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**WZB Berlin**  
**Social Science Center gGmbH**  
**Berlin**

ANNUAL FINANCIAL STATEMENTS as of 31 December 2023,  
Management Report for the financial year started 1 January 2023 and ended 31 December  
2023  
and Independent Auditor's Report

Audit certificate



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## **Management Report and the Annual Financial Statements**

**Management Report for the financial year  
started 1 January 2023 and ended 31 December 2023**



**Management Report  
of the WZB Berlin Social Science Center gGmbH, Berlin,  
for Financial Year 2023**

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**Underlying Principles**Business model

The WZB is a member of the Leibniz Association as a non-university research centre. Non-university research is funded by the German Federal Government and German Federal States as a so-called joint task in accordance with Article 91(b) of the Basic Law (Constitution) of the Federal Republic of Germany [*Grundgesetz, GG*] in conjunction with the administrative agreement [*Verwaltungsabkommen*] between the German Federal Government and the Federal States on the establishment of the Joint Science Conference [*Gemeinsame Wissenschaftskonferenz, GWK*] and the arrangements on the implementation of the GWK agreement regarding funding of the Leibniz institutions. This is the framework for institutional grants received by the WZB from the Federal Republic of Germany and the German Federal States. In addition, further grants are attracted for individual projects. The principal supervisory body is the Board of Trustees; other supervisory bodies are the Advisory Board and the Scientific Council.

Objectives und strategies

The problem-oriented basic social sciences research conducted by the WZB within the main direction *Development Trends, Adaptation Problems and Innovation Opportunities in Modern Democratic Societies* focuses on selected social and political problem areas that affect the society in a particular way and where solutions would be of particular interest. The tasks include

scientific treatment of politics-relevant social science issues recurring continuously or periodically in present-day societies and their political systems. The WZB analyses developments in the priority areas: *Social Inequality Dynamics*; *Market and Decision-Making*; *Digitalisation and Social Change*; *International Politics and Law*; *Changes in Political Systems*; *Migration and Diversity*; and *Political Economy of Development*. An area overarching a variety of programmes brings together institutional cross-section activities.

The researchers base their work on sound theory, derive questions from observation of long-term social developments, consider matters empirically, and practice a comparative approach to the search of solutions. The research findings obtained in this way are intended for the scientific and professional community as well as for general public.

## **Economic Report**

### Framework conditions

The WZB develops an annual programme budget. The authority supervising the implementation of the programme budget is the German Federal Ministry of Education and Research [*Bundesministerium für Bildung und Forschung*, BMBF]. The WZB must comply with German federal laws and regulations. The funding conditions established by the Federal State of Berlin for the Berlin Leibniz Institutions apply in all other respects.

### Business development

In 2023 the WZB was able to continue its development in terms of the scheduled programmes and in structural terms.

Multiple changes in society and global politics are also reflected in many of the WZB's studies. These include the aftermath of the COVID-19 pandemic, challenges facing democracies, Russia's aggression against Ukraine, and the crisis in the Middle East. Researchers share their knowledge and findings within the framework of the online event series existing since 2023, *(Un)solvable Problems? Social science views on the challenges of our time*. Their analysis is intended to inform and enhance politics, business, and the entire society.



The event series *Islam and Liberalism in Contemporary Society* aims to discuss the relationship between Islam and liberal democracy with Muslim and Muslim-origin intellectuals. Academics, practitioners and activists have different approaches to faith, but are united by a firm commitment to liberal democratic values and rights of individuals. Various issues of methodology and content are discussed in lectures and debates to dispel stereotypes and to present the diversity of Islam to the general public.

As part of the regular panel discussions in the *Young Science Meets Politics* series, young social researchers meet decision-makers from the world of politics to discuss socially relevant issues. In 2023, we welcomed in the WZB the Minister for Education and Research, Bettina Stark-Watzinger, and the Federal Minister for Family Affairs, Senior Citizens, Women and Youth, Lisa Paus.

The Covid-19 pandemic and the associated measures to contain the virus have led to major changes in the working environment and posed some major challenges - in particular, for families. As part of the joint project *Covid-19 and labour market developments in terms of gender inequalities*, Prof. Lena Hipp is working together with the Hans Böckler Foundation's Institute of Economics and Social Sciences (WSI) to investigate medium-term and long-term gender-specific effects of the Covid-19 pandemic on employment, income and careers - in particular, for parents.

The interdisciplinary Leibniz Research Alliance on Resilient Ageing addresses issues relating to global population ageing and the consequences of demographic changes. The WZB has been one of 15 participating Leibniz Institutes since February 2023.

The WZB's current range of topics relating to demographic issues has now been supplemented by the Einstein Center for Population Diversity. The six-year centre funded by the Einstein Foundation of Berlin is a cooperation project involving the WZB, Charité, the Free University of Berlin, the Humboldt University of Berlin, the Berlin-Brandenburg Academy of Sciences and Humanities, Population Europe, and the Oxford University. It is therefore characterised by close integration of research in the field of social science, psychology and medical-life science. The centre has been investigating since the beginning of 2024 how health inequalities and social inequalities develop in the conditions of growing population diversity.

The WZB is currently working together with Charité - University Medicine in Berlin, the Free University of Berlin, the Humboldt University of Berlin, the Robert Koch Institute, the Technical University of Berlin, and the University of Potsdam to establish a doctoral programme in Global Health at Charité. The aim is to create a strongly networked regional programme that would conduct flagship research work nationally and internationally to promote young scientists and to provide qualifications for specialists and managers in the field of global health. Subsidy funding will be raised for the coordination centre and 10 to 15 scholarships for doctoral students per year once the cooperation agreement has been concluded.

The *Democracy Transformations* section headed by Daniel Ziblatt was extended by another year till October 2026. His new book entitled *The Tyranny of the Minority* was published in September and quickly made it to the national bestseller lists. It addresses the crisis and sustainability of American democracy. Daniel Ziblatt and his co-author Steven Levitsky appeared as invited guests in the major national news programmes. A guest contribution was also published in the *New York Times*.

The Centre for Civil Society Research is to be sustained in the mid-term in cooperation with the Free University of Berlin (FU). A relevant cooperation agreement regulates joint sponsorship and funding of the centre. The Centre researches the foundations, self-image and transformation of civil society in present-day democratic societies. It systematically combines research into protest and social movements with empirical analysis of political conflict structures and social capital research in an integrative research approach. During the reporting period, the Lichtenberg Professorship held by Swen Hutter as the director of the Centre was reviewed by the Volkswagen Foundation. The reviewers' positive opinion points out the innovative empirical approach at the intersection between research and political conflicts, social movements and civil society as well as the major importance of the Centre for the institutionalisation of the research field.

On 14 November 2023, the *A.SK Social Science Award* was conferred on Daron Acemoglu. With this award, the Social Science Research Centre in Berlin (WZB) honoured his research into the conditions for prosperity and political stability in national economies. The A.SK Award with its prize money of EUR 100,000 is one of the most highly honoured awards in the social sciences worldwide. In addition to the A.SK Social Science Award, the work of two younger social researchers was also awarded for the first time last year. Filiz Garip (Princeton University) and Stefanie Stantcheva (Harvard University) received the *A.SK Bright Mind Awards* with prize money of EUR 20,000 each.

As part of the current excellence strategy of the German Federal Government, the WZB is part of the *Contestations of the Liberal Script* (SCRIPTS) cluster of excellence at the Free University of Berlin with the participation of six other Berlin academic institutions.

Berlin's non-university research institutions have joined forces in a joint initiative titled Berlin Research 50 (BR-50). The aim is to use Berlin's non-university potential to establish a more systematic cooperation with universities, politicians, and the civil society in an integrated research area of Berlin. The association has currently 34 members, with further research institutes associated as guest organisations and several others aiming for full membership. The membership fees of the institutions and the financial support committed by the Berlin Senate for 2024 make it possible to set up an urgently needed office and to intensify the creative power of BR-50 e.V. in terms of research content.

Since 2022, the largest European panel study, the *Survey for Health, Ageing and Retirement in Europe* (SHARE), has been supported by four Berlin research institutions, including the Leibniz Social Science Research Centre in Berlin (WZB) and the German Institute for Economic Research (DIW Berlin), as well as Charité – University Medicine Berlin and the German Centre of Gerontology (DZA). The institutes have jointly established the SHARE Berlin Institute GmbH (SBI) as a partner organisation of SHARE-ERIC to ensure the international coordination of SHARE and the German sub-programme. SHARE, the *Survey for Health, Ageing and Retirement in Europe*, is a research infrastructure that provides internationally harmonised interdisciplinary and cross-sectional data to study the impact of social, healthcare and economic policies on the life cycle of Europeans. The participants in SHARE are 27 European countries and Israel; furthermore, SHARE is integrated into a global network of surveys spanning the globe from the Americas to Asia. However, certain problems and legal uncertainties have arisen with regard to the cooperation between the SBI and SHARE-ERIC and their governance structures; they are currently being addressed together with the BMBF.

The WZB is a member of the Berlin-Brandenburg consortium of the Weizenbaum Institute for the Networked Society - the German Internet Institute [*Weizenbaum-Instituts für die vernetzte Gesellschaft – Das deutsche Internet-Institut*] and a founding member of the association with the same name. The Weizenbaum Institute is a project of the consortium funded by the Federal Ministry of Education and Research (BMBF). The consortium members are the four Berlin universities – Free University of Berlin [*Freie Universität Berlin*], the Humboldt University of Berlin [*Humboldt-Universität zu Berlin*], Technical University of Berlin [*Technische Universität Berlin*], Berlin University of the Arts [*Universität der Künste Berlin*] - and the

University of Potsdam as well as the Fraunhofer Institute for Open Communication Systems (FOKUS) and the Social Science Research Center Berlin (WZB). The Institute was reviewed by the German Council for Science and Humanities in November 2023. The establishment phase will end for the Weizenbaum Institute in 2025, after which the institute is to be institutionalised on the basis of the review findings.

