



Results Report
GIZ Stakeholder Dialogue on Sustainability 2020

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1 Introduction

As a service provider in the field of international cooperation for sustainable development and international education work, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is dedicated to shaping a future worth living around the world. The diverse expertise of our federal enterprise is in demand around the globe – from the German Government, European Union institutions, the United Nations, the private sector, and governments of other countries. We work with businesses, civil society actors and research institutions, fostering successful interaction between development policy and other policy fields and areas of activity.

As a sustainable company, GIZ takes the participation of diverse interest groups and opportunities for exchange very seriously. To further promote this, GIZ

has been engaging in intensive and systematic dialogue with its stakeholders since 2016. Every two years, the company invites representatives from the worlds of politics, business, academia and civil society to voice their requests, expectations and criticisms.

The outcomes of the Stakeholder Dialogue play an important role in GIZ's sustainability reporting in accordance with the standards laid down by the **Global Reporting Initiative** (GRI) and the further development of its Sustainability Programme. This, in turn, is a vital part of GIZ's overarching Corporate Strategy.

This year's Stakeholder Dialogue was dominated by the impact of the COVID-19 crisis. In the words of Tanja Gönner, Chair of GIZ's Management Board, 'The coronavirus has shown just how urgent many

issues are. We cannot return to the status quo. Our priority now is to consider how we can shape the future innovatively. And sustainability will be crucial to that.'

This report is designed to inform readers about the outcomes of the 2020 Stakeholder Dialogue and to share the findings with partners, commissioning parties, service providers, staff and other interested groups and individuals. GIZ would like to thank stakeholders for their commitment and their ideas for taking the company's work to the next political, social and economic level.



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2 Summary

Environmental protection and climate change mitigation, human rights, sustainable procurement, and equality: these are just some of GIZ's many areas of focus for which clearly defined objectives, measures and indicators have been set in the company's Sustainability Programme 2016–2020. The Sustainability Programme provides orientation and serves as a key management tool for corporate sustainability within GIZ. But how is GIZ configuring its Sustainability Programme from 2021 on? And what do GIZ's partners and commissioning parties expect over the next few years?

The 2020 Stakeholder Dialogue was designed to deliver answers to the last question and set priorities for GIZ's sustainability management for the next few years. To this end, the Sustainability Office systematically determined the expectations of GIZ's stakeholder groups, focusing on the questions 'In which sustainability areas can GIZ make the biggest difference?' and 'What are the key levers for sustainable development?'

Based on the overall outcome of the Stakeholder Dialogue, GIZ has identified 16 material topics for the future orientation of its sustainability management. As in the past, the most important strategic topic is climate change mitigation. GIZ has a climate management system and works on the principle of avoiding or reducing emissions and offsetting them where this is not possible. Since 2013, the company offsets the greenhouse gas (GHG) emissions from its business activities in Germany, as well as business travel of in Germany based employees. Over the next years, the GIZ will focus on further reduction of the GHG emissions within and outside Germany. One key lever for this is sustainable mobility: business travel accounts for close to 80 % of the company's emissions.

