



GIZ Communication on Progress 2016 on the Global Compact Principles

About the report

This Communication on Progress published by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH provides information on how we comply with Global Compact Principles. It builds on the [➔ GIZ Progress Report on Sustainability 2015](#). At relevant points in the text and in the lists of reporting references you will find links to more detailed information. These are marked with the symbol [➔](#).

This report has been drawn up in line with the guidelines of the Global Compact Advanced Level. In the annex you will find a list of reporting references that ensure transparency for all indicators. The reporting period covered is 1 January 2015 to 31 December 2015. Our [➔ GIZ Progress Report on Sustainability 2015](#) (“Progress Report on Sustainability” hereafter) in accordance with the guidelines of GRI G4 (core option), was subject to a comprehensive external assurance in line with AA1000APS ([➔ Progress Report on Sustainability, p. 57](#)). The next disclosures on sustainability, which are to be published on the new webpages for GIZ’s Integrated Company Report, will likewise be subject to an external assurance.

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 3 May 2017.

Table of contents

Statement by the Management Board	4
Managing Corporate Sustainability	6
Responsibility for products and our value chain	9
 Human rights	15
 Labour Standards	20
 Environment	28
 Anti-corruption	34
Annex: Global Compact Reporting References	40

Statement by the Management Board

The Global Compact, established by the United Nations in 2000, provides an important frame of reference for the international community and has major significance for GIZ's work. Since 2001, we have been supporting the implementation of the Compact – the world's largest voluntary corporate sustainability initiative – by coordinating the German Global Compact Network (DGCN) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

As a company, GIZ has itself 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 on human rights, environmental protection, labour and social standards, and anti-corruption. This GIZ Communication on Progress 2016 on the Global Compact Principles is the tenth 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 describes additional good practices, such as GIZ's support for other United Nations goals and targets. In March 2015, for example, we signed the United Nations Women's Empowerment Principles, underlining our commitment to a stronger role for women within the company.

In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development. As a plan of action for transforming our world, it provides a new and important frame of reference in relation to international cooperation for sustainable development. It is therefore of key significance for GIZ as well.



The centrepiece of the 2030 Agenda comprises the Sustainable Development Goals (SDGs), which build on the Millennium Development Goals (MDGs) adopted in 2000 by striving for a much higher level of ambition. Not only do the SDGs address many more of the challenges facing the international community as it seeks to narrow social and economic inequalities; for the first time, the goals are also universal, meaning that they involve the entire world, developed and developing countries alike. Synergies between the SDGs must be enhanced and, above all, efforts made to reach the poorest and most marginalised groups ('leave no one behind'). All stakeholders within society are encouraged to assume shared responsibility and to contribute to the attainment of the SDGs.

With bauhaus15, implemented from September 2015, GIZ itself has undergone comprehensive restructuring and reorganisation, aimed at optimising its work processes and further enhancing efficiency in the sustainable development context. In this Communication, we report on these changes: on GIZ's new Compliance and Integrity Unit, our strengthened human rights complaint mechanism and our progress on equality within the company. We also describe how we are now improving our environmental and sustainability performance worldwide with our Corporate Sustainability Handprint®.

In future, our GIZ Communication on Progress on the Global Compact Principles will be an important element of our Integrated Company Reports. We are setting 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.

Tanja Gönner
Chair of the Management Board



Managing Corporate Sustainability

On the German Government's behalf, GIZ has been working for decades to seek and implement tailor-made and effective solutions to the global challenges of tomorrow, worldwide. 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 the people.

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.

Management structure & tools

Within GIZ the Chair of the Management Board is responsible for corporate sustainability. She also chairs the Sustainability Board that has supported the 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, among them the head of the Corporate Development Unit, who is GIZ's Director Corporate Sustainability at the same time. She heads the Sustainability Office and reports directly to the Chair of the Management Board. Since bauhaus15, the Sustainability Office has become part of a new Section 'Quality and Sustainability' within the Corporate Development Unit. This has made it possible to link corporate sustainability objectives and corporate policy strategies even more effectively. In future, strategic goals of [GIZ's Sustainability Programme 2016 – 2020](#) (adopted in November 2015) will be integrated into GIZ's new corporate strategy ([Progress Report on Sustainability](#), pp. 9f.).



The ➤ [Corporate Sustainability Handprint® \(CSH\)](#) 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 at the same time suitable to the specific country context. The Corporate Sustainability Handprint was selected as one of five examples of best practice in the Corporate Responsibility Index (CRI), drawn up by the Bertelsmann Foundation, the University of Bayreuth and concern GmbH (➤ [Progress Report on Sustainability](#), p. 13).

