



GFA SUSTAINABILITY REPORT

Communication on Progress 2018 to the UN Global Compact



FOREWORD

WE SUPPORT



STATEMENT OF CONTINUED SUPPORT BY THE MANAGING DIRECTOR

I am pleased to confirm that GFA Consulting Group GmbH reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this first annual Communication on Progress we describe our actions to continually improve the integration of the ten principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Dr. Heiko Weißleder
Managing Director
GFA Consulting Group GmbH

The sustainable improvement of living conditions is the core of GFA's business as one of the leading European consulting firms active in international cooperation. It is also the primary motivation of GFA's leadership and our employees to provide advisory services of highest standard and technical excellence to clients who share our ambition to shape a sustainable future.

Since February 2018, GFA has been committed to the UN Global Compact corporate responsibility initiative and its ten principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. We firmly agree that these principles need reinforcement on a global scale, and in partnership with a spectrum of stakeholders engaged in the UN Global Compact Network.

GFA is an actively learning organization. Our five core values set the framework for our entrepreneurial actions, these are responsibility, excellence, innovation, integrity, and employee orientation. They also reflect our openness to change and contribution towards a greater good.

Our vision, mission and values also form the basis for our newly established corporate sustainability management. In view of our commitment to the UNGC Ten Principles, it is all the more important to set up solid management and monitoring mechanisms to ensure that our mission is thoroughly enacted.

Yours sincerely,



Dr. Heiko Weißleder
Managing Director
GFA Consulting Group GmbH



Dr. Daniel Wahby
Head of Climate & Energy
Responsible for Sustainable Management

1 GFA Presentation

Supporting sustainable development worldwide is at the core of what we do.

GFA Consulting Group GmbH with its headquarters in Hamburg/Germany is a global player in international cooperation. Since 1982, GFA Consulting Group GmbH has grown to become a leading European consulting firm for the advisory and implementation of donor-funded development projects in more than 130 countries. Currently, GFA Consulting Group GmbH employs about 1,620 staff members worldwide and implements more than 300 projects and studies in 92 countries, generating an annual group turnover of €121 million (estimate 2018).

It is **our mission** to improve the quality of life of people in less developed countries. In collaboration with stakeholders from governments, the private sector, NGOs, and civil society groups, we directly work with our beneficiaries to create opportunities for lasting change and sustainable development. With our work, we contribute to prosperity, social equality, protection of natural resources, and the global fight against poverty and hunger. To continue with our 35 years of successful project advisory and implementation, it is **our vision** to be the partner of choice for our clients and project beneficiaries.

Our values are building confidence and trust.

Providing services of highest standard and technical excellence, together with innovative approaches and products that inspire clients' confidence and trust are crucial to our business model.



Our **five core values** – responsibility, excellence, innovation, integrity, and employee orientation – shape our external consulting work and internal management procedures. They reflect our company's openness to change and contribution towards a greater good. These company values were developed in a participatory process with all staff members in 2013 and guide GFA's leadership model, internal and external communication and human resources policy.

Responsibility: We use our technical and social competencies to support responsible economic, ecological and social development in our projects that are sensitive to the needs of our beneficiaries and clients.

Excellence: We are a competent, professional and reliable service provider for our clients in international development and deliver high quality services and products.

Innovation: We are open to continuous change and develop innovative solutions that address new market developments and respond to our beneficiaries' and clients' demands.

Integrity: We stand for honesty, fairness, justice, transparency, equality, and reconciliation of interests vis-à-vis our beneficiaries, clients and employees.

Employee orientation: We see our employees as the cornerstone of our consulting work and actively support their identification with the company, enjoyment of work, respectful communication, personal recognition and engagement.

We consider the discussion and reflection on our company values as a continuous and interactive process.

Our strategic business areas contribute broadly to the UN Sustainable Development Goals.

We provide consulting services for development projects across a broad range of **strategic business areas** that contribute to the joint efforts of achieving the 17 Sustainable Development Goals (SDGs) of the United Nations, the European Union and the Government of Germany.



