

UN 
environment
programme

finance
initiative

Principles for
Responsible Banking

Responsible Banking Progress Statement

Bausparkasse
Schwäbisch Hall AG



Summary template

Bausparkasse Schwäbisch Hall AG, 2025

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>Content</p> <p>The Bausparkasse Schwäbisch Hall AG is one of the leading providers of Bausparen and housing financing with a diverse range of products and services. Besides the Bausparkasse Schwäbisch Hall AG is the Bausparkasse of the cooperative financial network network in Germany and through the cooperative values closely connected with ESG-topics. With its products and services Schwäbisch Hall promotes sustainability in the society, as enabler of home ownership, as stabilizer of the real estate market, as source of intergenerational wealth and as supporter to the path to net-zero by financing the climate and energy transition of private residential buildings.</p>	<p>Content</p> <p>The business model of the Bausparkasse Schwäbisch Hall AG is based on home loans and mortgages to finance residential property in new or existing buildings or their refurbishment due to energetic, demographic or living-comfort reasons. As the result of the impact analysis there are mainly significant and measurable effects regarding the SDGs 7, 8, 9, 11 and 13 with an amount of more than 40 percent of the whole loan portfolio.</p> <p>The second main impact is the CO2-footprint of the loan portfolio, due to high relevance of residential real estate as one of the central areas of action for achieving national, European and international climate goals.</p> <p>Example Progress Indicators</p> <ul style="list-style-type: none"> ▪ % of SDGs related to loans in the portfolio ▪ CO2-Footprint of the loan portfolio with reduction path and targets 	<p>Content</p> <p>Schwäbisch Hall actively supports its clients in financing sustainable new buildings and the energy-efficient refurbishment of privately owned housing stock, to make a major contribution to achieving climate targets.</p> <p>The portfolio of products and services ranges from information about energy-efficient modernization to a holistic advice to banks on green finance. Schwäbisch Hall also offers suitable financing options for energy-efficient refurbishment projects and provides advice about available government aid. Schwäbisch Hall has extended this offering in 2024 with the focus on collaboration with energy consultants as well as on expanding the range of training options and supporting tools for its sales force.</p> <p>Example Progress Indicators</p> <ul style="list-style-type: none"> • More than 2.000 certified modernization-consultants in the sales-force
<p>links & references</p> <p>Sustainability Report 2024 Financial Report 2023</p>	<p>Links & references</p> <p>Upcoming CSRD-Report 2025</p>	<p>Links & references</p> <p>Sustainability Report 2024</p>

<p>Principle 4: Stakeholders</p>	<p>Principle 5: Governance & Culture</p>	<p>Principle 6: Transparency & Accountability</p>
<p>Content The Bausparkasse Schwäbisch Hall AG actively seeks the dialogue with its customers and other stakeholders in order to obtain feedback and learn more about their needs and expectations. Alongside the customers, the most important stakeholders are the DZ BANK, the cooperative banks, the back-office employees and the sales force advisors. In addition, the Bausparkasse Schwäbisch Hall regularly discusses sustainability issues with external stakeholders, prioritising the transparent presentation of its activities and credible communication. Through the dialogue with representatives from business, politics, science, media and culture, the Bausparkasse is actively shaping the governmental dialogue about climate change reversal in the real estate sector.</p>	<p>Content The Management Board of the Bausparkasse Schwäbisch Hall AG is responsible for steering all sustainability activities and for determining their strategic direction. Moreover, sustainability issues are regularly featured in the Supervisory Board meetings. Since November 2024 a Sustainability Committee under management of the Head of Sustainability Management is established for steering the operational and strategic sustainability agenda of the Bausparkasse including the reporting and controlling related to the implementation of the Principles for Responsible Banking</p> <p>Example Progress Indicators</p> <ul style="list-style-type: none"> ▪ ESG as part of the remuneration of the Management Board 	<p>Content The Bausparkasse Schwäbisch Hall AG started in 2012 with publishing yearly sustainability reports. Since 2019, the reports are written in accordance with the GRI-Standards.</p> <p>In 2025 the Bausparkasse Schwäbisch Hall AG will publish a CSRD-report as part of the financial report for the first time.</p>
<p>Links & references Sustainability Report 2024</p>	<p>Links & references Sustainable Report 2024</p>	<p>Links & references Homepage: www.schwaebisch-hall.de/unternehmen/nachhaltigkeit/nachhaltigkeitsreporting-und-ratings</p>



Supplements templates

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Links & references

- [BSH Financial Report 2023.pdf](#), p. 7
- [Sustainability report 2023_en.pdf](#), p. 18

Response

The Bausparkasse Schwäbisch Hall AG is one of the leading providers of Bausparen and housing financing with a diverse range of products and services in close cooperation with the cooperative banks. Our team of around 6,800 people works closely with the cooperative banks to create and preserve homes for our 6.3 million customers.