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



Responsibility for products and our value chain

GIZ has steadily been increasing its volume of business since 2013. In 2015 the figure was EUR 2,142 million (compared to EUR 2,032 million in 2014 and EUR 1,931 million in 2013).

The increase was largely due to a rise in total revenue generated by the public-benefit business area. Over 90 per cent of our revenue was accounted for by this sector. Commissions from the German Federal Ministry for Economic Cooperation and Development (BMZ) constituted the lion's share, reaching almost EUR 1.7 billion (compared to EUR 1.6 billion in 2014 and topping EUR 1.4 billion in 2013). BMZ thus remains our principal commissioning party. The remaining ten per cent was generated in the International Services business area, in which GIZ receives commissions from foreign governments, multilateral organisations and bilateral donors, among others (see [➔ Annual Statement of Accounts](#)). Through the internal change project bauhaus15, GIZ created the organisational conditions required to provide services that are demonstrably sustainable and even more client-oriented, and will be competitive in the long term. Capacities and expertise are now clustered more tightly, and internal processes have been made even more efficient. While the organisational changes and new processes have been operational in Germany since 1 September 2015, corresponding changes in our partner country offices followed in 2016.

Effectiveness and quality of our projects

To boost the effectiveness of our development cooperation, and of our programmes and projects, we have made it a key task to support our partners in their endeavours to assume ownership. Against this background, partner orientation and participation are a fundamental part of our understanding

2,142 m

In 2015 GIZ's volume of business was EUR 2,142 million



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 commit ourselves to ➔ **transparency** in order to consistently improve the effectiveness of international cooperation and accountability for the use of public funds. We maintain a systematic dialogue with our commissioning parties. We seek out ➔ **strategic alliances and partnerships** and bring our expertise in sustainable development to bear in international professional forums and networks.

In 2015 we updated our analysis of GIZ's most important – that is, material – sustainability topics. In addition to taking into account the latest documentation regarding the interests of our stakeholders and a new corporate policy assessment, we conducted a survey among 147 of our most important partners from the consulting industry (➔ **Progress Report on Sustainability**, pp. 11f, also 23, 48ff.). We had set ourselves, and successfully achieved, the goal of developing a concept for the systematisation and extension of our stakeholder dialogue in our Sustainability Programme 2013–2015 (see ➔ **Progress Report on Sustainability**, pp. 16–19). The results of the survey motivated us to further extend our direct stakeholder dialogue in line with the concept in 2016.

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 Cooperation and Development (OECD-DAC).

Our new monitoring and evaluation policy has been in place across the company since 2014. It is mandatory for all business areas. Key cornerstones of the new policy include the expansion of corporate strategy evaluations for cross-section evaluations or ex-post analyses and the introduction of project evaluations for BMZ commissions, which will be used both to prepare for

147

We conducted a survey among 147 of our most important partners from the consulting industry



a follow-on measure and for reporting to BMZ and the general public. This will extend their function beyond internal steering, planning and learning. Comprehensive information about our impacts and evaluations, including corporate strategy evaluations, is regularly published in our monitoring and evaluation report (see, most recently, the [Monitoring and Evaluation Report 2012–2014](#), published in August 2015). We systematically integrate recommendations for action into ongoing business processes at company level with a management response system ([Progress Report on Sustainability](#), pp. 21, 27f.).

More information on our products, that is, the sustainable development services we provide, can be found in our [Integrated Company Report](#).

Sustainable procurement

Since fiscal 2012, we have been spending almost half of our business volume (47.2 per cent in 2015; 47.5 per cent in 2014) for order placements, the major part of which is going on advisory and consulting services (88.9 per cent or some EUR 899.7 million in 2015; 86.6 per cent in 2014). This makes consulting companies the most important part of our supply chain. We use about 6 per cent of our business volume to buy in materials and equipment that is needed in our projects and is handed over to our partners. In most cases this is technical equipment including vehicles, medical equipment, power generating aggregates, solar power systems, and computer hardware and software.

All of our procurement activities are based on the principles of economic efficiency, transparency, competitive tendering, equal treatment of bidders, and social and environmental compatibility.

47.2 %

47.2 %, that is over EUR 1 billion, went into order placements in 2015



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 have been taken into account in the tender documents for vehicles and in the respective framework agreements with suppliers as far as applicable for the use in the 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 availability of local fuel quality 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 (➔ [Progress Report on Sustainability, p. 27](#)).

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 own ➔ [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 2015 we are unaware of any contraventions. Compliance with core labour standards is monitored through our risk management system and ➔ [Integrity Advisors](#), who are now part of our new ➔ [Compliance and Integrity Unit](#).