The UN Sustainable Development Goals

- ❖ SDG 1: No poverty
- ❖ SDG 2: Zero hunger
- ❖ SDG 3: Good health and well-being
- ❖ SDG 4: Quality education
- ❖ SDG 5: Gender equality
- ❖ SDG 6: Water and sanitation
- ❖ SDG 7: Affordable and clean energy
- ❖ SDG 8: Decent work and economic growth
- ❖ SDG 9: Industry, innovation, infrastructure
- ❖ SDG10: Reduced inequality
- ❖ SDG11: Sustainable cities
- ❖ SDG12: Responsible consumption/production
- ❖ SDG13: Combat climate change
- ❖ SDG14: Sustainable oceans
- ❖ SDG15: Sustainable life on land
- ❖ SDG16: Peace, justice and strong institutions
- ❖ SDG17: Global partnerships



Projects in our regional portfolios for **agriculture and rural development** focus on stimulating sustainable agricultural development for economic growth, poverty reduction (**SDG1**), food and nutrition security (**SDG2**) and climate change adaptation (**SDG13**) in developing countries. We promote technical innovations that improve irrigation and land management systems, agricultural productivity and yields, as well as access to agricultural skills development, rural finance and market orientation.



Our department for **health** engages in projects related to maternal and child health, social and reproductive health and rights, health systems development, disease control and nutrition (**SDG3**). We assist clients with strengthening the local health systems, designing and customizing national prevention and treatment program (e.g. for HIV/Aids and TB), social marketing campaigns, procurement of essential drugs and medical equipment.



Our department for **education, skills and employment** focuses on lifelong learning and supports the education and qualification (**SDG4**) of youth and the overall working population. In these projects, we provide consultancy support for education system reforms, demand-oriented technical and vocational education and training and adult education for career guidance, job placement and employment promotion



Our department for **water and sanitation** implements projects for equitable and sustainable access to water supply and sanitation (**SDG6**) through advice on legal and institutional frameworks, water supply concepts for low income and poor urban areas, and the construction of public sewage utilities worldwide.



Clean, renewable energy, affordable rural electrification (**SDG7**) and energy efficiency (**SDG11**) are the core topics of the studies and projects of our **energy** portfolio. For these projects, we provide expertise on the development of renewable energy strategies and regulatory frameworks, as well as for the technical implementation of solutions for energy generation from renewable (on-/off-grid) energy sources and energy efficiency.



In our **private sector development** portfolio, we support projects for strengthening small- and medium-sized enterprises, regional integration and quality infrastructure that contribute to decent work and economic growth (**SDG8**) and sustainable innovations (**SDG9**). We support green growth through sustainable consumption and production patterns (**SDG12**) and advisory services on conducive business environments, environmental standards, green technologies and access to finance.



Closely linked to this, the projects of our department for **financial systems development** support finance solutions for small and medium enterprises in industry, agriculture and services (**SDG9**), as well as for renewable energy and energy efficiency investments (**SDG7**).



Our portfolio **natural resource management** focuses on maintaining and improving life in water (**SDG14**) and on land (**SDG15**), and combating climate change (**SDG13**). In the field of environmental conservation, we advise our local partners on sustainable forest management and reforestation, agroforestry, marine and coastal governance, and protected area management.



Our department for **governance** supports good governance, state reform and policy dialogue. We provide advisory services to improve rule of law, civil society and democracy, peace and security, public administration reform, decentralization, social protection (**SDG16**) and the promotion of gender equality (**SDG3**).



Closely linked to this, our department for **public finance management** provides specific advisory in the set-up and implementation of accountability systems related to the utilization of public funds. This includes fund management, public finance policy and reforms, and public procurement.



With our special units **Competence Center Climate & Energy**, **Helpdesk Food & Nutrition**, **C³ Unit for Better Learning**, **Digital Innovation** and **Monitoring & Evaluation**, we introduce innovative approaches into our advisory services. Thereby, we actively engage in dialogue and partnership with our clients and beneficiaries to better respond to the critical challenges in sustainable development (**SDG17**).

2 Sustainability Management

In the context of fostering sustainable development worldwide, our staff's concern to strengthen social and ecological aspects not only abroad but also at GFA's home base in Hamburg, motivated our first sustainability strategy.

A broad-based internal strategy process identified core areas of concern.

To this end, a temporary steering group of two department heads and two staff members was created in 2017 to conduct a baseline assessment of GFA's engagement and to organize internal consultations. Supported by 11 volunteer drivers of certain topics, focus group discussions were conducted with concerned organizational units and another seven world cafés with interested staff members as well as 10 idea boards were set up and evaluated. All in all, about one third of the Hamburg-based staff actively engaged in the various forms of dialogue to this strategic process. Ultimately, in five decision workshops GFA consolidated its strategic direction and prioritized the fields of action for 2018 and beyond.

