



GIZ Communication on Progress 2011/2012 on the Global Compact Principles

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CEO statement



Sustainable development is GIZ's guiding principle. It is our mandate and our commitment.

For GIZ, sustainable development is a combination of economic capability, social responsibility, ecological balance and political participation. Only by combining these factors will current and future generations be able to lead secure and dignified lives.

GIZ is committed to the Global Compact principles as a reflection of our guiding principle. Respecting human rights, treating employees and their elected representatives in a socially responsible way, protecting the environment and the climate, and preventing corruption are values and themes that guide our actions.

The Global Compact principles are also enshrined in our international cooperation projects and programmes. We advocate their implementation in our dealings with clients and commissioning parties. The principles of sustainability guide our project activities – for all commissioning parties and all services. As a federal enterprise, GIZ supports its commissioning parties and partners in meeting local, national and global challenges to advance sustainable development. We manage change to enable sustainable development to be achieved across the globe. Any ensuing conflicts of interests or aims must be resolved fairly between all the stakeholders.

GIZ has achieved considerable success in implementing the Global Compact principles in the second year since the merger of its predecessor organisations.

GIZ's new guidelines on human rights reaffirm the company's objective of making a key contribution towards developing and upholding human rights. Via the central email address humanrights@giz.de, GIZ can swiftly respond to concerns that any of our activities may be having a negative impact on human rights.

We provide targeted support to employees in their efforts to reconcile work and family life. We offer a number of different flexible working models and are steadily increasing the number of childcare places we provide.

In 2011, the GIZ offices in both Bonn and Eschborn were awarded 'Office & Environment' prizes by the German Association of Environmental Management (B.A.U.M. e.V.) for their sustainable office management.

GIZ's integrity management system is now firmly established. In addition to binding rules, a code of conduct and guidelines, training and advice are also provided. This practical assistance is very much in demand as an effective way of preventing corruption.

On behalf of our main commissioning party, the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ has been coordinating the German Global Compact Network (DGCN) since 2001. GIZ is thus not merely a member of this global organisation, but also helps raise awareness of the concerns and objectives of the Global Compact in the public and political spheres through its coordination work.

By delivering this Communication on Progress, GIZ is reaffirming its adherence to the Global Compact and its voluntary commitment to implementing the Global Compact and its ten principles within the company and to addressing them as a key issue in its dealings with partners and commissioning parties.

Tanja Gönner
Chair of the Management Board



130:

that's how
many countries
GIZ operates in

As a federal enterprise, we support the German Government in achieving its objectives in the field of international cooperation for sustainable development. We are also engaged in international education work around the globe. GIZ operates throughout Germany and in more than 130 countries worldwide. Our registered offices are in Bonn and Eschborn.

We offer demand-driven, tailor-made and effective services for sustainable development. To ensure the participation of all stakeholders, we apply a holistic approach based on the values and principles upheld in German society. This is how we facilitate change and empower people to take ownership of their own sustainable development processes. In doing this, we are always guided by the concept of sustainable development, and take account of political, economic, social and ecological factors. We support our partners at local, regional, national and international level in designing strategies and meeting their policy goals.

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; and 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 advisors to partner countries.

Through programmes for integrated and returning experts, we place managers and specialist personnel in key positions in partner countries. We also promote networking and dialogue among actors in international cooperation. Capacity development for partner-country experts is a major component of our services, and we offer our programme participants diverse opportunities to benefit from the contacts they have made. We also give young people a chance to gain professional experience around the world – exchange programmes for young professionals lay the foundations for successful careers in national and international markets.

All GIZ measures aim to achieve maximum effectiveness and are managed for results. Our systematic results-based monitoring system provides the support we need, allowing us to gauge the impacts of our interventions from the planning phase onwards. We can demonstrate our accountability to commissioning parties, partners and the general public once measures are wound up, and learn from our own practical experience.

Most of our work is commissioned by the German Federal Ministry for Economic Cooperation and Development. GIZ also operates on behalf of other German ministries as well as German states and municipalities, and public and private sector clients in Germany and abroad.

On 31 December 2011, GIZ had a total of 17,185 staff, of whom 3,241 were employed in Germany and 1,887 as field staff. GIZ also had 128 trainees on its staff. Some 69% of the workforce, or 11,929 individuals, were working as national personnel on the ground. As of the same date, 994 development advisors were working for GIZ. The Centre for International Migration and Development (CIM) – which is jointly run by GIZ and the German Federal Employment Agency – places experts with local employers: at the end of 2011, a total of 599 integrated experts had employment contracts with organisations and businesses in the field.

In 2011, the total volume of business reached some EUR 2 billion – about 10% up on the 2010 figure.



Detailed figures, current project examples, themes and partnerships in GIZ's Company Report 2011 and Management Report:
http://www.giz.de/en/aboutgiz/corporate_reports.html

Sustainability as GIZ's guiding principle



As a reflection of the position it sees for itself as one of the world's leading sustainability companies, GIZ has set up a new management structure for corporate sustainability. Since April 2012, GIZ's corporate sustainability management has been coordinated by the Sustainability Office. The Management Board has also appointed a Director Corporate Sustainability to report directly to the Chair. The new Sustainability Board promotes strategic implementation of the guiding principle of sustainability at GIZ at the highest management level. It represents the central management areas for corporate sustainability within the company.

GIZ has defined the key stakeholder groups for its work, with which it maintains a diverse dialogue. Various official bodies, such as the Board of Trustees, unite key stakeholder groups and discuss issues of company policy with GIZ regularly.

LINK Information about GIZ's cooperation arrangements and partnerships: http://www.giz.de/en/aboutgiz/strategic_alliances_and_partnerships.html

Details about GIZ's official bodies: http://www.giz.de/en/aboutgiz/official_bodies.html

Staff is involved in corporate processes in a variety of ways, for example through surveys, in-house dialogue formats, the intranet and an employee magazine and through web-based comment functions.

The work carried out by the Sustainability Office is guided by the principles of sustainability enshrined in GIZ's corporate values, focusing on corporate sustainability services in four areas: economic capacity, social responsibility, ecological balance and political participation and the way these interact. The Sustainability Office advises the Management Board and the organisational units on refining and implementing the sustainability strategy. It supports implementation of measures within the organisational units and is responsible for sustainability reporting. The Director Corporate Sustainability represents GIZ in the Global Compact.

GIZ's Communication on Progress 2011/2012 on the Global Compact principles follows on from the Communication on Progress 2010/2011 and was accepted by GIZ's Sustainability Board in Novem-

ber 2012. It presents the main progress made in 2011 and key events and results from the first half of 2012 in the fields of human rights, labour standards, the environment and anti-corruption and the underlying Global Compact principles. The compilation of information is based on the fundamental principles of the G3.0 Sustainability Reporting Guidelines launched by the Global Reporting Initiative (GRI). GIZ aims to reach the Global Compact Advanced Level with this Communication on Progress. Compliance with the 24 Advanced Criteria is presented in detail on pp. 22–23.

Where appropriate, the Communication on Progress refers to further information and reports in the boxes labelled 'Link'. The Communication on Progress also draws on data from the latest Company Report and the Environmental Report. These reports provide information about how data has been gathered. To avoid redundancy, the reader is referred at various points to GIZ's Communication on Progress 2010/2011.

LINK GIZ company reports in the internet: http://www.giz.de/en/aboutgiz/corporate_reports.html

Please contact the Sustainability Office if you have any queries, comments or suggestions about the report or any queries concerning GIZ's corporate sustainability.

LINK Contact the Sustainability Office at sustainabilityoffice@giz.de

In 2013, GIZ aims to merge and refine the current formats for sustainability reporting. GRI Application Level B or higher is to be used.

Bernd Schleich
Director Corporate Sustainability

Implementing the Global Compact principles

Human rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 Businesses should make sure that they are not complicit in human rights abuses.

Commitment

GIZ is committed to upholding human rights. They set the framework of reference for all our activities. The importance accorded to human rights is reflected in GIZ's corporate values and in its corporate principles.

LINK GIZ corporate values:
<http://www.giz.de/en/aboutgiz/identity.html>

Gender equality is one of the keys to sustainable development

In June 2012, the Management Board adopted a new GIZ orientation on human rights, emphasising their great importance. It can be used as a guide by all staff for their actions within the company and outside in the field, in their dealings with clients, business partners, partner institutions and the general public.

