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Introduction

Sustainable. The obvious choice.

The Sustainability Programme 2021 - 2025

The goal of enabling future generations to live secure and dignified lives is achievable. It requires us to be aware of our social responsibility, consider the impact of our decisions on individuals and the environment, and remain economically viable at all times. As GIZ, we take our responsibilities seriously and want to make the right sustainable choices, not just in our projects but across everything we do. We have set ourselves some ambitious goals for the years ahead in our Sustainability Programme 2021–2025. The programme describes how we implement the requirements set out in our sustainability guideline in practice. They are all guided by the 2030 Agenda, the Paris Agreement and Germany's National Sustainable Development Strategy, as well as the expectations of our workforce, our commissioning parties and our partners around the world.

The core aim of the Sustainability Programme is to mitigate climate change. By 2025, we will reduce our greenhouse gas emissions to a level that contributes actively to the Paris Agreement targets. From a strategic perspective, we see climate change mitigation as the single most important issue, enabling us to build further on our pioneering role in the field of corporate sustainability management.

Our Sustainability Programme includes the company's Environmental Programme. It is primarily aimed at GIZ's workforce in Germany and abroad. Our work in over 120 partner countries has taught us that each country is different. To implement our programme successfully worldwide, we need to be flexible and pragmatic in how we adapt to local conditions.

In 2023 we conducted a mid-term review and adjusted our Sustainability Programme. We are firmly focused on the demands of the sector in which we operate, the latest scientific findings and the diverse working realities of our staff in Germany and our partner countries. Our annual monitoring and our mid-term review process are specifically designed to identify and analyse these conditions and trends.

The programme continues to focus on a number of broad thematic priorities: climate management and mobility; sustainable procurement; human rights; resource efficiency and biodiversity. GIZ is also engaged in many other areas, from digitalisation to gender, all of which represent important elements of our sustainability management system and are systematically addressed through a range of strategies and policies. GIZ's corporate strategy provides the framework for our Sustainability Programme and the sustainability guideline. The strategy places sustainability as a guiding principle at the core of our work and thus highlights our aspiration to implement corporate sustainability as an integral part of our business processes.







1. Climate management and mobility

Ambitious climate protection is particularly important to us at GIZ. We have therefore developed our own climate management system in line with the principle of avoiding, reducing and finally – as a last resort – offsetting greenhouse gases (GHGs).

Our aspiration is to reduce our greenhouse gas (GHG) emissions to a level that is compatible with the Paris Agreement.

Our GHG savings are geared towards limiting global warming to less than 2°C. In order to do this on the basis of climate science facts, we have joined the international Science Based Target initiative (SBTi). We have derived our specific reduction targets from the requirements stipulated by this initiative: By 2025, we will reduce our absolute scope 1 and scope 2 greenhouse gas emissions by 30 per cent compared with the 2019 baseline. We will reduce our absolute scope 3 greenhouse gas emissions from purchased goods and services, fuel and energy-related activities, business travel and staff commuting by 10 per cent over the same period. As a result, we have widened our 'system boundaries', i.e. the GHG emissions for which we assume responsibility, e.g. to include those of our subcontractors.

By 2025, we will be introducing a **GHG budget approach**, where participating corporate units define a GHG budget for the coming financial year based on their historical GHG emissions – mainly from flights – and formulate measures to reduce them. The GHG budget approach is deliberately designed as a transparency tool that relies on the divisions' own responsibility. At the end of the first year, the effectiveness of the tool will be reviewed to gain insights for further use.

In terms of climate protection, GIZ has already achieved a lot over the last years at its properties in Germany. Since 2024, to accelerate the reduction of GHG emissions, we are implementing a corporate climate change mitigation initiative that is primarily aimed at the field structure, increases our commitment to GHG reduction in the field and simplifies the framework for implementation.







1. Climate management and mobility

We are particularly focusing on the area in which our carbon footprint is greatest: mobility. It accounts for almost 80 per cent of our emissions and primarily includes international air travel.¹ Our objective is to cut our mobility-related GHG emissions by 25 per cent by 2025. To do so, we will reduce the number of flights. For unavoidable flights we will systematically choose – wherever possible – GHG-efficient booking classes, routes and airlines. Yet, we are not only concerned with international business trips, but also with local travel. One of the key targets is therefore to reduce our vehicle fleet outside Germany and, where general conditions permit, to switch to vehicles with a low climate impact. We assume that there will be a transition to more

sustainable transport systems in the next ten years in many of our partner countries too; we aim to play a pioneering role here and to work with our partners to help promote climate-friendly mobility. Work-related mobility is the third and final key area of mobility at GIZ. Here, too, we rely on measures to promote sustainability: we are optimising cycling infrastructure in Germany and following up on the use of and demand for e-mobility infrastructure among our employees. Outside Germany, we will encourage the use of sustainable ways of commuting, taking account of the conditions in the country concerned.

