



GIZ Human Rights Strategy Policy Statement

As a service provider in the field of international cooperation for sustainable development and international education work, GIZ is dedicated to shaping a future worth living around the world. Against this background, the company makes every effort to ensure that it adopts responsible business practices, especially in relation to the environment and human rights. GIZ is committed to upholding the [Universal Declaration of Human Rights](#), the [core UN human rights instruments](#), the [ILO Core Labour Standards](#) and the [European Convention on Human Rights](#). It also recognises its own corporate responsibility to respect human rights. As a company, we are committed to the [Ten Principles of the UN Global Compact](#) and observe the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for Multinational Enterprises](#). GIZ also expects its workforce and all contractors in its supply chain to comply with and apply the relevant guiding principles. GIZ's [Human Rights Policy](#) sets out our understanding of corporate due diligence. The company's human rights officer is Marie Rossetti, Head of the Quality and Sustainability Section within the Corporate Development Unit. In this role, Ms Winter is responsible for monitoring due diligence at GIZ.

I. Risk management – The key steps

GIZ's risk management system is based on a standardised process that involves systematically addressing risks at project level. We use a conventional approach to risk management that consists of the following steps.

1.) Identify and describe risks

In this first step, we identify, name and record all uncertain events that could cause deviations from the (project) objectives, which in turn could have negative impacts. The purpose of risk identification is to identify not only the risk itself but also any potential adverse impacts as early and in as much detail as possible.

2.) Score and analyse risks

Risk scoring allows us to make a concrete assessment of the importance of the risks we identify. Scoring is based on a combination of two factors: 'probability of occurrence' and 'potential damage'. Once we have this information, we can decide which risks should be prioritised. Risk analysis involves checking for links between individual risks so that any accumulated risks (risk aggregation) and/or structural risks can be identified at an early stage.

3.) Develop appropriate risk control measures

The next step is to develop an appropriate control strategy for the risks we have identified and scored. The designated 'risk owner' (initially the manager at the most appropriate level but then at a more senior level as required) decides how to proceed, and develops and implements effective and appropriate control measures and/or medium or long-term risk management strategies.

4.) Submit a risk report to the next management level

A risk dialogue is mandatory. This is the mechanism by which managers at different levels with designated responsibilities discuss specific risks and how to deal with them and decide which management level will assume control. If a risk can no longer be managed by the individual who reported it, it is dealt with by the next management level. This arrangement ensures that risks are managed at the most appropriate level.

More information on the risk management process can be found in GIZ's [Risk Policy](#).

II. Risk management – Implementation

The risk management system covers GIZ's actions in its 'own business area' as defined in Section 2 (6) of the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) and the 'own business area' of each of its suppliers. It consists of five key elements.

1.) Six-monthly company-wide risk recording and control cycle

GIZ has developed a risk management system that sets out the principles, processes and roles involved in dealing pro-actively with potential risks. All such risks are identified in a six-monthly cycle and brought to the attention of the Management Board and Supervisory Board.

All GIZ managers have an obligation to identify, score and manage risks in their area of responsibility. Risks that need to be managed at corporate level are reported by the directors general or directors of units to the responsible unit in the Corporate Development Unit. At corporate level, risks and control measures potentially affecting the entire company are discussed by the Risk Management Committee (RMA) and the Risk Management Board (RMG).

The mandatory risk dialogue between management levels as part of the six-monthly risk recording process ensures that decisions on specific risk situations are taken systematically. By combining input from various management levels, we are able to conduct an objective assessment of the risks.

We use integrated risk management software to support the management of information security, risks, audits and incidents (MIRAI).

2.) Defined subject-based responsibilities for identifying material and structural compliance risks

For certain subject areas where responsibility does not lie with a given specialist unit on the basis of its specific role, GIZ has defined and assigned clear and binding compliance responsibilities. Officers with compliance responsibilities in these specific areas report annually on the material and structural risks that make up the risk situation in their designated compliance area. This takes the form of a risk map. The next step is to develop (or request the development of) any actions that may be required.

3.) Safeguards+Gender management system

GIZ's Safeguards+Gender management system is designed to ensure that all projects are compatible with environmental and social criteria. This means adopting a precautionary approach to planning our projects, regardless of the commissioning party or client. We apply this approach at an early stage in the preparatory phase by checking for any unintended adverse impacts in relation to the environment; climate; conflict and context sensitivity; human rights;

and gender justice. Unintended adverse impacts are undesirable impacts triggered, amplified and/or consolidated by the project that directly, indirectly and/or cumulatively affect people and other protected resources in the project and/or stakeholder environment. If required, we then define and integrate appropriate measures that can mitigate or prevent the adverse impacts. With regard to gender, we examine opportunities to promote equality. If we identify potentially high risks due to possible adverse impacts, the projects in question are supported throughout the implementation phase by a central unit. In this way, the Safeguards+Gender management system plays an important role in both risk and sustainability management at GIZ.