As a federal enterprise, all of the Federal Republic of Germany's human rights obligations form the basis on which we work. Thus the German Federal Ministry for Economic Cooperation and Development (BMZ) has established human rights as a guiding principle and a cross-cutting task of German development policy. In line with the strategy on 'Human Rights in German Development Policy' (2011), GIZ implements the requirements and uses them as a guide for commissions from other parties.

LINK BMZ strategy 'Human Rights in German Development Policy':
http://www.bmz.de/en/publications/type_of_publication/strategies/Strategiepapier305_04_2011.pdf

GIZ ensures the protection of the health and safety of its staff. In accordance with the relevant guidelines, managers are required to play an active role in maintaining their staff's achievement potential and to act as a role model.

Managementsystems

Discrimination, a lack of equal opportunities for social, political and economic participation and a lack of access to the judicial system are often both the cause and effect of human rights violations. Men and women tend to be affected in different ways, and women are particularly severely affected. Yet gender equality is one of the keys to sustainable development. Gender-differentiated approaches and the consistent advocacy of equal opportunities for men and women are thus core concerns at GIZ. GIZ's new gender strategy, adopted in 2012, creates a uniform framework throughout the company. The aim of the strategy is to promote gender equality as a fundamental human right, both as part of our services and within GIZ (> 'Labour standards'). The strategy specifies goals and indicators to this end.

LINK GIZ gender strategy:
<http://www.giz.de/Themen/de/dokumente/giz-gender-strategy-en-2012.pdf>

GIZ uses various methods to analyse the impact of its projects and programmes on human rights and gender issues in advance, to monitor these aspects in the course of a project and to evaluate them after the measure has been phased out.

Revised in 2012, the standards for preparing programme proposals to our main commissioning party, BMZ, stipulate that the human rights situation in the relevant country must play a key role even at the stage of analysing problems and potential and in designing a development cooperation project. Thus information must be supplied on how projects meet the relevant requirements in the field of human rights. Projects and programmes financed by BMZ must also be accorded a gender equality marker, and a gender analysis must be conducted. The gender analysis allows a forecast to be made at the planning stage of how the measure can help promote gender equality. Guidelines are available for conducting the gender analysis, and GIZ checks that the analysis has been performed.

In addition, GIZ uses instruments such as project progress reviews to steer and plan projects and for evaluation and learning purposes. In-house standards for project progress reviews, based on inter-

The GIZ orientation on human rights can be used by all staff as a guide for their actions inside and outside the company



For GIZ, sustainable development and human rights are inextricably linked. On behalf of the German Government and other commissioning parties, we implement a large number of projects and programmes designed directly or indirectly to improve the human rights situation in our partner countries. At the same time, we ensure that human rights standards are met within our own company. The GIZ orientation on human rights adopted in 2012 reaffirms our efforts to apply human rights as a framework of reference for our work in all contexts and towards all actors. The orientation reflects GIZ's many years of experience in dealing with and promoting human rights; it also describes the company's responsibility for respecting human rights standards and is binding for all staff, development advisors and integrated experts. We assume that human rights will be accorded even greater importance in international co-operation for sustainable development in the future. One indication of this is that an increasing number of donors are explicitly gearing their cooperation towards human rights.

Matthias Giegerich, Director of Corporate Development

nationally recognised evaluation criteria issued by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), also specify appraisal criteria for the analysis of human rights-related impacts of projects, including risks and impacts for various groups within society. The human rights relevant to the particular sector and their implementation must also be examined as a matter of routine when considering the general conditions of a project. The same applies to independent evaluations, for which the Monitoring and Evaluation Unit is responsible and which are conducted by external appraisers.

The evaluation results are prepared for decision-making bodies and are regularly discussed by these bodies. They are also incorporated into our company-wide learning process in various formats to encourage lessons learnt to be considered systematically. This allows us to consistently improve the quality and effectiveness of the services we offer, and thus also to promote human rights and gender equality more effectively. As part of our transparency policy, GIZ publishes all the results of independent evaluations.

LINK

Evaluation results of GIZ projects:

http://www.giz.de/en/aboutgiz/monitoring_and_evaluation.html

GIZ transparency policy:

<http://www.giz.de/en/aboutgiz/transparency.html>

Human rights aspects also play a key role for GIZ in procuring goods and services. The progress made in this area is described in the section on 'Labour standards' (> 'Labour standards').

GIZ has taken over various offers and structures from its predecessor organisations to guarantee effective health and safety management for staff at the workplace and during assignments abroad and official journeys.

One of the main pillars of GIZ's health management is the Medical Services division based at both of the company's registered offices and employing around 20 staff (as at the end of 2011). The division advises the company on all aspects of corporate health management and on implementing legislation and regulations on occupational medicine in Germany and in the field.

The Crisis Desk and COPE (Cooperation with personnel in stress, conflict and crisis) support health and safety management throughout the company. Together, they coordinate crisis management in acute crises, emergencies and disasters and offer counselling services.

Occupational safety in Germany is coordinated by safety engineers in Bonn and Eschborn. They are assisted by safety officers at some of the GIZ offices and centres in Germany. Facility Management is responsible for compliance with legal requirements on building standards for the GIZ offices and centres in Bonn, Berlin, Eschborn and Bad Honnef. Until the end of 2011, the testing and auditing organisation TÜV was commissioned to examine the office premises in Bonn and advise staff at regular intervals. This task has now been assumed by GIZ's own doctors and safety engineers.

The safety engineer responsible for occupational safety at GIZ in Germany and in the field has prepared a standardised checklist on occupational health and safety for the country offices in collaboration with GIZ's construction division, Medical Services, the Crisis Desk and COPE. This checklist forms the basis for a systematic review of all GIZ sites abroad in 2012.



Measures and outcomes

GIZ assists government organisations in partner countries in designing political and institutional frameworks to meet human rights obligations and in implementing the relevant policies. GIZ also supports citizens and civil society organisations, making them aware of their rights and enabling them to demand and defend these rights.

LINK

More about GIZ projects in the field of human rights:
<http://www.giz.de/Themen/en/14639.htm>

80%

of the gender officers surveyed felt that they were well supported by their managers

All methods and processes used in GIZ programmes include the promotion of equal opportunities for participation by men and women. In addition, GIZ offers specific projects targeting the promotion of women. The aim is to eliminate existing disadvantages suffered by women and girls. Measures include training programmes for government, civil society and private sector actors, exchange of know-how, public relations work and placing experts. These GIZ services are geared towards governments, the private sector and civil society alike. Key topics include promoting women's rights, combating gender-based violence, supporting gender mainstreaming and improving women's economic participation.

LINK

More about GIZ projects in the field of gender equality:
<http://www.giz.de/Themen/en/9022.htm>

The Executive Management Committee (EMC) and the jour fixe of GIZ's operational departments play a key role in steering and implementing the gender strategy. Both bodies regularly discuss the gender strategy. GIZ's Gender Steering Group prepares an annual report to the EMC on the implementation status. In 2012, monitoring for 2011 was carried out for the last time for the part of the company that used to be GTZ. One of the results was that gender is regarded as a quality factor in sustainable development and is increasingly being integrated into GIZ's work. Thus, managers reported a steady increase in the percentage of appraisals of new projects and project progress reviews for which a gender analysis was conducted – from 52% to 60 % in 2011. For 2012, monito-

60%

of project progress reviews and appraisals of new projects use gender analyses

ring is being extended to cover the entire company. The heads of the departments, units and business units are called upon to give an account of how the strategy has been implemented in their area of responsibility. They ensure that consequences are drawn from the results of internal and external evaluations (management response). In the field structures, the country directors are responsible for ensuring that gender equality is implemented in the measures and that gender officers are appointed at country level. Gender officers are also part of the organisational units at GIZ's Head Office in Germany. In a survey conducted in January 2012, completed by 62% of the 127 gender officers, 80% said that they were 'fully' or 'well' supported by their manager. Almost two thirds of respondents said that they had an adequate budget and sufficient qualifications.

As in 2011, GIZ held a Gender Week in March 2012 with special events, panel discussions, films and exhibitions in Germany and abroad. GIZ's Gender Week provides a forum for presenting best practices and lessons learnt on gender issues, sharing ideas and experience, and finding out about the topic. One of the highlights was the award ceremony for the GIZ Gender Award, which carries prize money totalling 10,000 euros.