In October 2015, a comprehensive Report on Sustainable Procurement was published. Hitherto, a green procurement strategy had regulated the environmentally sound procurement of materials and equipment. The new document now also takes account of social factors in addition to environmental ones, 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 the document's publication, the new 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](#) placed by our Head Office. The [Procurement Report](#) 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 risks of 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 comprises criteria to assess the company itself, the field in which it operates, 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? Are these subjects of 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

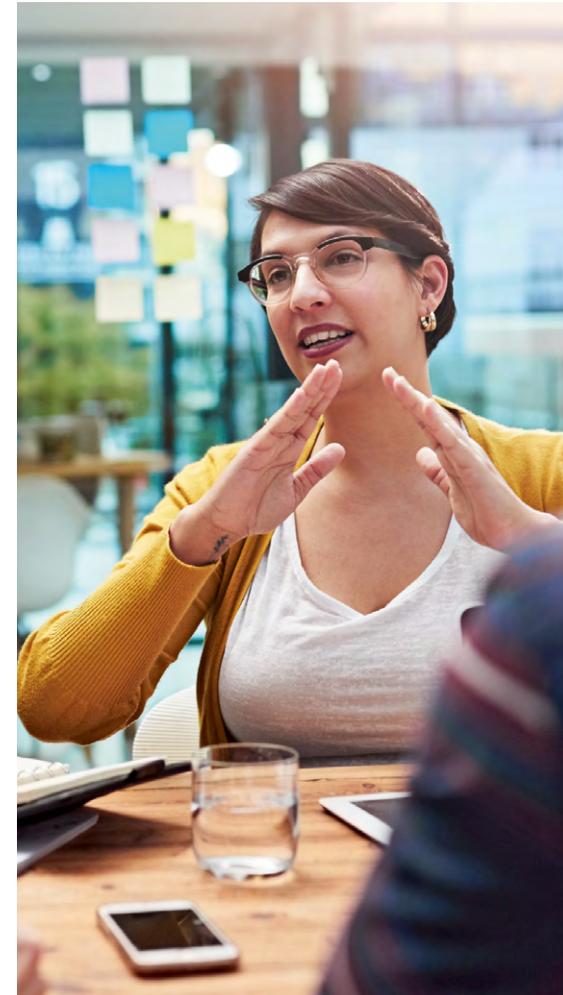


GIZ should enter into a partnership, and if appropriate, on what terms. During the reporting period, GIZ carried out 43 business partner screenings. 22 of them were classified as low risk, 16 as medium risk. The five high-risk screenings were approved by the Business Partner Screening Committee under the condition that additional risk reducing measures were taken.

Risk management

GIZ has a risk management system (➔ [Progress Report on Sustainability, pp. 29f.](#)) that records risks arising from the failure to comply with ethical standards, environmental standards and labour standards. Over the reporting period, no notifications of non-compliance were with these standards were received. Our risk management system analyses and assesses risks and hints concerning possible risk factors. Furthermore, it shows risks that have occurred or were eliminated. These are reported to the Management Board on a quarterly basis.

Since the implementation of bauhaus15 process in September 2015, the following business units are represented on the Risk Management Committee with one permanent management-level member each: the operational departments, the Finance Department, the Human Resources Department, GIZ International Services, the Legal Affairs and Insurance Unit, the Corporate Development Unit, the Compliance and Integrity Unit the Data Security Officer and the Management Board. The Management Board informs the Supervisory Board regularly about any significant risks that could jeopardise the company as a whole.





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.

Our activities are based on the human rights commitments entered into by the Federal Republic of Germany, and we recognise GIZ's special responsibility to comply with these. The [GIZ orientation on human rights](#) is mandatory for all staff members. It stipulates that we undertake to work worldwide to improve living conditions and help realise human rights. We see it as our duty to identify any potential violation, to ensure prevention and, where a violation has nevertheless occurred, to remedy this situation. This applies not only to projects which specifically aim to promote human rights, but to all measures across the full spectrum of services we deliver.

In the commissions we implement on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), we comply with the directives laid out in the ministry's strategy paper ['Human Rights in German Development Policy'](#) as well as the ['Guidelines on Incorporating Human Rights Standards and Principles, Including Gender, in Programme Proposals for Bilateral German Technical and Financial Cooperation'](#), and follow these as guidelines in the measures we carry out on behalf of other commissioning parties. GIZ implements projects and programmes in over 50 countries which are affected by conflicts, fragility and violence. In these contexts, GIZ is bound by the relevant precepts of its main commissioning party BMZ as set out



in its strategy paper ➔ 'Development for Peace and Security' and the binding implementation agreement. GIZ elaborated an internal guidance on work in conflict zones and with actors of the security sector for projects and programmes worldwide. It illustrates relevant fields of action in the area of security, peace and reconstruction and their relevance for sustainable development. Furthermore, GIZ has been a member of the Global Compact expert group 'Responsible Business & Investment in High-risk Areas' since 2013.