Our strategic direction is to create a solid basis for our global sustainability engagement, starting from our headquarters in Hamburg.

GFA's leadership approved the first sustainability strategy in January 2018. **Five action fields** are our priority for 2018 – 2020:

1. **Corporate governance:** Implement corporate policies and voluntary commitments to strengthen human rights, integrity and diversity.
2. **Climate protection:** Reduce negative climate impacts of GFA's business activities.
3. **Resource protection:** Use sustainable products and resources efficiently at GFA Hamburg.
4. **Staff satisfaction and loyalty:** Create an attractive working environment and opportunities for professional development in international cooperation.
5. **Social commitment:** Support social projects and initiatives of our staff abroad and in Hamburg.

We initiated the process of setting up a respective **management and monitoring system** to track progress towards social and environmental improvements in line with our strategy.

A lean sustainability organization, due implementation in the respective functional areas of the company and a voluntary-based network supporting it.

Under the leadership of GFA's Managing Director, a designated Department Director and a Sustainability Manager (appointed in March 2018), are tasked with the overall management and monitoring of the sustainability strategy.

A network of voluntary staff members helps promoting sustainability issues across the organization. Staff members of all corporate functions engage for topics of their personal concern and expertise and contribute as far as possible with their professional competence.

We are committed to sustainability reporting, communication and engagement.

As a sign of our commitment to the universal principles of corporate sustainability, GFA became a **signatory of the United Nations Global Compact** on 12 February 2018.

GFA commits to report on its progress transparently to the public and aims to fulfil all requirements of UNGC's annual communication on progress. Internally, an interactive **communication platform** has been established for interaction on sustainability topics. Externally, GFA engages actively in the **German Global Compact Network** to learn and exchange experience on corporate sustainability trends.

3 Action Fields

3.1 Corporate Governance

Good corporate governance is an essential value for sustainable management.

The company considers one of the most critical assets its professional credibility and the international recognition it enjoys as a dependable partner for its clients. GFA stands for a distinctly customer-oriented approach, supplying services and products with the highest ethical standards and professional integrity. This is how the company inspires confidence and trust in all of its partners (see vision and mission).

The strategic focus of this action field is to implement corporate policies and voluntary commitments to strengthen human rights, integrity and diversity.

The core ambition is to be a reliable service provider and partner, providing fair working conditions across our business. Compliance with legal requirements, reliable implementation of donor requirements and compliance with internationally recognized ethical standards is a constant challenge as an international development company, especially in countries with fragile statehood and less advanced governance frameworks. It requires awareness of rule of law and accountability among decision-makers, partners, employees and project staff like-wise.

GFA has a [Code of Conduct](#) in place that complies with internationally accepted ethical standards of corporate governance and competitive practices. It is guided by the principles of enacting ethical standards, equal rights, legal compliance, transparency, cooperation and partnership, anti-corruption and confidentiality.

Actions in 2018

❖ **Code of conduct and integrity policy review**

The signature of the UN Global Compact in February 2018 was taken as an occasion to systematically review GFA's policies and procedures in place to ensure compliance and promote human rights and ethical standards in line with the Ten Principles. We identified the need to strengthen our Code of Conduct with respect to enacting human rights, as well as to conduct dialogue within our working group and update GFA's integrity policy. First steps into this directions were taken in 2018. The existing code of conduct was revised and improvements proposed.

❖ **National Action Plan on Business and Human Rights**

We took part in a webinar of the German Global Compact Network (DGCN) in June 2018 referring to the National Action Plan (NAP) on Business and Human Rights and at the participants' conference of DGCN, Berlin in October 2018 under the title Company 2030: Solving conflicting goals – creating new models, on the contribution of business to a just and sustainable future, and including a special workshop for the monitoring of the NAP. We are making use of this information to reflect our policy.

❖ **Compliance paper on sexual harassment**

Triggered by international press releases and the #MeToo debate, a draft compliance paper was commissioned which contains provisions on sexual harassment with special regard to our workplaces and international working context. Further dialogue is needed to broaden the sensitization and an internal consensus and understanding of standards for decent behavior.

❖ **HIV/AIDS policy**

GFA supports all national efforts to reduce the spread of HIV/AIDS infection and minimize the impact of the disease. The purpose of our [HIV/AIDS policy](#) and workplace program is to prevent infection among employees and their families, and provide for adequate precautions against possible consequences. This policy enhances existing laws on discrimination, working conditions, health and safety, and with the ILO Code of Practice on HIV/AIDS and the world of work.

