



GFA SUSTAINABILITY REPORT

COMMUNICATION ON PROGRESS 2019 TO THE
UN GLOBAL COMPACT



FOREWORD

STATEMENT OF CONTINUED SUPPORT BY THE MANAGING DIRECTOR

WE SUPPORT



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 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,

Anja Desai
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.

The present Sustainability Report and Communication on Progress to the UN Global Compact 2019 illustrates progress made in implementing GFA's Sustainability Strategy in five action fields: corporate governance, climate protection, resource protection, staff satisfaction and loyalty, and social commitment. The UNGC Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption provide continual guidance to improve the performance of our governance system. We have also committed to taking responsibility in the digital world by joining the Principles for Digital Development.

Major changes in GFA's organization structure and the hand-over of senior management were initiated successfully in 2019. Amidst continuous adaptations, wide-ranging achievements towards sustainability were only possible because staff members across all departments and functions took initiative, pushed change forward and engaged in our network of drivers and implementers of sustainability measures and social commitments. With the consolidation of our sustainability and compliance management system, we are sowing seeds for a sustainable future in the 2020s.

Yours sincerely,

Anja Desai
Managing Director
GFA Consulting Group GmbH

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

1 GFA PRESENTATION

Sustainable development worldwide is at the core of what we do.

GFA Consulting Group GmbH with its headquarters in Hamburg/Germany is a leading European consulting firm in international development cooperation, providing advisory services since 1982 to the challenges in a globalizing world. GFA employs over 1,500 staff members worldwide and implements more than 300 development projects and studies every year, generating an annual group turnover of €146 million (estimate 2019). Project management is one of GFA's core services and encompasses planning, implementation, and monitoring and evaluation. Study design and fund management are complementary services. GFA's corporate strategy is based on more than three decades of success in official development assistance (ODA). Gradually, the company has started to offer its services and know-how to private and public customers beyond ODA.

Our mission is catalyzing change to improve the quality of life of target populations worldwide. In collaboration with stakeholders from governments, the private sector, NGOs, and civil society, we directly work with our beneficiaries to create opportunities for change and sustainable development. With our work, we aim to contribute to prosperity, social equality, natural resources protection, and to the global fight against poverty and hunger.

Our vision is being the partner of choice for clients in our core business areas. GFA is a learning organization, our range of business areas adjusts to market developments, and new topics are continuously integrated into our service portfolio.

Our core values build confidence and trust.

GFA's corporate success is deeply rooted in our values and human resources. Our ambition is to provide services of high quality and technical excellence, which GFA staff on the job combines with innovative approaches and products that inspire clients' confidence and trust.

Five core values shape our work, and reflect our company's openness to change and contribution towards a greater good: They 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 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.

Future-proof through digital innovation and responsibility.

GFA commits to taking responsibility in the digital world and has joined the "Principles for Digital Development". Internally, we are implementing the digital principles through our initiative **GFA Digital**, building transparency and trust through digital workflows and tools. It also shapes the future of work through digital education, motivating employees and boosting their productivity. GFA established the **Digital Innovation Unit** that scales up strategies where proven digital technologies are available and develops new solutions where they can be piloted. The focus lies on digital monitoring and evidence-based decision making, e-learning solutions and mobile for development applications.

2 CONTRIBUTION TO THE SDGS

All strategic business areas contribute 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 **Agriculture and Rural Development** focus on stimulating sustainable agricultural development for economic growth (**SDG8**) integrating smallholder farmers and the rural poor, especially women (**SDG1**), and enhancing climate change adaptation (**SDG13**) in developing countries. We promote technical innovations that improve irrigation and land management systems, agricultural productivity and yields (**SDG2**), as well as access to agricultural skills development, rural finance and market orientation.



Closely linked to this, our helpdesk for **Food and Nutrition Policies** provides specific advisory in nutrition advocacy (**SDG2**) under a multi-sectoral approach linking nutrition to health, agriculture, natural resources management, water, education and income generation for achieving better nutrition especially for women in reproductive age and children's healthy growth.



Our Department for **Health** engages in projects related to social and reproductive health and rights, non-communicable diseases, disease control, health systems development (**SDG3**). We assist clients with strengthening the local health systems, designing and customizing national prevention and treatment programs (e.g. for HIV/Aids, TB and NCDs), social marketing campaigns, procurement of essential drugs and medical equipment. Our experts offer a wide range of services in health systems strengthening and health financing, they support access to quality health services and to health insurance and social protection schemes.



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 advisory services for education system reforms, labor market and employment promotion, technical and vocational education and training (TVET) and skills development. Our **C³ Unit for Better Learning** designs action and experience based trainings, tailor made learning formats for adults for our partners and project target groups.



