

GIZ Communication on Progress 2016 on the Global Compact Principles

About the report

This Communication on Progress published by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH provides information on how we comply with the Global Compact Principles. It builds on the [↪ Integrated Company Report 2016](#). At relevant points in the text and in the lists of reporting references, you will find links to more detailed information, marked with the symbol [↪](#).

This report has been drawn up in line with the Global Compact Advanced Level guidelines. In the annex, you will find a list of reporting references that ensure transparency for all indicators. The reporting period covered is 1 January 2016 to 31 December 2016.

The report covers GIZ inside and outside Germany. It is indicated when certain items of data are only applicable for specific locations. The report does not cover any interests or stakes held in other companies or organisations. The Communication on Progress was adopted by the Sustainability Board on 14 May 2018.

Table of contents

Statement by the Management Board	4
Strategy and business model	6
Managing corporate sustainability	11
Responsibility for products and our value chain	15
 Human rights	21
 Labour Standards	27
 Environment	36
 Anti-corruption	44
Annex: Global Compact Reporting References	51

Statement by the Management Board

On behalf of the German Government, GIZ has been working for decades to seek and implement tailor-made and effective solutions to the global challenges of tomorrow around the world. Through its international cooperation services for sustainable development, GIZ supports its commissioning parties, clients and partners in managing societal change processes for the benefit of people worldwide. The Global Compact, established by the United Nations in 2000, has provided an important frame of reference and has been of major significance for GIZ's work since 2001. As a company, GIZ has been a member of the United Nations Global Compact since 2004 and has thus been committed for more than a decade to its ten principles in the areas of human rights, environmental protection, labour standards and anti-corruption.

As a plan of action for transforming our world, the 2030 Agenda for Sustainable Development provides an important frame of reference in relation to international cooperation for sustainable development. It is therefore of key significance for GIZ as well. The Agenda revolves around 17 Sustainable Development Goals (SDGs), with a total of 169 targets. In its work, GIZ has prioritised the following five overarching principles, which make the 2030 Agenda truly transformative: universality, leave no one behind, integrated approach, shared responsibility and accountability.

In 2016, the German Sustainable Development Strategy was revised in light of the 2030 Agenda. Through our work around the world, we contribute towards implementing the 2030 Agenda and the German Sustainable Development Strategy. In this context, GIZ aims to be a pioneer and leading provider of services for sustainable development. This is why we set ourselves ambitious targets in



four dimensions of sustainability – ecological balance, social responsibility, political participation and economic capability. We have also integrated these into our Corporate Strategy.

This is the eleventh in this series of reports by GIZ and its predecessor organisations. Since 2012, the reports have been drawn up in accordance with Global Compact Advanced Level guidelines – the most ambitious reporting level. This Communication tracks our progress towards fulfilment of the ten principles and singles out some of GIZ’s good practices, such as its support for other United Nations goals and targets. It is also our second GIZ Communication on Progress on the Global Compact Principles after the adoption of the 2030 Agenda for Sustainable Development in September 2015. In this report, we will show how GIZ contributes to implementing both the ten principles and the 2030 Agenda.

In this Communication, we report on the most important corporate sustainability actions undertaken in 2016. In this regard, we took important measures, which are continuously improving our corporate sustainability performance in each of the four areas: human rights, labour standards, environment and anti-corruption.

This is our last stand-alone GIZ Communication on Progress on the Global Compact Principles. From the reporting year 2017 onwards, our report will be included as an important part of our Integrated Company Report. We have set up a dedicated [website](#) to showcase our performance in this area both in the projects and programmes that we implement and across the company itself. I hope you find reading it interesting and enjoyable.

Tanja Gönner
Chair of the Management Board



Strategy and business model

Our mission

GIZ has been working for decades, on behalf of the German Government, to seek and implement tailor-made and effective solutions to the global challenges of tomorrow around the world. Through its international cooperation services for sustainable development, GIZ supports its commissioning parties, clients and partners in managing social change processes for the benefit of people worldwide.

GIZ operates in many ➔ **fields**: economic development and employment promotion, governance and democracy, security, reconstruction, peacebuilding and civil conflict transformation, food security, health and basic education, environmental protection, resource conservation and climate change mitigation. We also support our partners with management and logistical services and act as an intermediary, balancing diverse interests in sensitive contexts. In crises, we carry out refugee and emergency aid programmes. As part of our services, we also second development workers to partner countries. Capacity development for partner-country experts is a major component of our services.

GIZ's guiding principles

On the basis of the corporate purpose laid out in GIZ's Articles of Association, the company developed the ➔ **GIZ Corporate Principles** in a broad-based, participatory process. They elevate



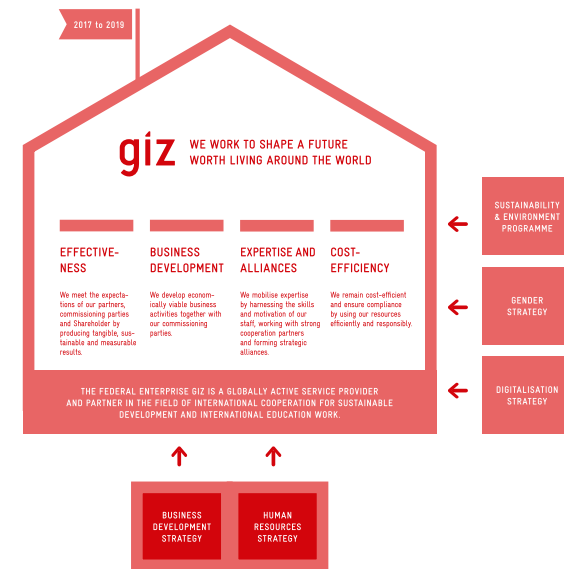
sustainability to the principle that guides our actions and shapes the services we deliver. The foundations on which we base our actions are standards and agreements recognised globally and by the Federal Republic of Germany, including the 2030 Agenda and the Universal Declaration of Human Rights. As a participant in the United Nations Global Compact, we undertake to respect its ten principles.

Our → **Code of Conduct** requires all our staff, integrated experts of the Centre for International Migration and Development (CIM) and development workers to act in line with the principles of equal rights, compliance with contract and statute, transparency, loyalty, confidentiality, cooperation in partnership and the prohibition of sexual harassment. We also expect our project partners and target groups to respect these principles of ethical conduct. In addition, our own → **GIZ Orientation on Human Rights** provides a mandatory framework for action for all of our employees.

Our new strategy

Sustainable development is our guiding principle and our core business. We operate as a federal enterprise on behalf of the German Government as well as other public and private clients to facilitate sustainable development results together with our partners around the world.

To turn our vision into reality, we are making the company fit for the future. → **GIZ's Corporate Strategy** is there to achieve this goal. It is helping us manage our project activities and our structures and processes so that they make a positive contribution towards a future worth living around the world.



GIZ's Corporate Strategy brings together our strategic objectives and measures for the period from 2017 to 2019. Cross-cutting strategies and programmes on themes such as sustainability, gender equality and digital change are an integral part of the Corporate Strategy. With these objectives, GIZ is providing its staff with clear guidance. (➔ [Integrated Company Report 2016](#), pp. 12–17)

The 2030 Agenda

An environmentally sound global economy with decent working conditions for all and a society free from hunger, poverty and inequality – the ➔ [2030 Agenda for Sustainable Development](#) is certainly the most ambitious undertaking the international community has ever embarked on. The Agenda revolves around 17 Sustainable Development Goals (SDGs) with a total of 169 targets. The SDGs are based on the following five overarching principles, which GIZ has prioritised in its work and make the 2030 Agenda truly transformative.

Universality

To achieve sustainable development, every country needs to develop or change. The 2030 Agenda therefore applies universally to all countries around the world – developing countries, emerging economies and industrialised nations alike.

Leave no one behind

All human beings should be able to lead a decent life free from hunger and poverty. In the future, no one should be left behind or excluded from social development. This also includes reducing inequality.