Outlook

For 2019, it is planned to adopt the prepared documents and implement respective procedures and a complaint mechanism. As a next step, human rights due diligence procedures should be strengthened and awareness raised with all project-related staff. We will initiate dialogue on sexual harassment and decent behavior but also providing knowledge on how to proceed in case of misconduct.



3.2 Climate Protection

Climate protection is one of the most pressing challenges of humankind. We must succeed in advancing the energy transition on a global scale.

Consultancy and advice in the context of global energy transition and climate protection play an increasingly important role in GFA's business portfolio. While our service portfolio is where we build the most leverage on climate impact together with our clients and partners, we are aware that every small step counts to make an impact the battle against irreversible climate change. This is why we need to contribute our part at the level of our own business operations just as well.

Our strategic focus is to reduce negative climate impacts of GFA activities.

As a starting point for further improvements, we identified the need to more systematically address the main sources of energy use and CO₂ emissions. Three main areas of impact identified are energy consumption in our offices, business travel and staff mobility. We apply the principle of "avoiding – reducing – compensating" to all these action fields and continuously identify best options to save energy, minimize air travels and reduce emissions without compromising on the quality and reliability of our services.

Actions in 2018

Key initiatives in 2018 focused on the switch to renewable energy, monitoring of energy consumption (energy audit) the assessment of compensation options for business travel, as well as the provision of incentives for climate-friendly staff mobility.

❖ Energy auditing

Since 2015 our housing caretaker elaborates an annual voluntary energy report and additionally we realize since then an independent energy audit according to DIN EN 16247-1. This audit is to be carried out every four years and the next will be at the end of 2019.

❖ Switch to 100% renewable energy

During the last years, GFA has gradually changed its energy provision towards renewable energy. Since 2018, the energy supply of GFA headquarters is converted 100% to renewable energy.

❖ CO₂ offsetting of business travel

In 2018 an internal baseline study was conducted to estimate the emissions caused by air travelling of GFA's Hamburg-based staff. For 2018, estimated emissions are at 2,341 tCO₂e. Arrangements were made with all travel agents to provide precise emission data continuously as a basis for compensating CO₂ emissions. In addition, different compensation options were identified and compared. It was decided to purchase so-called Certified Emission Reductions (CERs) through the official, market based [UN Carbon Offset platform](#) managed by Climate Neutral Now/UNFCCC.

A mix of projects certified by the UN Gold Standard Foundation was selected and certificates purchased to offset GFA's emission from international air travel from 2019 onwards.

- Lan Dokmai Biogas in Thailand (Certificate no CH-25739)
- Renewable Wind Power generation for promoting energy security in India (Certificate no: VC5829/2018)
- GHG abatement through Solar Power generation at Jaisalmer, Rajasthan in India (Certificate no: VC6405/2019)

Additionally we participated in a UNGC webinar on Introduction to effective climate management in November 2018.

❖ Incentives for climate-friendly staff mobility

For business travel within Germany, as well as for the way to work, GFA staff is encouraged to travel by public transport. Staff in and around Hamburg benefit from a subsidized Job Ticket, the "HVV ProfiCard" for local public transport. Consultants are provided with the "BahnCard" that guarantees the use of 100% renewable energy for long-distance train travel. The BahnCard can be used for business and private travel. GFA also encourages the use of bikes to work by providing changing rooms with showers and lockers, as well as a bike repair set.

❖ **Mobile bicycle repair shop “RadRetter”**

A special action in 2018 resulting from one of our world café dialogues was the provision of a mobile bicycle repair shop. A local bike repair shop set-up its bike rescue vehicle in GFA’s parking lot to offer free bike check-ups to employees who bike to work. Additional costs for major repairs had to be borne by the bike owner. The initiative was very well received and repeated thrice to meet the demand.

Outlook

The main focus will continue to be the implementation of climate neutral business air travel. From 2019 onwards, we will systematically record CO2 emissions of all air travels by GFA staff in Hamburg and compensate them. We will continue the dialogue with our main donors to contribute to climate protection and neutrality in the framework of their competitively tendered services.

In addition, GFA’s energy audit is due to be renewed, and based on this update, further location specific energy efficiency measures identified. The Green Team (see Chapter 4.3 on Resource Protection) will support the identification of energy efficiency measures, awareness raising and energy efficient behavior. The incentives on climate friendly staff mobility will be continued and similar actions are in preparation for 2019.