GIZ's Sectoral Department provides in-house consulting and knowledge management services to support the acquisition and development of human rights and gender competence within the individual sectors. GIZ staff departing to work in projects in the field are familiarised with issues connected with human rights, gender and gender equality through training courses such as those offered by GIZ's Academy for International Cooperation.

Information from external and internal sources about human rights violations within the scope of GIZ's activities is investigated by the Integrity Advisor. It is the Integrity Advisor's responsibility to verify the facts of the case and involve the relevant organisational units. GIZ's Sectoral Department and the Corporate Development Unit assist the Integrity Advisor in performing this task. Any information about potentially negative impacts of our actions on human rights can be sent to humanrights@giz.de.



The Medical Services division offers health promotion courses and campaigns and helps staff deal with any health issues arising at the workplace. In connection with assignments abroad and official journeys, the Medical Services division examines staff and family members accompanying them, provides advice on tropical medicine, carries out vaccinations and is available to provide advice around the clock through emergency hotlines in the event of a medical emergency. During the period under review, the Crisis Desk has developed and refined several courses on safety abroad, particularly in regions of crisis. It offers these courses on a regular basis as face-to-face or online courses. GIZ's intranet offers staff an extensive range of structured information and services on health and safety management.

In a staff survey conducted in 2012, more than two thirds of the respondents said that they were 'fairly' or 'completely' satisfied with GIZ's health management, and more than half with the company's stress management. A total of 29% of the respondents felt that improvements needed to be made in GIZ's stress management in particular in order to better reconcile working hours and workloads, with employees showing a high level of identification with the tasks assigned to them.

A new web-based training course was developed in 2011 to brief staff about safety issues in the event of an emergency. It is to be introduced for all staff in Germany to standardise the safety briefing required by law. First aiders are regularly trained for GIZ's offices and centres in Germany. The Federal Accident Insurance Fund monitors GIZ's compliance with occupational health and safety requirements in Germany. No fault was found by GIZ's occupational health and safety committee during its most recent inspections.

The health and safety experts, the safety officers and the Medical Services division regularly inspect GIZ's offices and centres in Germany and abroad along with the staff council and the relevant managers with a view to health and safety. In line with legal requirements, GIZ's occupational health and safety committee holds regular meetings at different sites in connection with health and safety inspections.

2/3
of the surveyed
staff are satisfied
with GIZ's health
management





Labour standards

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

Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5 Businesses should uphold the effective abolition of child labour.

Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Commitment

GIZ sees itself as a good, fair employer. Freedom from discrimination and appreciation of diversity are constituent elements of our corporate culture. This is why, in our corporate values, we underscore the importance of political participation, social responsibility, fair negotiation processes to balance interests, and equal opportunities.

LINK

GIZ's corporate values:
<http://www.giz.de/en/aboutgiz/identity.html>

Our national personnel policy requires that in all the countries in which GIZ operates, employees elect their own representatives

In this way GIZ reaffirms its commitment to the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work. Our work inside and outside the company is geared to the provisions laid out in this declaration.

GIZ aims to ensure consistent gender orientation throughout the company. We are committed to achieving gender equality and to ensuring that employees do not suffer any form of discrimination on the basis of their skin colour, religious beliefs, cultural, educational or social background, sexual identity or nationality. It is also important to us to help our staff reconcile their professional and family commitments. We believe that this can make a significant contribution to the success of the entire company.

Management systems

Following the merger, under the provisions of the German Works Constitution Act (Betriebsverfassungsgesetz), a central staff council was founded, which is responsible for all issues affecting the

company as a whole. During the period under review, a total of 15 local staff councils seconded 23 members to the central staff council. On the basis of the interim collective bargaining agreement with the Unified Service Sector Union ver.di in 2010, the structure of the staff council was modified as of mid-2012 to form three bodies, based in Berlin, Bonn and Eschborn. As a result, the composition of the central staff council will also change. Various committees support the work of the central staff council in line with the pertinent legal provisions. Since 2012, the field staff representation has also been a committee of the central staff council, thus enabling it to effectively represent the interests of all staff members working outside Germany. Equally, our national personnel policy requires that in all the countries in which GIZ operates, staff employed under the legal provisions of their country of assignment elect their own representatives.

As a result of the merger, GIZ currently has two different remuneration systems. Our partner in both cases is the Unified Service Sector Union ver.di, although GIZ only negotiates directly with ver.di for one group of employees, those covered by the collective bargaining agreement. The second group of employees are covered by the collective bargaining agreement for development aid (MTV-EH), which is based on the German public sector remuneration system (TVöD). The trade union ver.di represents the interests of employees with respect to the remuneration system. Representatives of ver.di sit on several GIZ bodies, including the central staff council and the local staff councils. The union is also represented on the Supervisory Board.

Internal guidelines for employees and managers along with our Code of Conduct (> Anti-corruption) underscore the importance we attach to diversity and gender equality. We currently have three gender equality officers, one from each of the three predecessor organisations of the company. In future, a new employer/central staff council agreement drawn up with the help of the gender equality officers will regulate gender equality throughout the merged company. In line with the GIZ's Gender Strategy, we aim to see 50% of all posts across the company filled by women in the long term. In particular, we would like to see more women in overseas posts and more women managers inside and outside Germany.

50%

of all posts throughout the company filled by women – GIZ's long-term goal



GIZ is a federal enterprise for sustainable development with world-wide operations. This means that we have a special responsibility in the fields of labour and social standards above and beyond our legal obligations. As an employer, we stand for gender equality, fairness and diversity. The Human Resources Department fosters a constructive, ongoing dialogue with the elected representatives of the workforce. The success of our human resources and social policy is reflected in our consistently excellent scores in external ranking lists of top employers. But we are not content to rest on our laurels. In future too, we want to position GIZ as an attractive enterprise for sustainability so that we can attract the talented staff we need.

For us at the Human Resources Department, this means continuing to work on equal opportunities, diversity, development prospects for staff, achieving a health balance between professional and family commitments, and participation as living principles within the company. We will be applying for recertification under the 'berufundfamilie' audit to have our company evaluated by an external body.

Michael Lau, Director General, Human Resources Department

GIZ's human resources policy aims to help employees achieve a healthy balance between their professional and private commitments. The keys to achieving this are flexible working hours, a large number of part-time models, support in organising childcare, advice on caring for family members, and support for partners accompanying employees on overseas postings. We are working with the elected representatives of the workforce to gradually harmonise specific regulations which currently apply to the three pre-merger parts of the company. This process has already been completed for services and regulations applying to employees taking parental leave and to family members accompanying staff members on overseas assignments.

GIZ's disabled persons' representation encourages the integration of people with disabilities into the company, represents their interests and supports them with advice as required. The representatives are elected regularly within the different parts of the company and together form a company-wide body to represent the interests of employees with disabilities.

Building on the national personnel policy, GIZ has drawn up further-reaching guidelines and aids that are designed to harmonise recruitment within each partner country and to ensure certain minimum standards in fields such as health insurance and pension insurance. We have also produced guidelines to help achieve gender equality in our field structures and to extend our gender equality principles to cover national personnel.

GIZ has undertaken to deal fairly with interns, laying down binding rules to regulate their assignment.

In 2011, contractors were required to be aware of the core ILO labour standards when entering into contract with GIZ. These are also an integral part of the new General Terms and Conditions of Contract adopted at the start of 2012. Potential contractors are thus obliged to comply with ILO's core labour standards when submitting offers, tendering or engaging in any other form of competitive bidding. The ILO standards are already part of the General Purchase Conditions, meaning that they were already one factor in competitive bidding. Both the General Terms and Conditions

of Contract and the General Purchase Conditions give GIZ the right to terminate the contract, impose a contractual penalty and exclude the contractor from any future competitive bidding procedures should the contractor contravene the ILO labour standard provisions. Because of the nature of the vast majority of goods and services bought in by GIZ, there is not currently any form of systematic monitoring of procurements in place. Via GIZ's risk management systems, the risks of non-compliance with ethical and labour standards are assessed by units across the company on a quarterly basis. There was no notification of risks of this sort during the period under review.