4.) Compliance management in the field structure – Country risk profiles

Countries that are classified in our internal compliance risk index as 'high-risk' or 'very high-risk' are required to implement an additional compliance process. This includes establishing a core compliance team and drawing up a country risk profile, including any risk-reduction measures. The purpose of the country risk profile is to systematically identify and score possible country-specific risks and plan specific measures to deal with them. The results of this recording and planning process are then reported to the company-wide risk recording system, where they are then monitored.

5.) Risk analysis in the supply chain

Risk analyses of direct suppliers and service providers are coordinated centrally. The task of conducting these analyses is performed for GIZ by an external service provider using dedicated software. Based on the results of its analyses of specific groups of products and services and of particular risk exposures in partner countries, we can then assign an appropriate priority level to each risk. Any sustainability risks that are identified across our supply chains are followed up by conducting specific analyses to ensure that we can detect any risks among our indirect suppliers at an early stage. Preventive measures are taken in response to any identified risks.

III. Identified risks

GIZ recognises that its business activities (especially in fragile contexts) and its global supply and value chains may cause adverse impacts on human rights. As part of its endeavours to demonstrate respect for human rights, GIZ will also focus on the following areas that have been

identified as particularly significant for the company: protection of vulnerable groups; fair working conditions; occupational safety; freedom from discrimination; no economic or social exploitation of children; prevention of forced or compulsory labour; and protection against sexual assault at the workplace.

IV. Preventive measures

To prevent identified risks from occurring and to protect identified risk groups, GIZ has already taken a range of preventive measures. The most important are set out below.

1.) Human rights in HR work

GIZ has embedded social security, health insurance, accident insurance and pension provision into its internal framework of rules. This improves the level of protection for the entire workforce, especially national staff. In 2022, we also revised the National Staff Policy. This was done partly in order to specify and therefore make employees aware of relevant human rights standards.

2.) Unintended adverse impacts on human rights in the supply chain

GIZ has a Sustainable Procurement Policy, which is designed to reduce risks in its supply chains. It has also integrated human rights criteria into its General Terms and Conditions of Contract (AVB) and General Purchase Conditions (AEB) and into the terms and conditions of all special agreements. When classifying the risks associated with purchases of materials/equipment, services and construction work, we identified 26 products and 9 services with a particular risk or sustainability potential. In collaboration with both internal and external experts, we continuously produce new guidance documents (including possible sustainability criteria) covering these products and services. The specific guidance is shared across the company and made available, for example, to all units involved in procurement. In addition, regular training is provided for staff in different positions to help them define risk-minimising criteria and apply the guidelines at an early stage during the procurement process. Online training is available for service providers and funding recipients (gps.giz.de). There are plans to extend this training to suppliers of materials and equipment. GIZ also arranges regular sustainability dialogues with selected direct suppliers in order to strengthen their own

systems. More information can be found in GIZ's Sustainable Procurement Policy.

V. Detection measures

GIZ has created an extensive 'whistleblower' system for reporting violations of rights or rules. Various channels have been set up, and these can be used anonymously if required. To ensure that these are readily available to potential users, our continuous development strategy specifies minimum standards for integrating 'low-threshold access', e.g. by involving target groups in the design phase.

GIZ follows up all reported violations of rights or rules and all complaints related to the environment or human rights. It also ensures that matters reported in this way are clarified and resolved thoroughly and fairly. To this end, we have developed a standardised and transparent procedure with set time frames for reporting back. For more details, please see GIZ's Human Rights Policy.

VI. Remedial measures

The following procedure for developing and implementing remedial measures is initiated whenever we become aware of impending or existing human rights or environmental violations.

The first step in our own business area is to draw up a plan to prevent/end the violation and a plan of corrective measures with a specific time frame. This is done together with the unit concerned. If we become aware of an impending or actual violation in our supply chain, the above plans are drawn up together with the direct supplier in question. It may be necessary to suspend our business relationship temporarily or to limit our supplies/orders until corrective action has been taken. We will only break off a business relationship completely in the case of a very serious violation where there are no other measures for corrective action.

We will also draw up a plan to prevent, end or minimise the risk or violation if we have 'substantiated knowledge' of human rights or environmental violations by indirect suppliers. In such cases, we will endeavour to make direct contact with the indirect supplier in question in order to perform or arrange for appropriate checks as required, to strengthen the indirect supplier's own systems, raise awareness and consequently, as far as possible, prevent further violations.

VII. Documentation and reporting

GIZ's Sustainability Report forms part of its Integrated Company Report. Responsibility for producing this report lies with the Corporate Development Unit, although overall responsibility lies with the Management Board. We also submit a central report on our implementation of Germany's Supply Chain Due Diligence Act to the Federal Office for Economic Affairs and Export Control (BAFA). Responsibility for this report also lies with the Corporate Development Unit. For this process, it can use the software that we have introduced to analyse supplier and service provider risks.

The Corporate Development Unit reviews this policy at regular intervals and on an ad hoc basis to identify any modifications that may be required. It also coordinates any work needed to revise the policy.

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