3.3 Resource Protection

Effective protection of resources at a global scale can only be achieved by reduction, efficient utilization and effective recycling of every-day goods and materials.

Natural resources and environmental management have a long tradition as being one of GFA's core business areas. With the large share of environmentally conscious professionals, expectations towards the company to apply resource protecting measures consistently across the organization have always been prominent. In our globalized markets, however, it is not always easy to make environmentally effective choices on goods, materials and services used in day-to-day work. It takes all our joint efforts to break the vicious circle of resource waste and transition towards a circular economy.

The strategic focus is to use sustainable products and resources efficiently.

We are primarily targeting GFA's headquarter in Hamburg in a first step. The key challenges identified were to provide a robust basis for decision making to those who are responsible for procurement and operation of the various internal infrastructures and services, as well as to foster resource efficient practices across the organization. We are focusing on providing a transparent basis for procurement & operational guidance, and setting up a team of multipliers to drive the change. In addition, the sustainable operation of GFA's canteen and the provision of healthy food has been identified as an area of particular interest for our staff.

Actions in 2018

Key initiatives in 2018 included the work on a guidance document for in-house procurement, the establishment of a Green Team as support structure and the continued effort to operate our canteen sustainably.

❖ Sustainable procurement policy and guidelines

GFA can build on a solid foundation with regards to environmentally conscious and efficient procurement. The formulation of a sustainable procurement policy will make visible the continuous effort of the procurement team. In addition, procurement guidelines will provide more transparency by setting criteria for the main groups of materials and services procured. In 2018, a draft of these documents was elaborated for further internal consultation.

❖ Establishment of the GFA Green Team

The purpose of the GFA Green Team is to identify sustainability topics, create awareness and implement measures across the organization. Main challenges are the efficient use of resources and consistent waste separation to foster recycling. In the last quarter of 2018, one or two members in each department were recruited for this Green Team and initial meetings conducted. Core tasks of the Green Team representatives will be in the fields of communication within, into and out of each working team, networking, consolidation of ideas and support to proposals of change.

❖ Sustainable canteen & catering

GFA's canteen is a well-established meeting point for GFA's employees during their lunch break. Together with the external service provider, GFA has always put special emphasis on providing healthy and diversified food for an acceptable price. Due to the pre-order system, daily fresh cooking and thorough organization of the canteen team, food waste is minimal. Fresh vegetables are purchased from the local market, and an increasing proportion of organic food is used.

From various dialogue formats it became apparent that more information was needed on the existing efforts to operate the canteen sustainably. In the beginning of 2018, a fact sheet was launched to provide basic information on our guiding principles for healthy dishes in a home-made quality, largely seasonal and rich in cultural and regional diversity. More detailed information was provided on the meals ingredients as part of the menu and pre-order information. Feedback and recipe suggestions from table guests are welcome.

As part of the catering fair trade tea and coffee, and also milk, sugar and bottled water are provided in the kitchenette of each department office. The decision to limit the for free offered UHT milk to only one fat level resulted in a significant reduction of milk waste. A special action in 2018 was to conduct environmental assessment on alternatives of bottled water provision.

❖ **Drinking water pilot**

GFA uses to provide three types of bottled drinking water delivered in returnable glass bottles. Upon the proposal of employees in one of the world cafés dialogues in 2017, different alternatives to this system were assessed. In 2018, we identified and compared alternatives in terms of cost, environmental footprint and health aspects. In parallel, “rapid prototyping” was conducted to test water carafes and larger glasses to motivate an easier switch to tap water. CO2 emissions were estimated 325 times higher for water coming from our bottled water provider than consuming directly from the tap. A brown bag lecture was given by our urban water supply company on water control and quality of our Hamburg-Volksdorf groundwater source. A pilot was conducted in one of the technical departments to convert to tap water use. Water carbonators were tested for optional use. And a campaign with poster and slide show was launched to promote the switch to tap water.

Outlook

For 2019, we are planning to finalize the procurement policy and guidelines for the headquarters in Hamburg. In addition, the Green Team will focus on identifying further resource saving potential, creating environmental awareness and promoting resource savings across the organization. The campaign on drinking water from the tap will be rolled out.



3.4 Staff Satisfaction and Loyalty

Staff recruitment and development as well as the achievement of employee satisfaction and loyalty are the core endeavors of GFA's human resource management.