Integrated approach

The SDGs are, by definition, integrated and indivisible and balance the three dimensions of sustainable development: economic, social and environmental.

Shared responsibility

The Agenda aims, through partnerships, to preserve the world's vital natural resources and promote prosperity and peace. Governments, business, civil society groups, citizens and the scientific and academic community will all play their part in this.

Accountability

Implementation of the Agenda will be reviewed at the national, regional and global levels, and regular progress reports will be published. The civil society sector should be strengthened in order to check and balance political decision-making processes.

GIZ and the SDGs

Some eighteen months after the 2030 Agenda was adopted, implementation is in full swing around the world. In 2016, the → [German Sustainable Development Strategy](#) was revised in light of the 2030 Agenda. This process involved broad participation by civil society, the private sector and the scientific and academic community. It is being implemented on three levels: 'in Germany' itself, 'with Germany' as part of bilateral cooperation, and 'by Germany' in international cooperation, generating results worldwide.



GIZ's focus on international cooperation for sustainable development means the company is very closely aligned with the 2030 Agenda and is helping achieve its SDGs. This includes supporting BMZ and other German federal ministries in implementing the 2030 Agenda in developing countries, emerging economies and industrialised nations – and delivering results. GIZ can also operate on behalf of other clients and co-financiers to implement the 2030 Agenda. For GIZ, the 2030 Agenda and its implementation principles are a welcome opportunity to genuinely reflect on established procedures and further boost the quality of programme planning and implementation. Through our work around the world, we contribute towards implementing the 2030 Agenda and the German Sustainable Development Strategy (➔ [Integrated Company Report 2016](#), pp. 2; 14).

In this context, GIZ aims to be a pioneer and leading provider of services for sustainable development. This is why, in our own Sustainability Programme, we set ourselves ambitious targets in four dimensions of sustainability. We have also integrated them into our Corporate Strategy.

In the sections of the Report that describe how GIZ is helping to achieve specific SDGs, you will see the relevant icons indicating which goals they are.

GIZ is very closely aligned with the 2030 Agenda for Sustainable Development and its SDGs.



Managing corporate sustainability



Governance structure and management tools

Within GIZ, the Chair of the Management Board is responsible for corporate sustainability. She also chairs the *Sustainability Board* which has supported implementation of the corporate sustainability principles within the company since 2012. The Sustainability Board provides advice on sustainability objectives and lays down the long-term strategic direction for corporate sustainability. The Board brings together top executives.

The head of the Corporate Development Unit is also *GIZ's Director of Corporate Sustainability*. She heads the Sustainability Office and reports directly to the Chair of the Management Board. *The Sustainability Office* is part of the Quality and Sustainability Section within the Corporate Development Unit. This section provides support and advice on quality and sustainability issues and coordinates the company's main areas and processes in the field of quality and sustainability management. The section's main responsibilities include taking the lead role in company-wide certification and accreditation processes, managing the Sustainability Board and facilitating cooperation with civil society.

The ➔ [GIZ Sustainability Programme 2016–2020](#) sets out the objectives, measures and indicators for this period in GIZ's four sustainability dimensions. It was adopted by the GIZ Sustainability Board on 20 November 2015 and replaces the GIZ Sustainability Programme 2013–2015. In the dimension 'economic capability', our aim is to be the European benchmark for quality and



efficiency in international cooperation; in the dimension ‘social responsibility’, we strive to be a top employer, both in Germany and our partner countries; in the dimension ‘ecological balance’, we aim to be international pioneers in climate change mitigation and resource conservation; and in the dimension ‘political participation’, the aim is to reinforce stakeholder participation.

Additionally, the ➔ [GIZ Environmental Programme 2016–2020](#) sets more specific goals for the ‘ecological balance’ dimension (available in German). In the face of climate change and dwindling resources, all business processes must be environmentally sound. GIZ’s Environment Programme 2016–2020 therefore embraces not only new, more ambitious emission reduction targets, but also issues such as ecologically sound building, greening outdoor spaces with indigenous plants, re-using older items of IT equipment or green mobility. A key element throughout is the enthusiastic response of staff, who have set up their own environment teams in a number of different areas, with activities ranging from improving the company’s infrastructure for cyclists to keeping bees on company premises. This participation, which staff have been keen to support, is now incorporated as an objective in its own right in the new Environment Programme, which also specifies relevant measures. (➔ [Integrated Company Report 2016](#), p. 56)

One of the goals of our sustainability programme was to introduce the ➔ [Corporate Sustainability Handprint®](#) (CSH) in our partner countries by the end of 2016. The CSH is our key management tool for assessing and improving our corporate sustainability performance worldwide. The action-oriented and participatory CSH helps us to systematically record our corporate sustainability data, assess the results and set objectives for action on the basis of these results that are suitable to the specific country context. Seventy-four countries completed the CSH in the first cycle.



The Corporate Sustainability Handprint (CSH) is our key management tool for assessing and improving our corporate sustainability performance worldwide.



As a result, the local CSH teams have set out 779 self-commitments for the next two years in our four sustainability dimensions, namely economic capability, social responsibility, ecological balance and political participation. In the environmental sector, this management instrument provides a way of documenting active contributions towards sustainability, thus complementing the ecological footprint which measures such things as water consumption and CO₂ emissions. (→ CSH Report 2015/2016)

Local CSH teams have set out 779 self-commitments for the next two years in our four sustainability dimensions.



Stakeholder dialogue and materiality analysis

In an online dialogue, GIZ invited representatives of various bodies, including German federal ministries, the private sector, civil society and partners from cooperation countries, to provide their feedback on GIZ's sustainability performance.

Building on this, a Stakeholders' Day was held in December 2016. Participants included selected German actors as well as members of GIZ's Sustainability Board and other GIZ representatives. The purpose of the dialogue was to compare stakeholders' expectations with GIZ's objectives and to jointly develop fresh approaches to further elaborate GIZ's sustainability management practices.

The results reveal that our stakeholders see the credibility of our actions and communication as key to the work of GIZ. Stakeholders also expressed their appreciation of our work and encouraged us to continue using such platforms for open dialogue. They were quite clear that GIZ should play a pioneering role as a sustainable enterprise. They rated our sustainability performance to date, measured by this yardstick, as moderate.

The results demonstrate that our stakeholders see the credibility of our actions and our communication as key to the work of GIZ.

With regard to GIZ's cooperation with the private sector and civil society actors, stakeholders saw room for improvement in our liaison structures. It was also suggested that we should strengthen our culture of learning from mistakes and communicate lessons learned more transparently.

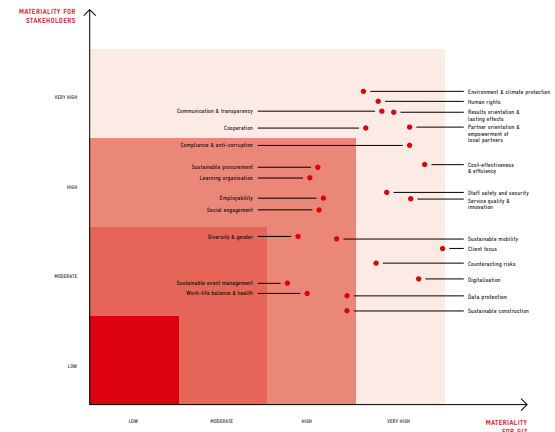
As a result, GIZ decided to continue the dialogue and to enter into learning partnerships with individual stakeholders on specific themes. The results of the dialogue will also be used to guide GIZ's strategy. (⇒ [Integrated Company Report 2016](#), p. 18)

Furthermore, in dialogue with stakeholders, GIZ decides which sustainability topics take precedence; these are thematic areas that have a major impact on company activities and are therefore strategically prioritised. The prioritisation of key fields of action is reflected in the ⇒ [GIZ Materiality Matrix](#).