The assessment of relevant human rights risks and impacts is a mandatory part for all BMZ project proposals. Appraisals for new projects and programmes include criteria for analysing and documenting the impacts our measures have had or seem likely to have on human rights. This is also valid for project progress reviews and independent evaluations.

GIZ is continuously increasing the certainty, clarity and quality of its business activities. With these aims in mind, GIZ's existing human rights complaint mechanism has become even more visible and clearer to outsiders, for example with a transparent description of the process. In addition, GIZ intends to further expand the training it provides on human rights issues. By doing so, it will at the same time comply with the standards of the United Nations Guiding Principles on Business and Human Rights.

Within our new Compliance and Integrity Unit, our Integrity Advisors can be contacted at ➔ humanrights@giz.de with any information about potentially negative impacts of our activities on human rights. They examine the facts of the matter and involve the relevant organisational units or if necessary external support. During the reporting period no such notifications were sent to the Integrity Advisors. No legal actions, monetary or non-monetary penalties for infringements in the field of human rights were reported to Head Office.



contact

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

Furthermore, with the institutional mainstreaming of a compliance management system, GIZ continuously ensures the careful and responsible management of public funds in its business operations. With that aim in mind, we have improved our standard procedures, such as business partner screening, and our procurement processes. We have also introduced systematic monitoring of compliance risks, with appropriate mitigation and minimisation measures. We further strive to raise our employees' awareness and responsiveness to existing compliance rules and any changes to them.

Staff training & 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. In fall 2015, we replaced our course 'key sustainable development topics' with a revised induction module, which is now obligatory for all new recruits. It is used to convey a tangible understanding of GIZ's guiding principle of sustainability, of gender equality as well as environmental and human rights issues from the very outset. Furthermore, we offer special courses on how to implement human rights aspects in development cooperation. In addition, intensive online courses on human rights and gender provide the relevant expertise.

Gender equality as a key quality factor

In line with BMZ's 2014 strategy paper ➔ 'Gender Equality in German Development Policy' (currently available in German only), gender equality is a key quality feature of our work. GIZ has developed a ➔ **Gender Strategy** that provides a uniform and binding framework for the company



as a whole. It is mandatory for all staff members and includes concrete objectives and measures that are explained in more detail in our 2015–2018 strategy for equality (Gleichstellungsplan). For instance, GIZ is committed to improving the compatibility of work and family life and to increasing the proportion of women in leading positions or technical positions abroad to 40 per cent. By signing the Women’s Empowerment Principles of the United Nations during GIZ’s Gender Week in 2015, the Management Board expressly committed to the seven principles.

In the run-up to a project, it is mandatory to conduct a gender analysis which provides information as to how the planned measure can foster gender equality and by doing so enhance the results and impact of our work. The standards for project and programme implementation, progress reviews, internal and independent evaluations also contain criteria for assessing gender impacts.

GIZ’s network of more than 100 gender officers worldwide enhances our capacity to translate the Gender Strategy into practice. GIZ disseminates gender knowledge and competence through online courses and events, by sharing and learning from experiences. Good examples of integrating gender systematically into our work are promoted throughout the company. One channel is our annual Gender Week and the GIZ Gender Award, which is granted biannually to recognise particularly successful approaches. In 2015, teams from 37 countries participated with 74 activities in our Gender Week. The next Gender Award will be conferred in 2016.

The results of implementing the Gender Strategy are presented to GIZ Directors General and the Executive Management Committee in an annual report. It shows how GIZ’s departments have operationalised the strategy.



100

More than 100 gender officers worldwide advise on gender aspects



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 is a standard that we take as a yardstick in our work. In our dealings with one another within the company we focus on cooperation and mutual respect.

Staff councils, collective bargaining and dialogue

The right of employees in Germany to participate in decision-making is guaranteed by the German Works Constitution Act (Betriebsverfassungsgesetz) and local staff council mechanisms,

and by the central staff council in the case of issues affecting the company as a whole. The interests of staff outside Germany are promoted 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 committees and GIZ agreed on various forms of dialogue – from monthly meetings with local staff councils in Germany to joint annual conferences. In the reporting period several new employer/staff council agreements were drawn up. They are dealing, for instance, with agreements on our decentralised sites in Germany and our new talent identification process STEP.

Under our company-wide standard, national personnel regularly elect representatives at country level. 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 collectively applicable rules that affect staff. The Human Resources Department has set up a special helpdesk for our colleagues outside Germany, to help them with their concerns.