Measures and outcomes

In order to take into account the principles of co-operation on the basis of partnership and the pertinent legal provisions, the various staff council bodies and GIZ have agreed on a system for sharing information, and have put this in place during the period under review. The scheme includes monthly meetings with individual local staff councils, regular feedback meetings with the central staff council, invitations to the central staff council meetings, annual human resource planning meetings and the conference of staff councils. Three times a year, the field staff representation holds meetings in Germany, which provide an opportunity for feedback. The concerns of the employer are represented by the Human Resources Department. Every year, collective bargaining takes place between GIZ and the Unified Service Sector Union ver.di; in 2011, these once again resulted in a rise in remuneration. The staff who are involved on a voluntary basis in the staff councils and trade union structures are



released from their regular duties by GIZ to enable them to undertake this work.

In the first year following the merger, internal processes focused on integration. An intensive exchange took place with the elected representatives of the workforce, in particular with respect to the introduction of the new organisational structure and the adjustment of organisational procedures; in the second half of 2011, this led to employer/central staff council agreements that regulated a reconciliation of interests and also resulted in a social plan. The following table provides an overview of all the agreements entered into with the elected representatives of the workforce.

Internal communications tools including the intranet, staff meetings and the staff magazine, special events and live chats with the company's top executives help involve staff in the process of integration.

LINK For more information on the integration process, see the Communication on Progress 2010/11 (available in German only):
<http://www.unglobalcompact.org/COPs/detail/14266>

Employees can find out who to contact at the various levels of the company, and can read more about what the staff councils and trade union structures do and how they operate on the company's intranet. They can also consult the employer/staff council agreements and collective bargaining agreements on the intranet.

At GIZ, the provisions of the two remuneration agreements in principle apply to all staff either directly or indirectly through individual legal regulations and the pertinent employer/staff council agreements.

GIZ has been certified as a fair company. This accolade goes to companies that stand up for ethical behaviour in the working world and treat students and graduates fairly.

To help national personnel put in place their own representations, we have produced guidelines in several languages and have posted information on the intranet. The Human Resources Department has also set up a help desk. Progress on implementing the national personnel policy was reviewed in April 2012. Results indicated that the policy has been fully or extensively implemented in some 80% of the countries in which we operate. The April 2012 survey also confirmed that 100% of country directors surveyed comply with the ban on discrimination when implementing the national personnel policy. A total of 99% stated that they complied with the principle of gender equality. Some 11% of national personnel were employed at managerial level at the end of 2011.

In the period under review, the gender equality officers were involved at an early stage in drawing up individual employer/staff council agreements to enable gender-relevant points to be incorporated.

Progress on realising the GIZ Gender Strategy is reviewed at regular intervals (> Human rights). The Human Resources Department also ensures that gender equality within the company is monitored.

Agreement

10

agreements were entered into with the elected representatives of the workforce in the period under review

	with	dated
Employer/central staff council agreement on the transition to the GIZ remuneration system	central staff council	08/2011
Employer/central staff council agreement on a framework reconciliation of interests in the wake of the reorganisation of the company	central staff council	09/2011
Reconciliation of interests in the wake of the reorganisation of the company	central staff council	09/2011
Social plan relating to the reorganisation of the company	central staff council/ local staff councils	10/2011
Employer/central staff council agreement on a reconciliation of interests for seminars in Berlin	central staff council/ local staff councils	03/2012
Employer/staff council agreement on harmonisation requirements in Berlin	local staff councils	03/2012
Remuneration agreement relating to the GIZ collective bargaining agreement	Ver.di	03/2012
Employer/staff council agreement on releasing the spokesperson of the field staff representation of the council central staff from his/her duties	local staff councils	05/2012
Employer/central staff council agreement on the procedures and selection criteria to clarify employment prospects	central staff council	05/2012
Employer/central staff council agreement on codetermination in foreign issues	central staff council	06/2012



The work of the elected representatives of the workforce and the trade union are not in any way obstructed at GIZ. This is also reflected in the large number of employer/staff council agreements concluded during the period under review. The central staff council was able to obtain further-reaching codetermination within the scope of the integration process on the framework reconciliation of interests, for instance. Following the staff council elections in 2012,

we, as staff council members and at the central staff council, are currently facing the challenge of organising our work within a new staff council structure and reaching reliable agreements with the employer side. Important issues include regulating selection guidelines and ways of recording hours worked, as well as harmonising social benefits across the company.

I see a need for action in the field of excessive workloads and increasing pressure to perform. Staff are expected to demonstrate a high degree of flexibility in terms of working hours and geographical mobility. The use of modern media and technology has led to a tangible improvement in networking at GIZ between staff in Germany and abroad and between the various GIZ locations. The downside of this is the expectation, both implicit and explicit, that staff must be available round the clock. It has become more difficult to achieve a healthy life-work balance.

Leni Johann, Chair of the Central Staff Council

A report on implementation of the company's gender equality policy is submitted to the Supervisory Board annually. The first report on the new GIZ was submitted in December 2011. The Corporate Governance Report is also a regular source of information on the percentage of posts on the Management Board, the Supervisory Board and the Board of Trustees held by women.

LINK GIZ Corporate Governance Report 2011 (available in German only):
http://www.giz.de/de/downloads/giz2012-de-corporate-governance-_Bericht2011.pdf

During the period under review, measures centred on further modifying the different policies, structures and instruments. During staff assessment and development talks with managers, gender equality within the company is a top priority and one that is relevant for remuneration. In 2011, a random survey of 15% of managers of the part of the company that used to be GTZ showed that in two thirds of cases the issue was dealt with correctly and in enough depth. The next survey is to be conducted at the end of 2012.

The Human Resources Department offers ongoing training and advisory services for women who aspire to managerial positions or are already working at this level. Within the framework of monthly induction events for new staff, the Eschborn-based gender equality officer explained to more than 200 people exactly what she does.

The table on the right gives an overview of the number of women in the various official bodies and groups of employees or salary brackets at GIZ (as at 31 December 2011).

On 1 July 2012, the new five-strong GIZ Management Board began work. Two of the five are women.

In Bonn, the gender equality officers initiated the Family and Work Network, which consults with the Human Resources Department to come up with ideas to help reconcile family and professional commitments. One of the points this revealed was an increased need for childcare subsidies, to which the Human Resources Department responded in 2012. The network has also proposed ideas for a new GIZ

childcare structure in Bonn. In 2013, construction work is to be completed on the new childcare facilities in Eschborn, which will then be able to accommodate three times as many children in all-day care. In an emergency, employees in Frankfurt, Bonn and Berlin can make use of ad hoc childcare services.

Group	Total numbers	No. of women (in %)
Management Board	7	0(0)
Supervisory Board	20	4(20)
Board of Trustees	38	13(34)
Private Sector Advisory Board	10	2(20)
Employees (outside Germany)	1,887	661(35)
Employees (in Germany)	3,241	2,131(66)
GIZ collective bargaining agreement (salary bands 1-5) covered by the provisions of the collective bargaining agreement	4,027	2,242(56)
GIZ collective bargaining agreement (salary bands 6-8) not covered by the provisions of the collective bargaining agreement	651	213(33)
Collective bargaining agreement for development advisors/public sector remuneration agreement (TVöD) (remuneration groups 1-11)	351	284(81)
Collective bargaining agreement for development advisors/public sector remuneration agreement (TVöD) (remuneration groups 12-15)	99	53(54)
National personnel in managerial positions	1,259	482(38)



72%

of employees surveyed saw GIZ as a family-friendly employer

7.48%

of GIZ's workforce was disabled in 2011

38%

of national personnel in managerial posts were women

The parent and child office at GIZ's Friedrich-Ebert-Allee office in Bonn has been redesigned on the initiative of the gender equality officers. The new premises on Köthener Straße in Berlin also have a parent and child office.

Some 72 % of employees surveyed during the first six months of 2012 said that they see GIZ as a 'fairly' or 'totally' family-friendly employer.

In 2011, disabled persons accounted for 7.48% of GIZ's workforce, which is well above the legal requirements. The disabled persons' representation advises and supports disabled employees. This includes procuring appropriate furnishings and equipment for workplaces inside and outside Germany. During the period under review, the representation was involved in a review of the company's old and new properties to ascertain to what extent they are barrier-free. We have already acted on the resulting proposals for improvements and procurements. The disabled persons' representation is involved in human resources procedures and in staff council structures in order to represent the interests of its target group. Additional benefits already in use were anchored in the social plan for disabled employees signed in October 2011, for instance.

