

	<p>Communication on Progress</p>	
<p>Year 2011</p>		

Statement of continued support

Our statement of continued support

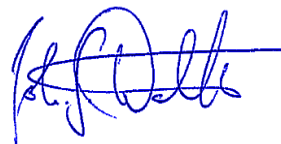
Particip GmbH – Your Partner in change was founded in 1989 and is now an independent, internationally-recognised consultancy company, offering the expertise and the know-how gained in over a thousand assignments worldwide. As a multi-cultural company, our services focus on international development and include monitoring and evaluation, capacity and organisational development, technical assistance, policy advice, development of management guidelines at policy, programme and project level, and studies, surveys and analyses – all services covering a broad variety of sectors and themes. For more information about Particip please visit our website at (<http://www.particip.de>).

As a consultancy in international development cooperation our overall approach focuses on sustainable development in accordance with the UN Millennium Development Goals.

The great coherence of our corporate values with the ten UN Global Compact principles encouraged us to become a signatory of the UN Global Compact on 7 September 2007. This is our third Communication on Progress (COP).

In the past 12 months we were able to achieve some targets that we set ourselves in the last COP. There are also some targets we did not achieve but we will deepen our efforts to do so in the upcoming performance period.

To express the importance that we put to gender equality we signed the CEO Statement of Support for the Women's Empowerment Principles. In this context we are glad to have achieved our target to increase the percentage of female senior management within our company.



Johannes G. Walter
Managing Director



Human Rights

Principle 1

Business should support and respect the protection of internationally proclaimed human rights

Principle 2

Business should ensure that they are not complicit in human rights abuses

Our commitment

We openly commit ourselves to complying with internationally proclaimed human rights in accordance with the UN Declaration of Human Rights and to observe the national laws in all countries we work in. We fully abide by the principles of non-discrimination against anyone regardless of gender, religion, colour, disability or origin.

We are aware that human rights are less protected in some of the countries we work in than in Germany, where our headquarters are located.



We therefore attach importance to the fact that our commitment is not only binding for our permanent staff in our headquarters in

Freiburg and our branch in Brussels, but also for all freelance experts contracted by us for short- or long-term assignments at home or abroad.

Since August 2010 Particip has an official Code of Conduct. All staff in our headquarters in Freiburg and our branch in Brussels signed it in order to ensure their assent. The Code of Conduct lays down our ethical principles, provides our internal staff with a practical guideline while working to the

highest professional standards in development consulting and sets a framework for action.

The Particip Code of Conduct is issued along with all new work contracts and is published on the company's website. It is based on internationally accepted guidelines and models, such as the UN Global Compact Principles. Regarding the issue of human rights, the Code of Conduct covers the following points:

1. We obey the laws and regulations in the countries we operate in, and accept responsibility for our actions worldwide. We openly commit ourselves to comply with internationally proclaimed human rights in accordance with the UN Declaration of Human Rights and to observe the national laws in all countries where services are provided. Equally, we fully respect the political, cultural and religious practices prevailing in the country of operation.
2. We fully abide by the principles of equality and nondiscrimination against anyone regardless of gender, skin, colour, religion, culture, age, disability or origin. All business partnerships are fair, transparent and based upon mutual respect.

In order to guarantee adherence to Particip's ethical principles, an internal person of trust can be addressed confidentially whenever a staff member considers that one of Particip's ethical principles is not being complied with. It is guaranteed in the Code of Conduct that no employee or expert will suffer adverse consequences for reporting any disregard of Particip's ethical principles.

We ensure "equal pay for equal work" by using a transparent remuneration structure for our permanent staff directly involved in project work irrespective of any personal circumstances such as gender. Requirements to be met for achieving different salary levels are clearly defined and available to all employees.

Regarding gender mainstreaming we are also glad to have increased the percentage of female

senior management in the past 12 months. The gender ratio among our staff has slightly moved to the disadvantage of male staff but is still fairly balanced.