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. We conduct regular staff surveys, most recently in 2013 / 2014. From 2016 onwards these surveys will be conducted biannually and directed at all our employees and at the development workers seconded in our projects.

We have two separate remuneration agreements – the 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 we grade our staff by their function and the type of work performed in



salary bands. In 2014, a new system of remuneration for GIZ field staff took effect as agreed by the company and ver.di. This system was made necessary by a new interpretation of German law, as a result of which GIZ has been required to deduct income tax from the remuneration of field staff liable to pay tax in Germany.

National personnel are paid in line with salary bands which correspond to the customary local wages and salaries in the country in question. We determine what constitutes customary local wage and salary levels by comparing those paid by private and international businesses, as well as other international cooperation organisations with which GIZ competes in the country.

Anti-discrimination and equal opportunities

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

We comply with the requirements of Germany's national gender equality law. We foster the compatibility of professional and family commitments for both men and women. This is reflected, for instance, in our certification as a family friendly employer by the Hertie Foundation. We currently offer more than 200 different part-time working models. Additionally, company child care is provided. We also advise our staff when they are called on to care for sick or elderly family members at home. Employees working outside Germany and their families also benefit from a large number of special services ([Progress Report on Sustainability](#), pp. 37f.)



2001

Since 2001 our regularly updated Code of Conduct prohibits discrimination and applies to all employees worldwide

GIZ's Human Resources Department keeps the Management Board and the Supervisory Board informed of developments in gender equality. Three Gender Equality Commissioners at the main sites are responsible for ensuring that our human resources policy appropriately reflects the declared aims and our commitment to equality. They ensure that our equality policy is properly implemented. They are involved in negotiations on relevant employer/staff council agreements so that they can play an active part in equality issues. They are also actively involved with the team set up to promote measures that help staff balance their professional and family commitments. They also keep employees informed about their work.

In 2015, people with disabilities accounted for 5.1 per cent of our workforce in Germany (2014: 5.2 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 furnishings and equipment in the workplace, in line with 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 regularly elected. They advise and support colleagues and are consulted when reviewing accessibility in both our old and our new properties. 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. 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 Equality Commissioners, the young people's and trainees' representation, the disabled persons' representation and the representative of employees of same-sex orientation. 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 so GIZ does not keep any statistics on these enquiries.

Staff security, health and social security

On behalf of our commissioning parties, we also work in countries and regions where the conditions are exceptionally difficult. In these places, security risks are often high and GIZ has a special responsibility for staff. In emergencies safety and security take precedence over implementing commissions. We have regulated our responsibility for the safety and security of our personnel and the instruments we use to ensure this. The head of GIZ's Crisis Desk 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 GIZ Crisis Desk she coordinates crisis management, calls an internal crisis taskforce if necessary and coordinates respective measures within the company. The country offices take security measures in line with the risk situation on the ground and keep their country-specific security strategies up to date. In countries where the security situation is fraught we also conduct a detailed risk assessment in line with ISO 31010 (➔ [Progress Report on Sustainability pp. 38–39](#)). GIZ actively promotes the health and performance of its employees. One vitally important pillar of our health management is the medical service. It advises the company on all matters relating to corporate health management and on the implementation of



occupational health and safety laws and regulations inside and outside Germany. The psychological counselling unit for crisis and conflict management (COPE) offers counselling services. We also foster good health with a wide spectrum of health courses and ergonomic advice at the workplace. In countries in which the national personnel cannot be covered by an operational state-run or private health insurance scheme, we use our own system of subsidies. A list lays out the current framework for coverage in the case of sickness.

In 2015 we recorded ten occupational accidents (2014: 13), 43 commuting accidents (2014: 48) and, fortunately, no fatalities related to business trips or occupational accidents (2014: also 0).

All members of staff with a German employment contract working inside and outside Germany and according to German law with a duration of employment of more than five years are covered by the company pension scheme which is part of the collective bargaining agreement. To ensure fair retirement provisions in all countries we have laid down minimum standards. In countries which have appropriate state pension systems, the national personnel are insured via this system. Where this is not the case we voluntarily support other forms of retirement provisions, including private pension and insurance schemes.



