

A partnership built on trust

Berlin Hyp

Corporate Citizenship Guideline

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Preface

Berlin Hyp contributes to the development of society in a variety of ways – for example through our products and services, procurement activities and the wages, salaries, taxes and social security contributions we pay. Our corporate citizenship activities are designed to strengthen our contribution to society even further. Our engagement with the community and our charitable activities are in fact an original component of our business activities and help make our customers, neighbours and potential new employees aware of the role Berlin Hyp plays as a responsible member of society.

Our various charitable activities enable us to get to know many people from outside our company, and they also attract attention among the public. These activities can also sometimes be associated with dramatic events or human tragedies. The resources made available by Berlin Hyp in this regard are limited, however, which means they need to be used carefully and in a manner that will produce positive results. This Guideline therefore presents definitions of relevant concepts and describes the causes addressed by our charitable activities, as well as the organisations or individuals responsible for these activities. Among other things, it is hoped that the approach used for the Guideline will also contribute to keeping the associated organisational outlay low.

Definitions

Donations are financial contributions made by Berlin Hyp to charitable and non-profit organisations without any requirement or expectation of receiving something in return from the organisation or a third party. Donations can also be made in the form of services or other types of assistance, such as making employees available to an organisation during staff working hours (corporate volunteering).

A payment is still considered to be a donation if some type of service is performed in return that Berlin Hyp did not expressly request and which at the most is of only minor commercial value for Berlin Hyp.

If a business partner requests that Berlin Hyp participate in a donation or fund-raising campaign for a specific occasion (e.g. anniversary, milestone birthday, death), the company may do so if the organisation that will receive the donation has been recognised as a charitable or non-profit organisation by the responsible tax authority, and can provide a donation receipt that can be used for tax purposes. If Berlin Hyp makes a donation but is not given a donation receipt, the payment involved is considered a gift whose appropriateness must be assessed in line with the relevant regulations in effect at Berlin Hyp. Due to issues relating to compliance, no donations can be made for any purpose that can be directly associated in some manner with an existing contract or transaction, or one that is being negotiated. The Compliance Officer must be consulted in any situation that is unclear in this regard.

Berlin Hyp will also under no circumstances request that a business partner directly participate in a donation or fund-raising campaign organised by Berlin Hyp.

Our charitable activities

Berlin Hyp's charitable and corporate citizenship activities focus on supporting socially disadvantaged children and young people, as well as support for sports and athletic activities.

With this, we seek to make a contribution to ensuring that socially disadvantaged children and young people can grow up in an environment that provides them with the physical and material security they need to realise their full potential. We also want to encourage our employees to take their health into their own hands by participating in sports and athletic activities in order to increase their awareness of the importance of health and physical well-being.

Guided by the principle of establishing long-term relationships based on trust with the institutions we support, we focus our activities on the following two organisations:

- **Kinderhaus Berlin-Mark Brandenburg e.V.**
Our cooperation with Kinderhaus Berlin-Mark Brandenburg e.V., which is an association that houses and supports families and children, is marked by mutual respect and trust. We have been working with the association for more than ten years now, and the relationship we have established during this time has had a positive effect on all of our activities. Examples of such activities include the provision of "school cones", which are a type of "starter kit" with gifts and supplies for children starting school. We also provide "starter hampers" for teenagers and young adults who are moving out of the Kinderhaus and living on their own for the first time. In addition, our employees read Christmas wish lists put together by children from the Kinderhaus and then send the children the presents they wished for.
- **Betriebssportgemeinschaft (company sports club)**
The success of our company is due not only to the specialised knowledge of our employees; it is also a result of their physical

fitness and ability to work under pressure. That is why Berlin Hyp supports the company sports club.

In addition, Berlin Hyp managers learn how to help people in difficult circumstances by participating in the Seitenwechsel training programme conducted by the non-profit Patriotische Gesellschaft von 1765 (Patriotic Society of 1765). Within the framework of this programme, the managers also work in a social organisation for a week. These assignments teach the managers new ways to communicate with and help people, making the managers more aware of the importance of social responsibility. The participation of the managers not only serves to support the social organisations they spend time at; it also enables the managers themselves to develop their communication skills and sense of empathy, which can help them act more effectively and with greater sensitivity in crisis situations.

Roles, responsibilities and processes

Corporate citizenship activities at Berlin Hyp are organised within the Corporate Strategy Division (sustainability management organisation), whereby the division also serves as the point of contact for corporate citizenship issues.

Decisions on all donations made for Berlin Hyp's Berlin location are made by the Corporate Strategy Division (sustainability management organisation) and/or the Board of Management.

Decisions on donations for other Berlin Hyp locations are made by the head of the location in question, who nevertheless must consult with the sustainability management organisation beforehand.

Berlin Hyp only makes donations to non-profit and charitable organisations that are recognised as such by the responsible tax authority, and whose goals and work procedures are in accordance with the principles contained in the Berlin Hyp Code of Conduct.

Donations must always be made in a manner that ensures they will be recognised as a tax-deductible expense. Donation receipts must be requested at the time a donation is made, or shortly after.

Berlin Hyp does not make donations to politicians, political parties, or party-affiliated institutions. It also does not donate to churches or church institutions, unless the charitable activities conducted by these are directed towards people of all religious beliefs, and it is clear that no attempts are made to religiously indoctrinate those who benefit from such activities.

Berlin Hyp plans, manages, evaluates and communicates its corporate citizenship and charitable activities on the basis of the London Benchmark Group framework. More specifically, all significant expenditure and effort (Inputs) is documented, as are the direct results of this expenditure and effort (Outputs). This is followed by an estimate of the long-term effect this will have on recipients, the company and society (Impacts).

Inputs to society here include all financial, personnel and material resources the company utilises to design, plan, implement and manage all of its corporate citizenship and charitable activities.

Berlin Hyp also includes in the Inputs category all expenditure that takes the form of a direct transfer of funds to the recipient organisation, as well as the costs assumed by Berlin Hyp for measures, media coverage or other third-party services that are needed to implement the charitable project or programme in question. Personnel expenditure is also part of the Inputs category.

Such expenditure may be needed for the management of a project or programme and/or to cover the financial costs associated with giving employees time off to participate in a project or programme, or in a corporate volunteering project.

Outputs include all the direct results produced by the Inputs – for example materials and equipment purchased with donations, rented vehicles, meals served, etc.

Impacts generally relate to the medium and long-term effects a project or programme has or will have on all those involved – for example the avoidance of social costs associated with illness, helping students earn a high school diploma, enabling individuals to improve their skills, etc.

The components of the Inputs, Outputs and Impacts are identified through discussions with representatives of the non-profit or charitable organisations and employees involved in the associated projects or programmes.

In order to provide the interested public, its own employees and its non-profit and charitable project partners with an overview of its corporate citizenship and charitable activities, Berlin Hyp regularly reports on the following within the framework of its sustainability reporting system:

- the number, types and scope of projects and programmes, their objectives and the project partners involved
- donation amounts
- the number of employee working days used for participation in corporate citizenship projects
- utility/benefits of the projects
- donations made by employees themselves within the framework of Berlin Hyp donation and fund-raising campaigns

Berlin Hyp is clearly committed to compliance with this guideline.

A handwritten signature in blue ink, appearing to read 'Sascha Klaus', written in a cursive style.

Sascha Klaus

Chair of the Board of Management of Berlin Hyp AG

A note on the use of the masculine form of persons: For reasons of better readability, the simultaneous use of the language forms masculine, feminine and diverse (m/f/d) is dispensed with. All references to persons apply equally to all genders.