A total of 491 of our staff inside and outside Germany are not German nationals. GIZ's workforce embraces a total of 92 different nationalities.

During the period under review, the Human Resources Department cooperated with the 'rainbow network' (Regenbogennetzwerk) for people of same-sex orientation. The representative of employees of same-sex orientation is available to advise staff on request. The intranet provides a wide spectrum of information for employees of same-sex orientation, which includes details of the legal situation in partner countries.

Every month, training courses are held on GIZ's guiding principle – sustainability. In addition to gender aspects, these courses also cover human rights and the ILO labour standards and were attended by 125 people in 2011.

Environment

Principle 7 Businesses should support a precautionary approach to environmental challenges.

Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies

Commitment

One major pillar of GIZ's understanding of sustainability is the need to ensure an ecological balance in conjunction with social responsibility, political participation and economic performance. The absolute limit is that set by the regenerative capacities of the planet as we move towards these objectives.

In December 2011, GIZ joined the Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (German Association of Environmental Management – B.A.U.M.) and has pledged to respect B.A.U.M.'s code of conduct for environmental management.

LINK B.A.U.M.'s code of conduct for environmental management (available in German only): <http://www.baumev.de/default.asp?Menuue=124>

That same month, GIZ accepted a voluntary commitment as a member company of the Biodiversity in Good Company Initiative, which it originally launched on behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

LINK Business and Biodiversity Initiative 'Biodiversity in Good Company': <http://www.business-and-biodiversity.de/en/homepage.html>

GIZ's guiding principles on the environment and its environmental objectives lay out the binding requirement that the company reduce its ecological footprint. The guiding principles on the environment apply to all GIZ locations around the globe, and the environmental objectives to all German sites. The country offices set their own environmental objectives. In line with the corporate principles of achieving sustainable development, GIZ has set itself the ambitious goal of becoming climate neutral by 2015.



LINK The original wording of GIZ's environmental objectives for the period 2011–2015 can be found in the Environmental Report 2011: <http://www.giz.de/en/downloads/giz2012-en-environmental-report-2011.pdf>

In May 2012, GIZ also signed up for B.A.U.M.'s 'Wirtschaft pro Klima' (business for the climate) initiative to further promote its efforts towards being a trailblazer in the field of corporate climate change mitigation.

LINK B.A.U.M.'s 'Wirtschaft pro Klima' initiative (available in German only): <http://www.wirtschaft-pro-klima.de/>

Back in November 2011, GIZ signed the 'Active Hessen: 100 companies for climate protection' charter, thus undertaking to realise a pro-climate action plan.

Management systems

GIZ has put in place a system of corporate environmental management. The cornerstones of the system are the environmental objectives, which are regularly reviewed, the environmental programme, the annual environmental audit and environmental communication. The Environmental Affairs Manager is part of the Sustainability Office. The Environmental Steering Group adopts the objectives and measures that are then laid out in the environmental programme and takes the strategic decisions required. Environmental management is supported by the corporate environmental management contact officers within the individual organisational units, German centres and country offices in partner countries and by local environmental initiatives and teams.

LINK More information on GIZ's environmental management can be found in the Environmental Report 2011: <http://www.giz.de/en/downloads/giz2012-en-environmental-report-2011.pdf>

In May 2012, the Environmental Steering Group decided to introduce the European Eco-Management and Audit Scheme (EMAS) for GIZ's offices on Reichpietschufer in Berlin, the offices on Friedrich-Ebert-Allee in Bonn and for Eschborn. They are to be joined successively by other offices and locations inside and outside Germany.

LINK Find out more about EMAS at: http://ec.europa.eu/environment/emas/index_en.htm

Environment is an issue that is currently on everybody's lips. Environmental stewardship and the imperative of sustainably managing natural resources is one of the UN's Millennium Development Goals. The United Nations Environment Programme (UNEP) has made the green economy the annual spotlight of its work for 2012. The precautionary approach, the promotion of greater environmental responsibility and the development and diffusion of environmentally

technologies are the Global Compact principles in the field of the environment. As an enterprise for sustainable development with international operations, we believe we have the obligation not only to report on these issues, but to apply the principles as a guide for our actions. We must put into practice within our own company what we preach at international level. The precautionary approach means doing more than we are required to do by law. This applies to the planning of new buildings, just as it does to the procurement and use of cleaning materials and office equipment, and to the running of our company canteen. Our projects too are subjected to an environmental and climate assessment which explores both impacts and unharnessed potential. GIZ's environmental initiative brings together staff who organise a number of activities to raise environmental awareness. Facility Management ensures that the latest environmental technology is used in new construction work and in the renovation of older properties. We at GIZ see environmental management as the shared responsibility of managers and committed colleagues.

Roger Wolf, Environmental Affairs Manager

To pave the way for the EMAS scheme, GIZ's registered office in Eschborn successfully took part in the ECOPROFIT Frankfurt 2010/2011 project. In May 2012, GIZ's training centre in Feldafing won the ECOPROFIT award for the third time in recognition of its commitment to corporate climate change mitigation and environmental stewardship.

LINK Find out more about ECOPROFIT at: <http://www.oekoprofit.com/about/>

Additionally, new guidelines help staff ensure that GIZ operates along environmentally friendly lines. They point out ways of reducing paper consumption and explain how to avoid, separate and recycle waste, as well as making more efficient use of energy. Guidelines for specific GIZ offices or centres like those already drawn up for Eschborn and Berlin are to be produced for other GIZ sites too.

As we move towards our goal of becoming a CO₂-neutral company, the overriding principle is to reduce our energy consumption, then to replace energy generated from fossil fuels by renewable energies, and finally to compensate for unavoidable emissions resulting from energy use and mobility.

Measures and outcomes

In its Environmental Report 2011, GIZ published environmental data for the entire company within Germany for the second time since the merger.

2011

was the year when GIZ signed up for the voluntary commitments of the Biodiversity in Good Company Initiative

3 –

the number of times the Feldafing International Training Centre has already won the ECOPROFIT award



Solid waste

	2010	2011	Change %
Total waste volume (t) ²	569.0	564.2	-0.8
Waste to recovery (t)	359.4	347.0	-3.4
Waste to final disposal (t)	209.6	217.2	3.6
Total amount of waste per staff member, German offices (kg/staff member)	177.6	175.3	-1.3
Recovery rate (%)	63.2	61.5	-2.6

CO₂ emissions

	2010	2011	Change %
Total emissions (t CO ₂)	25,277	27,162	7.5
Total mobility (t CO ₂)	20,825	23,482	12.8
Energy consumption (t CO ₂) ³	4,452	3,679	-17.4

Energy

	2010	2011	Change %
Total energy consumption (kWh)	22,580,382	19,252,435	-14.7
Total electricity consumption (kWh)	8,383,060	8,009,516	-4.5
Total heating energy consumption (kWh) ⁴	14,197,322	11,242,919	-20.8
Electricity consumption, German offices (kWh/staff member)	2,586	2,566	-0.8
Heating energy consumption, German offices (kWh/staff member)	3,891	3,356	-13.8

Papier

	2010	2011	Change %
Paper consumption, German offices (sheets) ⁵	21,577,781	22,619,430	4.8
Paper consumption, German offices (sheets/staff member)	8,232	8,164	-0.8
Recycled paper as % of total	100	100	0.0

Water

	2010	2011	Change %
Total water consumption (m ³)	54,244	40,140	-26.0
Non-potable water consumption (m ³)	10,637	8,579	-19.3
Total potable water consumption (m ³) ⁶	43,607	31,407	-28.0
Potable water consumption, German offices (l/staff member/day)	38	30	-19.3

This made it possible to compare consumption on a year-on-year basis for the first time. Major parts of the environmental audit are devoted to solid waste, CO₂, energy, paper and water. The adjacent tables provide an overview of the total and specific consumption of selected offices and centres in Germany.¹ Detailed information on the reasons for changes in consumption and on ongoing and planned measures is laid out in the Environmental Report 2011.