The WZB is promoting in the best possible way diverse activities in the field of knowledge sharing. This includes creation of an environment that includes institutional contact officers, competence strengthening measures and peer-to-peer learning initiatives within knowledge sharing activities. The objective is to gain a common and WZB-specific understanding of knowledge sharing. To this end, the WZB has developed a knowledge sharing strategy in a dialogue with individual groups and committees. The strategy forms the basis for conceptual designing of further steps, particularly with regard to documentation, visualisation, quality assurance and measurement of knowledge transfer activities.

Research communication and knowledge transfer are core components of the WZB's mission. The WZB has designed, organised and implemented numerous diverse activities in this area during the reporting period. The individual research units of the WZB are making an ongoing important contribution to the visibility of the centre and to the dialogue with important stakeholders and the public: They are involved in regular communication and transfer activities in scientific and non-scientific circles.

The WZB has been headed by Jutta Allmendinger since 2007; she will step down from her presidential office on 1 September 2024 after three terms in office. The procedure for the replacement of the scientific management is within the scheduling timeframe. The incoming President-designate is a nationally and internationally renowned scientist who returned to Germany in 2009 after several years at Yale and Harvard. Since then, she has been honoured with several prestigious awards, including the Leibniz Award from the German Research Foundation and awards from the European Research Council.

In the operational area, the Institute continued with its digital transformation process. The WZB's digital strategy includes a target corridor for the digitisation of further processes. Among other things, this includes the introduction of a document management system and the switch to electronic workflow in business trip management. To strengthen low-threshold access to information, the WZB introduced a knowledge management system (Wiki) in summer 2023, which is intended to improve the knowledge landscape at the WZB in the long term. It offers a single starting point for finding information from the WZB, both for administrative content and for research topics.

In 2023, 38 third-party funded projects were applied for, and 19 third-party funded projects were approved with total funding of EUR 4,325 thousand (previous year: EUR 10,225 thousand). As of 31 December 2023, the WZB could report the total of 74 (previous year: 87) third-party funded projects in progress.

Overall, Financial Year 2023 was very dynamic for the WZB, similar to the previous year, and led to a positive assessment by Management of the continued development from the perspective of its content and structure.

#### Participations and cooperation

Since 2022, the WZB has been a shareholder in SHARE BERLIN Institute GmbH with a contribution of EUR 10,000 to the share capital.

The founding shareholders are: Charité Berlin, the German Institute for Economic Research [*Deutsches Institut für Wirtschaftsforschung*] (DIW), the German Centre of Gerontology [*Deutsches Zentrum für Altersfragen*] (DZA), and the WZB. Cooperation with the Robert Koch Institute (RKI) is to take place within the framework of a cooperation agreement.

The WZB has been holding an interest in the Innovation Centre for Mobility and Social Change [*Innovationszentrum für Mobilität und gesellschaftlichen Wandel GmbH*, InnoZ GmbH) since 2006. InnoZ discontinued its business operations on 30 April 2019, and its liquidation process is closely supervised by its shareholders.

The WZB has been holding an interest of EUR 4,000 in *PD - Berater der öffentlichen Hand GmbH* since 2019.

The cooperation agreement with the A.SK Foundation established by the Chinese entrepreneur and benefactor Shu Kai Chan enables the WZB to biannually confer the A.SK Academic Award and several A.SK Public Policy Fellowships. The award was conferred in November 2023.

The WZB is a member of the Advisory Board of the Internet and Society Foundation [*Stiftung Internet und Gesellschaft*], which is a shareholder in the Alexander von Humboldt Institute for Internet and Society [*Alexander von Humboldt Institut für Internet und Gesellschaft*, HIIG]. The objective of this institute is, in particular, transdisciplinary research on the Internet and its impacts on society, politics, the constitution, law, art and economy.

The WZB is a founding member of *Weizenbaum-Institut e.V.* established in December 2019, and works together with the partners of the Weizenbaum Institute within the framework of a respective cooperation agreement.

The WZB also maintains cooperation contacts with multiple universities and research institutions inside and outside Germany. In particular, the WZB's cooperation with Berlin's three universities – the Humboldt University, the Free University and the Technical University - is of great importance for joint assignments, research projects and graduate programmes as well as for participation of WZB staff in university professorship. Furthermore, the WZB has concluded cooperation agreements with the universities in Hildesheim, Hamburg and Potsdam along the lines of regional cooperation. In 2023, the WZB maintained a total of 88 cooperation agreements that covered 134 diverse cooperation partners overall.

### Earnings

The WZB's income comes primarily from contributions of its shareholders to institutional funding of the WZB (the basic budget) and grants attracted from the shareholders and from other grant providers for funding of individual projects (third-party funding). The WZB continues to be funded in a proportion of 75:25 by the German Federal Ministry of Education and Research jointly with the State of Berlin. Beginning in 2021, the increase under the Pact for Research and Innovation was financed once again proportionally by the Federal Government and the government of the respective Federal State. For 2023, the WZB received a joint grant of EUR 19,983 thousand for the institutional budget in accordance with the grant notification of 23.02.2023.

In 2023, grants and subsidies from the shareholders were EUR 19,462 thousand (previous year: EUR 20,363 thousand) for the basic budget and EUR 4,383 thousand (previous year: EUR

4,757 thousand) in individual project grants. The implementation of the construction project involved EUR 125 thousand (previous year: EUR 781 thousand) in contributions of the shareholders, which were booked to the special item for financing of fixed assets. In addition, there were project grants of EUR 6,020 thousand (previous year: EUR 6,794 thousand) from other donors, including other German Federal States besides the State of Berlin, as well as income of EUR 253 thousand (previous year: EUR 361 thousand) from research and service contracts.

Expenses to procure external research and development services were EUR 1,448 thousand (previous year: EUR 1,714 thousand). The WZB's personnel expense accounted for the largest portion of the total expense at 79.4% (previous year: 79.8%) and was EUR 23,400 thousand (previous year: EUR 23,728 thousand) during the reporting year.

Other operating expense of EUR 4,309 thousand (previous year: EUR 4,082 thousand) mainly consisted of the expense to rent external office space, maintain buildings and procure information as well as communication costs, licence fees, travel costs, and membership fees. The increase in expense as compared to the previous year is due in particular to a significant increase in the number of scientific conferences and events compared to 2022. This item also includes expense from compounding of provisions (EUR 121 thousand; previous year: EUR 124 thousand). Membership fees of EUR 723 thousand (previous year: EUR 687 thousand) consist mainly of the contribution to finance the competitive part of the Pact for Research and Innovation.

The overall business result of the WZB for FY 2023 is break-even, similar to prior years.

### Financial situation

#### *Capital structure*

By virtue of the special financing conditions of the WZB, its capital structure is characterised with a low equity ratio, which consists only of contributions to the registered share capital. Loan funding may not be attracted because of the budgetary regulations. Liabilities consist primarily of liabilities under grants received but not yet used.

### *Investments*

Depreciation and amortisation charges of EUR 1,474 thousand were offset against additions to intangible assets, property plant and equipment, and financial assets totalling EUR 422 thousand in FY 2023. Additions are mainly associated with acquisitions of IT equipment as part of the WZB's digitisation strategy. Fixed assets are fully financed from shareholder grants. This resulted in a decrease of the special item *Grants for Fixed Assets*.

### *Liquidity*

As of 31 December 2023, cash and cash equivalents of the WZB were EUR 2,464 thousand (previous year: EUR 3,000 thousand). The decrease in cash and cash equivalents is due to the reduction in the number of third-party funded projects and in the number of basic funding projects as compared to the previous year. The WZB was able to meet its payment obligations at any point in time; there were no occasions of liquidity bottlenecks. The concluded leasing, option or other financing contracts do not include any clauses that could trigger extensive early repayment obligations. The funding provider Berlin has always disbursed the requested funds in accordance with requirements. In the case of third-party funded projects, the advance financing necessary in some cases could be covered from the existing available cash and cash equivalents.

### *Assets*

Overall, there was a slight decrease in the assets of the WZB. The total assets were EUR 25,429 thousand (previous year: EUR 27,773) thousand; this corresponds to a decrease by 8%. The largest item in fixed assets is land and buildings of the institution (EUR 11,502 thousand; previous year: EUR 12,527 thousand). Subsidies received from public funding agencies to finance fixed assets are recognised as a special item on the liabilities side, which is released to income in the amount of the accrued depreciation and amortisation charges.

Work in progress decreased by EUR 128 thousand. Cash and cash equivalents decreased by EUR 536 thousand. The balance of cash in hand is based on flexibility of the management approaches and carry-forwards to the next year possible within this framework. Funds from third-party funded projects are treated according to the conditions set forth by the donors concerned. Amounts receivable from shareholders under compensation claims (EUR 9,009 thousand; previous year: EUR 9,626 thousand) decreased by EUR 617 thousand.



Pension provisions and other provisions totalled EUR 8,782 thousand (previous year: EUR 9,463 thousand). Pension provisions decreased by EUR 567 thousand – primarily because one of the beneficiaries died in 2023. Other provisions decreased by EUR 114 thousand. There was a reduction in particular in the provisions for the outstanding paid leave entitlements and the Leibniz competition contribution.

Liabilities to shareholders (EUR 2,119 thousand; previous year: EUR 2,610 thousand) consist of grants received and not yet used for institutional funding (cash balances) and for project funding.

## **Business Report**

### *Financial and non-financial performance indicators*

The recording system in place at the WZB (*WZBaktiv*) is recording and providing information on achievements in science and research to numerous internal and external stakeholders. The focus is on reporting obligations to the donors, to the WZB committees and to the assessment committees. The achieved results recorded in *WZBaktiv* are also used, among other things, to determine performance indicators for the programme budget and for the report on the implementation of the Pact for Research and Innovation. Legitimation and transparency towards the public also play an important role. The data are therefore presented in the WZB's annual report as well as in WZB communications. The scope and quality of the achieved results is also assessed by the WZB's Scientific Advisory Board in an annual opinion and its regular audit reports, as well as in assessments performed by the Leibniz Association.