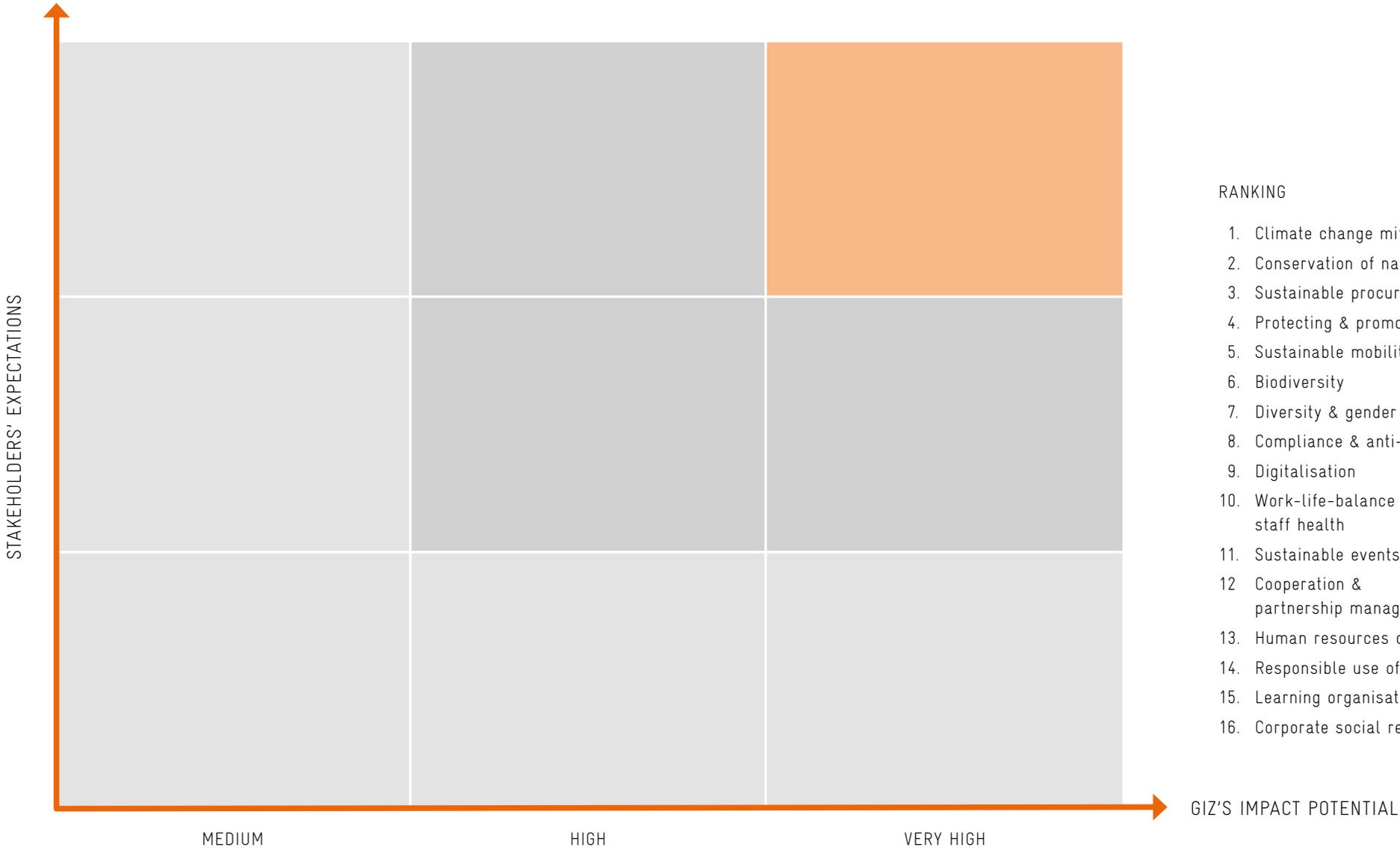
Sustainable procurement is another top priority for GIZ. Half of its total turnover of EUR 3.7 billion (2019) is spent on procurement. Accordingly, GIZ has great potential in managing its procurement to make its supply chain more sustainable. Closely linked to

this is the high level of expectations stakeholders have of GIZ as a federal enterprise to systematically adhere to human rights obligations in its projects and within the company itself.

These and other topics are presented in the  'materiality matrix' (see below), which presents the expectations of external stakeholders in relation to GIZ's potential to make a difference. The vertical axis illustrates the expectations cooperation partners, legislation, the development policy environment and commissioning parties have on GIZ. The horizontal axis illustrates GIZ's impact potential on the different aspects of sustainable development.



Figure 1: GIZ Materiality Matrix 2020



RANKING

1. Climate change mitigation
2. Conservation of natural resources
3. Sustainable procurement
4. Protecting & promoting human rights
5. Sustainable mobility
6. Biodiversity
7. Diversity & gender
8. Compliance & anti-corruption
9. Digitalisation
10. Work-life-balance & staff health
11. Sustainable events
12. Cooperation & partnership management
13. Human resources development
14. Responsible use of funds
15. Learning organisation
16. Corporate social responsibility

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3 Approach

The 3rd Stakeholder Dialogue, held in 2020, focused extensively on updating the GIZ Sustainability Programme 2021–2025. The approach taken also complies with the highest sustainability reporting standards as set out in the **Global Reporting Initiative (GRI)**. GIZ includes all relevant stakeholders from the worlds of politics, business, academia and civil society with a view to determining what they need and expect from GIZ as regards sustainability management and taking on board any related criticism.

