



# **Sustainability Report** **2022**

The future we are building





## Dear readers,

**T**he world is currently facing many crises: war in Ukraine, energy shortages, exploding prices. For us as a company and for our customers, this has resulted especially in rising energy and construction costs, inflation and the end of low interest rates. At the same time, there has been no let-up in the climate crisis which is advancing steadily and with increasingly tangible consequences – in Germany and the rest of Europe as well.

The things that worry us are the things that are also making us aware of the need to work together to build a future that ensures a high quality of life and participation. As the largest German Bausparkasse and one of the leading providers of property finance in Germany, we can play a part in this. Especially in times of crisis, Bausparen is a safe way of building equity, ensuring financial security across generations and providing for the future. Home ownership is and remains a major aspiration.



**Reinhard Klein** is the Chief Executive Officer of Bausparkasse Schwäbisch Hall AG. The trained bank clerk and business graduate worked for Schwäbisch Hall for the first time in 2002 and returned as the company's Chief Executive Officer in 2014. He is responsible for Communication, Human Resources, Internal Auditing, Marketing and Corporate Strategy and General Office/Politics/International Markets. He is also Deputy Chairman of the Board of Trustees of the Stiftung KlimaWirtschaft (German CEO Alliance for Climate and Economy), working with other business leaders to press for greater climate protection.

The building sector is still contributing significantly to the climate crisis. Real estate accounts for 30 per cent of all CO<sub>2</sub> emissions, with residential buildings playing the biggest role. Our core business – financing home ownership – enables us to influence this directly. We aim to use our products and advisory services to help shape the transition of the building sector. To this end, we are a partner to our customers in their projects and help them to find the right solution.

In a tense market environment, our strategy of focusing on the two core business segments of Bausparen and Housing Financing has proved effective. We will continue to pursue this course together with the cooperative banks. In our view, our company is also well placed with our newly formulated sustainability strategy and the climate pathway we have defined for the Schwäbisch Hall Group. We have made our plans for the years ahead. At the same time, we see the way we operate as a process, the effect of which we review and adjust at regular intervals.

In this Sustainability Report, we look back and ahead, describing our achievements and focusing on the next steps. The only way we can build a future that is worth living is to work with our customers, our partners in the German Cooperative Banking Group and the employees in both our back office and our sales force. We see this as an opportunity – and as our responsibility.

Best regards

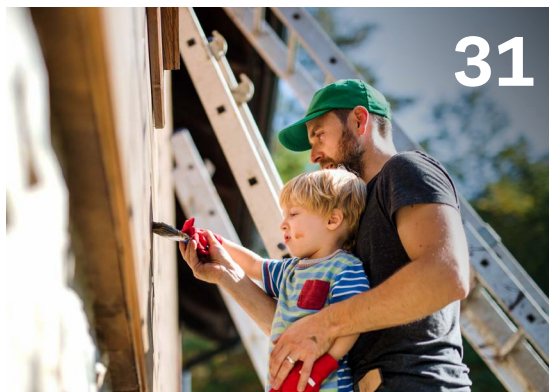
A handwritten signature in blue ink, reading 'Reinhard Klein', written in a cursive style.

**Reinhard Klein**  
Chief Executive Officer,  
Bausparkasse Schwäbisch Hall AG

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REVERSING CLIMATE CHANGE IN HOUSING STOCK

# Housing essential to climate change reversal

**H**ousing has a key role to play in climate change reversal given that the building sector accounts for around 30 per cent of CO<sub>2</sub> emissions in Germany. The biggest lever here is the renovation, modernisation and refurbishment of the country's outdated housing stock. Schwäbisch Hall recognised this at an early stage and has organised its business accordingly. We are ready to deploy our products and services to help shape and promote climate change reversal in the private home ownership sector.



## CHALLENGES



**19.4 M**

of the 21 million buildings in Germany are residential buildings.



**75%**

of residential buildings in Germany have an oil or gas heating system.



At the current pace, it will take until

**2091**

to refurbish all the buildings that need refurbishment.

## LEVERS



**2.4 T**

metric tons of CO<sub>2</sub> emissions could be avoided by fitting thermal insulation to the entire facade of a residential building.



More than

**10 BN**

in grants were paid out for energy-efficient refurbishments in 2022 – twice as much as in 2021.



**64 M**

metric tons of CO<sub>2</sub> emissions could be avoided if all buildings in energy efficiency classes G and H were refurbished to the KfW 55 standard.

Sources: [dena Report on Buildings 2023 \(German only\)](#), [BAFA Annual Review 2022 \(German only\)](#), [Study by the Institute for Energy and Environmental Research \(German only\)](#)





**Alongside Bausparen, climate-neutral construction and refurbishment using government grants is currently the topic our customers most frequently ask about.**

**Timo Schmidt**, Regional Manager and certified modernisation advisor

## OUR CONTRIBUTION

We finance the modernisation of existing building stock and the new construction of energy-efficient buildings, advising our customers on these topics and offering special products with preferential interest rates. Together with the cooperative banks, we are thus helping to promote climate-friendly building and living in Germany and are a strong partner in climate change reversal in the building sector.

### The modernisation experts

Through the financing we provide and the individual advice that is a fixed aspect of our day-to-day work, we are able to influence the sector. The climate and energy crisis has increased the importance of and demand for energy-efficient refurbishment. We too are seeing greater demand from our customers for advice and guidance. For this reason, we have already trained some 1,000 of our financial advisors as certified modernisation consultants. In the course of the year, we are planning to train a further 500 experts and to offer this training to all our homes experts by the end of 2024. This will enable our sales force to propose the right financing solutions for our customers' planned refurbishment projects, to support them in accessing grants and to provide tips for implementation.

## SUSTAINABILITY STRATEGY

# Our strategy: Ensuring sustainable homes

**S**chwäbisch Hall has always viewed sustainability-oriented corporate governance as an opportunity and obligation in equal measure. We formulated our own sustainability strategy for the first time in the reporting year. In this way, we aim to meet our corporate responsibility and remain aligned with our cooperative environment.