More information on GIZ's environmental audit in Germany can be found in the Environmental Report 2011: www.giz.de/en/downloads/giz2012-en-environmental-report-2011.pdf

About 80% of GIZ's total workforce of more than 17,000 work in partner countries. Each of our offices has to contend with different framework conditions on the ground, which means that the environmental audit must be brought into line with the conditions at each specific location. Since we began conducting environmental audits outside Germany in 2001, almost half of all our offices have reviewed the progress made on environmental measures. Guidelines are available in four languages to help staff. The guidelines contain useful information on gathering data, identifying and systematically recording potential for savings, drawing up environmental objectives and identifying steps to take to achieve them. Environmental data from selected offices outside Germany is presented in the Environmental Report 2011.

More information on GIZ's environmental audits in offices outside Germany can be found in the Environmental Report 2011: www.giz.de/en/downloads/giz2012-en-environmental-report-2011.pdf

Mobility is a key factor in GIZ's environmental management. About 87% of emissions caused by GIZ result from official travel. That is why we encourage staff to select climate-friendly means of transport both for official travel and on the way to

¹ Offices and centres included: registered office in Eschborn (Buildings 1-4); registered office in Bonn (offices on Friedrich-Ebert-Allee 38/40 and Tulpenfeld 7), Berlin Representation (offices on Reichpietschufer, Potsdamer Platz, Stresemannstraße and Lützowufer); centres in Rödelheim, Bad Honnef, Feldafing, Mannheim and Zschortau.

² Not including centres/offices in Rödelheim, Bonn (Dahlmannstraße) and Berlin (Potsdamer Platz). Data sources vary from one site to another (quantities in tonnes or calculated on the basis of volume units).

³ Not including green electricity.

⁴ Heating energy consumption for Zschortau calculated on a pro rata basis.

⁵ Data sources vary from one site to another (in some cases from meters on printers and in others on the basis of volumes ordered).

⁶ Not including Rödelheim and Berlin (Stresemannstraße); only the first six months of 2011 for Feldafing.

14.7%

less energy was used at GIZ in 2011 compared to 2010

26%

less water was used than in 2010



and from work every day. Staff have the option of applying for a Jobticket (individual season ticket to make local public transport cheaper). We are also regularly involved in the campaigns to encourage people to cycle to work organised by the German Cyclists' Club (ADFC) in conjunction with local health insurance schemes. GIZ also takes part in other pro-bike activities. Several offices keep a number of office bicycles for staff to use. In 2011, GIZ's Berlin Representation and the Mannheim International Training Centre won awards for their role in promoting cycling. GIZ's Directives governing the Reimbursement of Travel Expenses stipulate that the means of transport should be selected on the basis of economic efficiency and environmental considerations. GIZ thus calls on all staff to opt for the most environmentally friendly means of transport. Where a train trip would take less than five hours, staff are always advised to take a train rather than flying. Reasons must be given if longer distances are to be driven by car. This strategy is designed to get people to make more use of train services for official journeys. Since 2011, all rail travel has been entirely CO₂ free as GIZ has signed up for the German railway company Bahn AG's environmental programme 'Umwelt-Plus-Programm'. When it comes to air travel, though, the options open to a company that operates in 130 countries are limited. Video conferences are held wherever possible. Nevertheless, as a result of the merger, last year in particular official travel increased by about 10 million kilometres. This rise has been largely responsible for the increase in mobility-related emissions, which we have not been able to offset with savings in energy consumption. 2012 saw the launch of our Clever Mobility, Information and Communication Technology (MIC) project, which is to produce a new mobility strategy and respond to rising CO₂ emissions caused by official travel.

Green procurement is a key instrument in corporate environmental management to reduce the environmental impact of GIZ's activities. During the period under review, for instance, criteria for environmentally friendly products were incorporated into invitations to tender and framework contracts; these criteria have also been incorporated into our product lists of environmentally oriented products (e.g. for office materials). The Environmental Affairs Manager is regularly involved in public invitations

to tender with a view to promoting environmentally friendly procurement.

Our registered offices in Bonn and Eschborn won prizes in the Office & Environment competition organised by B.A.U.M. in 2011 in recognition of their resource-efficient office management. Eschborn won first prize in the 'large company' category. Our green procurement strategy was singled out for special praise.

LINK

Find out more about B.A.U.M.'s Office & Environment award (in German):

<http://www.buero-und-umwelt.de>

The sustainable event management strategy came into its own again in 2012 during the Eschborn Dialogue and other large-scale events. An English version of the Navigator for Sustainable Event Management is now available, and the GIZ office in Ecuador has produced an abridged version in Spanish that has been brought into line with local conditions.

If environmental management is to be successful, it is crucially important that staff are informed and involved. The Environmental Affairs Manager is thus regularly involved in induction activities for new staff. In 2011, an Environmental Day was organised with talks, information stands and special activities. On GIZ's intranet, a wealth of information and examples of best practices can be found in the field of sustainable and environmental management. Over and above this, local environmental initiatives and teams in Berlin and Eschborn keep staff up to date with their own newsletters.

The Environmental Affairs Manager has been mandated to devise a way of translating into practice the voluntary commitments laid out in the Biodiversity in Good Company Initiative. This applies in particular to real estate, procurement, the company canteens and environmental communication. Forest Stewardship Council (FSC)-certified items of furniture are already being procured, and the company canteens offer dishes that use regional, seasonal and organic produce. Since 2011, GIZ has been obliged to conduct an environmental and climate assessment for all measures commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), so as to reduce or avoid any negative impacts on the environment and the climate and to tap potential at an early stage to improve the quality of the environment and protect the climate. These assessments



20%

of BMZ-commissioned projects and programmes were subjected to an environmental and climate assessment

have been firmly anchored in the company through a wide range of information, further training and support services and through comprehensive integration into the contract and cooperation management processes and standards. An environmental and climate assessment has now been laid down in GIZ's Orientation and Rules, in the standards for producing an offer and in regulations for project progress reviews. Staff have undergone training and can fall back on support material in several languages, a help desk and contact officers for environmental and climate assessments. Implementation is reviewed at regular intervals. In the first year, an environmental and climate assessment was already conducted for 20 % of BMZ-commissioned measures. Monitoring results and recommendations are passed on to BMZ. Within GIZ, a great many measures and directives have been launched to roll out the use of the environmental and climate assessment and to integrate it to an even greater extent into existing processes.

GIZ's climate strategy is translated into practice by all relevant departments and corporate units on the basis of an annual implementation plan. An internal committee that brings together all the operational departments (the operational jour fixe) monitors the way the climate strategy is implemented at regular intervals using an annual monitoring process. GIZ encourages the climate change mitigation efforts of partner countries, providing support for measures to adapt to climate change and activities to reduce emissions of greenhouse gases and ozone-depleting substances. At the end of 2011, GIZ was implementing more than 1,200 climate-relevant projects.

LINK For more information on GIZ projects and programmes in the field of the environment and climate: <http://www.giz.de/Themen/en/25485.htm>

As it did during renovation work on the main Eschborn office building, GIZ demands evidence of sustainable construction for all new buildings. The planned office building in Bonn is to comply with the latest standards issued by the German Sustainable Building Council (DGNB). CO₂-free operation will be guaranteed, with a combination of combined heat and power generated from renewable energies, green electricity and photovoltaic technology, a cooling system that uses groundwater and the use of non-potable water. A solar thermal plant will be installed on the roof to heat water.

Anti-corruption

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Commitment

Preventing corruption is a major precondition for the success of our work. This applies both to our programmes around the world and to GIZ as a company. Integrity and ethical conduct, i.e. compliance with the law, honesty, reliability and fairness, are vitally important in our actions. This is reflected in GIZ's Code of Conduct and is based on our corporate values.

LINK GIZ corporate values:
<http://www.giz.de/en/aboutgiz/identity.html>

GIZ staff are expected to live by these principles. Our contractors and project partners too are required to comply with and respect these principles.

In its strategy paper on anti-corruption and integrity in German development policy, the German Federal Ministry for Economic Cooperation and Development (BMZ) reaffirms that efforts to stamp out corruption are a central concern of German development policy. The Ministry's strategy paper provides GIZ with a binding framework for action to ensure the effective prevention and combating of corruption in official development cooperation.

