization.

7.7 Board members will not receive monetary compensation from the GCNG.

7.8 The Executive Director (ED) of GCNG may join the Board as an ex-officio member but cannot be elected as the Chair of the Board. If the ED is a (ex-officio) member of the Board, he or she shall recuse himself or herself from discussions and decisions that may create a conflict of interest, including with respect to ED performance and remuneration.



7.9 An observer non-voting seat will be reserved for a member of the Resident Coordinator's Office or another UN representative recommended by the UN Resident Coordinator (RC) in Georgia as well as for the Global Compact Office (GCO) should they wish to join the Board. The RC and other individuals representing the UN or GCO shall not have voting rights and shall only be a member of the GCNG Board as an observer or in an advisory role, with the primary objective of securing alignment of the GCNG work with UN priorities and goals.

Article 8. Election of the Board members

8.1 Board elections take place every two years at the ordinary General Assembly.

8.2 At least 1 month prior to a General Assembly, an open call is made to all GCNG members who would like to put their nomination forward. At least 14 days before a list of new candidates for the Board is presented to the General Assembly, the GCNG must inform the Global Compact Office (GCO), allowing GCO to check whether it has engaged with any of the candidates under its Integrity Measures, and thus allow GCO to make recommendations accordingly.

8.3 Local due diligence on Board nominations should also be carried out to ensure the individuals are of good standing, have the necessary time and resources to carry out their responsibilities, and to determine any potential conflicts of interest to them serving on the Board.

8.4 Voting shall take place by written ballot or electronic voting. All the GCNG members, which constitutes the General Assembly, shall have one vote per member organization for each candidate that is put forward, confirming whether it is in favour or is not in favour of the candidate. Each candidate must receive the majority vote to be confirmed.

8.5 In case there are more candidates than there are seats available, the winners shall be the candidates receiving the largest number of votes. In case of a tie vote between two candidates, the winner shall be the candidate with the longest membership. If the tie persists, the winner shall be drawn by lots.

8.6 The results of the elections shall be announced immediately after the counting is completed.

8.7 In the event of a Board vacancy, a new member may be elected at an ordinary or extraordinary General Assembly following a call for Board nominations. Vacancies may arise for the following reason:

- a) A Board member resigns, before the term finishes and the UNGC participant company the member represents does not assign the new representative for Board membership;
- b) The organization which Board member represents is no longer a participant of the UN Global Compact;
- c) Upon the death of a Board member or in accordance with the Law, upon recognition as a receiver of support;
- d) Upon a court conviction of a Board member for committing a deliberate crime;
- e) A Board member is dismissed for any grounds by the majority of the Board's votes.



Article 9. Board Appointments

The GCNG Board shall carry out the following permanent responsibilities: the Chairperson of the GCNG Board. The Board members may also establish other positions or responsibilities.

Article 10. Length of Board member Term

Each Board member term shall be for 2 years but may stand for re-election after a term is served. The maximum number of consecutive terms a Board member can serve upon re-election is 3 totaling 6 years on the Board.

Article 11. Board Authority and Responsibilities

11.1 Board members are elected to:

- a) Appoint and dismiss the Executive Director. The Board will oversee the Executive Director's work, assign him/her to act in the GCNG Board's name in all aspects that help the Network reach its objectives. The Executive Director shall report to the Board members;
- b) Have oversight of GCNG with respect to performance, governance, vision, mission, strategy and financial management;
- c) Approve statutes, internal regulations and other important documents as well as amendments made to them and provide recommendations;
- d) Review and approve annual Work Plan, budget and financial statements;
- e) Have a deep understanding of the UN Global Compact, its Ten Principles, and the SDGs and the value they bring to businesses;
- f) Have the respect and confidence of their peers and constituencies;
- g) Seek and review the ways of increasing the volume of financial resources of the organization to ensure its effective and continuous work;
- h) Review and provide recommendations on the organization's public relations and media relations strategy;
- i) Review and make a decision regarding a written complaint presented under the formal procedure determined by the Workplace Harassment Policy of GCNG;
- j) Commit and dedicate adequate time to actively participate in the activities of the GCLN Board.

11.2 The Board meets regularly, at least 4 times per year. A meeting can be held in any suitable location, through electronic means or in a hybrid format. A Board meeting is called by the Chairperson of the Board or any other Board member using email correspondence. The meeting is authorized if it is attended by more than half of the Board members.

11.3 The Board is authorized to make decisions on any matters that are not explicitly attributed to the Executive Director or to the General Assembly by this Statutes.

11.4 The Board makes decisions by a majority of votes by the members. If votes are divided equally, the vote of the Chairperson of the Board shall govern. The decision regarding changes to the Statutes and/or additions are made by 2/3 of the Board members. The decision regarding GCNG reorganization or liquidation are made by all the Board members.



11.5 After every Board Meeting, Meeting Minutes are produced, signed by the Chairperson of the Board.

Article 12. General Behavior Guidelines

12.1 Board members should adhere to the highest standards of ethical and responsible behaviour in carrying out their role and conduct themselves in a manner that does not bring the Board, GCNG, or the UN Global Compact into disrepute.

12.2 Board members should live up to the “UN Global Compact Way- Values and Behaviours Model” and uphold the Local Network Quality Standards.

12.3 Board members are to ensure that the participant organizations which they are representing maintain their status in good standing at all times.

12.4 Board members must at all times act with due care and diligence and in the best interests of GCNG (not their individual interests or the interests of their own organization) and no member on the Board can use their position to promote the commercial or political interests of the organization they work for. They should at all times ensure that their actions comply with the applicable legislation, including those related to fiduciary duties; and to the present Statutes.