## WHY DOES SCHWÄBISCH HALL NEED A SUSTAINABILITY STRATEGY?

For some years, we have been seeing enormous momentum – both social and political – in the area of sustainability. Almost every aspect of our company’s business has been impacted in some way, either as a result of regulatory requirements or our customers’ changing needs. As the Bausparkasse of Germany’s cooperative banks, it is a given that we operate sustainably and this is anchored in our corporate strategy. In the sustainability strategy that we developed in the reporting year, we summarise the individual activities at Schwäbisch Hall, providing a strategic framework for our operations and a clear vision for the future.

The sustainability strategy adopted in 2023 is based on the concept of sustainable development. Our aim is to satisfy the needs of the current generation without jeopardising the ability of future generations to do so as well. Put into the context of our business operations, this means helping people to buy their own homes – both today and in the future.

Our sustainability strategy is also informed by the overarching sustainability objectives of the United Nations including its Sustainable Development Goals (SDGs), the Paris Climate Goals and the Global Compact code of conduct. At the same time, we are aligning with the collaborative models and joint mission statements of the DZ BANK Group and the National Association of German Cooperative Banks (BVR). Entitled “Ensuring sustainable homes”, our sustainability strategy is firmly linked to our corporate mission.

Our path to sustainability is an ongoing process. We will review, adjust and optimise our sustainability strategy on an annual basis – in close collaboration with the Management Board. As part of our corporate strategy, sustainability is thus a fixed component of our strategic focus.



## OUR SUSTAINABILITY STRATEGY AT A GLANCE

Our action areas	STRATEGY	REGULATION	MARKET DEVELOPMENT	BUSINESS OPERATIONS	COMMUNICATION AND SOCIETY
Our goal	We are positioning ourselves as a market leader and playing a relevant role in helping private home owners to reverse climate change.	We are continuing to develop the calculation, measurement and management of our sustainability KPIs. We understand the regulatory requirements and apply them strategically.	We have a close relationship with our customers and enable them to implement climate-friendly building and living projects. This is the basis for our market positioning.	We are a responsible employer with sustainable banking operations.	We are committed to being an active corporate citizen with a focus on sustainable CSR activities. We maintain a dialogue with our employees and all other stakeholders and provide them with transparent information.
Our path	We will increase the sustainability impact of our credit portfolio to at least 50 per cent by 2030.	By 2030, we will reduce the carbon footprint of the credit portfolio by four per cent each year and consistently stabilise the green asset ratio of our new business. We will limit and actively manage the physical and transitional climate and environmental risks.	We are growing the relevance of our brands to potential modernisation customers and review on a continuous basis which market opportunities we can leverage in the areas of refurbishment, renovation and modernisation. In addition, we monitor the market continuously so we are able to respond quickly and continue to actively help private home owners to contribute to climate change reversal.	<p>All our employees are aware of the development pathways that are available to them, have equal opportunities to access these and are actively encouraged to do so by their respective supervisors. We have high ambitions so that we can do justice to our status as an excellent employer in terms of sustainability as well.</p> <p>In line with our climate strategy, our business activities at the Schwäbisch Hall location will be climate neutral by 2043 at the latest. We will halve our CO<sub>2</sub> emissions by 2030 (reference year 2019). Our climate strategy is aligned with the Paris Climate Goals, the climate strategy of the DZ BANK Group, the BVR sustainability mission and the aims of the German CEO Alliance for Climate and Economy.</p>	<p>Our many CSR activities are closely aligned with sustainability criteria. By 2025, 90 per cent of our CSR activities will contribute to the United Nations sustainability objectives. We are raising our employees' awareness of sustainability issues and involving them in our activities.</p> <p>We regularly engage in dialogue with external stakeholders, ensuring the transparency of our activities and communicating them credibly. In conjunction with political, business and societal stakeholders, we are contributing actively to the sustainable transformation and climate change reversal in connection with private home ownership.</p>



### Schwäbisch Hall Sustainability strategy “Ensuring sustainable homes”





### **How do we measure the success of our sustainability strategy?**

We have established a controlling system to measure and evaluate our success. In the course of annual reviews of the goals outlined here, we regularly measure the progress and effectiveness of our strategic measures. At regular intervals, we provide information about this to our stakeholders. Within the DZ BANK Group, the chief executive officers of all Group companies come together in the Group Sustainability Committee to discuss all relevant issues. The Sustainability Officer and Coordination Committee of the Schwäbisch Hall Group are responsible for steering all issues and maintain a dialogue with all stakeholders via the Sustainability Expert Board.

# The Schwäbisch Hall climate pathway

**W**e conduct our business activities in an energy-efficient and resource-friendly way. We have been a member of the German CEO Alliance for Climate and Economy for ten years and developed a new climate strategy for the Schwäbisch Hall Group in 2022. In line with the 1.5 degree target of the Paris Agreement and the ambitions of the German CEO Alliance for Climate and Economy, we will be climate neutral by 2043.





## HOW CAN WE ACHIEVE OUR CLIMATE TARGETS?

We are focusing clearly on our target: Schwäbisch Hall aims to be climate neutral by 2043. This is aligned with the ambitions of the German CEO Alliance for Climate and Economy which has the goal of promoting climate neutrality in industry and business and supports the Science Based Targets initiative. We have also defined an interim target of reducing our emissions by 50 per cent by 2030 compared with 2019. In order to achieve this, we must reduce our emissions by 4.2 per cent each year. The reduction pathway we have developed is aligned with the 1.5 degree target and is based on both the Science Based Targets and legislative requirements. It is now a matter of defining specific individual measures for deployment in our business activities. Here we are relying on a mix of different measures and our challenge for the years ahead will be to monitor their implementation on an ongoing basis and adjust them if necessary. In order to achieve this, we will be further improving our database.

We are in dialogue with other companies of the DZ BANK Group and learn from each other on topics such as which offset models or certificates are suitable. As things stand at the moment, it will not be possible to achieve full climate neutrality in our business without offsetting. Nevertheless, offsetting emissions is the last resort for us because we are committed first to avoiding emissions and then to reducing them. We offset emissions only if there is no other alternative.