Performance

GRI Indicator LA 13: Percentage of employees in following categories
(based on full-time equivalent)

		2009	2010	2011 ¹
Gender	Female %	49%	51%	53%
	Male %	51%	49%	47%
Age groups	under 30 years old	40%	27%	26%
	30 – 50 years old	57%	66%	65%
	Over 50 years old	3%	7%	8%

GRI Indicator LA 13: Composition of senior management in following categories
(based on full-time equivalent)

		2009	2010	2011 ¹
Gender	Female %	0%	10%	17%
	Male %	100%	90%	83%
Age groups	under 30 years old	0%	0%	0%
	30 – 50 years old	84%	82%	67%
	Over 50 years old	16%	18%	33%

GRI Indicator LA 14: Ratio of basic salary of men to women

Our remuneration system applies irrespective of gender, hence this ratio is 1:1.



Targets

- Ensure the current balanced staff gender ratio.
- Ensure the increased percentage of female senior management.

¹ Estimates

Labour

Principle 3

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Business should support the elimination of all forms of forced and compulsory labour

Principle 5

Business should support the effective abolition of child labour

Principle 6

Business should support the elimination of discrimination in respect of employment and occupation

and home office possibilities to all employees. In this regard we are glad to have reduced the over-time worked in 2010 and that the percentage of part-time employees has increased in the last performance period.

If suitable and possible, we offer our student assistants and interns a permanent position in our company after they have finished their studies / internships. In the past performance period the percentage of staff formerly employed as student assistants or interns decreased as two former student assistants in permanent position left our company at their own request.

Besides our transparent remuneration system for fixed salary levels, a flexible salary based on the company's profit margin is added to the fixed salary in order to enable employees to participate in the company's success. At request of the employees the salary system was adjusted in January 2011. A shifting of flexible salary in favour of fixed salary implied a salary increase for all employees directly involved in project work. Further, it allows a greater planning dependability for the employees.

Our commitment

Our company's most valuable asset is our people. We offer our staff long-term professional and personal development perspectives. We therefore favour permanent work contracts and try to avoid fixed-term arrangements. Nevertheless, the percentage of permanent work contracts has very slightly decreased in the last performance period due to a necessary time-limited substitution for an employee's maternal leave and a slight reduction of the total number of staff.

Within our family friendly human resources policy we seek to provide our staff with flexible working structures, allowing all staff members to find their individual work-life balance. Therefore we maintained our offer of flexible working time, part-time



Performance

GRI Indicator LA 2: Employee turnover in following categories

(based on total no. of employees)

		2009	2010	2011 ¹
Gender	Female %	7%	4%	2%
	Male %	4%	7%	2%
Age groups	under 30 years old	9%	4%	0%
	30 – 50 years old	2%	4%	5%
	Over 50 years old	0%	2%	0%

Percentage of part-time employees

(based on total no. of employees)

2009	2010	2011 ¹
11.11%	13.04%	15.91%

GRI Indicator LA 3: Benefits provided to full-time employees that are not provided to temporary or to part-time employees

Benefit	Full-time employees	Temporary employees	Part-time employees
Accident insurance	yes	yes	yes
Company pension scheme	yes	yes	yes
Allowance for childcare	yes	yes	yes
Allowance for homework	yes	yes	yes

Percentage of overtime worked

(based on regular working hours)

2009	2010	2011
8.65%	7.41%	n.a.

Percentage of permanent staff members formerly employed as student assistants or interns

(based on total no. of employees)

2009	2010	2011 ¹
11.11%	13.04%	6.82%

Percentage of permanent work contracts

(based on total no. of employees)

2009	2010	2011 ¹
97.78%	93.48%	93.18%

Targets

- Ensure the good practice standards are maintained.

¹ Estimates

Environment

Principle 7

Business should support a precautionary approach to environmental challenges

Principle 8

Business should undertake initiatives to promote greater environmental responsibility

Principle 9

Business should encourage the development and diffusion of environmentally friendly technologies

Further, most employees come to work by bike or by public transport. Only very few come by car.

We have installed multiple sockets with switches for all computers in our headquarters in Freiburg, in order to reduce energy consumption in standby modus. Furthermore, we have installed clock timers at both printers in our office in Freiburg, which reduce energy consumption over night. Nevertheless, the estimated energy consumption in 2011 will increase significantly. Therefore, we will strengthen our efforts in order to reduce energy consumption in the next performance period.

We support the DHL GoGreen climate protection project by combining our shipments with DHL GoGreen service whenever possible. DHL calculates our CO₂ emissions generated by transport using a method based on the ISO 14064 standard. In accordance with the specifications of the Kyoto Protocol, these emissions are offset by climate protection projects.