12.5 The Board will maintain a conflict register of any conflicts of interest from members and the Executive Director and seek guidance from GCO where conflicts of interest risk undermining the interests or brand of GCNG or of the broader UN Global Compact. All Board members should consider each meeting agenda and declare any conflicts of interest that may arise, and excuse themselves from discussions which create a conflict.

Article 13. The Chairperson of the Board

13.1 The Board shall elect one of its members to be Chairperson. A Chairperson’s term should not exceed two years, but a Chairperson can be re-elected for an additional term. No more than two consecutive terms should be served. The GCNG Chairperson’s responsibilities include:

- a) Represents the Board at functions/meetings;
- b) Ensures – with the assistance of the Executive Director– that all members receive accurate, timely, appropriate, and clear information, including agendas for board meetings;
- c) Chairs meetings of the Board allowing enough time for full discussion of complex or contentious issues;
- d) Works alongside the Executive Director to prepare strategic agendas for Board meetings geared at decision making;
- e) Fosters an open and constructive environment for discussion at Board meetings and acts as the spokesperson of the Board when necessary to work to resolve any conflict between members;
- f) Chairs the General Assembly;
- g) Signs an Agreement with the Global Compact Office (UN Global Compact Headquarters) and the Foundation for the Global Compact on an annual basis alongside the Executive Director. Other than the mentioned Agreement, Executive Director does not require any co-signing from the Chairperson for any other actions related to the operation of the GCNG.



13.2 In case of the resignation of the Chairperson of the Board, termination of his/her authority before his/her term finishes, or in case of inability to fulfil the duties defined by the Statutes, the Board elects a new Chairperson for a 2-year term by a majority vote from the full composition of the Board. If the Board votes are divided equally, the Board member representing the organization that has been UN Global Compact participant the longest time shall make the final decision.

Article 14. Executive Director

14.1 The Executive Director is an executive head of GCNG, a person with the representative authority, who is appointed by the Board and reports to the Board.

14.2 The term of Executive Director is 3 years. Once Executive Director's term expires, the Board may decide for the ED to remain on the position until a new Executive Director is elected and registered with the National Registry.

14.3 The same person may be elected on the position of Executive Director for more than one term.

14.4 The responsibilities of the Executive Director are as follows:

- a) Oversees and executes the GCNG's strategy, value proposition and associated programs;
- b) Represents the GCNG within the UN Global Compact as well as externally against companies, Governments, UN, media, civil society, academia and others;
- c) Reports to the GCNG Board and manages Board relations;
- d) Manages the day-to-day operations of the GCNG Secretariat, including human resources, budgeting and financials, participant communications, event management and fundraising; signing relevant official and financial documents and contracts on behalf of the organization;
- e) Oversees recruitment and retention activities including pitching the Local Network's value proposition and supporting Global Compact companies and other organizations' efforts in meeting reporting requirements;
- f) Maintains regular communication with the GCO, responding to GCO consultations and reporting requests, ensuring full alignment with Local Network Quality Standards, and safeguarding UN Global Compact's integrity and brand;
- g) Manages strategic partnerships including with other UN agencies;
- h) Exercises other authority which does not contradict with the present Statutes, internal regulations of the organization and existing legislation.

Chapter III. GCNG Property and Financing

Article 15. Property of the GCNG and its Formation Sources

15.1 Sources of the GCNG's assets and income are:

- a) Donated material and non-material assets;
- b) Revenues received through the use of the GCNG's property;
- c) Fees received from UN Global Compact participant organizations;
- d) Grants received from international and local donors, governmental and non-governmental organizations;
- e) Revenues generated by social entrepreneurship;



- f) Revenues derived from any legal activity determined by the Statutes for the achievement of the GCNG's goals;
- g) Other means, which are not prohibited by the legislation.

15.2. The assets of GCNG are used only to fulfill the goals set out by the GCNG's Statutes.

15.3. An audited annual report on GCNG's assets/financial condition is produced in an appropriate form and presented to the Board.

Article 16. Entrepreneurial Activities of GCNG

16.1. In order to achieve its goals, GCNG, in the manner prescribed by the legislation, may carry out commercial/entrepreneurial activities of a supplementary nature.

16.2. Revenues from GCNG's commercial (entrepreneurial) activities are added to its assets and used to achieve GCNG's goals. The distribution of the mentioned revenues among GCNG donors and the Board members is not allowed.

Chapter IV. GCNG's Reorganization and Liquidation

Article 17. Reorganization of GCNG

17.1 Reorganization of GCNG (merger, joining, division, separation, transformation) is carried out by the Board's decision, in accordance with the legislation and the Statutes.

17.2 In case the annual Agreement between GCNG, GCO and the UN Global Compact Foundation, is no longer in place or valid between GCNG and the Global Compact Office (GCO) and the Foundation for the Global Compact, re-organisation and re-branding will ensue.

Article 18. Decision on Liquidation

18.1 GCNG ceases its operations through reorganization or liquidation.

18.2 The decision on liquidation is adopted and implemented by the Board, in accordance with the legislation and the Statutes.

18.3 The property remaining after liquidation may be managed by (as resolved by the Board):

- a) Non-profit (non-commercial) legal entities founded by GCNG;
- b) Non-profit (non-commercial) legal entities implementing similar goals and activities.



Article 19. Final provisions

19.1 The present Statutes shall enter into force upon registration of the Minutes of the Meeting regarding changes made to the Statutes by the Board Directors.

19.2 If any provision of this Statutes is recognized invalid, it will not affect the validity of the other provisions of the Statutes.

19.3 In case of a discrepancy between this Statutes and existing Georgian legislation, the Law shall prevail.