### What are Science Based Targets?

The Science Based Targets initiative (SBTi) uses scientifically based targets to demonstrate to companies and organisations the extent to which they must reduce their greenhouse gas emissions and the speed at which they must work in order to help mitigate the effects of the climate crisis.

**We are committed first to avoiding emissions and then to reducing them. We offset emissions only if there is no other alternative.**

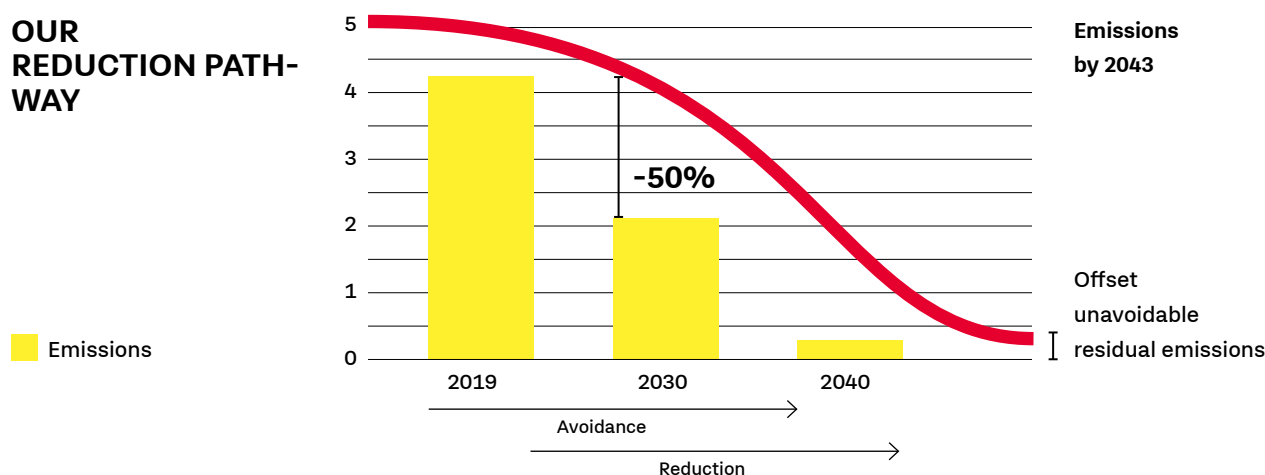
**Wolfram Hujer**  
Schwäbisch Hall Environment Officer



## OUR PATH TO THE 1.5 DEGREE TARGET

MEASURE	Company vehicle fleet exhaust emissions to be climate neutral by 2030	Reduce district heating consumption	Cut electricity consumption	Reduce emissions caused by commuting	Reduce business travel and prioritise more sustainable forms of transport
INTERIM TARGETS	<ul style="list-style-type: none"> <li>Gradually reduce CO<sub>2</sub> thresholds from 2023</li> <li>By 2030, switch leased vehicle fleet to vehicles with climate-neutral exhaust emissions</li> <li>Successively switch the company's own vehicles to alternative drives</li> </ul>	<ul style="list-style-type: none"> <li>Reduce room temperatures</li> <li>Close buildings permanently</li> <li>Increase use of heat recovery</li> </ul>	<ul style="list-style-type: none"> <li>Continue to replace lighting with LEDs</li> <li>Achieve savings through construction and technical measures (e.g. energy-related inspections of technical systems in buildings)</li> <li>Renovation of parts of buildings</li> <li>Phase out use of annexes</li> <li>Increase use of heat recovery</li> </ul>	<ul style="list-style-type: none"> <li>Retain high rate of working from home in order to consistently reduce emissions caused by commuting</li> <li>Continue JobRad (bikes) and JobTicket (public transport) offerings</li> </ul>	<ul style="list-style-type: none"> <li>Increase use of online meetings</li> <li>Travel by train rather than plane</li> <li>Use only rental cars with alternative drives</li> </ul>
SCOPE	1 + 3	2 + 3	2 + 3	3	3

## OUR REDUCTION PATHWAY



# Changing leadership

**T**he working world is undergoing constant and rapid change. The Schwäbisch Hall Group is actively addressing the associated challenges such as digitalisation and flexible ways of working. Our approach to good leadership is also changing. The focus now is on interpersonal skills and executives are expected to demonstrate strong communication abilities, authenticity and empathy. That is why we revised our management guidelines in 2022.

## MAKING OUR LEADERSHIP CULTURE TANGIBLE

A working group has developed and defined the 16 attributes and behaviours of good leadership – known by the German acronym MuVes – which have been incorporated into the management guidelines we have named Culture Beat. The Group's main priority was for the new guidelines to reflect the organisation's experience. To this end, 260 employees and executives were canvassed for their views.







**Mihaela Balta**  
Head of Human Resources

Mihaela Balta is the Head of Human Resources at Schwäbisch Hall.

#### INTERVIEW

**More participation, less hierarchy. This is what we expect our new management guidelines to achieve across the Schwäbisch Hall Group. Mihaela Balta explains how and why we decided to change our leadership culture.**

#### **Why did Schwäbisch Hall introduce new management guidelines in 2022?**

In general, we review our management guidelines at regular intervals to determine whether the prevailing leadership culture is still in line with our expectations. Leadership and culture have a strong role to play especially when the company is facing challenges and change. Our Future of Work project defined how we envisage the way we will be working in 2025, with greater individualisation and flexibility for employees, new office concepts and state-of-the-art technology and a culture based on trust, performance and flat hierarchies. In order to achieve this, we needed to change our leadership culture which was why we had to revise our guidelines.

### What is the goal of the new management guidelines?

In line with our corporate strategy, our main premise is that we need to create a successful, motivational and healthy environment for our employees. Good leadership is the key to success in this transformation process. That's why we regularly examine whether our leadership culture matches our goals and expectations. Our people are our focus and this was also to be reflected in the guidelines.