The results of stakeholder dialogue therefore feed directly into the Materiality Matrix. The matrix is finalised in close coordination with GIZ's Sustainability Board, which determines the long-term strategic direction to take in terms of corporate sustainability and which steps are to be taken for its further development.

Please contact the ⇒ [Sustainability Office](#) if you have any questions, comments or suggestions about the report or any queries concerning GIZ's corporate sustainability.

GIZ MATERIALITY MATRIX 2017



Responsibility for products and our value chain



GIZ has been steadily increasing its volume of business since 2013. In 2016, the figure was EUR 2.4 billion (compared to EUR 2.1 billion in 2015 and EUR 2 billion in 2014). The increase was largely due to a rise in total revenue generated by the public-benefit business area, which accounted for around 94 per cent of our revenue. Commissions from the German Federal Ministry for Economic Cooperation and Development (BMZ) constituted the lion's share, reaching over EUR 1.9 billion (compared to EUR 1.7 billion in 2015 and EUR 1.6 billion in 2014). BMZ thus remains our principal commissioning party. The remaining 6 per cent was attributable to GIZ's taxable business area – International Services. Through this business area, GIZ receives commissions from foreign governments, multilateral organisations and bilateral donors, among others. (➔ See Annual Statement of Accounts 2016)

GIZ is a service provider for the whole German Government with decades of experience and expertise on numerous SDG themes.



Effectiveness and quality of our projects

In order to boost the effectiveness of our development cooperation and our programmes and projects, partner orientation and participation are a fundamental part of our understanding of cooperation. In our services, we involve all relevant social groups from politics, business and civil society in change processes, mediating between groups in order to find viable solutions. We are committed to ensuring ➔ **transparency** in order to consistently improve the effectiveness of international cooperation and accountability for the use of public funds. We also maintain a systematic dialogue with our commissioning parties, seek out ➔ **strategic alliances and partnerships** and bring our expertise in sustainable development to bear in international professional forums and networks.

We review the ➔ **quality and effectiveness** of all our projects and programmes at regular intervals in line with the international standards agreed upon by the international donor community within the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC).

Our monitoring and evaluation policy is mandatory for all business areas. Comprehensive information about our impacts and evaluations, including corporate strategy evaluations, is regularly published in our evaluation report (see, most recently, the ➔ **Evaluation Report 2015–2016**, published in December 2017). We systematically integrate recommendations for action into ongoing business processes at company level with a management response system.

The demands placed on us in terms of accountability, and thus in terms of the quality and independence of evaluations, have become significantly stricter in recent years. In December 2016, the Strategy Committee decided to fundamentally reform GIZ's project evaluation system. A cornerstone is more methodologically stringent evaluation, which enhances other aspects, for example by encouraging learning within the company, improving project management and assisting in the preparation of follow-on measures.

Sustainable procurement

Since fiscal year 2012, we have annually spent about half of our business volume (47 per cent in 2015; 56 per cent in 2016) on order placement, with 60 per cent of the total (i. e. some EUR 732 million) going to advisory and consulting services. This makes consulting companies the most



important part of our supply chain. We use about 6 per cent of our business volume to buy materials and equipment that are needed in our projects and handed over to our partners. In most cases, this is technical equipment, including vehicles, medical equipment, power generating sets, solar power systems and computer hardware and software.

All our procurement activities are based on the principles of economic efficiency, transparency, competitive tendering, equal treatment of bidders as well as social and environmental compatibility. As a public contracting authority, we are required to comply with the provisions of public procurement law.

Our commitment to environmental protection and climate change mitigation is reflected in the way our procurement system operates. For example, environmental standards with regard to fuel consumption, CO₂ output and emission classes are taken into account in the tender documents for vehicles and in the respective framework agreements with suppliers concerning use in partner countries. This entails considering possibly conflicting objectives, such as trade-offs between the highest standards of emission control on the one hand and personal safety and the local availability of quality fuel and maintenance infrastructure on the other. For drugs, plant protection and pest control agents, we attach enormous importance to compliance with health and safety standards.

Our General Terms and Conditions of Contract and General Purchase Conditions include a commitment to comply with the core labour standards of the International Labour Organization (ILO) and to respect our [Code of Conduct](#). We reserve the right to impose sanctions for any contravention of these conditions. In our financing agreements, the recipient undertakes to comply with the ratified core labour standards. For the reporting period 2016, we are unaware



of any contraventions. Compliance with core labour standards is monitored through our risk management system and the ➔ [integrity advisors](#) who now form part of our ➔ [Compliance and Integrity Unit](#).

In May 2016, the revised comprehensive ➔ [Report on Sustainable Procurement](#) was published (available in German). It takes account of social as well as environmental factors and covers all GIZ procurement activities. While it was mandatory for GIZ and its contractual partners to comply with sustainability criteria, in particular the ILO's core labour standards, even before its publication, the report also lays out the legal framework for the integration of sustainability criteria into public bidding procedures.

On our website, we publish all contracts for services and procurement orders placed by our Head Office. The ➔ [Procurement Report 2016](#) provides detailed information, including our top 100 subcontractors and suppliers.

Business partner screening

GIZ is working with both non-profit and for-profit businesses worldwide to advance sustainable development. While these types of cooperation usually have a very positive impact on people in our partner countries, they are not free of risks for our company, which relies on public legitimacy. Our business partner screening is thus designed to reveal any risks that could arise from cooperating with private businesses and contracting companies before a project is launched so that measures can be planned in advance to counter these risks where necessary. The first step in the business partner screening scheme involves using established criteria to assess the company



in question, the field in which it operates and whether it acts in line with international standards and considers its reputation and public perception. Does the company, for instance, infringe the Global Compact Principles? The second step serves to assess criteria relating to the planned project, such as ethical and human rights impacts. Are there any ethical concerns or legal problems? Could they lead to controversial public debate? The results are recorded using a points system. Depending on how the risk is classified, the heads of the operational departments or the business partner screening body will decide whether or not GIZ should enter into a partnership and, if it does, on which terms. During the reporting period, GIZ carried out 68 business partner screenings, with 45 of them classified as low risk and 20 as medium risk. The three high-risk screenings were approved by the Business Partner Screening Committee on the condition that additional risk-reducing measures were taken.

In 2016, GIZ carried out 68 business partner screenings. For three high-risk screenings additional risk-reducing measures were taken.



Risk management and corporate security

GIZ has a risk management system that records risks arising from any failure to comply with ethical, environmental and labour standards. Over the reporting period, no notifications of non-compliance were received. Our risk management system analyses and assesses risks and reports to the Management Board on a quarterly basis. Since September 2015, the following business units are represented on the Risk Management Committee with one permanent management level member each: the operational departments, the Client Liaison and Business Development Department, the Compliance and Integrity Unit, the Corporate Development Unit, the Finance Department, the Human Resources Department, GIZ International Services, the Legal Affairs and Insurance Unit and the Data Security Officer. The head of the Risk Management Unit also serves on the Committee and is responsible for coordinating and reporting on the Committee's



activities. The Risk Management Committee is headed by a member of the Management Board. The Management Board informs the Supervisory Board regularly about any significant risks that could jeopardise the company as a whole.

To protect staff as effectively as possible, GIZ must have a coordinated crisis management system worldwide. In May 2016, GIZ founded the Corporate Security Unit, which reports directly to the Management Board. In a crisis situation, it also works closely with COPE, GIZ's own psychosocial counselling unit. The Corporate Security Unit is the point of contact for all matters relating to security risk management outside Germany. It analyses the risks in individual countries as well as providing information, facts and figures, and advice on what specific protective and security measures personnel should take. Currently, 115 full-time staff in over 50 countries work in the field of security risk management. In some high-risk countries, where the security situation is particularly critical, GIZ has security offices which are staffed round the clock. Country-specific security strategies are constantly updated and aligned with the security situation on the ground. Security risk advisors, for instance, prepare trips to unsafe project regions, ensure the security of GIZ's infrastructure and handle security for staff travelling to the country on official GIZ business. In an emergency, these offices can activate emergency plans and ensure that an unfolding crisis is dealt with effectively. (➔ [Integrated Company Report 2016](#), p. 58)

In May 2016, GIZ founded the Corporate Security Unit. Currently, 115 full-time staff in over 50 countries work in the field of security risk management.