Staff figures overview

Overview	as at 31. 12. 2013	as at 31. 12. 2014	as at 31. 12. 2015
Total work-force	16,510	16,410	17,319
Employees in Germany	3,208	3,072	3,201
Field staff	2,058	2,078	2,169
National personnel	11,244	11,260	11,949
Share of women	as at 31. 12. 2013	as at 31. 12. 2014	as at 31. 12. 2015
	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	20/6/30 %	20/9/45 %	20/9/45 %
among employees in Germany	3,208/2,136/66.6 %	3,072/2,053/66.8 %	3,201/2,136/66.7 %
among field staff	2,058/733/35.6 %	2,078/783/37.7 %	2,169/851/39.2 %
in managerial positions ¹	1,269/452/35.6 %	1,254/460/36.7 %	1,313/506/38.5 %
in managerial positions as national personnel (salary bands 5-6)	1,389/521/37.5 %	1,449/561/38.7 %	934/344/36.8 % ²
Share of women	2013 in %	2014 in %	2015 in %
in professional development and preparatory measures ³	62 %	56 %	58 %

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.



Since 2013, we have been using the Eco-Management and Audit Scheme (EMAS) in Bonn, Eschborn and Berlin as a further aid to continuous improvement of our environmental performance. This system enables us to streamline and systematise our environmental measures and identify new measures when necessary. A major advantage of the system is the external verification process that it entails, which ensures a high level of transparency (➔ [Environmental Declaration 2015](#); available in German only).

We are committed to preventing or reducing the company's environmental impacts. We are increasing the deployment of eco-efficient technologies and materials and we carry out our projects with minimum environmental impact. We aim to be a carbon-neutral company within the scope of our worldwide operations by 2020. Our approach involves, firstly, reducing our

energy consumption; secondly, using renewable sources instead of fossil fuels; and, thirdly, offsetting unavoidable emissions. We can only succeed if we involve our staff in our efforts to boost environmental performance. We have set out these commitments in our Environmental Declaration, which is binding for all staff members.

Management

Regarding EMAS the Chair of GIZ's Sustainability Board is also the Environmental Management Representative. The Sustainability Office coordinates all EMAS-related measurements in cooperation with the responsible line departments and units on operational level. Environmental balances of the German offices are drawn up every year (→ [Environmental Balance 2015](#), available in German only) and are discussed in the Sustainability Board. The Director Corporate Sustainability is the central contact person for complaints about the environmental impacts of the company's activities. No such complaints have been notified to Head Office in this reporting period. The responsibility for strengthening our environmental performance within our partner countries is held by the country directors and by 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 and improve data as well as commitments regarding sustainability performance at all levels of the company. It focuses not only on accounting for our ecological footprint, but also on our 'handprint', by which we mean the positive contribution that GIZ makes in GIZ's four dimensions of sustainability: economic capability, social responsibility, ecological balance and political participation. To measure the dimension of ecological balance, we collect key environmental data in a systematic manner to determine the energy, water and paper consumption of country offices



2014

Since 2014 our Corporate Sustainability Handprint® helps us to record and improve our sustainability performance worldwide

and all GIZ project and programme offices, as well as mobility-related CO₂ emissions from flights and fuel consumption. Our aim is to implement the CSH in all partner countries where GIZ maintains offices by the end of 2016.

Since 2011, all the projects and programmes we implement on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) have been required to conduct an environmental and climate impact assessment. This assessment is designed to ensure that our actions do not have any adverse effects on the environment or the global climate. It also enables us to harness potential for improving the environmental quality of our activities at an early stage, reducing emissions of greenhouse gases, and helping partner countries to adapt to climate change. The environmental and climate impact assessment is a mandatory part of our standards for producing offers and for project progress reviews. Staff receive training in conducting this assessment, and can rely on the guidance documents available in several languages, and on the support of specialists in the various divisions. We monitor implementation at regular intervals and report to BMZ.

We are currently improving the impact assessment process. It is our aim to develop an integrated safeguards management system covering environment and climate, human rights and gender by the end of 2016.

Awareness raising

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.

Measures and results

In 2015, the GIZ International Training Centre in Feldafing was newly certified as an ‘Eco-profit Company’. The new ‘Meander Building’ in Bonn with around 500 offices was planned in line with the second highest standard of the German Sustainable Building Council. The move into the new building started in June 2015 and the certification process was completed in early 2016.

All German locations have been procuring 100 per cent green electricity since 2014. In the same year, we offset all remaining carbon dioxide emissions generated at our German locations for the first time. GIZ 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 assures that both extensive sustainability criteria and an additional benefit for development in the project region are achieved.

The assessment of GIZ’s environmental programme 2010–2015 will be carried out in the first half of 2016. On the basis of the results a new five year programme will be developed. Several goals have already been achieved ahead of time (see table on the next page).