Document-based materiality analysis

Materiality analyses are key tools in determining topics of relevance to a company or institution and its stakeholders. The outcomes of a materiality analysis – that is, of the assessment of external and internal stakeholders’ perspectives – are presented in the form of a ‘materiality matrix’. The aim of a materiality analysis is to align impacts and overall strategy with sustainable development so as to safeguard the company or institution’s long-term success.

Figure 2: Stakeholder map for GIZ’s sustainability management



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GIZ has been conducting materiality analyses on an ongoing basis since 2013. In 2020, the Sustainability Office worked with the consulting agency Stakeholder Reporting to explore stakeholders' expectations, initially by means of a comprehensive desk analysis. The approach is based on the standards of the **Global Reporting Initiative** (GRI) and follows the three steps below:

Step 1: Review existing topics and identify new topics

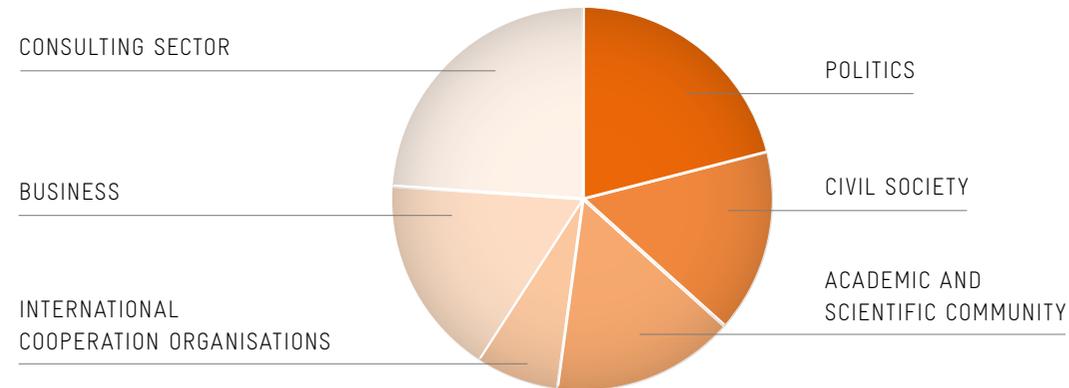
Step 2: Assess the topics

a) **from an internal perspective:** what influence do stakeholders have on GIZ through this topic (legislation, development policy environment, requirements of NGOs and commissioning parties)?

b) **from an external perspective:** what influence does GIZ have on sustainable development through this topic (contribution to SDGs, self-assessment of potential impact)?

Step 3: Stakeholder Dialogue and communication (with reference to the materiality matrix)

Figure 3: Structure of Stakeholder Day participants (excluding GIZ)



Based on these results, GIZ determined the material topics and presented them in a materiality matrix in accordance with the requirements of the **Global Reporting Initiative** (GRI).

Stakeholder Day on Sustainability

The results of the materiality analysis formed the basis for discussion during the 3rd Stakeholder Day on Sustainability on 22 June 2020. About 75 external stakeholders from the worlds of politics, business, academia and civil society and almost 30 representatives from

GIZ took part in the online meeting. In four workshops, participants discussed GIZ's approaches to sustainability management and made recommendations for the future. The priority themes were the key topics identified in the materiality matrix: climate management; sustainable procurement; gender and diversity; and protecting and promoting human rights.

In the panel discussion, Prof Dr Imme Scholz, professor and Deputy Chair of the German Council for Sustainable Development (RNE), underlined the importance of the Stakeholder Dialogue, arguing 'In the present situation, it is more important than