The strategic focus of the Bausparkasse Schwäbisch Hall AG follows the DZ BANK Group's guiding principle of operating as a "network-oriented central banking institution and integrated financial services group". As a subsidiary partner of the cooperative banks, the business activities of the Bausparkasse Schwäbisch Hall are focused on the topic of "building society operations". The objective of this focus as the socially responsible real estate financing provider for the German Cooperative Banking Group (GFG) is to consolidate the GFG's position in the long term as one of Germany's leading integrated financial services providers.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references

- [Investor Relations Report, p. 23](#)
- [Green Bond Presentation, p. 4ff](#)
- [2024 sustainability report 2023 en.pdf, p. 20](#)
- [Werte und Nachhaltigkeitsstrategie](#)
- [Grundsatzerklärung zur Achtung der Menschenrechte](#)

Response

Sustainability is part of the DNA of the Bausparkasse Schwäbisch Hall AG as Bausparkasse of the cooperative financial Network in Germany. With its products and services Schwäbisch Hall promotes sustainability in the society, as enabler of home ownership, as stabilizer of the real estate market, as source of intergenerational wealth and as supporter to the path to net-zero by financing the climate and energy transition of private residential buildings.

For the Bausparkasse Schwäbisch Hall AG, its “#Fokus100” strategy forms the framework and sets the guidelines for the growth ambition in the two core business areas Bausparen and housing financing. The aim is to sustainably strengthen both core business areas in order to support the Cooperative Financial Network in expanding its market position in the long term as a reliable product and solution provider. The strategy includes sustainability as one of five central dimensions. The building society sees its task primarily as contributing to a climate friendly residential building stock.

The ambitious sustainability strategy includes the following goals:

- Increasing the sustainability impact of the loan portfolio, limiting physical and transitory climate and environmental risks and actively managing them in the loan portfolio, as well as continuously reducing the carbon footprint both – in the loan portfolio and in business operations;
- expansion of the positioning in the refurbishment and modernization consulting segment as well as its financing;
- ensuring status as a responsible employer in order to live up to the regularly certified status as a TOP employer, also from the perspective of sustainability;
- more targeted alignment of the CSR-activities with sustainability criteria;
- increasing the awareness and involvement of employees on the topic of sustainability;
- regular, intensive exchange with external stakeholders from the media, politics, business and non-governmental organizations and society in order to strengthen the position as an active companion in the sustainable transformation of the topic of “Building & Living

To underline these ambitions the Bausparkasse is a member of the UN-Global Compact since 2011. As a member of the DZ BANK Group the Bausparkasse Schwäbisch Hall applies sustainability criteria such as the labour standards of the International Labour conventions.

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

Links & references

-

Response

The Bausparkasse Schwäbisch Hall AG based this first impact analysis on the UNEP FI Portfolio Impact Analysis Tool including the Consumer Banking Module. The analysis aligns with the business model of the Bausparkasse Schwäbisch Hall AG, which is to 100 percent based on home loans and mortgages to finance residential property in new or existing buildings or their refurbishment due to energetic, demographic or living-comfort reasons.

The Bausparkasse Schwäbisch Hall AG carried out an impact analysis according to the Context Module of the PRB-impact analysis. The result of this analysis indicates the following significant impact areas covering the home loans and mortgages of the Bausparkasse Schwäbisch Hall AG in Germany with 100 percent of the total business in 2023:

- Climate stability,
- Housing,
- Finance Availability, accessibility, affordability, quality of resources and services,
- Resource intensity, and
- Equality & Justice.

The Bausparkasse Schwäbisch Hall AG also carried out an own analysis of significant sustainability impacts, which is based on the impact of the loan-portfolio belonging the SDGs. From the point of view of the Bausparkasse Schwäbisch Hall AG, this impact classification based on the SDGs is in line with the PRB specifications. As result of the SDG-classification the Bausparkasse Schwäbisch Hall AG has identified effects of their granted loans and mortgages belonging the SDGs 7, 8, 9, 11 and 13.