		Target for 2023	Actual as of 31.12.2023*	Target achievement, %
1.1.	Monographs	11	20	182%
1.2.	Compendiums	10	17	170%
1.3.	Contributions to peer-reviewed journals	108	133	123%
1.4.	Contributions to non-peer-reviewed journals	84	126	150%
1.5.	Contributions to compendiums	73	87	119%
1.6.	Hosting of events**	156	259	166%
1.7.	Educational events***	76	119	151%
1.8.	Doctoral theses	15	14	93%
1.9.	Third-party funding in EUR	8,500,000	9,720,661	114%

\* Situation as of 30.01.2024

\*\* In case of events lasting several days, each day of the event is taken into account as a separate event.

\*\*\* Educational events in semester hours per week during the reporting period

### *Third-party funding*

In addition to institutional funding, the WZB also attracts third-party funding from research-funding agencies, German federal ministries, the European Commission, public and private foundations and industry actors. Third-party funding covered 31.0% of the total expenditures during the reporting year (previous year: 32.5%).

### *Publications and transfer of knowledge*

Communicating research results is firmly anchored in the WZB's self-image. The research units contribute considerably to the WZB's visibility through involvement of the researchers in a dialogue that goes beyond their scientific circles and includes media, politicians, economists and civil society.

The WZB cooperates with other institutions on regular basis. The collaboration with the Museum of Natural History [*Museum für Naturkunde*, MfN] continued during 2023 - with two events in the *Science, naturally!* series. In July 2023, Jan Paul Heisig, head of the Health and Social Inequality Research Unit, discussed cities and health with Kim Grützmacher, head of One Health Research Unit at the MfN, and Christa Böhme from the German Institute of Urbanism. Jutta Allmendinger and Johannes Vogel had already spoken on *The End of Certainties - and the Tasks of Science* in the packed Saurier room at the MfN in February 2023.

*Science Meets the Young Generation*, the series of events initiated by President Jutta Allmendinger to support *Alliance for the Young Generation*, was launched in April 2023 with a visit of kindergarten children to the WZB. Over the summer, four more meetings followed between social researchers and various groups of children and teenagers ranging in age between primary school and young adulthood; these meetings were supported by the S27 arts lab. At the end of these five meetings overall, Minister Lisa Paus visited the WZB, was presented with a ‘wish box’ for politicians and was able to take stock together with the WZB researchers.

The WZB's work with S27 and the younger generation will be continued in other ways. For example, a joint application for project funding was successfully submitted to the BMBF at the end of 2023 as part of Science Year 2024 to create a monument to freedom together with disadvantaged children and youngsters in collaboration with WZB researchers, the educational project *One Square Kilometre of Education* and artists.

*Young Scientists Meet Politicians* series of events continued to be a successful knowledge-sharing tool in 2023. Following the minister of education Bettina Stark-Watzinger in February, Lisa Paus, the Federal Minister for Family Affairs, Senior Citizens, Women and Youth, visited the WZB in September. Nine young researchers met with the WZB President Jutta Allmendinger and the Minister to discuss problems of stereotyping and age discrimination, dimensions of violence, the role of civil society, and issues of reproduction.

The WZB participated for the first time in the summer festival of the Cultural Forum and its institutions at the beginning of September. Both the guided tours and the ‘garden talks’ by Maja Adena, Jutta Allmendinger and Martin Krzywdzinski with Science Senator Ina Czyborra, entrepreneur Tanja Wielgoß and Cultural Director Ole Baekhoej were extremely popular at the WZB.

Another first was the online event series *(Un)solvable Problems? Social science perspectives on the challenges of our time* initiated by Jutta Allmendinger in September 2023. For this series of events, all WZB directors joined forces to categorise the current challenges and distribution conflicts along the major development lines of our time.

In 2023, approximately 100 WZB researchers shared their expertise in the media. A total of about 2,500 articles appeared in national and international media. Several topics and research papers received considerable media coverage. For example, Marcel Helbig presented a comprehensive data analysis on the development of social segregation in the 150 largest German cities, which was covered in particular by *ZEIT online*, with numerous interactive

maps. A survey on child poverty attracted major media interest, including *SPIEGEL ONLINE*, *Deutschlandfunk* and *Tagesspiegel*. Marcel Helbig and his team calculated child poverty rates for the catchment areas of all primary schools for the first time. According to the survey, most schools with a high percentage of poor children are located in North Rhine-Westphalia and in the three city states of Bremen, Hamburg and Berlin. Bavaria and Baden-Württemberg have the lowest percentage of primary schools with high levels of child poverty. The survey was primarily covered by the media in connection with the German government's planned Starting Opportunities Programme [*Startchancenprogramm*].

Most people do not support radical climate protests. This is the message of a survey conducted by the Centre for Civil Society Research (Sophia Hunger and Daniel Saldivia Gonzatti). At the same time, the survey found that the rejection of radical protests does not mean that people find climate protection less important. These survey findings were published for example by *DIE ZEIT*, *Deutschlandfunk* and *Abendzeitung München*.

The WZB Director Ruud Koopmans, whose book *The Asylum Lottery* continues to enjoy considerable interest in the national and international press, was a sought-after dialogue partner and guest on all major German television talk shows, including those hosted by Maybrit Illner, Anne Will, Sandra Maischberger, and Markus Lanz.

The mobility researchers at the WZB also attracted a great deal of media attention. The research group received an above-average number of enquiries, particularly in relation to the transport turnaround project in Berlin's Graefekiez neighbourhood (Kreuzberg-Friedrichshain district).

The WZB President Jutta Allmendinger initiated a series of important social debates through her interviews and guest contributions (for example, in *Süddeutsche Zeitung*, *DIE ZEIT* and *Handelsblatt*) – in particular regarding the basic child insurance scheme.

*WZB-Mitteilungen* is the WZB's successful research journal appearing four times a year and is distributed to some 6,200 subscribers. Each print edition is supplemented by online articles that appear on the WZB website. The magazine is advertised by means of a newsletter and social media posts.

The WZB continues to be present at X (the former Twitter) and can boast some 20,000 followers in this social media. In 2023, the WZB expanded its presence on the LinkedIn platform - its German and English pages are followed by over 6,000 people. This is primarily specialist

audience. In 2023, the WZB had 1,100 followers on the alternative network Mastodon and approximately 2,000 followers on Instagram.

*YES!* is the largest German school competition on economic and social challenges. The teams work with researchers to develop solutions for regional and global challenges in economics, society, politics and the environment. In 2023, the students of the Berlin Gymnasium at the Europa Sports Park explored the topic of *Work Digitalisation: An Opportunity for Everyone?* together with Kathleen Warnhoff, a visiting researcher at the WZB doctoral programme *Good Work*.

In the *Visual Society* programme of the WZB and the Berlin University of Arts (UoA), designers work together with social researchers, searching to overarch their disciplines. In 2023, the concept was completed for a travelling exhibition on political compromise, based on Pola Lehmann's research work. The collaboration between two UdK students and the Civil Society Research Centre began with a project that visualises data from protest events.

Since 2005, the *Journalist in Residence* fellowship has been giving media professionals an opportunity to spend up to three months as guests at the WZB. The fellows use the opportunity to exchange ideas with researchers. The 2023 guests were Jonas Seufert (a freelance journalist for ZDF and DIE ZEIT, among others) and Stefanie Rohde (a freelance journalist for *Deutschlandfunk* and WDR 5, among others).

The annual *Leibniz in Bundestag* format organised by the Leibniz Association gives WZB scientists an opportunity to discuss their research with members of the German Bundestag. There were four such discussions between researchers from the WZB and German MPs during 2023.

Open Access (OA) has gained a firm foothold at the WZB. In 2023, there were 90 OA consultations, covering several subsections in some cases. The OA rate is calculated using the OA status of a publication at the end of the year when it was published. The WZB has been able to continuously increase this rate year-on-year. At the end of 2018, 41% of all publications of that year were available in Open Access; in 2023, this figure reached 57%. For peer-reviewed journals, the rate was 27% in 2018 and up to 67% in 2023. The increase is linked to the WZB's infrastructure performance: besides consultations, it can also be attributed to a higher number of OA transformation contracts that the WZB has concluded, which means that authors can more frequently place their articles directly in Open Access.

### *IT Security/Information Management System*

The WZB has set an internal goal of optimising the security level of its IT systems in the core processes at the WZB. Based on the information security standard according to IT Baseline Protection approach [*IT-Grundschutz*] of the German Federal Office for Information Security (FSI), the development of a customised information security strategy is currently underway with account of the WZB's circumstances. More specifically, a guideline on information security and an information security concept have already been drawn up in the first step, and a structural analysis and modelling has been performed of the necessary ISMS modules. A so-called basic protection check has been implemented step by step since autumn of 2022 to check the necessary basic requirements according to the FSI for the degree of their adoption and to transfer them to an implementation plan. The first implementation steps have already begun in parallel and will be systematically continued.

Internal IT monitoring functions have been set up as part of the measures to update the IT documentation and to develop IT security and resilience in accordance with the protection needs and risk analysis. Those functions enable automated generation of relevant documents within complex IT infrastructures as well as real-time monitoring of systems, networks and resources for IT security management (ISM).

In view of the growing threat of cyber-attacks, the WZB has intensified its efforts to minimise the vulnerability of its IT systems and to gradually strengthen resilience.