Our commitment

We actively contribute to environmental awareness and are committed to minimizing the negative environmental impacts of our day-to-day work. Amongst others the location of our headquarters in Freiburg in a "plus-energy building" shows our environmental commitment. Plus-energy



buildings are characterized

by on average generating more energy than its inhabitants spend.

We kept on our policy, that no employee is provided with an own company car. The company owns one car that is at everyone's disposal for business purposes. In exchange, PTC provides *Bahncard50* - a German Rail loyalty card that offers a 50% discount - to all travelling employees. Travels within Europe are therefore mainly undertaken by train. For 2011 we estimate a low use of company car similar to 2010.

Particip is part of Astrale GEIE, which is a consortium of ten companies spread across Europe. Astrale calculates our CO₂ emissions considering means of transport and distance. We pay the calculated amount on a voluntary basis. Particip's contribution is allocated to an Armenian tree project.



Performance

GRI Indicator EN 4: Indirect energy consumption

	2009	2010	2011 ¹
kWh	25,411	33,559	45,400
Turn-over [€] per mille	9,983,872	12,525,263	14,300,000
kWh / turnover per mille	2.55	2.68	3.17

GRI Indicator EN 1: Materials used

	2009	2010	2011 ¹
Copies	165,640	207,796	232,558
Turn-over [€] per mille	9,983,872	12,525,263	14,300,000
Copies / turnover per mille	16.59	16.59	16.26

Company car use

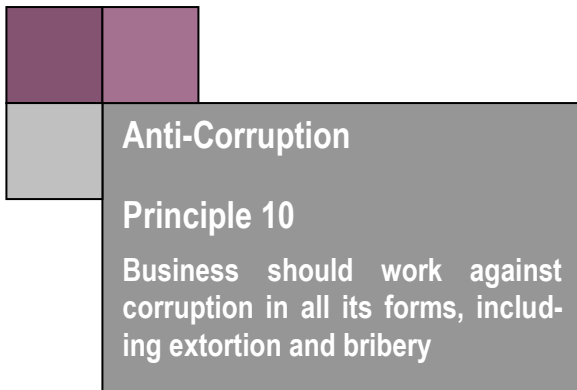
	2009	2010	2011 ¹
km	14,344	5,217	6,932
Turn-over [€] per mille	9,983,872	12,525,263	14,300,000
km / turnover per mille	1.44	0.42	0.48

Targets

- Strengthen our efforts in order to reduce energy consumption, e.g. by reminding staff to switch off their computers over night.

¹ Estimates





Our Commitment

As an actor in international development cooperation, we are convinced that our company's long-term success is not feasible at the expense of a few individuals or the general public, but solely in a sound, trustful and fair societal environment.

We therefore attach great importance to the fact that our staff members know and adhere to Particip's no-tolerance policy regarding corruption.

All contracts with freelance experts clearly refer to the issue of corruption. By signing his/her contract the freelance expert agrees amongst others with the following points:

1. The contractor shall not accept any commission, discount, allowance, indirect payment or other consideration in connection with, or in relation to, or in discharge of, his obligations under this contract.
2. In context of services provided by the Contractor he shall not accept or give any favour, gift or remuneration from or to any source external to Particip without obtaining its approval. Otherwise, Particip may, without prejudice to any accrued rights of the Contractor under this contract, terminate this contract

The Particip Code of Conduct for our internal staff members covers the following points regarding the issue of anti-corruption and transparency, which are highly interrelated in our point of view:

1. We understand corruption as one of the biggest obstacles to development. We therefore do not give or accept any favours, gifts or remuneration from or to any source external to Particip. Equally, Particip will neither tolerate nor accept any abuse of entrusted power for private gain. We are fully aware of our corporate responsibility to ensure that development funds are used responsibly and taking into account high ethical considerations.
2. We understand transparency as an essential principle of our work. We therefore see it as our duty to act visibly, predictably and comprehensibly.

In order to guarantee adherence to Particip's ethical principles, an internal person of trust can be addressed confidentially whenever a staff member considers that one of Particip's ethical principles is not being complied with. It is guaranteed in the Code of Conduct that no employee or expert will suffer adverse consequences for reporting any disregard of Particip's ethical principles.