Furthermore, residential real estate represents one of the central areas of action for achieving national, European and international climate goals. Over 40 percent of greenhouse gas emissions are attributable to real estate (construction and operation), around three quarters of which are belonging to private households - the core of Schwäbisch Halls business model. The overarching climate impact of residential property can be seen in the CO₂-footprint of the credit portfolio of Schwäbisch Hall. The greenhouse gas emissions in connection with the granted loans and mortgages have the largest business in terms of the PRB requirements. Therefore, the Bausparkasse Schwäbisch Hall AG established a method to measure the CO₂-Footprint of its loan-portfolio.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

Upcoming CSRD-Report 2025

The Bausparkasse Schwäbisch Hall AG has identified the impact of the business model belonging the SDGs and the CO2-Footprint as particularly significant. In the light of this result, the Bausparkasse Schwäbisch Hall AG is focusing the impact analysis and target setting on both areas.

As of the first PRB-Report, the Bausparkasse Schwäbisch Hall AG is in the process of assessing its influence on the prioritized impact areas. The publication of the specific measurements and goals is foreseen in the following reports.

Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

- [2024 sustainability report 2023 en, p. 32ff](#)
- [Green Bond Presentation \(ENG\)](#)

Response

Schwäbisch Hall actively supports its clients in financing sustainable new buildings and the energy-efficient refurbishment of privately owned housing stock, working with the cooperative banks to make a contribution to achieving climate targets. The portfolio of products and services ranges from information about energy-efficient modernization to holistic advice for banks on green finance. The Bausparkasse also offers suitable financing options for energy-efficient refurbishment projects, new construction and home purchasing and provide advice about available government aid. The Bausparkasse Schwäbisch Hall AG is enlarging this offering on a continuous basis. In 2024 Schwäbisch Hall continued to focus on the collaboration with energy consultants as well as on expanding the range of training options and supporting tools for its sales force.

The portfolio includes different tools for customers, advisory tools for sales partners and special products, inclusive green covered bonds.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

- [2024 sustainability report 2023 en, p. 35f](#)

Response

The Bausparkasse Schwäbisch Hall AG recognizes that its most significant contribution to the climate transition of the economy lies within the financing of sustainable new buildings and of the energy-efficient refurbishment of privately owned housing stock.

The ESG-related products of the Bausparkasse Schwäbisch Hall AG are making a positive contribution to several Sustainability Development Goals, especially SDG 7 (affordable and clean energy), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation, and infrastructure), SDG 11 (sustainable cities and communities) and SDG 13 (climate action). In total 41,6 % of all mortgages of the Bausparkasse per 31.12.2024 deposits on these SDGs.

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

- [2024_sustainability_report_2023_en,p.27](#)

Response

The Bausparkasse Schwäbisch Hall AG actively seeks the dialogue with its customers and other stakeholders in order to obtain feedback and learn more about their needs and expectations. In order to steer the company successfully, it is important to have precise knowledge of the stakeholders' social, environmental and economic expectations and to align the activities with these. When identifying the stakeholders, Schwäbisch Hall pays particular attention to diversity and their relevance to the company. Alongside the customers, the most important stakeholders are the DZ BANK, the cooperative banks, the back-office employees and the sales force advisors. Suppliers, service providers and industry associations are also of great relevance to the business of Schwäbisch Hall. In addition, the Bausparkasse include representatives of non-governmental organisations, science and politics and regularly discuss sustainability issues with external stakeholders, prioritising the transparent presentation of the activities and credible communication. Through the dialogue with representatives from business, politics, science and culture, the Bausparkasse is active in the climate change discussion in the real estate sector, making use of various formats: bank forums for the representatives of the cooperative banks and regular events at Bausparkasse premises such as the "Schwäbisch Haller Gespräche" and "Politik-Talk im Turm".

The Bausparkasse Schwäbisch Hall AG is also member of important organizations in the fields of science and sustainability and plays an active role in numerous initiatives and associations, including:

- Stiftung KlimaWirtschaft,
- Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.,
- Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V.

The Bausparkasse Schwäbisch Hall AG also regularly conducts customer satisfaction surveys.

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

- [2024_sustainability_report_2023_en_p.24f](#)

Response

The Management Board of the Bausparkasse Schwäbisch Hall AG is responsible for steering all sustainability activities and for determining their strategic direction. Moreover, sustainability issues are regularly featured on the agenda of Supervisory Board meetings. Since 2023, the chief executive officers of all DZ BANK Group companies come together in a Group Sustainability Committee (GSC) to discuss all relevant sustainability issues.

Since November 2024 a Sustainability Committee under management of the Head of Sustainability Management is established for steering the operational and strategic sustainability agenda of the Bausparkasse Schwäbisch Hall including the reporting and control relating to the implementation of the Principles for Responsible Banking. Next to members of the Management Board this committee is composed of management representatives of all units, that are relevant for the implementation of the sustainability agenda. The Sustainability Committee reports directly and regularly to the Management Board.