Our **Water, Sanitation & Waste Management** Department implements projects in the field of water for life and promotes sanitation and hygiene 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 support to public sewage utility management worldwide. The department has expanded its scope to waste management contributing to the approaches of sustainable cities (**SDG11**), life on land (**SDG15**) and in the oceans (**SDG14**).



Clean, renewable energy, affordable rural electrification (**SDG7**) and energy efficiency (**SDG11**) are the core topics of the studies and projects of our **Energy** Department. 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.



With a specific focus on the protection of the climate and to combat **climate change** (**SDG13**), our Climate Competence Center provides advisory services for adaptation, mitigation and climate change policies, as well as the mobilization of public climate finance and market-based financing mechanisms to support infrastructure, energy conservation and reduced emissions.

In view of the urgent need for action against the global climate crisis, GFA has created a Climate & Energy Cluster in 2019 that enables GFA to mobilize the expertise and resources from all business units and subsidiaries across the entire GFA Group. This enables us to provide tailored multi-disciplinary and cross-sectoral climate mitigation and adaptation services to further enhance the impact of our client's climate actions and thus contribute meaningfully to protect the climate and combat climate change.



In our **Private Sector Development** Department, we support projects for strengthening small and medium size enterprises, trade, regional economic integration and quality infrastructure that contribute to decent work and economic growth (**SDG8**) and we promote sustainable innovations (**SDG9**). We deliver information and support legislation for sustainable consumption and production patterns (**SDG12**) and we promote innovation through 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**) in the field of green finance (SDG 13).



Through our **digital innovation services**, we seek to embed digital technological solutions in our work to advance international development (**SDG9**), improve access and reduce inequality (**SDG10**).



Our Department for **Natural Resource Management and Environment** focuses on maintaining and improving sustainable life on land (**SDG15**) through environmental conservation, sustainable forest and protected area management, as well as marine and coastal management (**SDG14**). Advice to local partners on environmental governance and forest landscape restoration broadly contribute to combating climate change (**SDG13**).



Our Department for **Governance** supports the implementation of state reforms, decentralization processes, democratic exercises and policy dialogues (**SDG16**). We provide advisory services to improve rule of law, public administration services, social protection policies, peace, and security, civil society participation, and the promotion of gender equality (**SDG5**). We support the legal and institutional framework for the public and the private sector to participate in decision-making related to social, political and economic development, including rural and urban settings. Under the premises of the Paris Declaration of Aid Effectiveness, we foster aligning sector policies with national strategies.

With our special unit for **monitoring & evaluation**, we provide sound methodological expertise to our projects to implement aid effectiveness principles and increase the effectiveness and efficiency of development cooperation, and establish a culture of joint learning.

Enhancing **gender** equality (**SDG5**) is an important cross-cutting issue throughout all our business areas and projects. We promote gender equality by providing equal opportunity, enhancing diversity, building gender competence and applying gender sensitive approaches throughout our business operations and projects.



Closely linked to aid effectiveness and good governance, 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 (**SDG16**). This includes fund and grant management, public finance policy and reforms, and public procurement.



Displacement and migration is a special area of cross-cutting interest. We use our expertise from various backgrounds, aiming at supporting refugees and strengthening host communities, managing and shaping migration, as well as re-integrating returnees.

All across our business operations, we actively engage in dialogue and **partnership** with our clients and beneficiaries to better respond to the critical challenges in sustainable development (**SDG17**).

SUSTAINABLE DEVELOPMENT GOALS

3 SUSTAINABILITY MANAGEMENT

Our corporate sustainability strategy is motivated by our staff's concern to strengthen environmental, social and ecological sustainability aspects not only abroad, but also at GFA's home base in Hamburg. A participatory internal strategy process identified core areas of concern. 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.

Our strategic direction is a solid operational basis, starting from our headquarters.

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.

In 2019, we set up a respective **management and monitoring system** to track progress towards social and environmental improvements in line with our strategy.

We also implemented an **annual sustainability workshop** open to all staff members to inform about progress achieved in the first year of implementing the strategy, collecting feedback and setting priorities for actions in 2019 and beyond.

Implementation in the functional areas of the company and supported by a voluntary-based network.

Under the leadership of GFA's Managing Director, a designated Senior Manager and a **Sustainability Manager** are tasked with the overall management and monitoring of the sustainability strategy.

A network of **voluntary 'Thematic Drivers'** helps implementing the sustainability strategy. Staff members of relevant functional areas engage in their field of expertise and contribute with their professional competence to implement the measures.

A **Green Team of volunteers** consists of 24 multipliers representing the 16 work units. Its purpose is to identify sustainability topics, generate impulses, create awareness and support specific sustainability measures across the organization. Core tasks of the Green Team members are in the fields of communication within, into and out of each unit, networking, consolidating ideas and driving sustainability actions forward.