Last but not least, as a climate-neutral company, we offset our unavoidable GHG emissions through high-quality reduction certificates.

An important requirement for the ongoing avoidance, reduction and offsetting of our GHG emissions is robust, annually updated climate and environmental data. We did not succeed in our goal of integrating our climate and environmental auditing for Germany and our partner countries into a digital sustainability data management system. That is why, by 2025, the existing Excel-based climate and environmental auditing system will be improved in order to gain more options for analysis.

Environmental sustainability plays a key role not only in our in-company processes, but also in our service delivery: thus, in future, we will record and, if possible, reduce negative effects on the climate (carbon footprint) in our project work.

¹ The second main source is energy consumption in our buildings see the section on Resource efficiency and biodiversity



2. Sustainable procurement

Sustainable procurement is a top priority for GIZ. As a service provider in the field of international cooperation for sustainable development, we have a long record of experience when it comes to sustainability standards and public—private responsibility for global value and supply chains. We spend more than half of our total turnover on procuring materials, equipment and services, including financing arrangements. That offers huge potential.

Our aspiration is to procure all goods, services and construction work in line with the most rigorous sustainability criteria.

To do so, we will refine the framework conditions and processes for sustainable procurement within the company. A key element in this context is the Sustainable Procurement Policy, which covers a wide range of areas, from the definition and integration of sustainability criteria in tender documents to their inclusion in the final version of the contract. This applies to all types of GIZ contracts relevant to procurement (procurement of services, materials and equipment, financing arrangements and construction services) that are entered into at Head Office and in the field structure. At the end of 2023, as one of four German companies, GIZ was certified with the "Gold Standard" for sustainable procurement from the Association for Supply Chain Management, Procurement and Logistics (BME).

We perform annual and ad hoc risk analyses at prioritised suppliers, and define appropriate preventive and remedial measures for recognised risks and violations. By 2025, we intend to define mandatory, risk-minimizing minimum standards or guidelines for 90 per cent of all materials, equipment and services and for construction services with a high potential for sustainability. The minimum standards and guidelines – for example for refrigeration technology, motor vehicles, furniture and travel services – include the most rigorous sustainability criteria, some of which are already being applied, and are updated regularly. We are piloting them abroad with our country offices. We are integrating the sustainability criteria systematically into our procurement process and measuring their application on the basis of indicators. In the annual procurement report, we provide transparent communication about the sustainability criteria we apply.

By doing so, we aim to reduce social and environmental risks considerably in our supply chains and to promote sustainable procurement. This also includes stepping up dialogue with our suppliers, giving them guidance and requiring evidence of their sustainability efforts.

An important milestone on the road to achieving sustainable procurement also involves **raising awareness** among our staff in Germany and abroad and **providing training** for them. We intend to actively promote global networking among procurement officers at GIZ, to develop aids in procurement processes and to hold regular sustainability training for these employees.







3. Human rights

As a federal enterprise, following up on our human rights due diligence in our own company and in our projects is part and parcel of our work. Besides implementing the German Act on Corporate Due Diligence Obligations in Supply Chains. (LkSG), we are committed to the Ten Principles of the <u>UN Global Compact</u> and comply with the <u>UN Guiding Principles on Business and Human Rights</u> and the OECD Guidelines for Multinational Enterprises.

We will continue to protect and promote human rights in our business activities and through our projects in accordance with these guidelines. By 2025, we will increase the extent to which the human rights complaints mechanism meets the criteria for effectiveness set out in the UN Guiding Principles on Business and Human Rights. To do so, we are increasing the protection for whistle-blowers on the basis of a whistle-blower guidance document and we will develop a rule to protect whistleblowers against reprisals. We are making our grievance reporting channels and procedures more visible by more frequently communicating information about them both internally and externally. In addition, we aim to make our complaints mechanism more accessible: this particularly applies to our country offices, for which we will produce a binding paper to improve low-threshold access to GIZ's reporting channels and provide country-specific advice.

In order to be aware of and assess our human rights risks, we are developing more extensive, in-depth knowledge about these risks: Thus, all of GIZ's employee groups receive access to information and training on human rights due diligence. Steps taken to achieve this include updating mandatory onboarding courses for all employees in Germany and abroad and implementing additional awareness-raising measures for key positions.