LINK BMZ strategy paper on anti-corruption (in German, English version to be published: http://www.bmz.de/de/publikationen/reihen/strategiepapiere/Strategiepapier318_4_2012.pdf

Management systems

All contracts of employment require GIZ staff inside and outside Germany to comply with the company's Code of Conduct. The Code of Conduct is also an integral part of GIZ's Orientation and Rules. The orientations, along with binding standards and rules, provide assistance and guidance, for instance on how to deal with gifts and conflicts of interests, and on when the Integrity Advisors should be contacted. GIZ's Anti-Corruption Code of Conduct and its Guidelines for Managers on Preventing Corruption provide additional guidance.

1,200

climate-relevant projects were being implemented by GIZ at the end of 2011



In terms of integrity management, work in 2011 focused on bringing together the anti-corruption units of the three predecessor organisations of GIZ. The main topic was the structure and organisation of integrity management at GIZ, the presentation of the substance of anti-corruption and integrity inside and outside the company, as well as revising the Code of Conduct. The team of integrity advisors, which has so far consisted of myself and my assistant, was joined at the start of 2012 by a deputy based in Bonn.

The focuses of our work can be seen in advising staff on issues of ethical behaviour, integrity and combating corruption, and acting on reports of misconduct. We are also increasingly offering training courses inside and outside Germany.

In future too, we will concentrate our efforts on stepping up our advisory and training activities as an effective way of preventing corruption.

Dr Detlev Böttcher, Integrity Advisor

LINK

GIZ's Code of Conduct:

<http://www.giz.de/en/downloads/giz-en-code-of-conduct.pdf>

New staff based inside and outside Germany are familiarised with the Code of Conduct at monthly induction events. Attendance is compulsory for all new staff. National personnel in partner countries too sign a declaration of agreement to the Code of Conduct stating that they have understood the Code and will adhere strictly to it. In-country training courses and the English, French and Spanish versions of the Code of Conduct help communicate the substance and the objectives of integrity management.

GIZ's Integrity Committee shapes the company's integrity management. During the period under review, the committee consisted of the Chair of the Management Board, the Director General of the Commercial Affairs Department and the Director General of the Human Resources Department. The independent and neutral Integrity Advisor and the advisor's deputy are also part of the GIZ's integrity management. They advise employees on how to apply the Code of Conduct in practice, hold training courses and offer a point of contact for business and project partners and for the general public. They will act on any reasonable suspicion of corruption or infringements of GIZ's Code of Conduct.

LINK

Contact the GIZ Integrity Advisor at integrity-mailbox@giz.de

During the period under review, GIZ appointed a lawyer as its external ombudsperson. Since June 2012, we have had an ombudswoman.

GIZ's integrity management also ensures

- that there is a system of double checks on order placement, purchases of materials and equipment and the conclusion of contracts
- that planning, order placement and accounting processes are always separate
- that all contracts include anti-corruption clauses under which contractors undertake to comply with GIZ's integrity directives and GIZ reserves the right to apply sanctions
- that software renders transparent the purchase of goods and services inside and outside Germany.

GIZ's risk management system asks the company's organisational units on a quarterly basis about corruption risks. Reports on individual instances of corruption risks during the period under review were handled by the risk management committee. The responsible units then took appropriate steps to avoid the risk.





Measures and outcomes

Following the merger, a two-stage analysis was launched for the new company in 2012, with a view to identifying areas of our work where the risk of corruption is particularly high. The first step was to hold an internal workshop. Staff from the Auditing Unit, the Legal Affairs and Insurance Unit, the Corporate Development Unit, the Commercial Department, the Human Resources Department, the country departments, International Services and the Integrity Advisors attended the workshop. The fields identified as being most at risk are subsequently being subjected to a detailed review in the second half of 2012. An external advisor will be supporting this process.

Once a year, the Directors General of the departments consult with the Integrity Advisors on measures to prevent corruption. The Integrity Advisors report to the Management Board on an annual basis and to the Supervisory Board once every two years on measures taken to prevent corruption at GIZ.

In 2011, no infringements of integrity provisions in GIZ contracts were reported to Head Office or made public in any other way.

Every year, GIZ runs anti-corruption training courses for more than 1,000 employees. Over and above the compulsory training courses for staff working inside and outside Germany, more in-

depth courses lasting several days are on offer, as are online courses. They have proved their worth. A survey of some 27% of the almost 100 participants in online courses on anti-corruption in 2010 and 2011 revealed that about 73% of them use their newly acquired knowledge in their day-to-day work. In 2011, 635 employees attended the compulsory anti-corruption training courses.

The training materials on 'Acting with integrity – integrity management at GIZ' are also used in the introductory seminars for integrated experts placed by the Centre for International Migration and Development (CIM). In 2011, some 120 people attended these seminars.

Training courses and talks on preventing corruption are also held as part of the preparatory courses for overseas assignments at the German Academy for International Cooperation and are used to prepare development advisors for their assignments. Preparations for this target group were further developed in 2011 and established as a separate unit within the preparatory course. The issue of corruption was also dealt with at the regional conference of the specialised business unit responsible for seconding development advisors, which was held in Nairobi in November 2011, and at various meetings of development advisors in partner countries. In 2011, the Integrity Advisor attended meetings of administrative managers in Asia (Bandung, Indonesia) and Latin America (Asunción, Paraguay) and advised field staff and national personnel in Jakarta (Indonesia), Baku (Azerbaijan), La Paz (Bolivia) and Tbilisi (Georgia). All in all, almost 280 colleagues were thus sensitised to the issue of corruption on the ground in partner countries.

Along with GIZ's Anticorruption and Integrity Programme, which advises BMZ on this area of German development cooperation, a series of events was devised to promote dialogue on anti-corruption and integrity. Four events were held in 2011. The series offered a forum to refine existing approaches towards preventing and combating corruption, thus ultimately making GIZ projects and programmes more efficient and more effective.



More on GIZ projects and programmes in the field of anti-corruption:
<http://www.giz.de/Themen/en/885.htm>

1,000

employees take part
in anti-corruption
courses run by GIZ
every year



Certification following an independent audit

In line with the terms of our contract, we have conducted an audit to obtain a limited assurance with respect to the quantitative data laid out in the Communication on Progress (COP) 2011/2012 on the Global Compact Principles by the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (hereinafter 'GIZ') for the period from 1 January 2011 to 30 June 2012 (hereinafter 'Communication on Progress').

Responsibility of legal representatives

The legal representatives of GIZ are responsible for producing the Communication on Progress in line with the criteria laid out in the G3.0 Sustainability Reporting Guidelines (pp. 7–17) issued by the Global Reporting Initiative (GRI), i.e.:

- | | |
|-----------------------------|-----------------|
| ■ Materiality | ■ Clarity |
| ■ Stakeholder inclusiveness | ■ Accuracy |
| ■ Sustainability context | ■ Timeliness |
| ■ Completeness | ■ Comparability |
| ■ Balance | ■ Reliability |

This responsibility comprises the selection and use of appropriate methods to produce the Communication on Progress as well as identifying assumptions and undertaking assessments on the individual aspects of sustainability that are plausible under the given circumstances. Their responsibility also embraces the design, implementation and maintenance of systems and processes insofar as these are important for producing the Communication on Progress.

Responsibility of the auditor

It is our task, on the basis of the activities we perform, to provide an assessment of whether any facts have become known to us that would lead us to assume that significant aspects of the quantitative data laid out in the Communication on Progress do not correspond to the criteria laid out in GRI's G3.0 Sustainability Reporting Guidelines (pp. 7–17). We were also contracted, on the basis of the results of our audit, to make recommendations regarding the further development of corporate responsibility management and corporate responsibility reporting.

We conducted our audit in line with the International Standard on Assurance Engagements (ISAE) 3000. This requires us to comply with all professional obligations and to plan and perform the contract in line with the principle of materiality such that we can express a conclusion with limited assurance.

The auditing activities involved in an audit to obtain a limited assurance are less extensive than those involved in an audit to obtain a reasonable assurance (for instance an audit of annual financial statements pursuant to sec. 317 of the German Commercial Code (HGB)), with the result that the level of assurance obtained is lower. It is the responsibility of

the auditor to select the auditing activities deemed appropriate. Within the framework of our audit, we performed the following activities, inter alia:

- Survey of staff of the central division responsible for producing the Communication on Progress and consultation of documents relating to the corporate responsibility strategy, programme and management as well as stakeholder engagement;
- Identification of the procedures laid down and consultation of the documentation used to record, analyse, process, check for plausibility and pass on corporate responsibility data and the review thereof on a random sample basis, including internal documents, descriptions of processes and controls, and data generated as reports by IT systems;
- Comparison of selected data with the pertinent data laid out in GIZ's annual financial statement for the calendar year 2011.