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 (CoP). GFA's first **Sustainability Report and CoP** was submitted to UNGC and published on our website in February 2019.

Internally, an interactive **communication platform** has been established for exchange on sustainability topics. Externally, GFA engages actively in the **German Global Compact Network** to learn and communicate experience on corporate sustainability actions. In 2019, GFA has also engaged directly with one of our major clients and hosted a brownbag meeting to exchange experiences and discuss future trends which will shape our business relation.

Facts and figures



4 ACTION FIELDS

4.1 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 that 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.

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 of this action field is to be a reliable service provider and partner, providing fair working conditions across our business. Compliance with legal requirements, reliable implementation and compliance with internationally recognized ethical standards is a constant challenge as an international development company, especially in fragile states and poor governance. It requires strengthening of rule of law and accountability among decision-makers, partners, employees and project staff.

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 2019

❖ **Set up of an integrated Compliance Management System**

Motivated by the review of GFA's policies and procedures initiated in 2018, corporate management as decided in 2019 to approach the wider issue of compliance systematically at the level of the company's Quality Management. With external legal support, GFA strives to set up an integrated Compliance Management System within the next two years. The initiative encompasses the review of existing conditions and policies to merge them into an integrated approach, and will then address the further review of the Code of Conduct and Integrity Policy, enacting of human rights principles and diversity as well as other issues. It is intended to eventually undergo an independent audit and seek certification with the Hamburg Chamber of Commerce's Compliance Certificate.

❖ **Sexual Harassment Policy**

Triggered by international press releases and the #MeToo debate in 2018, GFA engaged in an internal dialogue based on a discussion paper. As a result, a Sexual Harassment Policy was drafted with the help of external experts, and a guideline was set up for the protection from sexual harassment. The devised system will include a complaint mechanism and ensure proper response mechanisms. The coordination process is in its final phase, and implementation is expected for 2020.

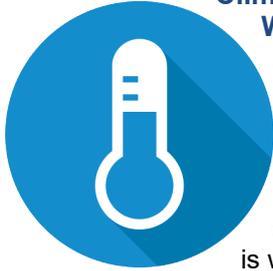
Outlook

In 2020, the set-up of an integrated Compliance Management System will continue and further review of applicable policies deepened. The Sexual Harassment Policy and Guidelines, including the set-up of a respective complaints mechanism is expected to be finalized.

Facts and figures



4.2 CLIMATE PROTECTION



Climate protection is one of the most pressing challenges of humankind. We must succeed in reducing emissions and 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 in the battle against irreversible climate change. This is why we need to contribute with our own business operations as well.

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

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

Actions in 2019

Key initiatives in 2019 focused on the monitoring of energy consumption, CO², the compensation for business travel, as well as the provision of incentives for climate-friendly staff mobility.

❖ **Energy consumption and auditing**

GFA is measuring its energy consumption at its headquarters since 2015, and implements energy efficiency measures continuously. Since 2018, the energy supply of GFA headquarters has been converted 100% to renewable energy. For 2019, the energy consumption sums a total consumption of 287,364 kWh.

In the 2019 reporting year, the GFA will disclose its energy consumption in an energy audit according to DIN EN 16247-1.

❖ **CO² offsetting of work related travels**

In 2019, GFA has offset the full amount of emissions caused by air travels of its Hamburg-based staff¹ for the first time, amounting to 1,956 tCO_{2e}. GFA purchased 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 to offset GFA's emissions from international air travels 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)

❖ **Incentives for climate-friendly staff mobility**

GFA has continued to provide incentives for climate friendly staff mobility in 2019. For business travel within Germany, as well as for the way to work, GFA staff is encouraged to travel by public transport. 211 staff members (65% of all Hamburg-based staff) benefitted from a subsidized Job Ticket, the “**HVV ProfiCard**” for local public transport in and around Hamburg.

For travelling within Germany, 199 consultants were provided with the German Railway's “**BahnCard Business**” that guarantees the use of 100% renewable energy for long-distance train travel. The BahnCard can be used for business and private travel. The DB Service agency uses an environmental calculator to report on a quarterly basis how much emissions have been saved compared to a travel by car. In this way, GFA has saved in 2019 about 50.542 kg CO₂ emissions.

¹ The scope of measurement includes all flights booked through our central travel agents and includes both project related and other travel. Flights by project-based staff are not included.

GFA continuously encourages the use of **bikes to work** and provides changing rooms with showers and lockers for the bikers' convenience, as well as a bike repair set.