To enhance information and IT security, the WZB has entrusted its external Information Security Officer (ISO) with certain additional tasks that include, in particular, advising the management and the IT department on the further development of the information security management system (ISMS), active involvement in risk and emergency management, participation in the planning process, and implementation of new applications. It is also intended that further IT security measures will be initiated by the ISO and that training will be delivered to employees.

Emergency concepts for internal workflows and communication are being developed. To further strengthen the WZB's security standards and to increase awareness of IT security, *Cyber Security Awareness* training courses have been underway for all employees since October.

*Staffing level*

The average number of personnel was 439 in 2023 (previous year: 461); 146 thereof (previous year: 164) were employed on an average in externally funded projects during the reporting year.

The rules applicable to the WZB are the provisions on salary rates of federal employees in the collective bargaining agreement for civil servants [*Tarifvertrag für den Öffentlichen Dienst*, TVöD]. The TVöD does not apply to contracts with students employed by the WZB in accordance with the collective bargaining agreement for Berlin university students [*Studententarifvertrag*, TVStudIII]) or paid non-tariff remuneration for their work.

Donor-set principles for application of the WZB Professor Salary Reform Act [*W-Grundsätze WZB*] apply to researchers and guest researchers not covered by any collective bargaining agreement and to directors appointed jointly with Berlin universities. Jointly appointed professors are usually civil servants in the employment of the respective university where they receive their salaries and social benefits, which the WZB reimburses to the universities concerned to varying degrees.

The WZB is increasingly making use of the leave of absence model for joint appointments in view of the changes in law regarding taxability of the reimbursement model for joint appointments. There are currently seven appointments in the so-called ‘Berlin model’ (reimbursement model), seven joint appointments have been made using the so-called ‘Jülich model’ (leave of absence model) and one in the so-called ‘Thuringia model’ (design, construction, and financing in one hand). Work preparatory to two further joint appointments is underway.

*Staff development*

The WZB supports and promotes the development of both scientific and supporting research staff. The central advisory office for career development matters, which is intended for all employees, is located in the Presidential Staff Office and is also responsible for particular further training measures for all employees at the WZB.

The WZB was awarded the title *HR Excellence in Research* in 2013 and each subsequent year up to 2023. In 2023, however, the WZB decided that it would no longer participate in the certification process. This decision does not mean a departure from the European Charter & Code for Researchers. The WZB continues to be committed to good working conditions in science and remains a learning institution that strives for further development and improvement.

Certain training formats held online during the past two years due to the Coronavirus pandemic were held again in the offline classes format also in 2023. The Presidential Office team has thus focused on the various training needs of the WZB staff and thus showed a high degree of flexibility in the design of the diverse activities. They continued to be coordinated with numerous training courses in the field of digitalisation. Since 2020, activities of varying scope and level have been systematically offered with the objective to develop the digitalisation competences of all employees.

In 2023, WZB employees received a total of eight appointments to professorships at German and international universities (including visiting and substitute professorships).

### *Mobile working*

The company agreement on mobile working, which has been in force since 1 September, establishes the framework for location-independent work. According to this agreement, all employees (with a few exceptions) have the right to work at least 20% of their contractual weekly working time (all day or part of the day) in mobile working mode - as long as this does not come in conflict with operational requirements. The company agreement has been supplemented with a guideline on data protection for mobile working, a terminal devices strategy and a code of conduct. The code of conduct outlines the basic requirements for good (mobile working) cooperation within and beyond teams. A separate guideline is in place for mobile working abroad. WZB employees make active use of the opportunities provided to them. The company agreement is currently being assessed as part of a survey among the employees.

### *International cooperation*

The interest in programmes aimed at building and extending international networks continued to exist during 2023: Three fellowships were organised on the total in 2022 as part of the WZB World Merit Fellowship, the Harvard Fellowship, and the Dahrendorf Fellowship. The travel funding initiative for supporting research staff, which has been in place since 2018, enables stays at international institutions and makes it possible for this staff category to gain fresh momentum for their permanent tasks at the WZB and to improve and expand their professional and language skills. In 2023, three stays were possible within the framework of this initiative. A new tender was also held in 2023 for travel funds available to support staff involved in research.



*In-house training*

Since 1 September 2021 the WZB has been training one apprentice for the profession: *Office Management Assistant* and one apprentice for the profession: *Market and Social Research Assistant* [FAMS]. These two apprenticeships as well as one apprenticeship vacancy of *IT Expert in System Integration* are advertised again for 2024.

*Equal opportunities*

The WZB pursues a proactive equal opportunities policy to increase the portion of women among its academic staff, especially in management positions. In accordance with the guidelines of the Joint Science Conference [*Gemeinsame Wissenschaftskonferenz*, GWK], the WZB has set target quotas for the portion of women among scientific staff, both by pay group and by management level. The target quotas were determined based on the cascade model of *Research-oriented Equality Standards* promoted by the German Research Association [DFG]. According to this model, the portion of women at each particular staff level is taken as the starting point to determine the target quota for the next higher level.

	Pay group	Actual (2021)*	Actual (2022)*	Actual (2023)*	Target quota (2025)
Level 1	E12/E13	49.0%	57.1%	58.1%	50%
Level 2	E14	50.0%	50.0%	45.3%	50%
Level 3	E15/E15Ü/W1	20.0%	25.0%	33.3%	.-.**
Level 4	W2	40.0%	50.0%	25.0%	50%
Step 5	W3	33.3%	36.4%	41.7%	40%

\* All data as of 31 December of the respective year

\*\* There is no target quota for Level 3 remuneration group because this is a category in the WZB that mainly consists of transfers from the collective bargaining agreement [BAT] to the tariff agreement for public officials [TVöD] and of special cases.

	Actual (2021)*	Actual (2022)*	Actual (2023)*	Target quota (2025)
Management Level 1: Institute Management	100%	100%	100.0%	100%
Management Level 2: Department Management	30.0%	33.3%	33.3%	35%
Management Level 3: Group Management	36.4%	36.4%	30.0%	50%

\* All data as of 31 December of the respective year

Gender equality and work-life balance are taken into account as a comprehensive holistic approach in all processes and procedures. The WZB has a broad range of measures and instruments in place that are tailored to the needs of its staff. In accordance with a gender equality plan, the paper *Gender Equality at the WZB* provides an overview of the gender equality strategy. It sets out the target quotas according to the cascade model of the DFG's *Research-Oriented Gender Equality Standards* (see above) and offers an overview of the existing measures. The paper is available on the intranet; a statement by the website management on *Equality at the WZB - Gender Equality* summarises the important points of the internal document for general public on the WZB website. As a document equivalent to a gender equality plan, the paper *Equality at the WZB* is in line with the requirements for *Horizon Europe* research funding existing since 2022 to further strengthen equal opportunities in science and research.

#### *Reconciling family and career*

The WZB enables its staff to reconcile a career with family life. This includes all childcare-related aspects and - as far as possible - support associated with family members in need of care. As part of a comprehensive strategy, family and career reconciliation issues are also consistently addressed in the relevant WZB regulations and documents; in addition, there is also a special *Code of Conduct - Family-friendly WZB*. By offering family-friendly working conditions in science, administration and infrastructure, the WZB promotes the conviction that family and gainful employment are compatible for women as well as men. Accordingly, the WZB offers flexible working hours, support for childcare and other care duties, and assistance for dual-career couples, a parent-and-child office, and childcare at major conferences and principal events held in the evening. The WZB encourages fathers to exercise their right to parental leave. Employees in difficult life situations are offered psychosocial counselling through an external service provider.

Having gone through the certification in 2010 and successful revisional audits by *audit berufundfamilie®*, the WZB has committed itself to the expansion and consolidation of the existing measures and to a transparent information policy. A dialogue took place in 2022 to review the WZB's family- and life-phase-conscious personnel policy. In March 2023 the certificate was confirmed for the next three years.

*Diversity*

Diversity covers a broad range of differences between people. Various dimensions of diversity (e.g. gender, age, origin, exposure to racism, disability, health, sexual orientation, lifestyle (also in relation to family responsibilities), social background) overlap in every person.

The WZB management has established a working group to work out how the WZB as an institution and workplace recognises and takes different needs and life situations into account. The aim is to further develop the existing measures.

*Employee representation*

Elected representatives – in particular the works council and the council representing employees with severe disabilities - protect the interests and voice the concerns of the WZB employees. Trainees are represented by youth employee and trainee representatives. Furthermore, an Equal Opportunities Officer and an Inclusion Officer have been appointed. Issues of compliance with good scientific practice are regulated in a company agreement; two ombudspersons have been appointed to this end. Structured conflict management is offered to support the employees. A contact person is also available for advice on addiction issues. Furthermore, a complaints handling office has been set up in accordance with the provisions of the General Equal Opportunities Act [AGG].

*Whistle-blower reporting office*

Together with many other Leibniz institutes, the WZB has commissioned a law firm to provide a digital whistleblower reporting channel. This ensures continuous accessibility of the whistle-blowing portal and full compliance with the requirements for operating the whistle-blowing system (e.g. deadline and case management, assured confidentiality).

*Occupational health and safety*

AMD TÜV Arbeitsmedizinische Dienste GmbH has been commissioned to perform the tasks required by Section 6 of the German Occupational Safety Act [ASiG]. Coordination meetings, safety instructions and fire protection exercises take place on regular basis in cooperation with AMD. Furthermore, in-house medical examinations are carried out as part of occupational medical care where necessary. This includes in-house eyesight examinations (twice a year) and, on request, workplace inspections with ergonomic advice from the company doctor.

The offer of company integration management (BEM) has been established at the WZB in a company agreement and is welcomed by the affected employees.

In April 2023, a comprehensive survey of the employees was conducted as part of the working conditions and mental stress risk analysis. Its aim was to identify work-related health risks and to develop needs-based measures at the WZB. The survey was conducted for the first time in 2019 and will be repeated regularly. Based on the findings, management and the Works Council agree on possible additional analysis and discussion formats.