Key environmental figures

	2013	2014	2015
CO₂ emissions			
from mobility	24,445 t CO ₂	20,411 t CO ₂	21,643 t CO ₂
Specific CO ₂ emission/staff member	7.7 t	6.6 t	6.8 t
Energy consumption			
Electricity consumption	19,083,231 kWh	16,572,027 kWh	18,794,412 kWh
Heating energy consumption	7,028,748 kWh	6,839,840 kWh	7,842,081 kWh
Specific electricity consumption German offices/staff member	11,783,032 kWh	9,472,686 kWh	10,669,752 kWh
Specific heating energy consumption German offices/staff member	2,315 kWh	2,318 kWh	2,365 kWh
% of green electricity	3,562 kWh	2,853 kWh	3,087 kWh
	74 %	100 %	100 %
Paper			
Specific paper consumption German offices/staff member	20,902,252	18,530,192	18,535,534
% of ecological paper	6,334 sheets	6,474 sheets	5,959 sheets
	97 %	92 %	97 %
Solid waste			
Residual waste German offices/staff member	515.2 t	443.2 t	786.0 t
	104.9 kg	76.3 kg	63.6 kg
Potable water consumption			
Specific potable water consumption German offices/staff member	29,384 m ³	27,914 m ³	29,991 m ³
	7,200 l	7,986 l	9,022 l





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 out clear rules that should be adopted to prevent corruption.

Naturally, 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 voluntary Code of Conduct and internal regulations are respected. We focus on integrity, anti-corruption and respect for ethical standards. These issues are 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

Since September 2015, GIZ has taken its longstanding commitment to integrity compliance to a new level with the establishment of a corporate  Compliance and Integrity Unit, which is responsible for ensuring appropriate and effective compliance with legal provisions. As a result, a new compliance management system has been enshrined institutionally. This verifies that improvements are made 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. The Compliance Committee, which comprises two members of the Management Board and several departmental and corporate unit directors, deals with overarching questions of integrity and compliance. It also analyses and manages compliance risks at company level.

The Compliance and Integrity Unit reports once a year to the Management Board and once every two years to the Supervisory Board on the status of measures taken. The management of compliance and integrity risks is integrated with the company-wide risk management system. The Compliance and Integrity Unit is therefore represented in all of GIZ's official bodies working on this latter issue.

Internal control systems assure the proper commercial handling of our projects. We review at regular intervals whether the financial and administrative operations in our projects are correct and efficient and whether we are complying with our own internal regulations. The focus is on procurement processes, human resources issues and proper accounting. In addition to its internal monitoring systems, GIZ is regularly inspected by auditors who scrutinise its project-specific and annual financial statements, by the Price Inspection Office of the Darmstadt Regional Administra-

2015

In 2015 we established our new
Compliance and Integrity Unit



tive Council (Regierungspräsidium) and by the Federal Audit Office (Bundesrechnungshof).

The correct use of funds for the purpose intended enjoys top priority at GIZ, especially in procurement. To avoid corruption, procurement operations are always handled by a minimum of two people from different organisational units. Our rotation principle decrees that staff in important posts in purchasing are required to change jobs every six years at least. Any deviations from this rule must be fully documented. Our IT systems also ensure the transparency of purchasing activities in our offices outside Germany. They make it possible, for instance, to check local fees to ascertain that they do in fact correspond to the customary levels charged in that country (➔ [Progress Report on Sustainability, p. 23](#)).

GIZ's risk management system requests the individual organisational units to provide feedback on the risks of corruption on a quarterly basis, within the scope of company-wide risk identification.

Measures and awareness raising

A new special policy paper helps staff recognise conflicts of interest more easily and an according guideline explains how to avoid such situations. When new staff join GIZ, they are taught to spot 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 the award of contracts. Employees, project partners, clients and the general public can contact the two internal Integrity Advisors and an external ombudsperson in confidence.



Annual reports by the country offices are used to check whether measures to prevent corruption are being implemented. Anti-corruption is thus one of the key pillars of GIZ's engagement worldwide and naturally includes scrutiny of its own conduct. Since August 2015, it has been mandatory for all new staff to take the web-based training course 'Acting with Integrity'. The staff onboarding events, which are also mandatory, are used to provide face-to-face training. Since mid-2015, the human resources module has focused on providing systematic training for managers in particular.

Results

The Legal Affairs and Insurance Unit advises and supports the entire company on all legal and insurance-related matters. During the reporting period 2015, no legal action, 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 remained fairly stable since 2012. In 2015 they received 44 hints of possible cases of corruption (2014: 48), all of which were investigated.

Individual reports on risks of corruption outside Germany over the reporting period were handled by the risk management system. Additional anti-corruption measures were introduced by the organisational units responsible.