❖ **Bike-to-Work Competition**

GFA supported the Bike-to-Work Competition during the summer months May to August. Two Green Team members organized the Bike-to-Work Competition 2019. 56 bikers joined in, and 21 registered their kilometers covered during the four running months. Out of 89 working days, they took their bikes to work on an average of 54 days, covering on average 11 km per person per day. In total they were running 12.443 km in a range of 300 to 1.560 km/person. Three winners were nominated in two categories, for the highest number of days biked to work and highest number of kilometers covered respectively. The winners were rewarded with vouchers from a nearby bike shop, and other participants received bicycle repair kits as consolation price.

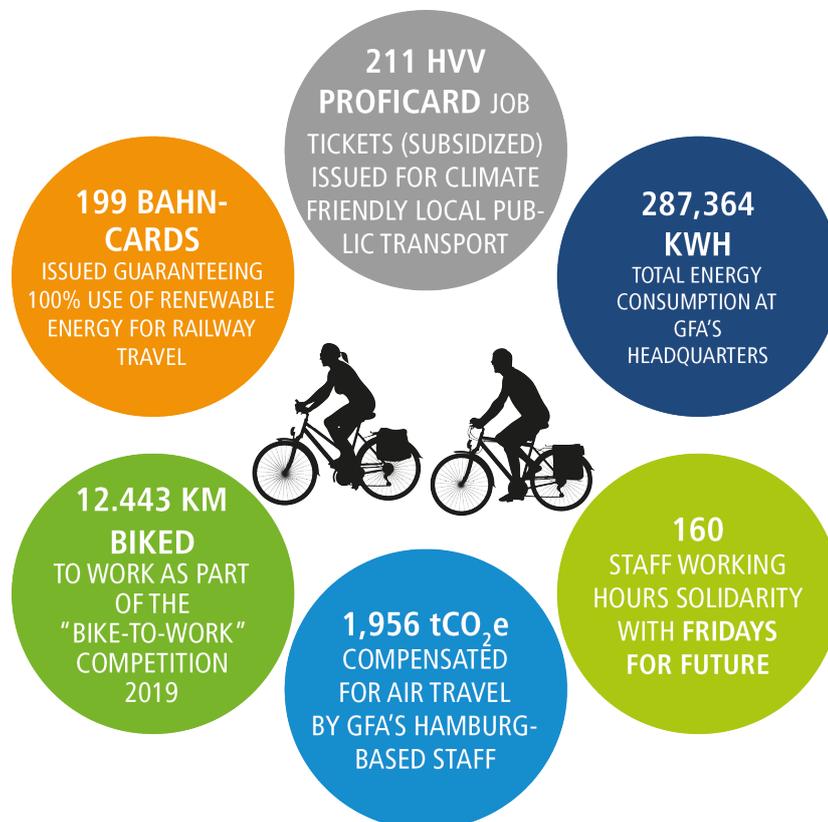
❖ **Fridays for Future - Global Climate Strike**

GFA supported the Fridays for Future Movement by allowing its staff members to participate in the Global Climate Strike. On 20th September, a group of 40 employees participated in the demonstrations for climate justice in central Hamburg. 160 staff working hours were invested in the climate strike. On the same day, the Green Team organized a brownbag lunch event on GFA's premises for those who wanted to inform themselves. Presentations of short informative videos on successful climate initiatives and interviews with Fridays for Future Activists were followed by open discussion.

Outlook

In 2020, we will continue the dialogue with our main clients to contribute to climate protection and neutrality in the framework of their competitively tendered services. Meanwhile, we will further enhance the data collection procedures for compensating emissions from business travels. The results of continuous monitoring of energy use will enable facility management to identify further efficiency measures. The Green Team will take awareness raising actions and support energy efficient behavior. The incentives on climate friendly staff mobility will be continued and special events will be organized in 2020.

Facts and figures



4.3 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 tea kitchens with adjoining conference rooms with the provision of healthy food has been identified as an area of particular interest for our staff.

Actions in 2019

Key initiatives in 2019 included the work towards a structured environmental management, and a [Sustainable Procurement Policy](#) with a guideline. The continued effort to [operate our canteen sustainably](#) was complemented by the roll-out of the company-wide [drinking water initiative](#). The Green Team effectively supported the roll-out of this and other resource-efficient initiatives and brought up own proposals for continued improvements.

❖ Environmental Management System and Environmental Policy

In 2019, GFA has initiated the preparations for setting up a structured Environmental Management System. Eventually, this could result in a certification in line with the ISO 14001 standard. Responding to immediate demands, a first Environmental Policy was drafted and is in the process of final consultation for release in parallel with this report. The Policy formulates the commitment to actively protect the environment and minimize the climate impact of GFA's business operations. The key areas of concern specified with respective commitments in the policy include energy, water, transport, paper, office supplies and sustainable canteen & catering.