People are the key to success in our business. GFA has enjoyed a high level of stability in its workforce. However, attracting and retaining young and qualified personnel for continued growth of our dynamic changing service demand and to assure a high quality international consulting offer with specialized support functions, remains increasingly challenging.

GFA's strategic focus is to create an attractive working environment and opportunities for professional development in international cooperation at all levels of the organization.

Our HR Department is in charge of the recruitment and personnel management of locally and international working employees and also with the oversight and implementation of strategies and measures to reach the above mentioned goals. Our HR team engages with stakeholders across the company and at all levels, including managing directors, head of departments and portfolios, senior management and the works council.

The dialogue process initiated by sustainability management from 2017 onwards contributed further to the creation of dialogue platforms on staff-related issues, participation options across different functional areas and on strengthening social sustainability.

Actions in 2018

Key initiatives in 2018 included the consolidation of GFA's HR Department and strategic planning, the design and implementation of a new compensation and benefits program, as well as the continuous work towards an integrated human resource development approach fostering an inclusive work environment where employees from a variety of backgrounds and cultures can thrive.

❖ HR Strategy & Action Plan

The HR Department engaged in an internal strategic process to further develop GFA's understanding of HR's role as a strategic partner when company policies and organizational changes are created and implemented. A systematic HR Action Plan was developed and disseminated internally in 2018. It consolidates all HR-related processes and strategic projects, helps to communicate priorities transparently and to strengthen HR's vital role in the company.

❖ Integrated human resource development

GFA pursues an integrated approach to personnel development. Core elements include a transparent career development, lifelong learning through basic and advanced trainings and development opportunities, as well as the strengthening of management and leadership skills. In 2018, a systematic on-boarding program for newly employed staff members was rolled out successfully. The wide range of training opportunities offered were continuously extended to suit the needs and demands of employees across different functions. A special focus was put on those support functions and middle management who are taking on increased responsibilities in the growing organization.

❖ Fair compensation and benefits program

In 2018, GFA conducted a review of its internal compensation and rewards program in order to retain and attract top talents to the company. Together with a professional HR consultancy, existing salary levels and pay structures were analyzed. Job descriptions, functions and responsibilities were identified and management, policy and legal issues as well as external competitiveness factors were addressed when developing a new fair compensation system. The implementation in the new and existing employment contracts has started in 2018 and will continue in 2019.

❖ Corporate health management

In addition to the health care provisions stipulated by law, GFA offers a range of voluntary benefits to the employees to promote exercise, sports and relaxation. GFA supports the provision of sports equipment, team registration fees for sport events, special membership conditions. Activities that enjoyed great popularity in 2018 include in-house massages and yoga, badminton, team participation in running and soccer events, as well as "Hansefit" fitness center membership. They will continue unchanged in 2019 and can potentially be expanded upon the employees' own initiative. GFA also supports HIV/AIDS prevention among employees and their families in its workplace program.

❖ **Motivating working environment**

An open company culture and a motivating working environment are essential for meaningful and fulfilling work in international development cooperation. We are continuously seeking to provide attractive working conditions and modern equipment to facilitate ergonomic office work and collaborative meetings. Being a family-friendly company, GFA creates incentives to balance career and family laid down in our [Families in Mind Policy](#). In 2018, existing home-office arrangements for commuters and employees with other special requirements were formalized. For 2019, the roll-out of general home-office rules for consulting staff were announced.

❖ **The future of work**

In April 2018 we participated at the stakeholder conference Company 2030: The Future of Work, with important discussions on changing working conditions in the context of digitalization, robotization, artificial intelligence and 3D printing and of declining demographics and changes in globalization. How will function our social security systems and how do we organize the transition to an age that is either technocratic called the "second machine age" or dystopic called the "abolition of man"? And how can companies operate sustainably under these conditions?

Outlook

For 2019, we are planning to finalize the activities of the compensation project. We will further enhance the capacity of the HR team and build on the importance of HR in the company. We will work on effective performance reviews, regular feedback and career development, Daily work is made easier by increased use of digital technologies.



3.5 Social Commitment

The social commitment of the company, and of its employees, is deeply anchored in our core business and corporate values.

Accompanying our project development work, GFA is supporting voluntary initiatives of its employees both abroad and at its location in Hamburg-Volksdorf for many years. While GFA provides the platform and contributes financial resources, each of the measures is motivated and supervised by a GFA employee, who is the leading contact person. This results in positive side effects in terms of employees identifying with the company.