We conduct annual and ad hoc risk analyses in our own business area and implement preventive and remedial measures where necessary. We regularly review the effectiveness of these measures.

We report annually on the findings of our risk analyses and the (preventive) measures taken.













4. Resource efficiency and biodiversity

Responsible management of the environment and natural resources is a fundamental requirement for sustainable development. GIZ has adopted its own guiding principles on the environment and has specified its environmental targets on this basis. Since 2013, we have been using the EU Eco Management and Audit Scheme (EMAS) at our German sites. GIZ already uses its resources very sparingly and sustainably at its German sites, so we are focusing more heavily on GIZ's work abroad. In 2023, we won the Environmental Management Award of the German and Austrian environment ministries for the best environmental statement.

By 2025, we will improve our resource efficiency worldwide and help protect biodiversity.

We will reduce our energy consumption in Germany and abroad considerably by 2025: by 20 per cent in Germany, and by 10 per cent in other countries. In order to achieve these targets, we are launching information campaigns and implementing specific energy-saving measures. In addition, we are analysing our energy consumption, e.g. by increasing the number of measuring points.

At the same time, we will use renewable energies to a greater extent in future: We will install heat pumps at the German sites as well as photovoltaic systems in Germany and abroad and accelerate the use of battery-buffered photovoltaic systems that can replace conventional power supply and generators in particular. In this way, we want to increase the installed capacity of photovoltaic systems to 150 kWp in Germany and to 400 kWp abroad.

Resource efficiency also requires the sustainable use of consumables and devices: by 2025, we aim to reduce our consumption of printer paper by 65 per cent in Germany and by 40 per cent outside Germany. We will also reduce the use of equipment requiring coolants with a particularly high global warming potential (by 10 per cent outside Germany, and by 20 per cent in Germany). In future, we aim to use our IT devices for longer, to carry out repairs and to recycle equipment.

A further aspect of a sustainable working environment is the standard of our buildings and rented office premises: In Germany, for our new buildings we will comply with the highest sustainability standards of the German Sustainable Building Council (DGNB). Outside Germany, wherever possible, construction measures at locations used by GIZ should meet corresponding sustainability standards. When selecting office locations and investing in offices, corporate climate change mitigation issues will be considered wherever possible and economically feasible.

In order to help safeguard biodiversity at our sites across the globe, we are promoting measures to raise awareness and encourage knowledge-sharing among our employees, and we support the various voluntary employee-led initiatives. We will develop and implement biodiversity strategies with action plans at our own properties in Germany by 2025 and will examine similar options for our rented premises.

¹ All environmental goals in this Sustainability Programme are also part of the Environmental Programme.















Consolidating the role of the CSH as a sustainability management tool

We require **precise data and ambitious goals** to make our sustainability management system in the field structure even more effective. To do so, we will optimise our principal sustainability management tool outside Germany, the **Corporate Sustainability Handprint (CSH)**, by 2025. In 2021, we have standardised the tasks inherent to the CSH/Sustainability Officer function and they are regularly integrated into job advertisements. We are gearing the target categories and indicators for the CSH towards the new programme so that our country offices can make a targeted contribution to the Sustainability Programme, too.

Responsible use of financial resources

To meet our own sustainability goals, we also need to ensure that all monies in the company's securities-based funds are invested responsibly. We are therefore already investing our long-term financial assets in line with comprehensive sustainability criteria (ESG criteria), which we regularly review and make even more ambitious. We make transparent information about these investments available to our employees.

Diversity

We promote gender equality and the elimination of disadvantage and discrimination both within the company and in our service delivery. The GIZ Gender Strategy is a binding framework for all GIZ managers, staff and other members of our workforce. In 2019, GIZ also signed the Diversity Charter. We intend to establish diversity as an integral part of our corporate culture. We encourage managerial and non-managerial staff to value and harness diversity within the company and to contribute towards a corporate culture of low discrimination.

Sustainability reporting and stakeholder involvement

By 2025, we will boost employee participation in sustainability management. To do so, we are holding a regular in-house sustainability contest and expand our exchange formats in order to promote employee initiatives.

To involve our political partners to a greater degree too, at least 15 country offices will discuss key sustainability topics with their political partners.

By 2025, a system for reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) will be established. This will ensure that, from reporting year 2025, we will be able to report in accordance with the CSRD in our management report. Among other things, we carry out regular materiality analyses in accordance with the requirements of the CSRD.

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