Human rights

■ Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

■ Principle 2

make sure that they are not complicit in human rights abuses.



As laid down in our → ['Orientation on human rights'](#), human rights as enshrined in international human rights treaties constitute the frame of reference for GIZ's work. On behalf of the German Government and other commissioning parties, we support and strengthen the capacities of partner institutions, civil society and other relevant actors to further the realisation of human rights, improve living conditions and shape a self-determined future for all.

GIZ implements projects and programmes in more than 50 countries affected by conflict, fragility and violence. In these contexts, GIZ is bound by the relevant compulsory requirements of its main commissioning party, the German Federal Ministry for Economic Cooperation and Development (BMZ), as set out in its strategy paper → ['Development for Peace and Security'](#) and the binding implementation agreement. GIZ has elaborated internal guidance for its projects and programmes worldwide on working in conflict zones and with security sector actors. This covers relevant fields of action in the area of security, peace and reconstruction and their relation to sustainable development. GIZ has also been a member of the Global Compact expert group 'Responsible Business & Investment in High-risk Areas' since 2013.



Safeguards+Gender Management System

GIZ needs to ensure that the projects it implements do not have unintended negative impacts or exacerbate existing conflicts, but contribute to positive changes to the greatest possible extent. To this end, GIZ established its Safeguards+Gender Management System in December 2016. The system provides an overarching framework for identifying and managing possible unintended negative impacts of projects on the environment, the emission of greenhouse gases, climate resilience, human rights, conflict and context, and gender equality. It also assesses possible external risks for projects resulting from climatic parameters, i. e. short and long-term climate change impacts. With respect to gender equality, the Safeguards+Gender Management System requires the assessment not only of possible unintended negative impacts, but also of potentials for advancing gender equality.

The requirements of the Safeguards+Gender Management System constitute a minimum standard that applies to projects of all commissioning parties and in all business areas. Requirements by individual commissioning parties, such as the BMZ, remain unaffected. With regard to human rights, BMZ's strategy paper → 'Human Rights in German Development Policy' as well as its → 'Guidelines on Incorporating Human Rights Standards and Principles, Including Gender, in Programme Proposals for Bilateral German Technical and Financial Cooperation' continue to guide the design and implementation of BMZ-commissioned projects. Further guidance is provided by the strategy paper 'Development for Peace and Security', which requires not only the full application of the Do No Harm principle, but also the support of existing potential for peace building.

The Safeguards+Gender Management System provides an overarching framework for identifying and managing possible unintended negative impacts of projects on human rights.



Staff training and awareness-raising

Across all sections of the company, we foster the capacities of our staff on human rights issues and run various training courses to this end. Human rights, the human rights-based approach and gender equality form an integral part of compulsory training programmes for new staff. Strong interlinkages are made in these training sessions between human rights standards and principles, gender equality and the 2030 Agenda as the overarching frame of reference for sustainable and inclusive development. In 2016, 1,100 staff participated in these training sessions.

Regular training sessions on the Safeguards+Gender Management System including the relevant human rights aspects were introduced in December 2016. Tailor-made human rights training sessions and platforms for exchange on human rights in various sectors and regions complemented these standardised training courses throughout 2016.

Compliance and integrity

As part of our new Compliance and Integrity Unit, GIZ's integrity advisors can be contacted at humanrights@giz.de concerning any information about potentially negative impacts of our activities on human rights. All complaints are dealt with immediately and confidentially, drawing on internal and external expertise as required. The advisors examine the facts of the matter and involve the relevant organisational units or mobilise external support if necessary. No notifications were received during the reporting period. In addition, Head Office received no reports of legal actions or monetary or non-monetary penalties for infringements in the field of human rights.



contact

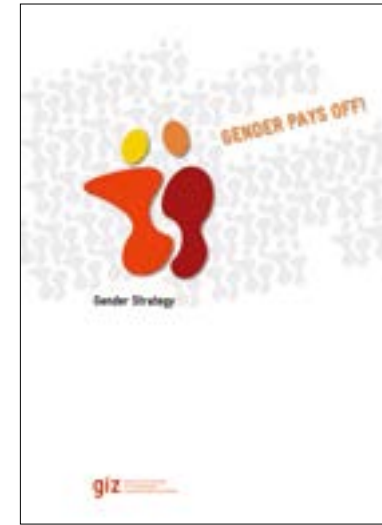
Information about potentially negative impacts of our activities on human rights can be submitted to humanrights@giz.de.

Gender equality as a key quality factor

In line with BMZ's 2014 strategy paper ➤ 'Gender Equality in German Development Policy' and its Development Policy Action Plan on Gender Equality 2016–2020, gender equality is a quality feature of our work and as such firmly embedded in GIZ's corporate principles and standards.

➤ GIZ's Gender Strategy provides a uniform and binding framework for all staff members and the company as a whole. It combines mandatory guidance on the promotion of gender equality and women's empowerment in the context of our operations and commission management as well as on gender equality within the company. Concrete objectives and measures to promote gender equality feature in our Corporate Strategy and our Gender Equality Plan 2015–2018. For instance, GIZ is committed to improving the compatibility of work and family life and to increasing the proportion of women in managerial and technical positions abroad to 40 per cent. The report ➤ 'Gender Takes Centre stage at GIZ and in the 2030 Agenda' provides information not only on the implementation of the Gender Strategy at project level but also on the implementation of the seven Women's Empowerment Principles of the United Nations signed by GIZ in 2015.

With our ➤ Code of Conduct, we have laid the foundation for all GIZ staff members to enjoy equal rights and mutual respect and to work with other people without any distinction in terms of gender, marital status, skin colour, religion or world view, culture, education, social origin, disability, age, sexual identity or nationality. The Code of Conduct is further complemented by the GIZ Policy Banning Sexual Harassment at the Workplace. GIZ disseminates gender knowledge and competence, for example through training and online courses at the Academy for International Cooperation (AIZ) and targeted events including the annual GIZ Gender Week and biannual Gender Competition. In 2016, 87 project teams entered the Gender Competition and more



Concrete objectives and measures to promote gender equality feature in our Corporate Strategy and our Gender Equality Plan 2015–2018.



than 1,300 GIZ staff members participated in the photo campaign to combat violence against women (VGW). The next Gender Competition will be held in 2018.

With the Safeguards+Gender Management System (see p. 23) we have further improved our internal standards and provisions for the promotion of gender equality and women's empowerment throughout the entire project cycle. GIZ's network of more than 100 gender officers worldwide supports the implementation of the Safeguards+Gender Management System in the field and enhances our capacity to translate the Gender Strategy into practice.

Information on the implementation in our projects of UN Global Compact Principles 1 and 2 is available in our ➔ [2016 Integrated Company Report](#) (pp. 31–35; 57).

More than 100 gender officers worldwide support the implementation of the Safeguards+Gender Management System.





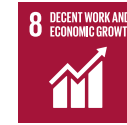
Labour Standards

- **Principle 3**
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

- **Principle 4**
the elimination of all forms of forced and compulsory labour;

- **Principle 5**
the effective abolition of child labour; and

- **Principle 6**
the elimination of discrimination in respect of employment and occupation.



The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work provides the yardstick for our work. In our dealings with one another within the company we focus on cooperation and mutual respect.

Staff councils, collective bargaining and dialogue

Employees subject to German labour legislation (in Germany and as seconded experts abroad)

The right of employees in Germany to participate in decision-making is guaranteed by the German Works Constitution Act. In this regard GIZ has three local staff councils in Berlin, Bonn and Eschborn, and one central staff council that addresses issues affecting the company as a whole. The interests of staff outside Germany are upheld by the field staff representation, which is a committee of the central staff council. To ensure a working relationship based on partnership and to comply with legal requirements, the staff council, their committees and GIZ use various forms of dialogue – from weekly, monthly and quarterly meetings to joint annual conferences. In the reporting period, several new employer / staff council agreements were drawn up. They deal, for instance, with transparent and standardised new guidelines for staff recruitment and transfer, human resources development, staff mobility, reorganisation and integration management within the company.