In the area of mental health, a working group set up in February 2023 has developed a comprehensive training concept that includes online presentations for all employees and in-house training for various employee groups with the aim to facilitate support and prevention measures.

As part of its duty of care as an employer, the WZB has established relevant regulations and precautions for business and research trips to unstable Global South countries. Appropriate guidelines, instructions and training programmes are in place.

### *Research ethics*

The Ethics Committee set up in 2016 has since firmly established itself in the research processes at the WZB. Since its creation, this monthly meeting committee has reviewed over 200 applications to check compliance with research ethics criteria and issued relevant opinions. A small anniversary was celebrated in autumn 2023. The interest in the WZB's ethics programme continues to be extremely lively, even outside the Institute. Time and again, enquiries are submitted to the responsible officer to find out more about the ethics review process. For this reason, an information and dialogue event on the WZB Ethics Policy was held in June 2023 and was attended by ten external science managers from other non-university research institutions. The WZB will continue strengthening the dialogue and is therefore planning further annual information events on research ethics in the future.

*Guidelines for safeguarding good scientific practices*

With its *Guidelines for Safeguarding Good Scientific Practices at the Berlin Social Science Research Center (WZB)* implemented in 2022, the WZB has implemented *Guidelines for Safeguarding Good Scientific Practices* of the German Research Foundation (DFG), which were enacted on 1 August 2019 and are to be implemented in a legally binding manner at all universities and non-university research institutions as a condition prerequisite to continue to receive funding from the DFG. Since autumn 2023, a training programme on good scientific practices has been offered at the WZB; it also addresses topics such as research ethics, data protection, research data management, copyright, open science, career development, gender equality, and the work of ombudspersons.

*Sustainability and environment protection*

The WZB has been producing a sustainability report every two years based on the Leibniz Association's sustainability mission statement adopted in November of 2019. The most recent sustainability report dated 20 April 2022 has been published on the WZB website.

The electricity and water consumption costs were EUR 209 thousand during the reporting year (previous year: EUR 132 thousand). The WZB strives to reduce the contribution to the carbon footprint by air travel and registers the respective emissions on a regular basis.

The outcomes of the energy certification (certificate as of 08/2022) and the energy audit (in accordance with DIN EN 16247-1, as of July-August 2022) confirm that the Institute's building has a good energy balance overall.

A feasibility study commissioned by the WZB in 2022 found that about 30% of the electricity demand could be covered by a photovoltaic system. Depending on the electricity price, the payback period will be between 5 and 12 years. The average lifetime of the solar modules is over 30 years with a performance guarantee of output at 85% after 25 years. Preliminary planning was completed in 2023 and the installation of a PV system is scheduled for FY 2024. The energy audit conducted in 2022 identified the modernisation of the air conditioning and ventilation system in the conference area as a necessary modernisation measure. The modernisation of the heat recovery system promises improved energy efficiency and a significant improvement in air quality that was no longer considered satisfactory - especially for larger events. A specialised design office was commissioned in 2023 to undertake the relevant design work.

The WZB is currently getting prepared for the fulfilment of the reporting obligations under the EU Corporate Sustainability Reporting Directive [CSRD], which is to be implemented in 2026. By virtue of the applicability of the size categories for corporations, the WZB is under an obligation to report in detail on sustainability issues in its management report as part of the annual financial statements beginning in FY 2025 in accordance with the current legal and contractual provisions. This sustainability report is subject to mandatory auditing by the auditors and has to be published in a standardised form. This will require additional expenses for extensive preparatory work, analysis and the development of a dedicated reporting system starting in 2024.

### **Forecasts**

As before, the further strategic development of the WZB aims to conduct outstanding research with national and international visibility, while keeping current social developments in focus. The WZB intends to continue setting innovative thematic priorities, to strengthen interdisciplinary cooperation inside and outside the WZB, and to promote growing regional, national and international networking.

Nevertheless, there are considerable challenges regarding financial planning for 2024 and the subsequent years. In the area of personnel expenses, which account for approximately 80% of total expenses, the high pay rise agreement (with the rise of around 9.2% for 2024) will lead to significant cost increases. One-off special funding provided by the donors for 2024 will offset these cost increases at least in part.

There are currently no risks that could endanger the existence as a going concern or the development of the WZB. However, the general development of the situation with the war in Ukraine and the general cost and price developments give valid reasons for concern.

The programme budget approved by the Board of Trustees for 2024 envisages income of EUR 30,171 thousand. The institutional grant for the 2024 programme budget is EUR 20,794 thousand, including one-off special funding of EUR 740 thousand. This means an increase of the core budget by 5.8% year-on-year. Funds to finance construction investments are no longer included in the 2024 allocation. However, self-management funds of EUR 275 thousand are available for 2024. In addition, income from third-party funding is anchored in the programme budget to the amount of EUR 7,500 thousand.

Leibniz institutions are evaluated by the Leibniz Senate at least once every seven years. This involves an independent assessment of how the institution has been developing over the past years in terms of its content and structure, and to what extent its plans for the future are convincing.

The next assessment of the WZB is scheduled for 2025; the respective reporting period will cover 2021 to 2023. Measures preparatory to this assessment started in 2021; the WZB believes it is well prepared for its next scientific assessment.

In summary, the WZB's opportunities for further development as a research institution are good to very good in terms of scientific, organisational and structural aspects. Therefore, the WZB considers itself well prepared for the intensifying competition with other scientific research institutions.

## **Opportunities and Risks**

### *Strategic development*

Leibniz institutions are jointly funded by the German federal government and the governments of federal states. In the Joint Science Conference (GWK), the federal and state governments agreed to review at regular intervals - every seven years at the most - whether the conditions are still met for joint funding of a Leibniz Institute (supra-regional importance and national science policy interest). The key criterion for this review is the findings of an external assessment, which will take place in March 2025.

In the coming years, the WZB will continue its research and networking activities in the fundamental disciplines of sociology, political science, and economics - in line with its mission.

The research units are well positioned in their research fields and will be continuously developed further. Where research units are scheduled to wind up in the coming years, strategic and thematic development measures will be prepared at an early stage. Cooperation within the WZB and with external partners has been established and is being expanded. The innovative strength of the WZB, including research-supporting areas, can continue to develop on this basis.

The activities to strengthen regional and transregional research networking and digitalisation can thus be continued and the potential for strategic development can be further exploited in the coming years.

The WZB is continuously considering the potential of digital transformation throughout its entire organisation. The close integration of science and administration, and the joint progress of an increasingly digitally operating professional organisation offer good opportunities for further integrated development of the entire institute.

The WZB has professional compliance and decision-making structures, such as the committee deciding on flexible support to doctoral students and consisting of representatives from various employee groups, or the internal review system for allocation of funds for bridging projects. Management's basic administrative decisions are reviewed from the legal perspective by an in-house lawyer; an internal control system has been established together with a system for the grant of signatory authority. There are also guidelines on the prevention of corruption and for the avoidance of conflicts of interest. Information on the legal framework can be found in the WZB administrative handbook, in the Wiki and on the intranet.

Separate guidelines and process descriptions are in place for all important compliance matters. The work of the WZB's service units focuses on providing competent support to research activities, while complying with the applicable legal framework at the same time. Periodic internal audits serve to review and improve procedures. The operational data protection officer and the involved external experts, for example on tax law issues, complement these structures. The Ethics Committee with its broad range of members makes recommendations regarding a large number of research projects. The WZB's committee office supports the statutory involvement of WZB committees, a risk management system has been established, and an annual corporate governance report, which is based on the Public Corporate Governance Code of the German Federal Government, will be published on the WZB website beginning in 2022 and onwards. The new version of the Code, which became effective on 1 January 2024, will be implemented by the WZB beginning in FY 2024.

### *Risk Management*

The objective of the WZB's risk management system is to support its forward-looking research strategy and operational management as that of a recognised social science research institution and to maintain its high reputation. The specific features of a scientific institution are given special consideration in doing so.



The WZB defines risks as events, deviations and peculiarities that could significantly jeopardise the WZB's existence or further positive development, impair the trust of external partners or target groups within the WZB, or lead to other significant economic or legal disadvantages. Possible risks for its image are of material significance for the WZB as a research institution. Therefore, they are subject to special monitoring and highlighted separately in the risk report.

### Risks

The risks that deserved special attention from Management during the closed reporting period included:

- Property damage caused by natural disasters (storm, heavy rain, flood, lightning, etc.),
- Business trips to countries with high security risks, crisis areas or countries with inadequate rule of law,
- Risks of compromising data, information and information infrastructure (IT security),
- Challenges in recruitment of specialised administrative staff; possible migration of specialised IT staff,
- Financing and forecasting risks caused by tariff increases, rising energy costs, and inflation.

Management has implemented certain measures to manage these risks. With account of these measures, most of the afore-mentioned risks can be categorised as well-controlled. In addition, risks deserving special attention are associated with impairments of the IT system, financing and forecasting risks through rising energy costs, tariff increases and inflation.

Rising personnel and energy costs, the necessary further development measures in research as well as investments in IT security and technical sustainability will affect the WZB budget, even if the savings potential is fully realised. Compensating for additional costs will be a budget management challenge in the coming years.

Against this backdrop in particular, the possibility of transferring budget funds and flexible management is of great strategic importance for both the scientific units and the infrastructure. As things stand currently, it can be assumed that further financing of the WZB as an institutional funding recipient is secured to the expected extent despite considerable additional costs for the public sector.

It can be stated in summary that, with account of the introduced preventive and countering measures, there are currently no discernible risks that could jeopardise the continued existence or development of the WZB. It should be noted, however, that the identified risks could potentially result in reputational damage for the WZB.

As a future-oriented research institution, the WZB aims to focus on problem-oriented and innovative research on socially pressing issues even more firmly inside and outside Germany and Europe - as well as beyond - and to make the obtained results available to the public.