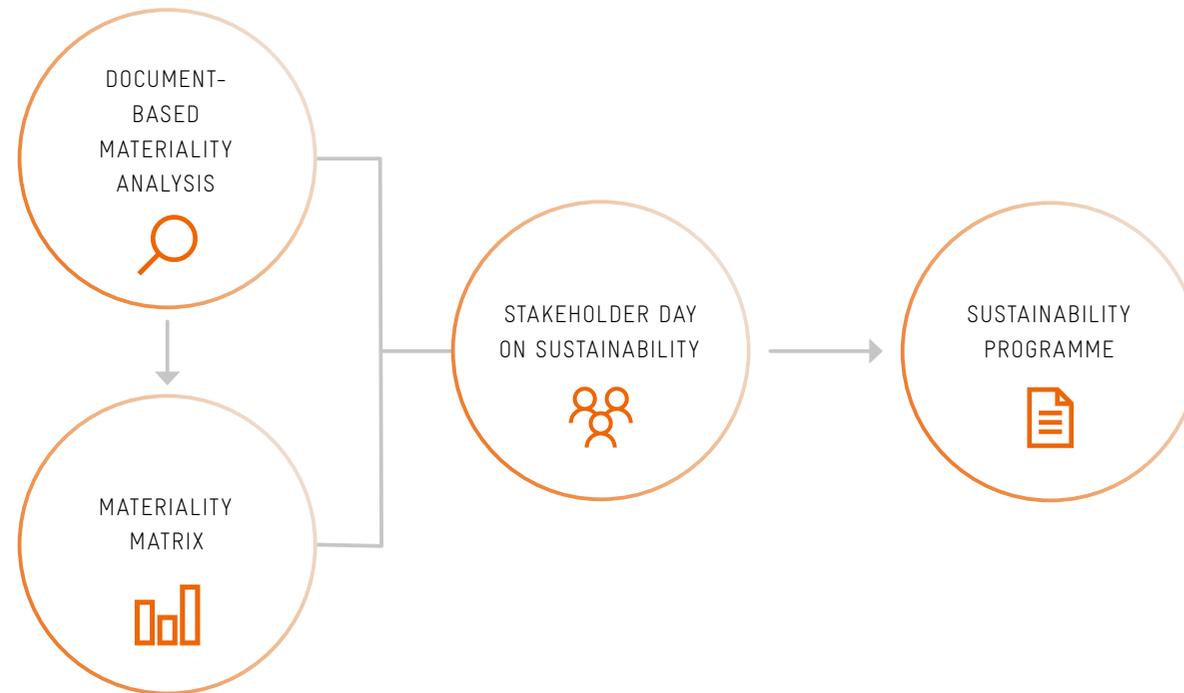


ever before for GIZ to share experiences and lessons learned with its commissioning parties – always with the aim of achieving coherent policy-making and implementation.’ Jörg-Andreas Krüger, President of the German Nature and Biodiversity Conservation Union (NABU), emphasised GIZ’s potential to make a difference: ‘As commission recipient and implementing organisation in diverse countries, GIZ has great potential to make a difference and to shape development. It is in a position to truly set standards.’

The thematic workshops were organised primarily with the objective of giving stakeholders the opportunity to voice constructive criticism about GIZ’s approaches and make recommendations for GIZ’s future orientation on the basis of the following key questions:

- How would you assess GIZ’s level of ambition?
- How can GIZ succeed in making a contribution with the greatest possible impact?
- Where do you see its greatest potential?

Figure 4: Milestones of the GIZ Stakeholder Dialogue



Sustainability Programme

The outcomes of the materiality analysis and the ideas and recommendations devised in the workshops provide impetus for shaping GIZ’s

Sustainability Programme 2021 – 2025. The new Sustainability Programme will be published in December 2020.

4 Key Topic: Climate Management

Why this topic is important

GIZ has been working for many years to avoid, reduce or offset greenhouse gas emissions. While greenhouse gas emissions levels per staff member have fallen slightly both in Germany and in the field structure, they remain high; in absolute terms, emissions have increased as the workforce and business volume have risen.

Key expectations of internal and external stakeholders

 Legislation	<ul style="list-style-type: none"> Clear legal frameworks in Germany and the EU to make the topic of climate change a particularly important one (e.g. Paris Agreement, German Federal Climate Protection Act). Tighter regulation is also expected in the future. 	
 Commissioning parties	<ul style="list-style-type: none"> BMZ and GIZ are closely linked by their common objective of climate neutrality. BMZ objective: zero emissions by 2040 within its own operations. 	
 Development policy environment	<ul style="list-style-type: none"> NGOs also make specific requirements of GIZ and have specific development expectations (e.g. compliance with the targets of the Paris Agreement). Other development cooperation implementing organisations consider the topic to be material and some have formulated their expectations in terms of climate neutrality. 	
 Self-assessment	<ul style="list-style-type: none"> GIZ rates its influence as high and wants to play a pioneering role: climate neutrality within and outside Germany from 2020. 	
 SDGs	<ul style="list-style-type: none"> GIZ's ability to make a contribution to the Sustainable Development Goals is high, in particular SDG 7 (Affordable and clean energy) and SDG 13 (Climate action). 	