GIZ currently has two separate collective remuneration agreements – a legacy of our merger in 2011. In both cases our partner in negotiations is the Unified Service Sector Union (ver.di). In the GIZ collective bargaining agreement, staff are graded in salary bands according to their function and the type of work they perform. In 2014, a new remuneration system for GIZ seconded experts took effect as agreed between the company and ver.di. This system was made necessary by a new interpretation of German law, as a result of which GIZ was required to deduct income tax from the remuneration of seconded experts liable to pay tax in Germany. In 2016, we started negotiations concerning the company pension scheme. We expect to come to an agreement in the coming year.

In Germany GIZ has three local staff councils and one central staff council. The interests of staff outside Germany are upheld by the field staff representation.



Employees subject to local labour legislation (national personnel)

Under our company-wide standard, national personnel elect representatives at country level at regular intervals. Representatives can be called on by staff in the event of a dispute and can channel ideas and suggestions from members of staff to the country director. Staff representatives have a say in discussions on rules that apply to staff collectively and affect staff members.

The remuneration system for national personnel follows a global standard that is adjusted to local laws and benchmarks. We have defined function-oriented salary bands that correspond to the customary local wages and salaries in the country in question. We determine what constitutes customary local wage and salary levels by making comparisons with those paid by private and international businesses, as well as other international cooperation organisations with which GIZ competes in the country.

Dialogue formats for all employees

Staff meetings are held regularly, and there are also 'open space' events, live video talks with Managing Directors and many other opportunities for dialogue. Our staff magazine 'wir:', the intranet and various internal newsletters are important channels of communication. In 2016, we introduced a comprehensive company-wide survey directed at all our employees and at the development workers seconded to our projects. Senior management, the departments and the teams discuss the findings and determine the action to be taken to improve the most relevant aspects in the following year. The standardised survey will be conducted biannually.



Non-discrimination and equal opportunities

Protection against discrimination, especially on the grounds of ethnic origin, gender, religion, disability, age, sexual orientation and gender identity, is enshrined in our → [Code of Conduct](#), our employment agreement on gender equality and non-discrimination, and our policy against sexual harassment at the workplace. In keeping with our principle of equal rights for all members of our workforce, our → [corporate principles](#) apply to all employees worldwide.

With German Basic Law providing the overall framework, the collective employment agreement on gender equality applies to all employees with a contract based on the German collective bargaining agreement. For our national personnel, our global policy sets comparable standards for non-discrimination and gender equality.

The Human Resources Department reports annually to the Management Board and the Supervisory Board on the gender equality situation and on progress on equal opportunities at company level in line with the gender equality plan. The three elected equal opportunity officers based in Eschborn, Bonn and Berlin are responsible for ensuring that our policies reflect the declared goals and our commitment to gender equality and equal opportunities. Together with the Human Resources Department and GIZ's management, they ensure that the company's equal opportunities policy is adhered to and properly implemented. They are involved in gender-relevant negotiations on employer/staff council agreements and the promotion of measures helping staff to balance their professional and family life and commitments. They are also the contact points for reporting sexual harassment at the workplace.



Alongside gender equality issues, we foster the compatibility of professional and family commitments for both women and men. This is reflected, for instance, in our certification as a family friendly employer by the Hertie Foundation, which we have held since 2006 (reviewed every three years). In Germany, we currently offer more than 200 different part-time working models. We are working on solutions to expand part-time jobs beyond the two-year limit and facilitate the return to a full-time job. Additionally, company childcare is available in our GIZ kindergartens in Bonn and Eschborn. We also provide advisory services for our staff members when they are called upon to care for sick or elderly family members at home.

In 2016, people with disabilities accounted for 5.1 per cent of our workforce in Germany (2015: 5.1 per cent). This means that during the period under review the percentage of staff with disabilities still barely exceeded the statutory quota of 5 per cent. This is primarily due to disabled employees retiring. Ensuring non-discrimination against people with disabilities in the recruitment process remains a challenge, but it is a challenge that we are addressing.

To ensure an appropriate working environment, we provide furniture and equipment in the workplace in line with staff members' specific needs. A company disability officer and an elected disabled persons' representation are responsible for ensuring that our policy of inclusion is put into practice.

The disabled persons' representation and disabled staff representatives are elected at regular intervals. They advise and support colleagues and are consulted when we review accessibility in both our old and our new premises. The disabled persons' representation is also involved in human resources procedures and in staff council structures in order to represent the interests of employees with disabilities. We make it clear that applications from people with disabilities are welcomed.



Non-discrimination against people with disabilities in the recruitment process is a challenge that we are addressing.

In our company communications, GIZ is increasingly taking account of the different needs of its stakeholders.

Anyone affected by discrimination within the company can turn to the integrity advisors and members of the staff councils. For certain groups there are special contact persons: these include the gender equal opportunity officers, the young people's and trainees' representation, the disabled persons' representation and the representative of LGBTI employees. Because the issues involved are often very sensitive, consultations are always strictly anonymous. Multiple contacts through different contact points cannot therefore be ruled out and GIZ therefore does not keep any statistics on these enquiries.

Staff security, health and social security

The work we carry out on behalf of our commissioning parties frequently takes place in countries and regions where conditions are exceptionally difficult. Security risks are often high in these locations and GIZ thus has a special responsibility towards its staff. In emergencies, safety and security take precedence over fulfilling our commissions. We have put regulations in place regarding our responsibility for staff safety and security and the instruments we use to ensure this. The director of GIZ's Corporate Security Unit is the central point of contact for all issues pertaining to security and risk management outside Germany, and is available 24/7. With the support of the Corporate Security Unit, she coordinates crisis management, convenes an internal crisis taskforce if necessary and coordinates appropriate measures within the company (see p. 20). The country offices take security measures as required by the risk situation on the ground and keep their country-specific security strategies up-to-date. In countries where the security situa-



tion is fraught, we also conduct a detailed risk assessment in line with ISO 31010 (➔ [Integrated Company Report 2016](#), p. 58).

GIZ actively promotes the health and performance of its employees. One important pillar in our health management is our Medical Services. This unit advises the company on all matters relating to corporate health management and on the implementation of occupational health and safety laws and regulations in and outside Germany. The psychological counselling unit for crisis and conflict management (COPE) offers counselling services. We also foster good health with a wide range of health-related courses and ergonomic advice at the workplace. In countries where the national personnel cannot be covered by a state-run or private health insurance scheme, we use our own system of subsidies. The applicable framework for coverage in the event of sickness is defined in a schedule.

In 2016, we recorded 12 occupational accidents (2015: 10), 28 commuting accidents (2015: 43) and, fortunately, no fatalities related to business trips or occupational accidents (2015: also 0).

All members of staff with a German employment contract working in and outside Germany and an employment relationship governed by German law are subject to German social security standards. In addition, GIZ offers a company pension scheme that is part of the collective bargaining agreement. For national personnel in our partner countries we have laid down minimum standards for appropriate pension arrangements. These are influenced by local legislation, availability (including public and private pension and insurance schemes) and solvency.

Information on the implementation in our projects of UN Global Compact Principles 3 to 6 is available in our ➔ [2016 Integrated Company Report](#) (pp. 27–33).