44

In 2015, our Integrity Advisors received 44 hints on possible corruption, all of them were investigated



Dealing with reports of corruption in 2015

	2013	2014	2015
Total number of reports	48	48	44
Not yet finalised	7	6	8
No misconduct proven	10	17	13
No GIZ staff affected but third parties	6	7	3
Corrective measures successfully initiated	6	5	5
Disciplinary measures taken	19	13	15



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	4f., 6-14, 16f., 21-23, 30f., 35-37	<ul style="list-style-type: none"> ➤ Corporate Principles ➤ Capacity WORKS management model ➤ Monitoring and evaluation <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	6-14	<ul style="list-style-type: none"> ➤ Procurement Report 2015 ➤ 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	6f., 16-19	<ul style="list-style-type: none"> ➤ GIZ Orientation on Human Rights ➤ Code of Conduct ➤ GIZ Sustainability Programme 2016-2020
4	Description of effective management systems to integrate human rights	4f., 7f., 12-14, 16-19, 23-26	<ul style="list-style-type: none"> ➤ GIZ Orientation on Human Rights ➤ BMZ Strategy Paper 'Human Rights in German Development Policy' <p>Contact ➤ humanrights@giz.de</p> <ul style="list-style-type: none"> ➤ Services in the area Human Rights
5	Description of effective monitoring and evaluation mechanisms of human rights integration	4f., 10f., 12-14, 17f., 23-26	<ul style="list-style-type: none"> ➤ Human Rights @ GIZ ➤ 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	4f., 7f., 10f., 12-14, 16-19, 21-26	

Criterion	Brief description	Page	Further information
7	Description of effective management systems to integrate the labour principles	4f., 7f., 12-14, 18-19	<ul style="list-style-type: none"> ➤ General Purchase Conditions ➤ 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	4f., 10f., 12-14, 19, 23-27	<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	7f., 11-14, 29-33	<ul style="list-style-type: none"> ➤ GIZ environmental management ➤ GIZ Environmental Audit 2015 (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	11-13, 29-33	<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	10-14, 29-33	<ul style="list-style-type: none"> ➤ Corporate Sustainability Handprint®
Robust anti-corruption management policies and procedures			
12	Description of robust commitments, strategies or policies in the area of anti-corruption	4f., 7	<ul style="list-style-type: none"> ➤ Code of Conduct ➤ General Purchase Conditions ➤ General Terms and Conditions of Contract ➤ Corporate Governance Report 2015 (German only) ➤ BMZ Strategy Paper 'Anti-Corruption and Integrity in German Development Policy'
13	Description of effective management systems to integrate the anti-corruption principle	5, 7f., 11-14, 35-39	<ul style="list-style-type: none"> ➤ Corporate Governance Report 2015 (German only) <p>Contact ➤ integrity-mailbox@giz.de</p> <p>Services in the areas ➤ state and democracy and ➤ economic development and employment</p>
14	Description of effective monitoring and evaluation mechanisms for the integration of anti-corruption	7f., 10, 12-14, 36-39	<ul style="list-style-type: none"> ➤ Ethical Conduct @ GIZ <p>Contact ➤ integrity-mailbox@giz.de</p>





Criterion	Brief description	Page	Further information
Taking action in support of broader UN goals and issues			
15	Description of core business contributions to UN goals and issues	4-7, 12, 16-19, 21, 32	☞ Services for sustainable development
16	Description of strategic social investments and philanthropy	9f., 18f.	☞ Art at GIZ ☞ Strategic Alliances and Partnerships
17	Description of advocacy and public policy engagement	4f., 12f., 18f.	☞ GIZ Orientation on Human Rights We connect actors ☞ worldwide, to foster sustainable development
18	Description of partnerships and collective action	4, 6f., 10	☞ Strategic alliances and partnership
Corporate sustainability governance and leadership			
19	Description of CEO commitment and leadership	4f., 7	
20	Description of Supervisory Board adoption and oversight	2, 4f., 7f.	
21	Description of the dialogue with stakeholders	8, 9f.	☞ Dialogue with our stakeholders ☞ Progress Report on Sustainability, pp. 11-14, 49-51
Business for Peace			
I	Description of policies and procedures relating to key operations in high-risk or conflict-affected areas	6, 14, 16f., 25f.	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.
II	Description of policies and procedures relating to the company's relations to government in high-risk or conflict-affected areas	16f.	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. Services in the areas of security of ☞ security reconstruction and peace as well as ☞ good governance
III	Description of the dialogue with local stakeholders and strategic social investment activities of the company in high-risk or conflict-affected areas	10	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. Services in the areas of security of ☞ security reconstruction and peace as well as ☞ good governance Results of projects in the field of crisis prevention and peace building in ☞ Monitoring and Evaluation Report 2012-2014, p. 13

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