We support social projects and initiatives of our staff abroad and in Hamburg.

In 2018, we consolidated our approach to social commitment, aligning it to the overall corporate goal of environmental and social sustainability. A [fact sheet](#) was drafted and an internal communication platform called "Employees Social Action" was launched in 2018 to inform on possible ways of engagement and criteria for financial contributions. It enables interested employees to exchange ideas and coordinate on the various measures.

Actions in 2018

Employees Social Action are implemented by GFA employees in Hamburg.

❖ Bees

In spring 2018 GFA supported two colleagues and hobby-beekeepers to set up 2 beehives on the roof top of one of the headquarter buildings in Volksdorf. In May 2018 an employees' dialogue was taking place in the GFA lounge, where around 20 interested colleagues joined after work to learn and discuss about the bees biology, honey production, the decrease of insect species in Europe vs. the state of the honey bee population and sustainable agriculture. At the same time the corporate responsibility manager from the florist 'Blume 2000' presented their companies' CSR strategy and activities. In the course of the year several colleagues joined the two beekeepers at the hands on work with the bees and for 2019 it is planned to increase the number of protection gear in order to allow more visitors to accompany the beekeepers at work in their beehive. We believe that this little engagement fosters sensitization for environmental responsibility at the doorstep and boosts motivation, joy and communication of and between GFA staff.

❖ Recycling

Pen recycling: Empty ballpoint pens, ink cartridges and felt-tip pens, when they are empty, they usually end up in the trash. In order to do something useful with this garbage, one of the GFA employees has set up 5 collection boxes, one in each house. The pens, whether gel rollers, tippex mice or highlighters, go to 'Terracycle', a company that takes care of recycling and turns back waste into recyclable material. So, the old pens are given a new purpose and a nature conservation foundation called 'Schleswig-Holstein Stiftung' receives one cent for each pen collected. This money flows back into nature conservation work directly on our doorstep to preserve biotopes, green corridors and biodiversity.

❖ Donation

Girl's school fee: 58 GFA employees donated over 3,200 Euro to cover the secondary school and boarding fees over a period of five years of an Afghan girl from rural Jalalabad.

❖ In kind donations

Eyeglasses: A member of the GFA staff collects eyeglasses no longer in use, in order to send them to the organization 'Brillen Weltweit'. It is a German platform initiative that collects glasses no longer in use and donates them to people in need in poor countries. In 2018 30 glasses were collected.

Crutches and other orthopedic aids: Crutches or other orthopedic aids, which are no longer in use in employee's households, are also collected and handed over to the non-profit organization 'Die Johanniter', which they pass on to homeless or war wounded people. In 2018 10 crutches, one wheeled walker and 6 orthopedic aids were donated.

❖ **Other GFA donations and sponsoring**

Some other donations made in 2018 went to Museumsdorf Volksdorf, the only open-air agricultural museum in Hamburg that shows life and work in the former forest villages between 1850 and 1939, to Kunstspuren Volksdorf, an atelier of artists and craftsmen who organize exhibitions open their workshops to visitors and to the local sponsorship society of Lions Club.

GFA-Bridges is our key initiative to provide funds for small projects proposed by our staff abroad.

In 2009, we founded the initiative "[GFA Bridges](#)" to support small charity projects that our staff proposes. We donate up to € 20,000 per year to fund short-term trainings for multipliers, and equipment for self-help-initiatives. The funding guidelines are updated annually and communicated to all projects. They are also posted on the internal GFA bulletin board. A five-member committee consisting of representatives from various departments and functional levels decides on the applications received.

In the last funding cycle (2017-2018), we selected the following five out of twenty-one project proposals:

❖ **Burundi/Rwanda: IKONEKT – ICT Trainings for Burundian refugees**

An internet café and trainings on information and communication technologies (ICT) for Burundian refugees were established in the Mahama refugee camp in Eastern Rwanda. Following the 2015 political crisis in Burundi, more than 50,000 Burundian refugees have fled to this camp. GFA supported the skillful use of ICT means to improve the youth's employment skills, give them access to online courses, and enable low-cost communication with their families in Burundi.

❖ **Democratic Republic of the Congo: Improvement of an orphanage**

For an orphanage in Madimba – a town 100 km outside of Kinshasa – that provides food, shelter and basic education for 24 orphaned or abandoned children, we improved equipment and infrastructure. With 5,000 € we built additional accommodation space and purchased beds, mattresses, tables, chairs, and solar equipment to make the orphanage center more energy self-sustainable.