### What are the main changes compared with the old guidelines?

The two main differences are the outcome and the process to achieve it. The new management guidelines are brief and understandable which made it possible to integrate them quickly into our executives' day-to-day activities. It's exciting to see that all management levels – including the Management Board – regularly make reference to our *MuVes* in specific work situations, evidence that the new guidelines have been accepted rapidly at all levels. The special thing about the process was that it involved many of our employees: 260 executives and employees were questioned about their understanding of good leadership and contributed their ideas. In my view, it's relevant to ask our employees what they need. I'm convinced that greater participation is the way forward for the future.

### The guidelines were developed by a Biathlon group.

#### What is this and how were its members selected?

Biathlon is one of our internal programmes aimed at supporting our executives and giving them the skills they need for challenging management tasks. The group is made up of very good executive talents from various organisational units. One of the selection criteria was the motivation to learn new skills and contribute to change. And that's something they have really demonstrated.

Because they were expected to examine their own leadership, they have transmitted this commitment directly to their organisational units. The Biathletes' enthusiasm has been really infectious. I'm grateful to the group for the way it handled the entire process. It has been wonderful proof that any of our employees can take on responsibility.

### What has been the reaction to the new management guidelines?

We've already asked our employees how they rate our leadership and where they've seen changes – and we'll be asking them again in the future as part of our regular CheckUps. Nevertheless, we want to give our executives the time to change which

**I would like management in the future to be lighter and for us at Schwäbisch Hall to talk more about collaboration. If the management guidelines can make just a small contribution to this, the project will have been a great success.**

Karin Braun  
Biathlon participant



### Biathlon 11

The Biathlon 11 working group laid the foundations for the new management guidelines that we named CultureBeat. Biathlon is a development programme aimed at preparing selected Schwäbisch Hall executives for challenging management roles.

won't happen overnight. However, the results so far show that we have already improved at the corporate level and that the topic is being addressed throughout the company.

Our development is an ongoing process that is aimed at fostering dialogue. The company's executives have also incorporated the new guidelines into the target-setting process which is a classic human resources measure. As Head of HR, this makes me very happy. Nevertheless, we still have a long way to go with many challenges ahead of us. First, we must succeed in anchoring the change in our day-to-day activities. Second, each and every employee must embrace their own development. It is down to all of us to contribute to the success of the project.



Mihaela Balta  
Head of Human Resources  
at Schwäbisch Hall



# Profile

## Schwäbisch Hall at a glance

**“To create and preserve homes” – this is our mission. As a member of the German Cooperative Banking Group, collective and responsible conduct is an integral part of our DNA. We recognise that the only way to build the future is by working together.**



# About us

Schwäbisch Hall is the largest German Bausparkasse and one of the leading providers of housing financing. Our team of almost 7,000 people works closely with the cooperative banks. Our joint mission as we serve our 6.5 million customers is: “To create and preserve homes”.

## COMPANY PROFILE

Since its establishment in 1931, Schwäbisch Hall has been firmly anchored within the [cooperative banking sector](#) – as the Bausparkasse and service provider for private housing financing for the some 750 cooperative banks in Germany. Our majority shareholder (97.6 per cent) is DZ Bank, the central cooperative bank headquartered in Frankfurt am Main. Most of the remaining 2.4 per cent is owned by primary banks.

Just under 3,150 Schwäbisch Hall sales force employees work with the cooperative bank branches and more than 3,600 back office employees to deliver qualified advice and support to our customers on all aspects of finance, building and living. With a market share of around 30 per cent, some 6.5 million customers in Germany, 1.4 million customers in other countries

and more than 7 million contracts, we are the largest German Bausparkasse. In the 2022 reporting year, we concluded Bauspar contracts worth €34.1 billion and housing financing agreements for €19 billion.



In the long term, we aim to be the leading provider of products and services in the cooperative building society ecosystem – always working in close and subsidiary collaboration with the cooperative banks. We intend to remain the market leader in Bausparen and, together with the cooperative banks, become the number one provider of housing financing. By offering complementary services, we aim to develop further growth areas connected with building society operations.

We have been headquartered in the southern German city of Schwäbisch Hall for more than 75 years. With a workforce of around 3,600, we are the largest employer in the region and make a significant value contribution there. Alongside our campus in Schwäbisch Hall and smaller offices in Frankfurt am Main and Hamburg, we are also active outside Germany with locations in Budapest (Hungary), Bratislava (Slovakia) and Tianjin (China).

The business activities of the Schwäbisch Hall Group have no negative impacts on the community as a result of production operations, for example. There are therefore no assessments of such impacts.

### OUR BACK OFFICE EMPLOYEES AT A GLANCE

Back office employees	3,610
Trainees and apprentices	229
Proportion of women in per cent	60.6
Average age in years	45.5
Proportion of part-time employees in per cent	37.2
Average length of service in years	18.9

## THE SCHWÄBISCH HALL GROUP OUR SUBSIDIARIES



### Schwäbisch Hall Kreditservice

#### Schwäbisch Hall Kreditservice GmbH

Established in 2000, our subsidiary processes more than one million Bauspar contracts and housing financing agreements each year.



### Schwäbisch Hall Facility Management

#### Schwäbisch Hall Facility Management GmbH

This wholly owned subsidiary consolidates all facility management services such as technology, security, cleaning and catering, also offering them to third parties. It employs around 540 people.



#### BAUFINEX GmbH

Baufinex is an online B2B marketplace for private housing financing for independent brokers and the co-operative network. It also allows sales force employees and banks to propose financing offers from outside our own portfolio to their customers. Hypoport AG holds 30 per cent and Bausparkasse Schwäbisch Hall 70 per cent.



#### Schwäbisch Hall Transformation GmbH

This subsidiary partners the regional banks to provide support for the digital and ecological transformation of the core business and to build new business areas outside the traditional banking sector.



#### Impleco GmbH

This cooperative joint venture offers personal digital services for the building society ecosystem. Around 800,000 consumers use the Wohnglück.de property platform each month and more than 45 cooperative banks already offer solutions via PIA, the regional SaaS assistant model.