❖ Sustainable Procurement Policy and Guidelines

GFA can build on a solid foundation with regards to environmentally conscious and efficient procurement. In 2019, a Sustainable Procurement Policy was drafted and is in the process of final consultation for release in the first quarter of 2020. The aim of the Policy is to optimize economic efficiency and sustainability performance of GFA's office operations, based on the formulation of overarching principles for sustainable procurement.

The additionally applicable GFA Sustainable Procurement Guidelines will be specified in a next step in 2020 and translate the policy aims and procurement principles into actionable guidance for the procurement and subcontracting of respective goods and services.

❖ Appropriate disposal and reuse of IT

GFA uses one of the leading business partners to procure reliable IT equipment and services. The use of extended guarantees and next-day professional repair services guarantee the longevity of computer equipment. Even after their standard lifetime for every-day use, laptops are refreshed and made available as part of a rental pool of approximately 40 devices for short-term internal use. When eventually taken out of service, devices that are still functional are sold off to interested staff members and projects abroad, or donated to social institutions. In 2019, GFA donated 7 fully functional laptops, 7 desktops and 35 computer monitors to a local IT social store operated by the Workers Welfare Foundation. Only few remaining parts were collected by a certified electronics disposal company for professional disposal.

❖ **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, 2-3 times a week the dishes are vegetarian, food waste is minimal. As part of the catering fair trade tea and coffee is offered for free, and also milk, sugar and bottled water are provided in the meeting rooms and the kitchenette of each department office.

In 2019, efforts were continued to purchase ingredients sustainably, from regional sources and with a stable share of organic products. A new flyer with the sustainability principles for food sourcing and meal preparation is available and distributed to new employees during an onboarding training.

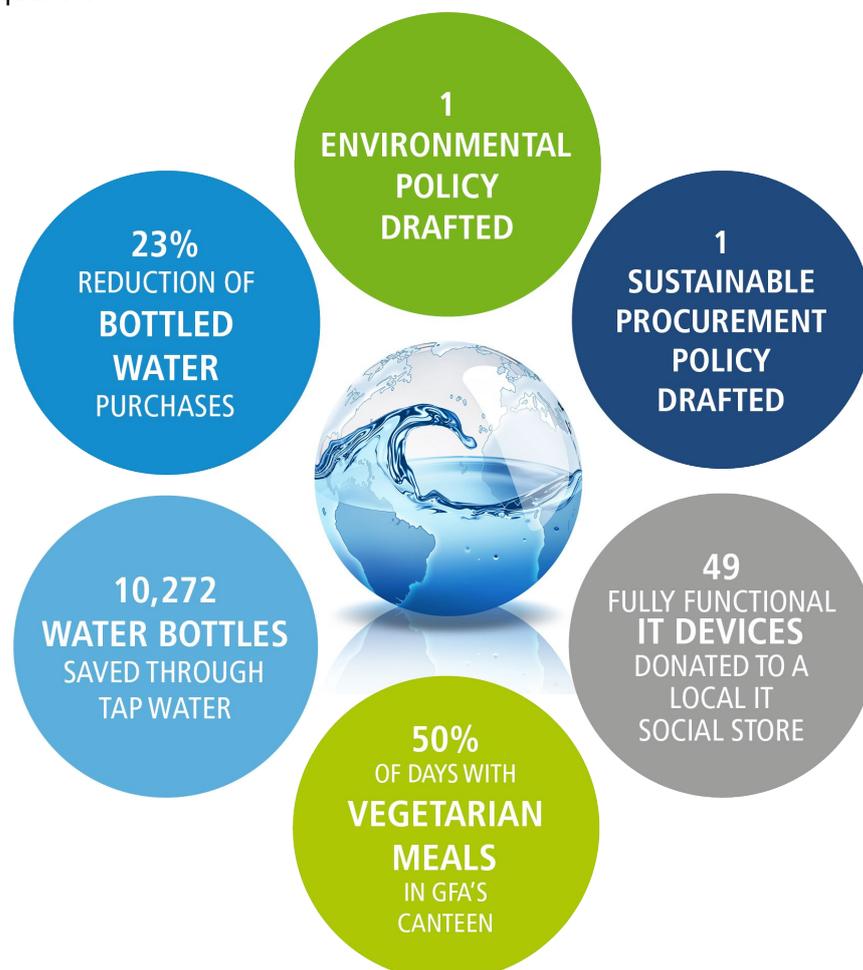
❖ **Promotion of drinking water from the tap**

Based on the successful drinking water pilot initiative in one working group conducted in 2018, GFA has discontinued the purchasing of non-sparkling bottled water. After continued testing to assure the quality of tap water at all water points at GFA headquarter buildings, a total of 272 water carafes were distributed among staff members, in the kitchenettes and meeting rooms. This was accompanied by a continued information campaign. The Green Team helped with distribution and awareness raising to increase the acceptance of drinking tap water. Posters were displayed in the kitchenettes, a slide show on Water Facts was shown on screens and the Green Team members conducted the dialogue in their teams. This resulted in a 23% reduction of bottled water purchases during the months May to December 2019, amounting to 10.272 bottles saved in comparison to the previous year in spite of increasing staff numbers.