Staff figures overview

Overview	as at 31.12.2014	as at 31.12.2015	as at 31.12.2016
Total work-force	16,410	17,319	18,260
Employees in Germany	3,072	3,201	3,487
Field staff	2,078	2,169	2,168
National personnel	11,260	11,949	12,605
Share of women	as at 31.12.2014	as at 31.12.2015	as at 31.12.2016
	Total no. of persons/of women/in%	Total no. of persons/of women/in%	Total no. of persons/of women/in%
on Management Board	4/2/50%	4/2/50%	4/2/50%
on Supervisory Board	20/9/45%	20/9/45%	20/10/50%
among employees in Germany	3,072/2,053/66.8%	3,201/2,136/66.7%	3,487/2,326/66.7%
among seconded experts	2,078/783/37.7%	2,169/851/39.2%	2,168/891/41.1%
in managerial positions ¹	1,254/460/36.7%	1,313/506/38.5%	1,493/582/39.0%
in managerial positions as national personnel (salary bands 5-6)	1,449/561/38.7%	1,450/554/38.2%	1,390/554/39.9%
Share of women	2014 in %	2015 in %	2016 in %
in professional development and preparatory measures ³	56%	58%	54%

¹ excluding Management Board and national personnel; ² Since bauhaus15, "managerial positions" have been defined more accurately as including actual staff responsibilities; ³ excluding participants at our Academy for International Cooperation in Bad Honnef, where seminars are offered to some 28 further development service organisations





Environment

- **Principle 7**
Businesses should support a precautionary approach to environmental challenges;

- **Principle 8**
undertake initiatives to promote greater environmental responsibility; and

- **Principle 9**
encourage the development and diffusion of environmentally friendly technologies.



Environmental management

We are committed to preventing or reducing the company's impact on the environment. Adopted by the Management Board in November 2016, our Corporate Strategy 2017–2019 includes the objective of reducing our consumption of resources such as electricity, heating energy, water and paper, as well as CO₂ emissions, both in Germany and abroad (see p. 7). We are therefore increasing our use of eco-efficient technologies and materials, and we carry out our projects with the lowest possible environmental impact. We aim to be carbon-neutral throughout our world-wide operations by 2020. Our approach is three-pronged: reducing our energy consumption, using renewable sources instead of fossil fuels, and offsetting unavoidable emissions.

Our Corporate Strategy 2017–2019 includes the objective of reducing our consumption of resources.

The Director Corporate Sustainability is the principal contact person for complaints about the environmental impacts of the company's activities. No such complaints were received in this reporting period. The Chair of GIZ's Sustainability Board (see p. 11) is also the Environmental Management Representative. The Sustainability Office (see p. 11) coordinates all environment-related measurements in cooperation with the responsible line departments and units at operational level. Responsibility for strengthening our environmental performance in our partner countries lies with the country directors and project and programme managers in each country.

To improve our corporate environmental management worldwide, we have developed and implemented a new tool, the [Corporate Sustainability Handprint \(CSH\)](#). It is used to gather data, monitor the fulfilment of sustainability commitments and improve sustainability performance at all levels of the company. It focuses not only on accounting for our ecological footprint, but also on our 'handprint', that is the positive contribution that GIZ makes in its four dimensions of sustainability: economic capability, social responsibility, ecological balance and political participation. To measure the dimension of ecological balance, we systematically collect key environmental data in a systematic manner to determine the energy, water and paper consumption of country offices and all GIZ project and programme offices, as well as mobility-related CO₂ emissions from flights and fuel consumption. In 2016, we achieved our goal of implementing the CSH in more than 90 per cent of the partner countries where GIZ maintains offices and where the CSH process is feasible. This important step enables us to closely assess and monitor the environmental performance of our offices worldwide. The data gathered during the CSH process are used to set emission reduction targets, which were integrated into the Corporate Strategy 2017–2019.

At the first ever GIZ Stakeholder's Day in December 2016 (see p. 13), one workshop was devoted to the topic of environment and climate. During 2016 we successfully implemented a Safe-



guards+Gender Management System (see p. 23) that also covers environment and climate. It provides an overarching framework for identifying and managing possible unintended negative impacts of projects on the environment, the emission of greenhouse gases, and climate resilience.

We publish two separate public documents on our environmental engagement: our Climate and Environmental Statements (see → 'Umwelt- und Klimabilanz 2015', available in German only) and the EMAS Environmental Declaration. The former is designed for both internal and external stakeholders. It describes how GIZ manages environmental issues, highlights the principal environmental aspects affecting the company and sets out the company's adopted → **environmental programme 2016–2020** (available in German only). The EMAS Environmental Declaration (see → 'Umwelterklärung 2016', available in German only) reports on the operation of the Eco-Management and Audit Scheme (EMAS) in GIZ.

Eco-Management and Audit Scheme (EMAS)

GIZ introduced the → **Eco-Management and Audit Scheme (EMAS)** in 2013 as part of its corporate environmental protection framework. This system enables us to streamline and systematise our environmental measures and identify new measures when necessary. The Sustainability Office coordinates all EMAS-related measures in cooperation with the responsible line departments and units on operational level. EMAS was reorganised in 2016 as a result of the internal restructuring project 'bauhaus15'. There are now regular exchanges between the *Procurement, Property, Contracting, IT, Language Services Department*, which is responsible for facility management, and the *Sustainability Office*. The job descriptions for EMAS officers have been revised and new processes put in place.



In 2016, our main buildings in Bonn, Eschborn and Berlin were successfully recertified. Besides, three further buildings in Bonn, Eschborn and Feldafing have been certified since as worthy of the EMAS seal of approval. Our aim is to extend the EMAS certification to two further buildings: the new Campus Kottenforst in Bonn-Röttgen, which is home to the Academy for International Cooperation (AIZ), in 2018 and the new campus in Bonn by 2020.

The EMAS system includes an external verification process, which ensures a high level of transparency. Besides annual audits performed by independent consultants, the company's environmental management is subject to a more far-reaching, detailed check once every three years. In 2016, at the end of the first three-year cycle, GIZ received confirmation that its environmental work is successful. The 2016 EMAS Environmental Declaration sets out our EMAS certified buildings, our environmental policy, an assessment of direct and indirect environmental issues, environmentally relevant consumption data and measures, as well as EMAS core indicators according to location.

Measures and results

The assessment of GIZ's environmental programme 2010–2015 was carried out in the first half of 2016. On the basis of the results, the new five year programme for 2016–2020 was developed. It has been integrated into the Corporate Strategy 2017–2019.

During the reporting period, we implemented various measures from the GIZ environmental programme 2016–2020 to further reduce our environmental footprint related to energy and paper consumption, emissions and buildings. In 2016, 97 per cent of the energy procured by GIZ's German locations was green. We have reduced our consumption of electricity by using photo-

In 2016, at the end of the first three-year EMAS cycle, we received confirmation that our environmental work is successful.



voltaic panels, and in our Bonn office and House 5 in Eschborn the use of geothermal energy means we buy in less heating energy. Moreover, we were able to cut our energy consumption per employee again thanks to the installation of LED lights and the use of solar heating for hot water. For instance, the implementation of our new printing concept (printers shared on corridors instead of individual workplace printers) led to a 21 per cent reduction in paper use at our EMAS certified buildings in 2016. Here, 100 per cent recycling paper with the 'Blauer Engel' label is used.

Since 2014, we have been offsetting all remaining carbon dioxide emissions generated at our German locations. GIZ has purchased climate credits certified according to the strictest international criteria available: the UN Clean Development Mechanism established under the Kyoto Protocol and the Gold Standard. This guarantees compliance with extensive sustainability criteria and the creation of additional benefit for development in the project region. In 2016, through the purchase of around 20,000 climate certificates, we offset the greenhouse gas emissions produced in our German offices in 2014. Our goal is to be climate neutral by 2020, i. e. to offset all carbon dioxide emissions worldwide.

Our newly constructed office buildings in Germany have been built to the standards of the gold quality seal of the [German Sustainable Building Council \(DGNB\)](#). The Bonn Meander Building attained DGNB certification in May 2016. The new building of the Kottenforst campus was constructed of wood. After the audit in 2018, the campus is also expected to attain the gold quality seal thanks, among other things, to its building-related energy requirements, use and user-induced energy requirements, use of natural resources and the use of refrigerants that do not contain halogenated hydrocarbons. In 2015 the decision was taken to build GIZ-Campus Bonn with 800 workplaces that meet the criteria of the DGNB gold seal. Construction is set for completion at the end of 2019.