Actual developments can deviate significantly from our expectations about anticipated developments because of changes in the environment and its general conditions.

Berlin, 28 March 2024

The WZB Berlin Social Science Center gGmbH

*[Wissenschaftszentrum Berlin für Sozialforschung gGmbH]*

Prof. Jutta Allmendinger Ph.D.

Ursula Noack

## Balance sheet as of 31 December 2023

**Balance Sheet of WZB Berlin Social Science Center gGmbH**  
**as of 31 December 2023**

**ASSETS**

	31.12.2023 EUR	31.12.2022 EUR
<b>A. Fixed assets</b>		
<b>I. Intangible assets</b>		
1. Software and licenses acquired for a consideration	64.272,76	56.834,76
2. Prepayments	57.244,98	39.260,00
	<u>121.517,74</u>	<u>96.094,76</u>
<b>II. Property, plant and equipment</b>		
1. Land and similar rights and buildings, including buildings on third-party land	11.501.990,78	12.527.235,45
2. Furniture and fixtures and office equipment	1.078.759,43	1.216.210,38
3. Prepayments and assets under construction	94.813,09	0,00
	<u>12.675.563,30</u>	<u>13.743.445,83</u>
<b>III. Financial assets</b>		
Investments (participations)	4.001,00	14.000,00
	<u>12.801.082,04</u>	<u>13.853.540,59</u>
<b>B. CURRENT ASSETS</b>		
<b>I. Inventories</b>		
Work in progress (services)	237.638,11	366.046,19
<b>II. Receivables and other assets</b>		
1. Trade receivables	4.970,91	2.722,96
2. Compensation claims to shareholders	9.008.704,24	9.625.868,33
3. Receivables from other funding agencies	493.047,09	504.834,27
4. Other assets	256.561,57	266.902,91
	<u>9.763.283,81</u>	<u>10.400.328,47</u>
<b>III. Cash in hand and balances due from banks</b>	<u>2.464.252,72</u>	<u>3.000.200,60</u>
	<u>12.465.174,64</u>	<u>13.766.575,26</u>
<b>C. PREPAID EXPENSES</b>	162.481,40	153.056,72
	<u>25.428.738,08</u>	<u>27.773.172,57</u>

**EQUITY AND LIABILITIES**

	31.12.2023 EUR	31.12.2022 EUR
<b>A. Equity</b>		
Share capital	25.564,59	25.564,59
<b>B. Special items from grants</b>		
1. For fixed assets	12.801.082,04	13.853.540,59
2. For current assets	<u>207.083,80</u>	<u>175.506,57</u>
	13.008.165,84	14.029.047,16
<b>C. Provisions</b>		
1. Provisions for pensions	5.680.363,00	6.247.077,00
2. Other provisions	<u>3.101.613,01</u>	<u>3.215.650,24</u>
	8.781.976,01	9.462.727,24
<b>D. Liabilities</b>		
1. Advances received on account of orders	243.007,61	406.263,69
2. Trade payables	426.745,39	446.143,07
3. Liabilities to shareholders	2.118.529,00	2.609.887,23
4. Liabilities to other funding agencies	696.699,04	639.640,63
5. Liabilities to related parties	68.803,93	137.347,03
6. Other liabilities	<u>59.246,67</u>	<u>16.551,93</u>
	3.613.031,64	4.255.833,58
	<u>25.428.738,08</u>	<u>27.773.172,57</u>



**Income statement for the financial year  
started 1 January 2023 and ended 31 December 2023**





**Income Statement**  
**of WZB Berlin Social Science Center gGmbH**  
**for the period started 1 January and ended 31 December 2023**

	2023 EUR	2022 EUR
1. Income from grants and subsidies		
1.1 Federal Republic of Germany	19.221.773,68	19.912.668,39
1.2 Federal State of Berlin / Other federal states	4.766.623,46	5.359.203,94
1.3 Other funding agencies	5.876.851,04	6.642.248,66
	<u>29.865.248,18</u>	<u>31.914.120,99</u>
2. Revenue and other incomes		
2.1 Revenue from research and development (R&D)	221.944,35	360.912,03
2.2 Revenue from service contracts	30.987,99	0,00
2.3 Revenue from rent, licenses, other services, etc.	132.559,07	139.101,32
2.4 Revenue from disposal of fixed assets	0,00	2.844,26
2.5 Increase/Decrease in work in progress	-128.408,08	-42.166,51
2.6 Other operating income	614.895,01	83.637,34
	<u>871.978,34</u>	<u>544.328,44</u>
3. Allocations to special items from grants		
3.1 for fixed assets	-421.906,95	-1.104.121,61
3.2 for current assets	-31.577,23	-11.450,06
	<u>-453.484,18</u>	<u>-1.115.571,67</u>
4. Grants passed on	-807.341,97	-1.609.267,49
5. Income available to cover expenses	29.476.400,37	29.733.610,27
6. Purchased energy and water	-319.599,48	-209.866,93
7. Procurements of third-party R&D services	-1.447.961,74	-1.713.804,64
8. Personnel costs		
8.1 Salaries and wages	-18.674.654,37	-18.842.432,33
8.2 Social security contributions	-3.276.051,01	-3.288.508,02
8.3 Pension scheme expense	-1.296.187,44	-1.453.313,71
8.4 Auxiliary and support staff	-148.874,13	-137.358,84
8.5 Other personnel costs	-4.048,87	-6.149,46
	<u>-23.399.815,82</u>	<u>-23.727.762,36</u>
9. Depreciation and amortisation	-1.474.365,50	-1.487.605,93
Gain from reversals of special items from grants for fixed assets	1.474.365,50	1.487.605,93
	<u>0,00</u>	<u>0,00</u>
10. Other operating expense	-4.309.023,33	-4.082.176,34
<i>thereof</i> : Interest expense from compounding of provisions		
EUR -120,576.00 (previous year: EUR -123,543.00)		
11. Net profit for the reporting year	0,00	0,00



**Notes to the annual financial statements for the financial year  
started 1 January 2023 and ended 31 December 2023**



**Notes to the Financial Statements of the WZB Berlin Social Science Center gGmbH,  
Berlin, (“Company”) for Financial Year 2023**

**A. General Information**

The annual financial statements of the Company as of 31 December 2023 were compiled, properly applying the provisions of Section 242 *et seq.* of the German Commercial Code [*Handelsgesetzbuch*, HGB] and the supplementing provisions of the German Act on Limited Liability Companies [*GmbH-Gesetz*] as well as the Principles for Financing and Accounting of Research Institutions [*Grundsätze für das Finanz- und Rechnungswesen von Forschungseinrichtungen*] in the version dated 1 November 1986.

The Company continues to be a large corporation (capital company) within the meaning of Section 267 (3) of the HGB.

The Company is registered as HRB 4303 B in the Trade Register maintained by the Charlottenburg District Court of Berlin.

The balance sheet of the Company is structured in accordance with the provisions of Section 264 *et seq.* of the HGB. The income statement was compiled in the vertical report form applying the nature of expense method (Section 275.2 of the HGB). Certain balance sheet and income statement items were added - or their descriptions were adjusted to their actual content - for the purpose of producing clear and transparent annual financial statements in accordance with - or along the lines of - the requirements set forth in Sections 265 (5) and (6) of the HGB in conjunction with the Principles for Financing and Accounting of Research Institutions.

The Company is financed primarily through grants from the German Federal Government and the State of Berlin within the framework of the institutional funding system. The donors provide their grants from their own budgets to cover the Company's expenses. Funding decisions must take into account the management principles outlined in the approved programme budget as well as additional regulations and shareholder resolutions.

Funds may be carried forward to the next year within the framework of the application for self-managed funds. Furthermore, liabilities as of 31 December, purchase commitments and funds that may be carried forward in accordance with the applicable management principles can be settled from the previous year's funding within six weeks. Compensation claims to donors are recognised in the balance sheet solely to the extent of the expenditures due after the balance sheet date. According to the German Federal Government, that is the Company's main donor, there is no doubt that the compensation claims included in the balance sheets will actually be settled.

## **B. Accounting and Measurement Approaches**

The annual financial statements were compiled on the assumption that the Company will continue as a going concern in the meaning of Section 252.1.2 of the HGB.

The following accounting and measurement approaches were applied without any changes from prior years for the purposes of compiling the annual financial statements:

Intangible assets and items of property, plant and equipment acquired for a consideration are carried at acquisition cost less discounts and net of value-added tax - as well as less scheduled depreciation and amortisation charges that are accrued on a straight-line basis for the duration of the useful life of the asset.

Movable assets subject to wear and tear whose net acquisition cost ranges between EUR 250.00 and EUR 800.00 are expensed in full in the year of their acquisition.

The equity participations reported in financial assets are carried at their historical acquisition cost less unscheduled value write-downs.

Work in progress is capitalised to the amount of the project costs incurred up to the balance sheet date; overheads are only capitalised where they have been recognised (approved) by the project grant provider.

Receivables and other assets are stated at their nominal value.

Cash and cash equivalents are carried at their nominal value.

Prepaid expense consists of the expenses that represent expenditures of future financial periods.

Share capital is reported at its nominal value.

In accordance with the Principles for Financing and Accounting of Research Institutions, a special item for grants to finance fixed assets has been created, contingent to funding, for grants intended to finance acquisitions of fixed assets; this special item is released to the amount of the annual depreciation and amortisation charges and disposals to ensure that use of fixed assets does not affect the income statement.

Additions to this special item for grants to finance fixed assets are made to the amount of the acquisition costs of the fixed assets financed this way. Similarly, a special item for grants to finance current assets has been created for trade receivables, other assets (excluding the VAT amounts receivable from the tax authority), and expenses prepaid without use of third-party funds.