Outlook

In 2020, we will continue to work on the envisaged environmental management system, and we are planning to specify the procurement guidelines for the headquarters in Hamburg. Beside the support to ongoing activities across all action fields, the Green Team is planning to focus on waste sorting and recycling at our headquarters.

Facts and figures



4.4 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 qualified personnel for continued growth in a dynamic market while assuring high service quality is 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 national and international recruitment, as well as the implementation of HR strategies to reach the above mentioned goal. Dialogue platforms on staff-related issues exist permanently for the most important functional groups, and participation options are created across different functional areas and on strengthening social sustainability.

Actions in 2019

Key initiatives in 2019 included the implementation of the HR Action Plan with consultations on a fair compensation and benefits program, the start of a digitization initiative of personnel management, continuity in the development of an integrated human resource development, our corporate health management and the certification of our families in mind policy.

❖ **Human Resource Strategy & Action Plan**

The implementation of the HR Strategy & Action Plan continued in 2019, strengthening HR's role as a strategic partner when company policies and organizational changes are created. HR-related processes were further developed and new workflows implemented, especially with regard to recruitment processes and contract arrangement.

❖ **Digitization of personnel management**

HR started to optimize its digital workflows and providing more powerful tools for integrated personnel management. In 2019, several new software tools for integrated HR management were identified and evaluated with the assistance of an external consultant in search of the most suitable platform for managing personnel records, staff training and talent or career development. The project started in 2019 and will move towards implementation in 2020.

❖ **Fair compensation and benefits program**

The review of our internal compensation and rewards program started in the previous year and saw its implementation as a fair compensations and benefits program in 2019. The aim of this program is to retain and attract top talents to the company. A company-wide agreement was negotiated with the Workers Council in 2019 and is meant to enter into force in the beginning of 2021

❖ **Integrated human resource development**

GFA supports continuous learning in the workplace across all functions and departments. 672 participants joined 125 courses totaling 6,249 hours of training (figures refer to 2018). In addition to the broad range of courses already provided, more specialized courses were offered, as e.g. on donor procedures, conflict management, systemic organizational development and design thinking. A tailored leadership development training was designed for middle management staff. New internal and external training offers targeted especially at administrative and support staff. A systematic on-boarding course for new employees was well-received and further developed with new modules in 2019. Course evaluations with an average of 1.55 (where 1 is "very satisfying" and 5 is "bad") prove the good quality of and satisfaction with the trainings.

❖ **Corporate health management**

GFA continues to offer voluntary benefits for the promotion of exercise, sports and relaxation. We support the provision of sports equipment, team registration fees for sport events, special membership conditions. Activities that enjoyed great popularity in 2019 include in-house, badminton, team participation in running and soccer events, as well as "Hansefit" fitness center membership. GFA also supports HIV/AIDS prevention among employees and their families in its workplace program.

❖ **Family-friendly company**

In 2019, the implementation of GFA's [Families in Mind Policy](#) was further strengthened with the systematization of family-oriented measures in three pillars: returning to work, support to child care and care of close relatives, and flexible working arrangements. The latter includes new guidelines on part time arrangements, part-time retirement and home-office arrangements announced this year.

By applying with the "Initiative der Hamburger Allianz" for the Hamburg Family Seal, we submitted our family policy to external scrutiny. In November 2019, GFA and 32 other companies were solemnly awarded the [Hamburg Family Seal](#) in Hamburg's City Hall.

Outlook

For 2020, we are planning to launch the fair compensation and benefits program. We will further enhance the capacity of the HR team and build on the importance of human capital development in the company. Attention shall be devoted to leadership, competency development and succession planning. We will also work on effective performance reviews, regular feedback and career development. Daily work routines will be made easier by increased digitization of processes.

Facts and figures



4.5 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 locations 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.

A [fact sheet](#) summarizes GFA's approach to social commitment, aligning it to the overall corporate goal of environmental and social sustainability. The internal communication platform called "**Employees Social Action**" informs continuously 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 2019

Employees Social Actions are implemented by GFA employees in Hamburg.