Awareness-raising

We can only succeed if we involve our staff in our efforts to boost environmental performance. All staff can utilise their know-how in environmental teams and help improve our environmental management system by putting forward their suggestions. We hold regular induction meetings for new members of staff at which we explain our commitment to sustainability. We maintain regular dialogue with our staff, for example through talks, information stands, environmental campaigns, tours of the building, activities during the Action Days for Sustainability and information provided by local environmental teams. Important information is posted on the intranet and the internal CSH portal, together with examples of successful sustainability and environmental management initiatives. We regularly publish sustainability tips on the intranet.

We are members of the → [German Association of Environmental Management \(B.A.U.M. e. V.\)](#) and of the business and biodiversity initiative → [‘Biodiversity in Good Company’](#).

Information on the implementation in our projects of UN Global Compact Principles 7 to 9 is available in our → [2016 Integrated Company Report](#) (pp. 25; 37–43).



Key environmental figures¹

	2014	2015	2016
CO₂ emissions			
from mobility	20,411 t CO ₂	21,791 t CO ₂	22,509 t CO ₂
Specific CO ₂ emission /staff member	18,437 t CO ₂	19,456 t CO ₂	20,236 t CO ₂
	6.6 t	6.52 t	6.25 t
Energy consumption			
Electricity consumption	16,572,027 kWh	18,891,443 kWh	18,737,664 kWh
Heating energy consumption	6,839,840 kWh	7,989,112 kWh	8,213,748 kWh
Specific electricity consumption /staff member	9,472,686 kWh	10,669,752 kWh	10,296,887 kWh
Specific heating energy consumption /staff member	2,318 kWh	2,365 kWh	2,357 kWh
Specific heating energy consumption /staff member	2,853 kWh	3,087 kWh	2,955 kWh
% of green electricity	100%	97%	97%
Paper			
Specific paper consumption /staff member	18,530,192	18,535,534	16,245,894
% of ecological paper	6,474 sheets	5,959 sheets	5,023 sheets
	92%	97%	100%
Solid waste			
Residual waste /staff member	443.2 t	786.0 t	1073.7 t
	76.3 kg	66.2 kg	86.6 kg
Potable water consumption			
Specific potable water consumption /staff member	27,914 m ³	29,991 m ³	33,239 m ³
	7,986 l	9,022 l	9,539 l

¹ German offices





Anti-corruption

■ Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Our reputation as an ethical company is a major factor in our success. Integrity and anti-corruption are two of the core elements of our compliance management.

We understand corruption to be the abuse or misuse of the power conferred by public office or through private sector authorisations. This includes active and passive bribery, the giving and taking of gifts and other benefits, the employment and contracting of related or associated persons, and other conflicts of interest. Fraud and embezzlement are crimes that tend to be associated with corruption. Our Code of Conduct lays down clear rules that must be followed to prevent corruption.

It is understood that GIZ complies with all pertinent legal provisions. In our day-to-day work, GIZ's compliance management system is responsible for translating this principle into practice. It also ensures that our compulsory ➔ [Code of Conduct](#) and internal regulations are respected. We focus on integrity, anti-corruption measures and respect for ethical standards, and this is reflected in our Code of Conduct. For the projects and programmes we implement on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the BMZ strategy paper ➔ ['Anti-corruption and Integrity in German Development Policy'](#) provides a mandatory framework.



We are a corporate member of Transparency International and regularly participate in its forums.

Management systems

In September 2015, GIZ took its longstanding commitment to integrity and legal compliance to a new level by establishing a separate [Compliance and Integrity Unit](#). It is responsible for ensuring appropriate and effective compliance with legal and other binding provisions. A new compliance management system has been embedded in our institutional structure as a result. This ensures that improvements are achieved where necessary. The unit is responsible for ensuring that compliance problems in day-to-day business are dealt with in a transparent manner and that lasting solutions are identified with the relevant organisational units.

Furthermore, the institutional mainstreaming of a compliance management system enables GIZ to ensure careful and responsible management of public funds in its business operations at all times. With this in mind, we continued to improve our standard procedures, such as business partner screening, and our procurement processes. In addition, we established a systematic mechanism to monitor possible compliance risks and take appropriate mitigating actions. Our aim is to continue raising our employees' awareness of and responsiveness to existing and new compliance rules.

As part of its compliance management system, GIZ is particularly keen to ensure that compliance management is also in place in its country offices and activities around the world. GIZ therefore launched the roll-out of the system in a number of pilot countries in 2016. Countries with



In 2016, we launched the roll-out of our compliance management system in a number of pilot countries.

higher potential compliance risks have established a compliance core team, which is in charge of organising and monitoring the compliance process. The focus of compliance management outside Germany is on specific country risks regarding corruption and non-compliance. Appropriate counter-measures are put in place to mitigate identified risks.

In order to strengthen its compliance management system, GIZ has established a Compliance Committee, comprising two members of the Management Board and several departmental and corporate unit directors. It ensures that overarching questions of integrity and compliance are resolved and policy decisions taken.

The Compliance and Integrity Unit reports annually to the Management Board and biennially to the Supervisory Board on the status of measures taken. The management of compliance and integrity risks is integrated in the company-wide risk management system.

Internal control systems ensure the proper commercial handling of our projects. We review periodically whether the financial and administrative operations of our projects are correct and efficient and whether we are complying with our own internal regulations. The focus is on procurement processes, proper accounting and human resources management. In addition to its internal monitoring systems, GIZ is inspected regularly by auditors who scrutinise its project-specific and annual financial statements, by the Price Inspection Office of the responsible Regional Administrative Council and by the Federal Audit Office. The correct use of funds is a top priority for GIZ. Procurement operations are thus always handled by a minimum of two people from different organisational units. In addition, our principle of rotation requires that staff in risk-bearing positions change jobs every six years at the latest. Any deviations from this rule must be substantiated and fully documented. Our IT systems ensure the transparency of purchasing activities in our



country offices. For instance, they enable us to check that local fees correspond to the customary levels charged in that country.

Beyond this, within the framework of GIZ's risk management system, each and every organisational unit is required to report on the risks of corruption on a quarterly basis.

Measures and awareness-raising

A special manual helps staff to recognise conflicts of interest more easily and explains how to avoid such situations. New staff members are trained from the outset to identify situations that could present a risk of corruption or a loss of transparency. The contracting of companies and consultants is also subject to strict regulations concerning auditing and awarding of contracts. Employees, project partners, clients and the general public can contact the two internal integrity advisors and an external ombudsperson in confidence. Combating corruption is one of the key pillars of GIZ's commitment worldwide and calls for scrutiny of its own conduct. Hence, GIZ's country offices abroad report annually on whether measures to prevent corruption have been implemented. Since August 2015, all new staff members have been obliged to complete the web-based training course 'Acting with Integrity'. In addition, mandatory onboarding events are used to provide face-to-face training.

Additional anti-corruption measures were put in place by other organisational units with relevant responsibilities.



Results

The Legal Affairs and Insurance Unit advises and supports the entire company on all legal and insurance-related matters. During the 2016 reporting period, no legal actions or monetary or non-monetary penalties for infringements in the field of anti-competitive behaviour including corruption, cartels or monopolies were reported to Head Office.

The number of requests for advice received by the integrity advisors has remained fairly stable since 2012. In 2016 they received 52 indications of possible cases of corruption (2015: 44), all of which were investigated.

Information on the implementation in our projects of UN Global Compact Principle 10 is available in our [2016 Integrated Company Report](#) (p. 51).