### Schwäbisch Hall Wohnen

#### Schwäbisch Hall Wohnen GmbH

Via this subsidiary, we are establishing a digital advisory channel in close collaboration with the banks of the German Cooperative Banking Group and the Schwäbisch Hall sales force.

## VALUES AND SUSTAINABILITY APPROACH

Our conduct is based on cooperative values such as respect, solidarity, responsibility and partnership. Today, more than ever, we are committed to the over 200-year-old concept of cooperativism: what one person cannot achieve alone can be achieved by many together. This is the only way to master the challenges facing the world.

### Our understanding of sustainability

Our understanding of sustainability is based on cooperative values. With our slogan of “Ensuring sustainable homes”, we are focusing on sustainability and aligning our corporate governance towards achieving this. By providing Bausparen and housing financing solutions, we are helping our customers to buy their own homes, thus contributing to their asset formation and retirement provision. Given the need for energy-efficient refurbishment and current demographic trends, we also finance the modernisation of existing building stock. As a corporate citizen, we take our social responsibility seriously and are especially committed to the Schwäbisch Hall region.

In 2022, in order to implement our strategy of “Ensuring sustainable homes”, we identified five action areas in which we are addressing the complex and multidimensional topic of sustainability.

Our understanding of sustainability is also informed by the overarching sustainability objectives of the United Nations including its Sustainable Development Goals (SDGs), the Paris Climate Goals and the Global Compact code of conduct.

### Mission and vision

On the basis of our cooperative values, we have anchored sustainability at our company’s strategic core. Our business activities are focused on building a sustainable and value-oriented relationship with our customers. This is also reflected in our mission: **To create and preserve homes.**

Building on our mission, our vision describes our long-term objective of being **the leading provider of products and services in the cooperative building society ecosystem, working in close and complementary collaboration with the cooperative banks.**



**We want to enable future generations to live in an environment of harmony between the economy, the environment and society.**

**Reinhard Klein**  
Chief Executive Officer

**1**  
Strategy

**2**  
Regulation

**3**  
Market development

**4**  
Business operations

**5**  
Communication and CSR



## Ethical principles and integrity

We are committed to the principles of corporate governance. Our company's purpose, corporate image and the way in which we collaborate with our customers, partners, employees and other stakeholders are based on transparency, fairness, professionalism, respect and the cooperative concept of helping people to help themselves. Together with the relevant legal provisions, these values form our framework for governance and compliance including the [Code of Conduct](#) that was introduced for the companies of the DZ BANK Group in 2014. All executives and employees of the Schwäbisch Hall Group are required to conduct themselves in a legally compliant and ethical manner. The Code of Conduct is complemented by other regulations and guidelines such as the guidelines on gifts and preventing criminal activities. We are committed to fulfilling our tax obligations and to complying with German and foreign tax legislation (see also the section entitled [Corporate governance](#)).

**In 2022, we jointly revised the Code of Conduct that applies to the entire DZ BANK Group.**

## Our contribution

Our core business is financing residential buildings. For decades, we have been helping people to provide for their future and build assets through home ownership via Bausparen and housing financing. As part of the German Cooperative Banking Group, we are thus contributing to sustainable growth.

Home ownership remains the goal for many people. Together with the cooperative banks, we provide solutions that enable our customers to buy a suitable property that ensures their security in retirement. One way to achieve this is to start building equity at an early stage and government-subsidised Bausparen is a particularly suitable instrument.

We are also supporting the sustainable transformation of existing owner-occupied residential properties in Germany. The property sector is one of the largest consumers of energy and emitters of carbon dioxide. Most of the harmful emissions are produced by housing stock, much of which is outdated and one third of which has not been refurbished to ensure its energy efficiency. This is a massive lever for climate change reversal. As the largest German Bausparkasse and one of the leading providers of housing financing, we share a responsibility with the German cooperative banks that we are seeking to address by providing suitable products and advisory services to our 6.5 million customers.

In 2022, we received public financial support for our company childcare facility. The reporting of our key financial indicators is included in the section entitled [Our KPIs](#); details can be found in our [Financial Report](#).

## Outlook for 2023

We are systematically implementing other voluntary obligations and reviewing which sustainability standards we apply. In 2023, for example, we are planning to become a signatory to the [Principles for Responsible Banking \(PRB\) of the United Nations Environment Programme Finance Initiative \(UNEP FI\)](#).



# Corporate governance

## Our values and sustainability strategy

We aim to anchor sustainability firmly in our processes and structures. In order to achieve this, we maintain a continuous dialogue with our stakeholders and are setting ourselves ambitious targets. Our conduct is based on partnership, transparency and solidarity.



# Corporate governance and sustainability management



**We have anchored sustainability in our business processes and structures. Various bodies and committees ensure that we coordinate and steer our sustainability activities uniformly across all levels and hierarchies.**

Our Management Board steers the company and develops its strategic focus. The Supervisory Board oversees, advises and collaborates closely with the Management Board. The Management Board informs the Supervisory Board in a timely manner about all relevant developments. Schwäbisch Hall has an internal guideline on dealing with potential conflicts of interest that also applies to the Supervisory Board.

During the reporting year, the company's [top management](#) included three general executive managers, two of whom are women. One of them joined the Management Board in 2022. As a result, women currently make up 25 per cent of the Management Board.

The Management Board is supported additionally by an Advisory Board with which it maintains an active dialogue. During the reporting year, this body was made up of 37 members, including one woman, all of whose primary employment is as chief executive officers of cooperative banks.

A Supervisory Board resolution has set a cap of 25 per cent on the share of variable remuneration components in total remuneration for the company's management and all employees in the event of 100-per cent target attainment. Under no circumstances may variable remuneration exceed fixed remuneration. The company's performance is the basis of variable compensation for all employees, whether or not they are paid under the collective wage agreement. Sustainability targets have been included in Management Board remuneration since 2022.

Further information can be found in the [Financial Report](#) of Bausparkasse Schwäbisch Hall and in the [Disclosure of the Remuneration Policy](#) of the DZ BANK Group.