Sustainability plays a part in the remuneration of the Management Board through specific targets.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

- [2024_sustainability_report_2023_en_p.42ff](#)

Response

The Bausparkasse Schwäbisch Hall AG is committed to the UN Global Compact's ten universally accepted principles of responsible conduct in relation to human rights, labour standards, the environment, and anti-corruption. These principles provide a central framework for the business activities of the Bausparkasse Schwäbisch Hall AG and for the DZ BANK Group as a whole.

In its code of conduct, the Bausparkasse Schwäbisch Hall AG makes a commitment to democratic values, tolerance, equality of opportunity, and the protection of human rights, and provides its employees with principles and rules on how to behave properly and responsibly, particularly in their

dealings with customers, business partners, and other members of staff. The code of conduct addresses undesirable business practices, make references to various fraud prevention tools, and provides a binding framework guiding the actions of all employees.

The Bausparkasse Schwäbisch Hall provides regular training for its employees on compliance, prevention of money laundering and terrorist financing, fraud prevention, data protection and information security, and prevention of market manipulation.

In order to build up the sustainability expertise of its own employees, the Bausparkasse has developed a briefing about the sustainability topics and targets for every new employee of the whole Schwäbisch Hall Group. Beyond that the Bausparkasse established an internal training on sustainability matters in 2023 as well as a specialist board with information about current and planned measures related to the sustainability agenda for all interested units in the Bausparkasse Schwäbisch Hall. This board was established in 2016 and meets three or four times per year. In addition, the Bausparkasse Schwäbisch Hall offers different engagement projects in context with sustainability measures for their employees like tree planting campaigns or city cleaning actions.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

- [BSH Financial Report 2023, p. 34f, 41 and 44](#)

Response

Sustainability (ESG) risk management primarily focuses on climate and environmental risks resulting from climate change. Climate and environmental risks include both acute and chronic physical risks as well as transitory risks. In the Bausparkasse Schwäbisch Hall, ESG risks are not seen as a standalone risk type, but rather as a driver of the traditional financial and non-financial material risk types in line with the regulatory definitions. Examples of risk drivers include economic, social or (geo)political events and conditions.

A qualitative analysis of the ESG risk drivers within the material risk types is performed as part of the risk inventory. The relevance of potentially material ESG risks from the areas of climate and environment, social and governance for the material risk types and how they are currently considered, and will be taken into account in the future, is assessed each year. Potentially material ESG risk factors affect credit risk and operational risk in particular.

Climate and environmental risks comprise both physical climate and environmental risks and transitory risks. A distinction is made between physical climate- and environmental risks. On the one hand acute risks, such as floods, on the other hand chronic risks that are due to permanent climate change.

Transitory risks may arise in connection with the transition to a lower-carbon and environmentally more sustainable economy. Causes of transitory risks include general political conditions and transformation objectives, changes in legislation, changes in consumer preferences and the associated technological change. The transformation to a low-emission economy leads to changing underlying conditions that pose risks for players in the real economy and can have negative consequences for the financial system and credit institutions. Consequently, transitory climate risks may have a considerable impact on the customer of the Bausparkasse Schwäbisch Hall and thus indirectly on the company itself.

Bausparkasse Schwäbisch Hall AG's customer credit portfolio was assessed with regard to physical risks for the three infrastructure risks of flooding, windstorm and forest fire, among others, both for the current analysis and for one climate change scenario. In terms of transitory risks, the customer credit portfolio is highly dependent on the constant development of European and national legislation in the context of the energy efficiency of buildings. Information from energy certificates is a key factor in determining transitory risks in the customer loan portfolio of the Bausparkasse Schwäbisch Hall. For this reason, energy certificates have been required from borrowers when granting loans for certain purposes since financial year 2024.

Social risks may arise due to inadequate standards for protecting the fundamental rights of Schwäbisch Hall employees and to inappropriate customer practices. If social risks materialise, this can lead to financial claims by employees against the companies of the Schwäbisch Hall Group as well as to the loss of employees who are particularly important for business success.

Governance that is focused on sustainability has always been both an opportunity and an obligation for the Bausparkasse Schwäbisch Hall AG. It additionally derives its sustainability strategy from the overarching sustainability goals of the United Nations, such as the Sustainable Development Goals (SDGs), the Paris climate goals and the Global Compact code of conduct. The Bausparkasse Schwäbisch Hall AG acts as a responsible employer. It has embedded sustainability in its business processes and structures and uses various bodies and committees to ensure that it coordinates and manages its sustainability activities consistently across all levels and hierarchies.

Principle 6:
Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report