Provisions for pensions are calculated according to the projected unit credit method applying the reference tables *Richttafeln 2018 G* by Klaus Heubeck. The flat rate applied for discounting was the average market interest rate of 1.82% p.a. (previous year: 1.78%) for a remaining term of 15 years; this rate was derived from the average market interest rate for the last ten years. Due account was taken of the pension increase by 2.0% p.a. (previous year: 2.0%) as well as the increase (BBG trend) by 2.50% p.a. (previous year: 2.50%) in the contribution assessment (earnings) ceiling, and the salary increase by 1.75% p.a. (previous year: 1.75%).

Other provisions are created for all identifiable risks and contingent liabilities and estimated at the settlement amount thereof required according to prudent business judgment. Future price and cost increases are taken into account where sufficient objective indications are in place to show that said increases will actually occur. Provisions with a remaining term of more than one year (if any) are discounted at the average market interest rate of the last seven years corresponding to their remaining term in accordance with Section 253.2 of the HGB.

Provisions for sick leave allowances are calculated based on average allowance amounts in the same way as pension provisions, excepting the actuarial interest rate (average seven-year rate: 1.74%) and the entitlement threshold increase (2.50%).

An interest rate of 1.03% (average seven-year rate, remaining term of 2 years) and a salary increase rate by 1.75% p.a. were taken into account to calculate provisions for part-time retirement schemes.

All liabilities are recognised at their settlement amounts.

## **C. Notes to the Balance Sheet and the Income Statement**

### **1. Assets**

Movements in fixed assets are presented in Appendix 1 to the Notes.

The balance of fixed assets reflects total fixed assets less depreciation and amortisation charges during the year. Fixed assets are EUR 12,801 thousand (previous year: EUR 13,854 thousand). The largest item in fixed assets is the Company's land and buildings.

Work in progress (EUR 238 thousand; previous year: EUR 366) thousand) consists of research and service contracts in progress recognised at project cost, for which the WZB received advances of EUR 243 thousand (previous year: 406 thousand).

Compensation claims to shareholders of EUR 9,009 thousand (previous year: EUR 9,626 thousand) consist of EUR 7,021 thousand (previous year: EUR 7,479 thousand) in claims to the German Federal Government and EUR 1,976 thousand (previous year: EUR 2,083 thousand) in claims to the State of Berlin.

This item also includes EUR 12 thousand (previous year: EUR 64 thousand) in compensation claims with respect to third-party funding. The total compensation claims to shareholders (EUR 9,009 thousand; previous year: EUR 9,626 thousand) include EUR 6,908 thousand (previous year: EUR 7,494 thousand) of claims with a remaining term of more than one year.

Prepaid expense of EUR 162 thousand (previous year: EUR 153 thousand) consists of prepayments made for expenses of future financial years.

## **2. Liabilities**

Pension provisions of EUR 5,680 thousand (previous year: EUR 6,247 thousand) were created for two pension entitlements for active employees, one vested pension entitlement for a former employee, and 10 beneficiaries according to actuarial principles. One beneficiary died in 2023.

The difference existing as of 31 December 2023 between the recognised amount of pension provisions based on the average market interest rate for the last ten years and the recognised amount of pension provisions based on the average market interest rate for the last seven years is EUR 63 thousand (previous year: EUR 287 thousand).

Other provisions of EUR 3,102 thousand (previous year: EUR 3,216 thousand) mainly consist of personnel provisions (EUR 2,479 thousand; previous year: EUR 2,606 thousand). These include provisions for paid leave entitlements (EUR 1,026 thousand; previous year: EUR 1,100 thousand), allowances (EUR 830 thousand; previous year: EUR 823 thousand), performance-based payments (EUR 171 thousand; previous year: EUR 182 thousand), part-time retirement (EUR 350 thousand; previous year: EUR 376 thousand), flexitime claims (EUR 83 thousand; previous year: EUR 106 thousand) and anniversary bonuses (EUR 17 thousand; previous year: EUR 18 thousand).

Provisions for the outstanding payment of the Leibniz competition contribution are EUR 421 thousand (previous year: EUR 473 thousand).

Trade payables of EUR 427 thousand (previous year: EUR 446 thousand) cover outstanding payments due on usual business transactions. The details regarding the remaining terms of liabilities are presented in the schedule of movements in liabilities (appended to Annex 7.1.4). Trade payables are subject to retention of title on the delivered items according to the accepted industry practices.

Liabilities to shareholders (EUR 2,119 thousand; previous year: EUR 2,610 thousand) consist of as yet unused project financing funds (EUR 136 thousand) and institutional funding (EUR 1,983 thousand).

Liabilities to other funding providers (EUR 697 thousand) consist of funding that has been received but as yet unused.



### **3. Income Statement**

Income from grants and subsidies from the German Federal Government, the State of Berlin / Germany's other federal states and other donors is determined with due account of compensation claims and liabilities and the residual cash balances.

Revenue from research and development services (EUR 253 thousand; previous year: EUR 361 thousand) was received under four assignments.

Other operating income (EUR 615 thousand; previous year: EUR 84 thousand) include an energy cost subsidy of EUR 66 thousand. The change year-on-year is due to gain from the reversal of provisions (EUR 483 thousand) that is mainly due to the death of one pension beneficiary.

Depreciation and amortisation charges for the reporting year (EUR 1,474 thousand; previous year: EUR 1,488 thousand) are offset against gain from release of funds from the special item (EUR 1,474 thousand; previous year: EUR 1,488 thousand). The result is reported in Item 9: *Depreciation and Amortisation*. Allocations to the special item for grants to finance fixed assets (EUR 422 thousand; previous year: EUR 1,104 thousand) show grant funds invested in fixed assets during the year less releases from the special item because of asset disposals during the financial year. Allocations to the special item for grants to finance current assets (EUR 32 thousand; previous year: EUR 11 thousand) result from movements in receivables and other assets (excepting VAT receivables), including prepaid expenses without third-party funding.

Other operating expense is EUR 4,309 thousand (previous year: EUR 4,082 thousand). This item consists of external office space rentals (EUR 820 thousand; previous year: EUR 806 thousand), membership fees (EUR 723 thousand; previous year: EUR 687 thousand), travel expense (EUR 366 thousand; previous year: EUR 404 thousand), costs of cleaning services (EUR 198 thousand; previous year: EUR 162 thousand), and loss from compounding of provisions (EUR 121 thousand; previous year: EUR 124 thousand).

### **D. Other Information**

During FY 2023, the CEOs (managing directors) of the Company were: Prof. Jutta Allmendinger, Ph.D. (full-time scientific managing director and president), and Ms. Ursula Noack, Degree in Business Management [*Dipl. Betriebswirtin*] (FH), M.A. (full-time administrative managing director).

The total remuneration paid to the CEOs for the reporting year was EUR 451 thousand. The details of the remuneration paid to each of the CEOs are disclosed in the Company's Public Corporate Governance Report.

Pension payments of EUR 188 thousand were made to former CEOs (including their surviving dependents). Provisions of EUR 1,122 thousand were made for pensions and similar commitments to former CEOs (including their surviving dependents). One former CEO died in 2023.

The average number of personnel during FY 2023 was 439 (previous year: 461); thereof: scientific personnel of 267 (previous year: 288), and infrastructural support and administrative personnel of 172 (previous year: 188). The scientific personnel includes 91 undergraduate assistants (previous year: 100).

The Board of Trustees consists of the following members:

- Ulrich Schüller, Head of the Science System Department at the German Federal Ministry of Education and Research, Chairman (till 20.03.2023)
- Undersecretary Dr Jochen Zachgo, Head of the Department of Higher Education and Science System; Education Funding at the German Federal Ministry of Education and Research, Chairman (since 20.03.2023)
- Dr Jutta Koch-Unterseher, Head of the Extra-university Research Department and Charité; Senate Department for Science, Health, Welfare and Equality; Deputy Chairperson
- Prof. Dr Julia von Blumenthal, President of the Humboldt University of Berlin
- Prof. Dr Karin Gottschall, SOCIUM Research Center on Inequality and Social Policy, University of Bremen (till 31.12.2023)
- Dr Wilhelm Krull, Managing Director, the New Institute, Hamburg
- Susanne Moser, Comic Opera House, Berlin
- Prof. Dr Dr h.c. Anne Peters, LL.M. (Harvard), Director at the Max Planck Institute for Comparative Public Law and International Law, Heidelberg (since 01.01.2024)
- Prof. Dr Geraldine Rauch, President, Technical University of Berlin
- Ruppert Stüwe, MdB, Member of the German Bundestag
- Prof. Dr Ernst-Ludwig von Thadden, Department of Microeconomics and Finance, University of Mannheim
- Prof. Dr Vera E. Troeger, Deputy Dean, School of Business, Economics and Social Sciences, University of Hamburg (since 01.01.2024)
- Klaus-Peter Willsch, MdB, Member of the German Bundestag, Berlin
- Prof. Dr Günter M. Ziegler, President, Free University of Berlin

Advisory Board members with an advisory voice:

- Prof. Dr Christine Landfried, Institute for Political Sciences, University of Hamburg, Chairperson of the WZB Advisory Board
- Dr Julia Pohle, Researcher, the WZB Berlin Social Science Center, Berlin
- Dr Christian Rauh, Researcher, the WZB Berlin Social Science Center, Berlin

Travel expenses for members of the Board of Trustees and of the Advisory Board were incurred to an amount of EUR 19 thousand. The attendance fees were duly paid to an amount of EUR 2 thousand.

The Company has other financial obligations (commitments) that total EUR 3.076 thousand. They include commitments under rental and service contracts for the period till 2027. In addition, as of the balance sheet date, there are commitments under contracts for work and services and from orders (EUR 1,584 thousand) as well as fixed asset investment commitments of EUR 232 thousand.

Two guarantees totalling EUR 125 thousand were attracted from Commerzbank AG in respect of rented office space.

The auditor's total fees for FY 2023 are EUR 27 thousand. The fees consist of EUR 14 thousand for auditing services and EUR 13 thousand for other assurance services.