**The sustainability strategy should not be a separate strategy – it must deliver a consistent vision for the entire company.**

**Wim Buesink**  
Sustainability Officer

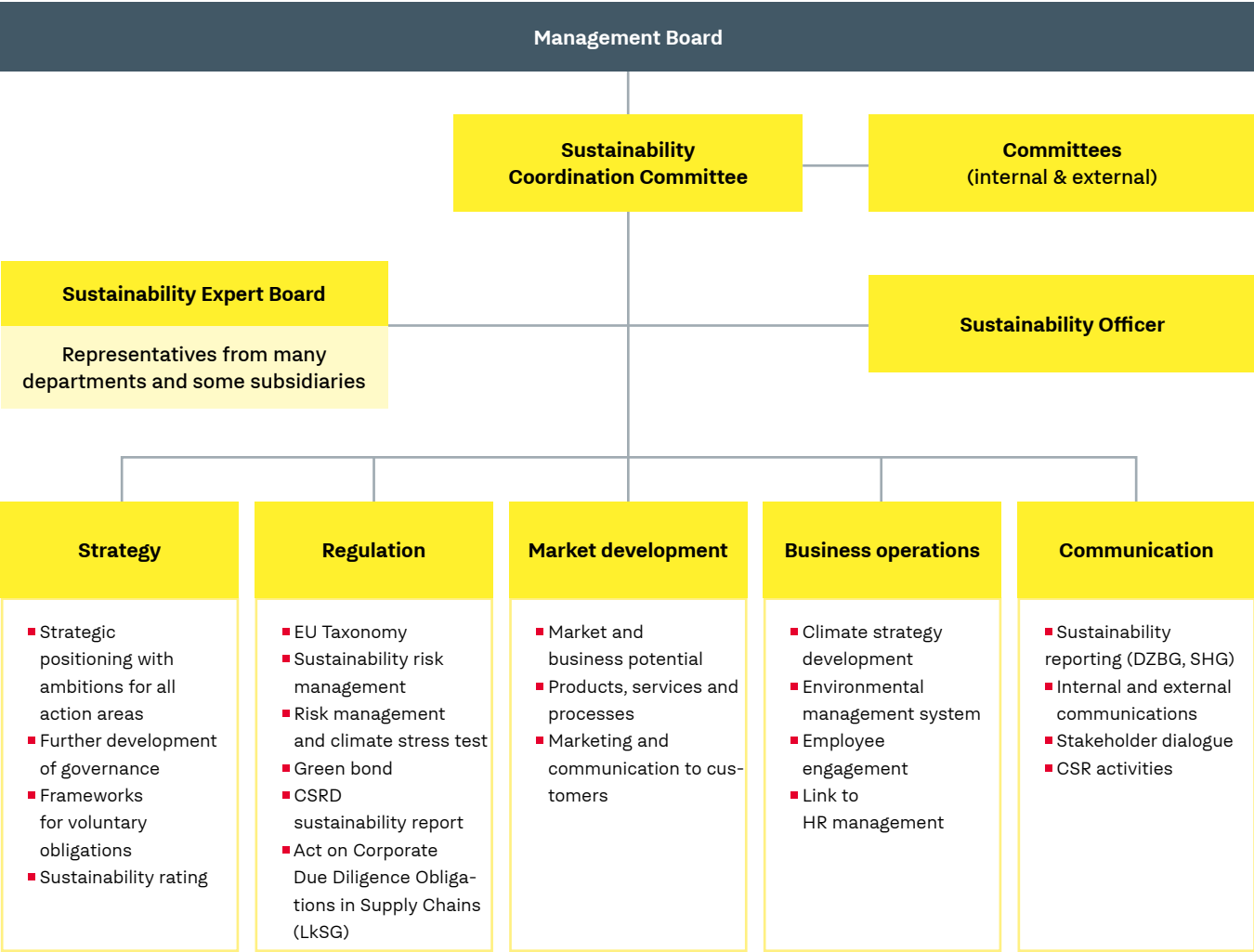
GOVERNANCE STRUCTURE

The Management Board is responsible for steering all sustainability activities and for determining their strategic direction. In 2023, a Group Sustainability Committee (GSC) was established in which the chief executive officers of all DZ BANK Group companies come together to discuss all relevant sustainability issues. This new committee replaces the Group Corporate Responsibility Committee (GCRC) which was made up of top management representatives.

At Schwäbisch Hall, the Sustainability Coordination Committee is responsible for coordinating strategic sustainability issues. This body is made up of employees from the Risk Controlling, Corporate Strategy and General Office units, as well as the Sustainability Officer. The Sustainability Coordination Committee reports directly to the Management Board.

Our Sustainability Officer is also responsible for communicating with ESG rating agencies and represents Schwäbisch Hall on the sustainability committees of industry associations and within the DZ BANK Group – always in close consultation with the relevant specialist units. An Environment Officer coordinates activities relating to business ecology. Communication about sustainability is the responsibility of Corporate Communications in close consultation with the General Office unit. The issues and projects associated with individual governance action areas are managed by the operational organisation.

Sustainability is anchored in the organisation and business strategy





The Management Board is responsible for steering all sustainability activities.

## IMPLEMENTATION AND MEASUREMENT OF SUCCESS

At the start of 2023, a Sales Force Sustainability Board was implemented and meets four times a year. It is made up of representatives from the sales force and the Sales and Marketing units and concerns itself with the sales system relating to energy-efficient modernisation.

We also hold regular discussions with the corresponding committees and representatives of other DZ BANK Group companies. This close contact enables us to implement joint agreements and leverage synergy effects, thereby facilitating our response to political developments and new legislative requirements.

To ensure the systematic implementation of measures within the specified deadlines, we have defined our strategic focus in a milestone plan. We describe the milestones, implementation status and interdependencies in the profiles for individual projects and measures.

As part of the Sustainability Coordination Committee, we have established a controlling system to measure and evaluate our success. The Management Board receives quarterly or ad hoc strategy briefings with assessments and recommendations for action for the individual strategic objectives and measures.