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External stakeholders' observations and recommendations for action

- ▮ Mobility issues and the positive and negative impact of projects on the climate are regarded as the greatest challenges for GIZ.
- ▮ Ideas for promoting sustainable mobility at GIZ include company-wide sustainability competitions, introduction of performance indicators, and the calculation of emissions when requests to travel are submitted.
- ▮ Optimising cost and benefits of carbon offset (e.g. through integration in projects).
- ▮ The potential for saving emissions should be calculated when planning events (digital vs. face to face).

GIZ's objective of becoming climate neutral is commendable. It could play a leading role, for example by introducing carbon budgets.



Jörg-Andreas Krüger, President of the German Nature and Biodiversity Conservation Union (NABU Deutschland e.V.)

In reducing greenhouse gas emissions, GIZ as an international institution faces major challenges, especially with regard to air travel. How are we going to work across borders in future? Which options do we need to preserve and what should we stop doing? The coronavirus pandemic has fast-forwarded learning processes, and we must use these to achieve climate neutrality.



Prof Dr Imme Scholz, Deputy Chair of the German Council for Sustainable Development (RNE)

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5 Key Topic: Sustainable Procurement

Why this topic is important

GIZ places particular emphasis on sustainable procurement and aims to reflect sustainability criteria in invitations to tender. At around EUR 1.69 billion in 2019, the volume of contracts awarded by GIZ gives the company considerable leverage to promote sustainability within its value and supply chains.

Key expectations of internal and external stakeholders

 Legislation	<ul style="list-style-type: none"> Existing legislation and agreements regulate the impact of business activities on human rights and the environment. Examples include EU Procurement Directives, Germany's Sustainable Development Strategy, German Federal Climate Protection Act. 	
 Commissioning parties	<ul style="list-style-type: none"> BMZ sets new standards for sustainable procurement with the Green Button certification scheme and planned Supply Chain Act. There are calls to expand sustainable procurement not only within Germany but also to a greater extent in the field structure. 	
 Development policy environment	<ul style="list-style-type: none"> Sustainable procurement is one of the most important topics for many NGOs and is considered a key lever for sustainable development. Other implementing organisations have formulated specific targets or policies in this regard. 	
 Self-assessment	<ul style="list-style-type: none"> High significance of sustainable procurement: half of all GIZ's spending is on procurement. Sustainable procurement goals should be revised. 	
 SDGs	<ul style="list-style-type: none"> SDG 12 (Responsible consumption and production) relates substantially to procurement, making sustainable procurement a global priority issue. 	

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- GIZ should assume the role of multiplier and contribute to the public sector's role in implementing sustainable procurement.
- GIZ should make its sustainability criteria for procurement transparent, among other things to help other institutions evolve.
- In the long term, sustainability should become a KPI in procurement.
- Sustainable procurement should also be considered to a greater extent in service delivery.



The volume of public sector procurement (EUR 500 billion) illustrates how much leverage it offers. Public sector procurement therefore plays a very significant role in sustainable development and Germany's Sustainable Development Strategy.

Dr Ingolf Dietrich, Head of Directorate at the German Federal Ministry for Economic Cooperation and Development (BMZ)

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6 Key Topic: Gender & Diversity

Why this topic is important

GIZ promotes gender equality and the elimination of disadvantage and discrimination both within the company and in its service delivery. GIZ's Gender Strategy is a binding framework for all GIZ managers, staff and other members of its workforce. In 2019, GIZ also signed the Diversity Charter. While progress has been made in some areas, such as the equal opportunities policy, more needs to be done, particularly in the systematic promotion of diversity.

Key expectations of internal and external stakeholders

	Legislation	<ul style="list-style-type: none"> Legal framework in Germany and the EU make this topic particularly relevant. It is governed by Article 3 of the German Basic Law (Germany's constitution), the German General Act on Equal Treatment, European Directive 2006/54/EC, etc. 	
	Commissioning parties	<ul style="list-style-type: none"> BMZ wants to be perceived as a pioneer in promoting gender equality and women's rights (e.g. Action Plan on Gender Equality 2016-2020). This sets a clear guiding framework. 	
	Development policy environment	<ul style="list-style-type: none"> NGOs and the development policy environment also prioritise this topic, especially with a view to projects in other countries. In the COVID-19 context, the deteriorating situation of women and girls in projects needs to be addressed as a priority. 	
	Self-assessment	<ul style="list-style-type: none"> GIZ rates its potential impact as high (as reflected by GIZ's Gender Strategy and Equal Opportunities Plan 2020-2022). There is substantial potential in systematically developing diversity as an overarching concept. 	
	SDGs	<ul style="list-style-type: none"> The contribution to and direct impact on the SDGs is rated as high, in particular SDG 4 (Quality education) and SDG 5 (Gender equality). 	