Dealing with reports of corruption in 2016

	2014	2015	2016
Total number of reports	48	44	52
Not yet finalised	6	8	0
No misconduct proven	17	13	22
No GIZ staff affected but third parties	7	3	3
Corrective measures successfully initiated	5	5	10
Disciplinary measures taken	13	15	17



Annex: Global Compact Reporting References



Criterion	Brief description	Page	Further information
Strategies and operations			
1	Description of mainstreaming the ten principles into corporate functions and business units	4–14	<ul style="list-style-type: none"> ➤ Corporate Principles ➤ Capacity WORKS management model ➤ Integrated Company Report (GIZ 2016) <p>GIZ is not only a member of Global Compact, but has also run the Focal Point of the German Global Compact Network since 2001 on behalf of BMZ</p>
2	Description of implementation of the Global Compact values in the value chain	15–20, 26, 34, 42, 49	<ul style="list-style-type: none"> ➤ Upstream: Procurement ➤ Procurement Report 2016 ➤ Downstream: GIZ Worldwide ➤ GIZ Sustainability Programme 2016–2020
Robust human rights management policies and procedures			
3	Description of robust commitments, strategies or policies in the area of human rights	22, 24–26	<ul style="list-style-type: none"> ➤ GIZ Identity ➤ Human Rights @GIZ ➤ Services in the area of Human Rights ➤ GIZ Orientation on Human Rights ➤ Code of Conduct ➤ GIZ Sustainability Programme 2016–2020 ➤ BMZ Strategy Paper 'Human Rights in German Development Policy'
4	Description of effective management systems to integrate human rights	23, 26	<ul style="list-style-type: none"> ➤ GIZ Orientation on Human Rights ➤ Services in the area Human Rights ➤ GIZ Human Rights Complaint Procedure <p>Contact ➤ humanrights@giz.de</p>

Criterion	Brief description	Page	Further information
5	Description of effective monitoring and evaluation mechanisms of human rights integration	16–20, 23 f.	<ul style="list-style-type: none"> ➤ Human Rights @ GIZ ➤ GIZ Human Rights Complaint Procedure ➤ Monitoring and evaluation (Report 2012–2014) ➤ GIZ Sustainability Programme 2016–2020
Robust labour management policies and procedures			
6	Description of robust commitments, strategies or policies in the area of labour	29–34	<ul style="list-style-type: none"> ➤ GIZ Orientation on Human Rights ➤ Code of Conduct ➤ General Purchase Conditions: 7. Integrity and Social Standards ➤ General Terms and Conditions of Contract ➤ Gender Strategy
7	Description of effective management systems to integrate the labour principles	29–34	<ul style="list-style-type: none"> ➤ General Purchase Conditions: 7. Integrity and Social Standards ➤ General Terms and Conditions of Contract ➤ Gender Strategy <p>Services in the areas ➤ state and democracy, ➤ social development and ➤ economic development and employment</p>
8	Description of effective monitoring and evaluation mechanisms of labour principles integration	29–35	<ul style="list-style-type: none"> ➤ GIZ Sustainability Programme 2016–2020
Robust environmental management policies and procedures			
9	Description of robust commitments, strategies or policies in the area of environmental stewardship	37–39	<ul style="list-style-type: none"> ➤ GIZ Environmental management ➤ GIZ Environmental Audit 2016 (German only) ➤ GIZ Environmental Statement 2016 (German only) ➤ GIZ Environmental Programme 2016–2020 (German only) ➤ GIZ Sustainability Programme 2016–2020
10	Description of effective management systems to integrate the environmental principles	39 f.	<ul style="list-style-type: none"> ➤ EMAS Environmental Declaration 2016 (German only) <p>Services in the areas ➤ environment and climate change</p> <p>Contact ➤ sustainabilityoffice@giz.de</p>
11	Description of effective monitoring and evaluation mechanisms for environmental stewardship	40–43	<ul style="list-style-type: none"> ➤ Corporate Sustainability Handprint®



Criterion	Brief description	Page	Further information
Robust anti-corruption management policies and procedures			
12	Description of robust commitments, strategies or policies in the area of anti-corruption	45 f.	<ul style="list-style-type: none"> ➤ Code of Conduct ➤ General Purchase Conditions ➤ General Terms and Conditions of Contract ➤ Corporate Governance Report 2016 (German only) ➤ BMZ Strategy Paper 'Anti-Corruption and Integrity in German Development Policy' ➤ Compliance @ GIZ ➤ Transparency @ GIZ
13	Description of effective management systems to integrate the anti-corruption principle	46–48	<ul style="list-style-type: none"> ➤ Corporate Governance Report 2016 (German only) ➤ Cost-effectiveness and compliance ➤ Integrity Advisor @ GIZ <p>Contact ➤ compliance-mailbox@giz.de</p> <p>Contact ➤ integrity-mailbox@giz.de</p> <p>Services in the areas state and democracy and Anti-corruption and integrity</p>
14	Description of effective monitoring and evaluation mechanisms for the integration of anti-corruption	49–50	<ul style="list-style-type: none"> ➤ Code of Conduct <p>Contact ➤ integrity-mailbox@giz.de</p> <p>Contact ➤ compliance-mailbox@giz.de</p>
Taking action in support of broader UN goals and issues			
15	Description of core business contributions to UN goals and issues	6, 8–10, 15, 22, 28, 37, 45	<ul style="list-style-type: none"> ➤ 2030 Agenda for Sustainable Development ➤ Our profile ➤ Services for sustainable development
16	Description of strategic social investments and philanthropy	15 f, 25 f.	
17	Description of advocacy and public policy engagement	4 f., 16 f., 24 f.	<ul style="list-style-type: none"> ➤ GIZ Orientation on Human Rights <p>We connect actors ➤ worldwide to foster sustainable development</p>
18	Description of partnerships and collective action	13, 15 f., 22, 42	<ul style="list-style-type: none"> ➤ Strategic alliances and partnership



Criterion	Brief description	Page	Further information
Corporate sustainability governance and leadership			
19	Description of CEO commitment and leadership	4 f., 11, 15 f.	<ul style="list-style-type: none"> ➤ Integrated Company Report
20	Description of Supervisory Board adoption and oversight	4–8, 11–13, 15 f.	<ul style="list-style-type: none"> ➤ Integrated Company Report
21	Description of the dialogue with stakeholders	13 f.	<ul style="list-style-type: none"> ➤ Dialogue with our stakeholders ➤ Integrated Company Report 2016, p. 18
Business for Peace			
I	Description of policies and procedures relating to key operations in high-risk or conflict-affected areas	18–20, 23, 45–49	<ul style="list-style-type: none"> ➤ Staff safety and security ➤ Integrated Company Report 2016, p. 58 <p>GIZ is bound by the relevant precepts of its main commissioning party BMZ as set out in the ➤ BMZ Strategy Paper 'Development for Peace and Security' and the mandatory implementation agreements. GIZ provides its staff with guidance, information and training on the use of these.</p>
II	Description of policies and procedures relating to the company's relations to government in high-risk or conflict-affected areas	18 f., 22	<ul style="list-style-type: none"> ➤ Staff safety and security ➤ Integrated Company Report 2016, p. 58 <p>GIZ is bound by the relevant precepts of its main commissioning party BMZ as set out in the ➤ BMZ Strategy Paper 'Development for Peace and Security' and the mandatory implementation agreements. GIZ provides its staff with guidance, information and training on the use of these.</p> <p>Services in the areas of ➤ security reconstruction and peace as well as ➤ good governance</p>
III	Description of the dialogue with local stakeholders and strategic social investment activities of the company in high-risk or conflict-affected areas	15 f.	<ul style="list-style-type: none"> ➤ Staff safety and security ➤ Integrated Company Report 2016, p. 58 <p>GIZ is bound by the relevant precepts of its main commissioning party BMZ as set out in the ➤ BMZ Strategy Paper 'Development for Peace and Security' and the mandatory implementation agreements. GIZ provides its staff with guidance, information and training on the use of these.</p> <p>Services in the areas of ➤ security reconstruction and peace as well as ➤ good governance</p> <p>Results of projects in the field of crisis prevention and peace building in ➤ Monitoring and Evaluation Report 2017, p. 41</p>



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