### Sustainability Coordination Committee as a central steering body

Sustainability is an integral part of our business activities. In order to anchor sustainability within our organisation and actively shape the property sector transformation and climate change reversal, we established the Sustainability Coordination Committee in 2021. It is responsible for coordinating the measures necessary to comply with regulatory requirements and strategic ambitions in connection with sustainability and to implement these within the Schwäbisch Hall Group.



# Sustainability strategy

**The building sector is responsible for a large proportion of CO<sub>2</sub> emissions in Germany. The potential to achieve progress in climate protection is equally large.**

Residential property has a special role to play because it accounts for around 90 per cent of the country's building stock. Via our core business, we are willing and able to contribute to climate change reversal in the housing sector. "To create and preserve homes" is our corporate mission that aligns our business activities with the three basic ESG principles for sustainable business operations: E for environment, S for social and G for governance.



## Fox fact

The property sector is responsible for around 30 per cent of all CO<sub>2</sub> emissions in Germany. Most emissions are caused by residential buildings.

## OUR ESG OBJECTIVES

# E

### Environment

As the largest German Bausparkasse and one of the leading providers of property financing, we have a responsibility to promote climate change reversal in the building sector and, in particular, the sustainable transformation of private residential property. We are contributing to climate-friendly modernisation and refurbishment projects and sustainable new construction via Bausparen and housing financing.

# S

### Social

By financing owner-occupied homes, we are helping people to build their retirement provision, assets and an inheritance for future generations. Our HR policy is aligned with our employees' needs and encompasses many additional benefits including a long-term perspective, a safe and modern workplace and personal development options.

# G

### Governance

We are part of the German Cooperative Banking Group. Our business conduct is based on cooperative values such as respect, solidarity, responsibility, partnership and long-term customer relationships. These values also form the basis for our dealings with our stakeholders.

In order to implement our sustainability strategy, we have identified five strategic action areas: strategy, regulation, market development, business operations as well as communication and society.

## An overview of our fields of action and objectives

Field of action	
Strategy	We are positioning ourselves actively as a market leader and are assuming responsibility by playing a relevant role in helping private home owners to contribute to climate change reversal.
Regulation	We understand the regulatory requirements and apply these strategically.
Market development	We have a close relationship with our customers and enable them to implement climate-friendly building and living projects.
Business operations	We are a responsible employer with sustainable banking operations.
Communication and society	We are committed to being an active corporate citizen and focus on sustainable CSR activities.

## MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT

In 2019, we conducted an online survey followed by discussion and assessment in workshops to identify the material topics for our sustainability management. The current materiality analysis is aligned in part with the GRI Standards 2021 and considers our impacts on the environment and society. In the course of this analysis, no distinction was made between potential and actual or negative and positive impacts.

The findings are presented in the [Sustainability Report 2020, pages 11 and 12](#) (German only). They are the basis for the issues addressed in this report. A new materiality analysis involving both internal and external stakeholders is planned for 2023.

### Relevant stakeholders

In order to steer our company successfully, it is important to have precise knowledge of our stakeholders' social, environmental and economic expectations and to align our activities with these. When identifying our stakeholders, we pay particular attention to diversity and their relevance to the company. Alongside our customers, the most important stakeholders are the DZ BANK, the cooperative banks, our back-office employees and our sales force advisors. Suppliers, service providers and industry associations are also of great relevance to our business. In addition, we include representatives of non-governmental organisations, science and politics.

### Stakeholder dialogue

We regularly discuss sustainability issues with our external stakeholders, prioritising the transparent presentation of our activities and credible communication. Through our dialogue

with representatives from business, politics, science and culture, we are actively shaping climate change reversal in the real estate sector, making use of various formats: bank forums for the representatives of the cooperative banks, regular events at Bausparkasse premises and the Haller Gespräche to discuss all aspects of building and living. We are also actively involved in shaping political opinion in Germany and Europe through our membership of industry associations – especially the European Federation of Building Societies and the German Association of Private Bausparkassen – and of the German CEO Alliance for Climate and Economy. Selected stakeholders such as the chief executive officers of cooperative banks and the central bank as well as representatives of affiliated companies, customer groups and cooperative associations are invited to join a dialogue with the Management Board via the twice-yearly meetings of the Advisory Board. The findings are the basis for company-wide and division-specific measures. Further information about industry association memberships can be found in the section entitled [Social commitment](#).

# Compliance

**Safety, expertise and empathy are the values that underpin our conduct and preserving them is a key objective of our compliance management system which is based on the three pillars of prevention, recognition and response. In this way, we ensure that our business activities are in compliance with legislative requirements.**

The Legal and Compliance division is responsible for our compliance activities. It was also involved in developing the compliance systems for all subsidiaries and reports directly to the Management Board. Compliance is not only a priority in our own business activities. We also perform a compliance check of all our suppliers before entering into a business relationship with them.

In order to monitor the relevant legal provisions more specifically, we have collaborated with the DZ BANK to introduce a central legal inventory, a workflow-based tool (Regulatory Workflow Center) that records all legal provisions. The Compliance department shares the information with the responsible organisational units and monitors implementation of the relevant provisions.

In the 2022 reporting year, no legal actions for anti-competitive behaviour or anti-trust and monopoly practices were ongoing or concluded.

## ENVIRONMENTAL COMPLIANCE

For us, compliance with environmental legislation and regulations is a matter of course. Environmental compliance is therefore an integral part of our general compliance management. During the reporting period, no fines or sanctions for non-compliance with environmental legislation were imposed on our company.





## MONEY LAUNDERING & FRAUD PREVENTION TAXES

As part of the DZ BANK Group, we are a signatory to the [UN Global Compact](#), thus committing ourselves to complying with and implementing the Ten Principles of responsible business. These include working resolutely to combat all forms of corruption – including extortion and bribery. We observe the uniform rules for preventing money laundering and fraud within the DZ BANK Group; this is verified and monitored at regular intervals.