Conclusion

On the basis of our audit to obtain limited assurance, no facts have become known to us that would lead us to assume that not all the key aspects of the quantitative data laid out in the Communication on Progress have been compiled in compliance with the criteria laid out in GRI's G3.0 Sustainability Reporting Guidelines (pp 7–17).

Additional Note – Recommendations

Without qualifying the above assessment, we make the following recommendations to develop corporate responsibility management and corporate responsibility reporting:

- We recommend extending the data gathering and reporting processes in terms of central documentation and directives so as to meet the requirements for broader corporate responsibility reporting.
- We recommend reporting on stakeholder communication and the materiality analysis, thus meeting reporting requirements that go beyond those for the Communication on Progress to the UN Global Compact.

Frankfurt am Main, 22. November 2012

PricewaterhouseCoopers
Stock corporation Auditing company

Hendrik Fink
Auditor

ppa. Dieter W. Horst

Global Compact Advanced Level – GIZ's compliance with the criteria

	Page	Additional information
Strategy, Governance and Engagement		
Criterion 1: Key aspects of the company's high-level sustainability strategy		
Social and environmental impact of the organisation's activities	4	
Key performance indicators (KPI) to measure progress	6, 14	
Major successes and failures during the reporting period	3	
Criterion 2: Effective decision-making processes and systems of governance for corporate sustainability		
Involvement and accountability of management (Management Board) in developing corporate sustainability strategy in line with Global Compact principles and overseeing its implementation	5	
Corporate governance structure and its role in oversight of long-term corporate sustainability strategy and implementation in line with Global Compact principles	5	
Criterion 3: Engagement with all important stakeholders		
List of stakeholder groups engaged by the organisation	5	
Process for stakeholder identification and engagement	5	
Outcome of stakeholder involvement	12, 14	
UN Goals and Issues		
Criterion 4: Actions taken in support of broader UN goals and issues		
Adoption or modification of business strategy and operating procedures to maximise contributions to UN goals and issues	4	
Development of products, services and business models that contribute to UN goals and issues	4, 7, 18	
Public advocacy on the importance of one or more UN goals and issues	4	Company reports/annual reports
Partnership projects and collective actions in support of UN goals and issues	4	Company reports/annual reports
Human Rights Implementation		
Criterion 5: Robust commitments, strategies or policies		
Commitment to comply with all applicable laws and respect internationally recognised human rights, wherever the company operates	6	
Statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company	6	
Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services	6	
Criterion 6: Effective management systems		
Ongoing due diligence process that includes an assessment of actual and potential human rights impacts	6 – 7	
Internal awareness-raising and training on human rights for management and employees	8	
Operational-level grievance mechanisms for those potentially impacted by the company's activities	3, 8	
Allocation of responsibilities and accountability for addressing human rights impacts	8	
Internal decision-making, budget and oversight for effective responses to human rights impacts	8	
Criterion 7: Effective monitoring and evaluation mechanisms		
System to monitor the effectiveness of human rights policies and implementation	6 – 7	
Monitoring drawing from internal and external feedback, including affected stakeholders	8	
Leadership review of monitoring and improvement results	7	
Criterion 8: Key outcomes		
External and formal reporting of operations or operating contexts that pose risks of severe human rights impacts	7	
Disclosure of main incidents involving the company	9, 11	
Labour Principles Implementation		
Criterion 9: Robust commitments, strategies or policies		
Reference to relevant international conventions and other international instruments	10	
Written company policy on labour	10	
Inclusion of minimum labour standards in contracts with suppliers and other relevant business partners	11	
Specific commitments and goals for specified years	10, 11	No deadlines set
Criterion 10: Effective management systems		
Risk and impact assessments in the area of labour	11	
Allocation of responsibilities and accountability within the organisation	10, 11, 12, 13, 14	
Internal awareness-raising and training on the labour principles for management and employees	13, 14	
Grievance mechanisms, communication channels and other procedures for reporting concerns or seeking advice	12, 13, 14	
Criterion 11: Effective monitoring and evaluation mechanisms		
System to track and measure performance based on standardised performance metrics	11, 12	http://www.giz.de/en/jobs/award-winning_employer.html
Leadership review of monitoring and improvement results	12	
Process to deal with incidents	10	
Criterion 12: Key outcomes		
Outcome of due diligence and follow-up efforts to uphold the freedom of association and the right to collective bargaining	12	
Outcome of due diligence and follow-up efforts to eliminate discrimination	12, 13, 14	
Disclosure of main incidents involving the company	11	

LINK For a complete presentation of the criteria and best practices, see:

http://www.unglobalcompact.org/docs/communication_on_progress/GC_Advanced_Level_Criteria.pdf

	Page	Additional information
Environmental Stewardship Implementation		Environmental Report 2011
Criterion 13: Robust commitments, strategies or policies		
Reference to relevant international conventions and other international instruments	15	B.A.U.M.'s code is a national instrument
Reflection on the relevance of environmental stewardship for the company	14	
Written company policy on environmental stewardship	14	Environmental Report 2011 pp. 4 et seq.
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	17	Environmental Report 2011 p. 7
Specific commitments and goals for specified years	14	
Criterion 14: Effective management systems		
Environmental risk and impact assessments	17 – 18	
Assessment of lifecycle impact of products, ensuring environmentally sound end-of-life management policies	17 – 18	In terms of service offerings
Allocation of responsibilities and accountability within the organisation	15	
Internal awareness-raising and training on environmental stewardship for management and employees	15, 17	
Grievance mechanisms, communication channels and other procedures for reporting concerns or seeking advice regarding environmental impacts	5	
Criterion 15: Effective monitoring and evaluation mechanisms		
System to track and measure performance based on standardised performance metrics	15, 16, 18	
Leadership review of monitoring and improvement results	18	
Criterion 16: Key outcomes		
Indicators on uses of materials and energy	16	
Indicators on emissions, effluents and waste	16	
Indicators on the company's initiatives to promote greater environmental responsibility	16	
Indicators on the development and diffusion of environmentally friendly technologies	18	
Anti-Corruption Implementation		
Criterion 17: Robust commitments, strategies or policies		
Publicly stated formal policy of zero-tolerance of corruption	18	
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	18	
Carrying out risk assessment of potential areas of corruption	20	
Policy on anti-corruption regarding business partners	18	
Criterion 18: Effective management systems		
Support by the organisation's leadership for anti-corruption	3	
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees	18, 19, 20	
Internal checks and balances to ensure consistency with the anti-corruption commitment	19	
Actions taken to encourage business partners to implement anti-corruption commitments	19	
Management responsibility and accountability for implementation of the anti-corruption commitment or policy	19	
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice	19	
Criterion 19: Effective monitoring and evaluation mechanisms		
Leadership review of monitoring and improvement results	20	
Process to deal with incidents	20	
Criterion 20: Key outcomes		
Indicators on Human Resources procedures supporting the anti-corruption commitment or policy	20	
Disclosure of main incidents involving the company	20	
Value Chain Implementation		
Criterion 21: Implementation of the Global Compact principles in the value chain		
Policy on value chain, including a policy for suppliers and subcontractors	11, 17, 18	Environmental Report 2011 p. 7
Transparency and Verification		
Criterion 22: The company's profile and context of operation		
Legal structure, including any group structure and ownership	4	
Countries where the organisation operates, with either major operations or operations that are specifically relevant to sustainability	4	Overview: Company Report p. 2
Markets served (including geographic breakdown, sector served, and types of customers/beneficiaries)	4	
Primary brands, products and/or services	4	
Direct and indirect economic value generated for various stakeholders	4	
Criterion 23: The Communication on Progress (COP) incorporates high standards of transparency and disclosure		
COP uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines	5	Objective for Sustainability Report 2013
COP qualifies for Level B or higher of the GRI application levels	5	
Board, where permissible, approves COP and other formal reporting on corporate sustainability	5	
Criterion 24: The COP is independently verified by a credible third-party		
Accuracy of information in COP is verified against assurance standards	21	
Accuracy of information in COP is verified by independent auditors	21	



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