❖ **Bee keeping and honey production**

2019 was the first productive year of the bee colonies on the roof top of one of the headquarter buildings. Up to 60,000 bees provided a small harvest of 15 kg "GFA honey". Young professionals from our agriculture and rural development department started as hobby bee keepers with two colonies of bees in 2017, subsidized by GFA. During a sight visit in May they gave insights into the bees' life which is documented in a small video called the "Bee seminar". During the hot summer 2019 it became necessary to provide shade for the hives, for which GFA contributed additional funds. The first harvesting season was concluded with the sale of a small but very well demanded quantity of lime-blossom honey, which the bees had collected from the nearby trees. This event was combined with another well-visited seminar about "Facts on our Bees", about problems faced, quality controls passed and how the bees are prepared for the upcoming winter period. For 2020, early blossoming flowers shall be planted on and around GFA's premises to give the bees an early start into the next season.

❖ **Clothes swap against fast fashion**

The Green Team initiated a sustainable clothes swap night in the GFA Lounge where presumably outdated clothes changed hands and found new fashion lovers. Un-exchanged items were donated to a social department store, a so-called 'Sozialkaufhaus'. Accompanying the swapping action was a presentation and active discussions about fashion production and waste, led by our inhouse expert of the Cotton Expert House Africa (see below). Participants had the opportunity to learn facts on the textile value chain and unsustainable 'fast fashion'. They received recommendations for more sensible consumption and responsible sourcing in a brochure on 'sustainable clothing', available in the intranet.

❖ **Pen recycling**

The pen recycling is an initiative started by one of GFA staff members. Collection boxes were set up across the five GFA office buildings. The pens, whether gel rollers, tipp-ex mice or highlighters, go to 'Terracycle', a company that takes care of recycling and turns back waste into recyclable material. During this year 5.15 kg of recycling material could be collected and donated. So, old pens are given a new purpose and a nature conservation foundation called 'Schleswig-Holstein Stiftung', which 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.

❖ **Donations for the school fees of an Afghan girl**

Initiated in 2018, a GFA employee collected donations for Maryam, an Afghan girl from rural Jalalabad. The 3,200 Euro lasted through 2019 to cover her school and boarding fees. The donation gives her a chance to get a secondary school education.

❖ **In kind donations of eyeglasses**

A member of the GFA staff collects eyeglasses no longer in use and send them to the organization 'Brillen Weltweit'. It is a German platform initiative that donates them to people in need in poor countries. In 2019, 50 glasses were collected by GFA colleagues.

❖ **GEPA fair trade sale and support of charitable projects**

GFA is supporting the fair trade GEPA team of the Ev.Luth. Church Volksdorf. Once a week during lunch break, a GFA colleague sets up a GEPA fair trade table in the corridors. GFA staff continues to show great enthusiasm for fair trade goods. Together with the surplus of other sales, the church community supports charitable projects with approximately 1,200 EUR per year, including 'Peace Work of Sumaya Farhat Naser' in Palestine and the work of Father Lackner on the small Indonesian island Sumba', 'Dili Trust - Support for street children in a slum in the south of Delhi' and the project "Golden Gate" for widows and pupil in East India in the village of Suku in Orissa.

❖ **Art exhibitions**

At GFA, we have a long history of well-received art exhibitions. Local and regional artists get the opportunity to show their paintings for several months in the corridors of GFA, providing platform for both established and new artists in an open-minded environment. Most artists are associated to the 'Kunstspuren Volksdorf e.V.'. In 2019, one artist presented her impressive nature and landscape paintings, and another artist her abstract art with a striking variety of colors aroused broad interest.

❖ **Other GFA donations and sponsoring**

Some other donations made in 2019 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 and to 'Arbeiterwohlfahrt Kreisverband Stade', an local district association of an national and international NGO AWO, dedicated to social and charitable work.

Social engagements of GFA abroad

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

From 2016-2019, GFA engaged as a shareholder of 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" (CmiA). With this initiative, we contribute our technical expertise and project management experience to support economically, environmentally and socially viable cotton production to improve sustainability in the African cotton and textile industry.

The mission of CHA is to provide a platform for industry stakeholders along the supply chain to facilitate exchange, share learning experiences and provide technical support. Two fully operational Regional Hubs served West & Central Africa from an office in Ouagadougou, Burkina Faso, and East & Southern Africa from Nairobi, Kenya.

14 cooperation projects with the private sector and two cooperation projects across eight countries were supported on a co-funding basis with financial backing from the German Federal Ministry for Economic Cooperation and Development (BMZ). Four innovation projects have tested and expanded new approaches in ICT, bio-pesticides, improved cotton seeds and advanced extension services.

In the funding cycle from 2017-2019, a total of more than 176,000 smallholder farmers and 892 extensionists were trained, resulting in a total of 897,952 registered participations in various trainings, 19% of them were women. 29 CEOs of the cotton and textile industry from 16 countries coordinated technical measures to support 1.2 million smallholder farmers. Lessons learned from GFA's engagement is that lasting change for the African cotton and textile sector must be based on a strong exchange network and knowledge management platform, and include stakeholders from the entire chain of custody.