### **E. Subsequent Events**

There were no events of particular significance that occurred after the close of the reporting year and were not taken into account either in the income statement or in the balance sheet.

Berlin, 28 March 2024

The WZB Berlin Social Science Center gGmbH  
[*Wissenschaftszentrum Berlin für Sozialforschung gGmbH*]

Prof. Jutta Allmendinger Ph.D.

Ursula Noack



**Schedule of movements in fixed assets of  
WZB Berlin Social Science Center gGmbH  
during Financial Year 2023**

	Acquisition/Production costs					Accumulated depreciation/amortisation				Book values	
	01.01.2023 EUR	Acquisitions EUR	Reclassifications EUR	Disposals EUR	31.12.2023 EUR	01.01.2023 EUR	Acquisitions EUR	Disposals EUR	31.12.2023 EUR	31.12.2022 EUR	31.12.2023 EUR
<b>I. Intangible assets</b>											
1. Software and licenses acquired for a consideration	1.108.005,65	60.358,90	-	36.700,41	1.131.664,14	1.051.170,89	52.920,90	36.700,41	1.067.391,38	56.834,76	64.272,76
2. Prepayments	39.260,00	17.984,98	-	-	57.244,98	-	-	-	-	39.260,00	57.244,98
	<u>1.147.265,65</u>	<u>78.343,88</u>	<u>-</u>	<u>36.700,41</u>	<u>1.188.909,12</u>	<u>1.051.170,89</u>	<u>52.920,90</u>	<u>36.700,41</u>	<u>1.067.391,38</u>	<u>96.094,76</u>	<u>121.517,74</u>
<b>II. Property, plant and equipment</b>											
1. Land and similar rights and buildings, including buildings on third-party land	28.940.570,98	35.109,99	-	-	28.975.680,97	16.413.335,53	1.060.354,66	-	17.473.690,19	12.527.235,45	11.501.990,78
2. Furniture & fixtures, office equipment	5.287.065,46	213.639,99	-	243.050,08	5.257.655,37	4.070.855,08	351.090,94	243.050,08	4.178.895,94	1.216.210,38	1.078.759,43
3. Prepayments and assets under construction	-	94.813,09	-	-	94.813,09	-	-	-	-	-	94.813,09
	<u>34.227.636,44</u>	<u>343.563,07</u>	<u>-</u>	<u>243.050,08</u>	<u>34.328.149,43</u>	<u>20.484.190,61</u>	<u>1.411.445,60</u>	<u>243.050,08</u>	<u>21.652.586,13</u>	<u>13.743.445,83</u>	<u>12.675.563,30</u>
<b>III. Financial assets</b>											
Investments (participations)	20.200,00	-	-	-	20.200,00	6.200,00	9.999,00	-	16.199,00	14.000,00	4.001,00
	<u>35.395.102,09</u>	<u>421.906,95</u>	<u>-</u>	<u>279.750,49</u>	<u>35.537.258,55</u>	<u>21.541.561,50</u>	<u>1.474.365,50</u>	<u>279.750,49</u>	<u>22.736.176,51</u>	<u>13.853.540,59</u>	<u>12.801.082,04</u>



**Movements in liabilities of WZB Berlin Social Science Center gGmbH  
during Financial Year 2023**

	As of 01.01.2023 EUR	As of 31.12.2023 EUR	<i>Thereof: Maturing</i> within 1 year      in more than 1 year EUR                      EUR	
1. Advances received on account of orders	406.263,69	243.007,61	193.708,35	49.299,26
2. Trade payables	446.143,07	426.745,39	399.129,80	27.615,59
3. Liabilities to shareholders	2.609.887,23	2.118.529,00	2.118.529,00	-
4. Liabilities to other funding agencies	639.640,63	696.699,04	696.699,04	-
5. Liabilities to related parties	137.347,03	68.803,93	68.803,93	-
6. Other liabilities	16.551,93	59.246,67	59.246,67	-
	<u>4.255.833,58</u>	<u>3.613.031,64</u>	<u>3.536.116,79</u>	<u>76.914,85</u>





**Independent Auditor's Report**



## Independent Auditor's Report

To WZB Berlin Social Science Center gGmbH, Berlin

### *Audit opinion*

We have audited the annual financial statements of WZB Berlin Social Science Center gGmbH, Berlin, comprising the balance sheet as of 31 December 2023, the income statement for the financial year started 1 January 2023 and ended 31 December 2023 and the notes to the financial statements, including presentation of the applied accounting and measurement approaches. Moreover, we have audited the management report of WZB Berlin Social Science Center gGmbH, Berlin, for the financial year started 1 January 2023 and ended 31 December 2023.

In our opinion based on the findings of our audit:

- the appended annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations (capital companies) and give a true and fair view of the assets and financial position of the Company as of 31 December 2023 and of its results of operations for the financial year started 1 January 2023 and ended 31 December 2023 in accordance with German principles of proper accounting; and
- the appended management report provides, as a whole, a fair view of the Company's position. This management report is consistent in all material respects with the annual financial statements, complies with German legal requirements and presents fairly the opportunities and risks of future development.

In accordance with Article 322(3) Sentence 1 of the HGB, we declare that our audit has not led to any objections as to the correctness of the annual financial statements and the management report.

### *Basis for the audit opinion*

We conducted our audit of the annual financial statements and the management report in accordance with Article 317 of the HGB [German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW). Our responsibility under these rules and principles is described in more detail in the section *Auditor's Responsibility for the Audit of the Annual Financial Statements and the Management Report* of our audit report. We are independent from the Company in accordance with German commercial and professional regulations and we have performed our other professional duties under German law in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements and the management report.

## *Responsibility of the legal representatives and the Board of Trustees for the annual financial statements and the management report*

The legal representatives are responsible for the compilation and fair presentation in accordance with German principles of proper accounting of the annual financial statements compliant in all material respects with the requirements of German commercial law applicable to corporations, and for the presentation of a true and fair view of the assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. In addition, the legal representatives are responsible for the implementation and maintenance of the internal controls deemed necessary in accordance with German principles of proper accounting to enable the production of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial records and misappropriation of assets) or error.

During the production of the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. The legal representatives are also responsible for disclosing the matters relevant for the continuation of the Company as a going concern, if applicable. Moreover, the legal representatives are responsible for accounting for and reporting on the continuation of the Company's operations on the basis of the accounting policies, unless prevented from doing so by a good factual or legal reason.

In addition the legal representatives are responsible for the production of the management report that provides, as a whole, an appropriate view of the Company's position and is consistent in all material respects with the annual financial statements, complies with the German legal requirements and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the production of a management report that is in compliance with the applicable German legal requirements, and to be able to provide sufficient and appropriate evidence for the assertions in the management report.

The Board of Trustees is responsible for overseeing the Company's accounting process for the production and fair presentation of the financial statements.

## *Auditor's responsibility for the audit of the annual financial statements and the management report*

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and is consistent in all material respects with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development; and to issue an audit report which presents our opinion on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Article 317 of the HGB and in compliance with German generally accepted standards for the audit of financial statements promulgated by *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW) will detect a material misstatement in all cases. Misstatements can arise from fraud or error and are considered material if they can reasonably be expected, individually or in the aggregate, to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

During the audit we exercise professional judgement and scepticism. In addition, we:

- identify and evaluate the risks of material misstatement in the financial statements and the management report, whether due to fraud or error; plan and perform audit procedures in response to those risks; and obtain audit evidence which is sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements will not be detected is higher for fraud than for error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- gain an understanding of the internal control system relevant for the audit of the annual financial statements and the precautions and measures for the audit of the management report in order to plan audit procedures that are appropriate in the circumstances, but not in order to express an opinion on the effectiveness of those systems;
- assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates and the related disclosures made by the legal representatives;
- draw conclusions about the appropriateness of the accounting policies applied by the legal representatives for the continuation of the Company as a going concern and, on the basis of the audit evidence obtained, whether there is any material uncertainty emerging in connection with any events or circumstances that could give rise to significant doubt regarding the Company's ability to continue as a going concern. If we conclude that there is such material uncertainty, our duty is to point out in the audit report to the relevant disclosures in the financial statements and in the management report or, if the disclosures are inappropriate, to qualify our opinion and to modify the auditor's report. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, subsequent events or circumstances could lead to inability of the Company to continue as a going concern;
- express an opinion regarding the presentation, the structure and the content of the financial statements as a whole, including the disclosures made, as well as whether the financial statements present the underlying transactions and events in a way that allows the annual financial statements to give a true and fair view of the assets, financial position and results of operations of the Company in accordance with German principles of proper accounting;
- express an opinion regarding the consistency of the management report with the annual financial statements, its compliance with the statutory requirements and the overall view conveyed by it of the Company's position;
- perform audit procedures in respect of the forward-looking statements presented by the legal representatives in the management report. In particular, we verify, on the basis of sufficient and adequate audit evidence, the significant assumptions underlying the forward-looking statements made by the legal representatives and assess whether the forward-looking statements were derived properly from these assumptions. We do not express an independent opinion regarding the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ considerably from the forward-looking statements.

# Rödl & Partner

Among other things, we discuss with those responsible for control the planned scope and the time schedule of the audit as well as significant audit findings, including any deficiencies in the internal controls that we may have identified during our audit.

Nuremberg, 30 April 2024

Rödl & Partner GmbH  
Wirtschaftsprüfungsgesellschaft

signed Grässle  
Wirtschaftsprüfer  
[Certified Public Auditor]

signed Hahn  
Wirtschaftsprüfer  
[Certified Public Auditor]

## General Engagement Terms





# General Engagement Terms

## for

### Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

#### [German Public Auditors and Public Audit Firms]

#### as of January 1, 2017

#### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

#### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

#### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

#### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

#### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

#### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

#### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

#### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

#### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.