❖ **India: Promoting local livelihoods and gender-sensitive sustainable forest management**

In the Sirsi landscape (Uttara Kanada District, Kamataka State), we strengthened the capacities of women and community-based organizations to support the sustainable harvesting and marketing of non-timber forest products (NTFP). GFA a fuel-efficient drier for non-timber forest products, a tree nursery for native fruit trees and NTFP species, and trainings on sustainable harvesting and improved marketing.

❖ **Madagascar: Rural electrification in the village of Ambatoharanana**

In a village 100 km from Madagascar's capital, we support the purchase and transport of solar energy kits to provide families with environmentally friendly renewable energy for street lighting.

❖ **Brazil: Football for development**

We support the non-profit football organization House of Hope that offers trainings for soccer skills, social and emotional learning and social security to 200 boys and girls in the periphery of Brasilia. The organization helps to take kids off the street and offering them a safe surrounding. With the GFA funds they trained football trainers and social workers.

During **emergencies**, meaningful proposals for action can also be submitted outside the annual application cycle and be supported by GFA Bridges (e.g. flooding in Kyrgyzstan, earthquake in Nepal).

Cotton Expert House Africa gGmbH supports socially viable cotton production as a non-profit organization.

In 2016, we founded the non-profit organization [Cotton Expert House Africa gGmbH](#) (CHA) in collaboration with the Aid by Trade Foundation, holder of the sustainable cotton standard "Cotton made in Africa". With this initiative, we contribute our technical expertise and project management experience to support economically, environmentally and socially viable cotton production and value addition in Africa.

Since then, CHA has established two fully operational Regional Hubs with local representation. West & Central Africa is served from an office in Ouagadougou, Burkina Faso, while East & Southern Africa is served from Nairobi, Kenya. The Regional Hubs are supported from CHA's Headquarters in Hamburg.

During 2018, CHA also managed a total of 14 projects across eight separate countries which were established on a co-funding basis with financial backing from the German Federal Ministry for Economic Cooperation and Development (BMZ). Phase 2 of this co-funding initiative is due to commence in 2019 and will contribute to the overall scaling-up of CHA interventions across Africa.”

Outlook

The current funding cycle of the GFA Bridges projects 2018-2019 started in September and includes school sanitation in Vietnam, elementary school in Ecuador, an orphanage in Madagascar and ultimate Frisbee trainings for refugee, orphans and vulnerable children in Lebanon.



4 Annex: Communication on Progress 2018

Contribution of GFA sustainability measures to the UN Global Compact Principles:

| UNGC Principles | Measures 2018 | Reference to Report Chapters |
|--|---|--|
| Statement of continued support to the UNGC | | 1 Foreword by GFA's Managing Director |
| Human Rights | | |
| <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2: Make sure that they are not complicit in human rights abuses.</p> | <ul style="list-style-type: none"> • Code of conduct and integrity policy review • National Action Plan on Business and Human Rights • Compliance paper on sexual harassment • HIV/AIDS policy | 4.1 Corporate Governance |
| Labor | | |
| <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4: The elimination of all forms of forced & compulsory labor.</p> <p>Principle 5: The effective abolition of child labor.</p> <p>Principle 6: The elimination of discrimination in respect of employment and occupation.</p> | <ul style="list-style-type: none"> • Code of conduct and integrity policy review • HR Strategy & Action Plan • Fair compensation and benefits program • Integrated human resource development • Corporate health management • HIV/AIDS policy • Motivating working environment • The future of work | 4.1 Corporate Governance 4.4 Staff Satisfaction and Loyalty |
| Environment | | |
| <p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies.</p> | <ul style="list-style-type: none"> • Energy auditing and switch to 100% renewable energy • CO2 offsetting of business travel • Incentives for climate-friendly staff mobility • Mobile bicycle repair shop "RadRetter" • Sustainable procurement policy and guidelines • Establishment of the GFA Green Team • Sustainable canteen & catering • Drinking water pilot • "Employees Social Action" platform • GFA Bridges projects • Cotton Expert House gGmbH | 4.2 Climate Protection 4.3 Resource Protection 4.5 Social Commitment |
| Anti-Corruption | | |
| Principle 10: Businesses should work against all forms of corruption, including extortion and bribery. | <ul style="list-style-type: none"> • Code of conduct and integrity policy review | 4.1 Corporate Governance |