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



As an expression of the social commitment by our staff abroad, GFA fosters small projects in developing, newly industrializing and transition countries. GFA staff and their dependents propose eligible initiatives in which they are actively involved. A limited number of 4 to 5 of these **Bridges**-projects are selected and subsidized by GFA on the basis of transparent criteria. GFA staff coordinates and supervises the implementation of these funds and activities.

From 2018-2019, four Bridges projects were successfully implemented:

❖ **Madagascar: Reception Capacity of the Arnaud Orphanage improved**

La Maison d'Arnaud or Arnaud Orphanage is a center receiving orphans, homeless and malnourished children, as well as babies or children of women imprisoned at Diego Suarez's jail. Due to the lack of furniture, budget and staff capabilities, the reception capacity of the orphanage was limited to 29 children.

The project's goal was to improve the quality and quantity of the orphanage's reception capacities, and to enhance children's livelihood. Bridges funds were used for the acquirement of computer and audiovisual teaching materials set for the library, and a first aid nursery box. In addition, training and inputs needed for permaculture, poultry and livestock breeding in order to increase crop and livestock yields at the center's farm, and to enhance children's food quality.

❖ **Vietnam: Total School Sanitation**

GFA Bridges supported a middle school in Vinh City, Central Vietnam to achieve Total School Sanitation, a concept including the construction and maintenance of hygienic sanitary facilities and effective wastewater treatment systems on school premises along with environmental education and hygiene behavior change of students and their social peer groups. The school shall serve as a pilot for the Total School Sanitation concept. GFA Bridges supported a stakeholder workshop inviting relevant local politicians, officials and representatives from nearby schools to share experiences and explore opportunities for a replication of the concept.

❖ **Ecuador: Supporting an elementary school near Guayaquil in Ecuador**

GFA BRIDGES supported the Ojalá e.V. association, which runs the Jesús de Nazareth primary school for 235 children in a poor community on the outskirts of Guayaquil in Ecuador. „Ojalá“ means „hopefully“ in Spanish.

In 1988, a two-story school building with an attached kindergarten was built, in which the children have been taught ever since. The funds from GFA BRIDGES were used for indispensable repairs so that the children can continue going to school safely. The construction were finished just in time for the 30th anniversary of the school.

❖ **Lebanon: Ultimate Frisbee with vulnerable youth**

Children are the most vulnerable groups of the more than one million Syrian refugees currently living in Lebanon. They mostly cannot enroll in schools and rarely have an opportunity to play sports. GFA Bridges has financed Ultimate Frisbee trainings for refugees, orphans and vulnerable children and youth in the Burj Hammoud and Kahaleh neighborhoods of Beirut, Lebanon.

Ultimate Frisbee is a non-contact team sport played with a flying disc (or Frisbee™) that can be enjoyed by children and youth of all ages and abilities. The game is welcoming and inclusive, and a great platform to develop life skills and social values such as teamwork, leadership, confidence, empathy, etc. The project has coached Ultimate Frisbee to children and youth from two informal education centers and provides the centers with the necessary equipment to continue playing.

Outlook

GFA will continue to support ongoing and facilitate new Employee Social Actions. For the 2019-2020 funding cycle of GFA Bridges, we selected 4 projects out of 17 applications. The ongoing projects are the support to the Green Business Training Centre 'Amazonia Emprendedora' in Colombia, water supply in five villages in Kenya, support of a school for people with disabilities in Guatemala, and the construction of a classroom and an administrative building in Burkina Faso. The new selection and funding cycle of GFA Bridges projects will start in September 2020.

Facts and figures



5 ANNEX: COMMUNICATION ON PROGRESS 2019

CONTRIBUTION OF GFA SUSTAINABILITY MEASURES TO THE UN GLOBAL COMPACT PRINCIPLES:

UNGC Principles	Measures 2019	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"> • Compliance Management System development • Sexual harassment policy & complaint mechanism 	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"> • Compliance Management System development • Sexual harassment policy & complaint mechanism • HR Strategy & Action Plan • Digitization of personnel management • Fair compensation and benefits program • Integrated human resource development • Corporate health management • Family-friendly company 	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"> • Environmental Policy • Sustainable Procurement Policy • 100% renewable energy • CO2 offsetting of business travel • Energy auditing • Incentives for climate-friendly staff mobility (HVV ProfiCard, DB BahnCard) • Bike to work competition • Appropriate reuse and disposal of IT • Sustainable canteen & catering • Promotion of tap drinking water • "Employees Social Action" platform • GFA Bridges projects & donations • 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"> • Compliance Management System development 	4.1 Corporate Governance