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External stakeholders' recommendations for action

- GIZ should use its excellent reputation and influence particularly at European level to drive this topic.
- The topic has become more pressing as a result of COVID-19 (a 'she-cession' rather than a 'recession') and should therefore be addressed even more urgently.
- Diversity involves a more differentiated approach to leadership, and managers should attach greater importance to it.
- Gender sensitivity and equal opportunities should be promoted actively and systematically in projects / local initiatives and processes should receive greater support.

Don't stay in your comfort zone. Only when things start to feel uncomfortable will GIZ have reached the right level of ambition.



Carmen Niethammer, expert on gender, diversity and inclusion

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7 Key Topic: Human Rights

Why this topic is important

In its projects and its internal processes, GIZ is committed to developing and fostering respect for human rights. GIZ has therefore signed up to the UN Global Compact and bases its actions on the UN's Guiding Principles on Business and Human Rights. The company has also put a number of instruments in place that are aligned as part of an overall system for adhering to its human rights obligations. As a federally owned enterprise, expectations of GIZ are particularly high with respect to the National Action Plan on Business and Human Rights.

Key expectations of internal and external stakeholders

	Legislation	<ul style="list-style-type: none"> The topic of human rights has a special significance because of existing legislation and agreements. These include the German Government's National Action Plan on Business and Human Rights, the UN's International Bill of Human Rights, the planned German Supply Chain Act, etc. 	
	Commissioning parties	<ul style="list-style-type: none"> BMZ has mainstreamed the human rights-based approach in German development policy. All the German Government's development policy work is therefore based systematically on these standards and principles. 	
	Development policy environment	<ul style="list-style-type: none"> NGOs and the development policy environment also place a high priority on this topic, with a particular focus on activities in other countries. 	
	Self-assessment	<ul style="list-style-type: none"> Its high exposure to risks relating to human rights means that GIZ rates its ability to influence this topic as very high. 	
	SDGs	<ul style="list-style-type: none"> GIZ's contribution to the Sustainable Development Goals is high, in particular to SDG 8 (Decent work and economic growth) and SDG 16 (Peace, justice and strong institutions). 	

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External stakeholders' recommendations for action

- 'Don't be afraid to talk about how human rights are respected', i.e. increase transparent communication and reporting.
- Potentially positive impacts on human rights should also be integrated into decision-making processes.
- Reinforce and establish the sharing of experiences with staff, especially on projects.
- Specifically evaluate past incidents and attach greater importance to lessons learned.



8 Outlook

The outcomes of the 2020 Stakeholder Dialogue form the basis for refining the GIZ Sustainability Programme 2021–2025 – the company’s key sustainability management tool, which provides orientation for the next five years.

GIZ has also set itself ambitious goals in terms of climate management. The experiences from the COVID-19 crisis provide a further reason to consider climate change mitigation aspects in decisions relating to business travel and mobile working. Additional impetus is expected from 2021 on, once the regulations governing business trips have been updated to reflect sustainability aspects.

GIZ will also take into account the great importance of sustainable procurement. Environmental and social sustainability criteria have already been incorporated into the General Terms and Conditions of Contract and the General Purchase Conditions, and a new sustainable procurement policy will ensure they carry even greater weight and are consistently applied. For GIZ to adhere to its human rights obligations, it must also comply without fail with social standards in its supply chain. Since 2018, GIZ has been involved in the Federal German Government’s National Action Plan on Business and Human Rights and has been systematically implementing its core elements.

To implement these goals effectively, the company must collect and evaluate sustainability data, particularly for locations outside Germany. GIZ has already started using digital technologies to create a reliable basis for better managing risks and opportunities in future.

However, resolving conflicting objectives and balancing social, environmental and economic interests in its everyday work will remain a central challenge for GIZ.

Discussion on each one of these topics with the company’s various stakeholders is essential and provides ongoing inspiration to GIZ to evolve in this respect.



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