We are covered by the annual compliance risk analysis of the DZ BANK Group that is required by law. No corruption risks were identified in the 2022 reporting year.

To prevent economic crime and protect our reputation, we also operate a whistleblowing system (German only) that can be accessed from the [home page](#) of our website. At the same time, it serves as a complaints procedure within the meaning of the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). The system may also be used by external (anonymous) whistleblowers. We received no reports via the system in the 2022 reporting year.

We are expressly committed to fulfilling our tax obligations and to complying with German and foreign tax legislation. Our tax planning is responsible and legally compliant. We apply a tax strategy that is valid for the entire DZ BANK Group, serving as a guideline for the day-to-day handling of tax-related matters and providing guidance for internal and external conduct. The Group tax strategy is reviewed regularly – at least once a year – and updated if necessary before approval by the Group Risk and Finance Committee.

We are integrated into the annual country-by-country reporting of the DZ BANK Group which is published on the DZ BANK [website](#).

## COMPLIANCE TRAINING

We explain our compliance system in detail on our [website](#) (German only). Our employees are also able to access a wide range of additional information on the company's intranet including the [Code of Conduct of the DZ BANK Group](#), the Schwäbisch Hall compliance manual, training documents, role descriptions and compliance guidelines. Each year, we conduct basic compliance training which is mandatory for all Schwäbisch Hall Group employees.

This covers the principles of compliance, conflicts of interest/gifts, anti-trust law and the prevention of corruption and includes explanatory videos and a knowledge quiz. The training rate is regularly higher than 90 per cent. Any employees who have not participated in our compliance training by the completion date are requested to do so as soon as possible.



# Products and services

## Building and living with Schwäbisch Hall

We aim to create and preserve homes for our 6.5 million customers – for both present and future generations. That is why we facilitate sustainable building and living – and help people to buy their own homes.



# Our services for building and living

**Through Bausparen and housing financing, we are helping many people to build their assets and fulfil their dream of buying their own home. Owner-occupied homes create added value for individuals and for society because they provide financial security.**

As a company of the German Cooperative Banking Group, customer proximity and a regional presence are central to our business. That is why our 3,000 plus sales force advisors work closely with the cooperative banks to support our customers whenever they have questions – either in a face-to-face meeting at the bank, via video call or at their home.

Bausparen enables families and people with low and middle incomes especially to establish a solid financial foundation so they can afford to purchase a home of their own. In this way, even young people can build equity and learn the value of saving. Bausparen is a key building block in home financing.

Moreover, being able to purchase a home is an important aspect of retirement provision. In most cases, the statutory pension is not sufficient for people to be able to maintain their current standard of living when they are older. That is why the German government encourages Bausparen and provides financial incentives for private housing construction.

It is therefore our mission and service to offer each customer the best product for their individual needs and help them achieve home ownership.

Largest German *Bausparkasse* with around



market share

Around



customers in Germany (around 8 m worldwide)

More than



contracts





# Climate change reversal in residential buildings – our responsibility

**The climate crisis is one of the biggest challenges of our times and climate change is impacting all aspects of our society. That is why we all have to act responsibly.**

Germany's building stock accounts for some 30 per cent of greenhouse gas emissions, making it a key contributor to the climate crisis. Housing is responsible for 75 per cent of these emissions and has repeatedly failed to meet the German government's climate targets. The main reason for this is the age of houses and flats, most of which were built before Germany's first Thermal Insulation Ordinance came into force and often have not been refurbished. Real estate in Germany is required to be climate neutral by 2045. As the largest German Bausparkasse and one of the leading providers of housing financing, we have the corporate responsibility and the opportunity to contribute to climate change reversal.

We are financing the energy-efficient refurbishment of privately owned housing stock, working with the cooperative banks to make a targeted contribution to achieving climate targets. Government aid is helping here. As a representative of the Bauspar sector as a whole, we hold regular discussions with business and government representatives in which we share our expertise.



## **Fox fact**

Real estate has a major role to play in climate change reversal – the biggest lever is outdated housing stock.

# Our contribution to climate-friendly building and living

**Our portfolio has grown over the years and today we are able to offer our customers and partners the best products and services for climate-friendly and sustainable building and living.**

Our portfolio of products and services ranges from information highlighting the need for energy-efficient modernisation to holistic advice for banks on green finance. We also offer suitable financing options for modernisation and new construction and provide advice about available government aid. And we are continuing to grow our portfolio.





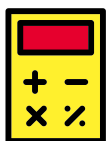
## Portfolio overview (German only)

### TOOLS FOR CUSTOMERS



#### FuchsCheck modernisation tool

A self-service online tool for planning modernisation projects and calculating individual modernisation loans



#### Modernisation loan calculator

For calculating financing for energy-efficient refurbishment projects

### SPECIAL PRODUCTS



#### FuchsEco Bauspar tariff

For everyone planning an energy-efficient modernisation project – with preferential interest rates and short saving phases



#### FuchsKonstant Energie modernisation loan

For everyone wanting to implement an energy-efficient modernisation project immediately, up to €50,000 unsecured by a land charge

### ADVISORY TOOLS



#### Förderlotse

Helps our advisors to identify the right funding for energy-efficient refurbishment projects



#### Modernisierungshaus

Helps calculate the modernisation costs trade by trade – including the potential energy savings – and proposes financing solutions



#### Wegweiser Wohnglück

Digital analysis tool for the user's own home that proposes modernisation measures and calculates the necessary investment

### GREEN FINANCE

(via our subsidiary sht) for banks



Strategic advice incl. software-based analysis and support for the effective implementation of sustainability in banks

### EXAMPLES OF OUR INFORMATION OFFERING (GERMAN ONLY)

#### [wohnglueck.de](https://wohnglueck.de)

Our real estate platform covering all aspects of building and living in which we share our expertise as part of the Impleco network

#### [Wohnglück customer magazine](https://www.schwaebisch-hall.de)

Offering many examples and practical tips

#### [www.schwaebisch-hall.de](https://www.schwaebisch-hall.de)

Advice on all aspects of sustainable building and living

#### [Hausplaudern](#)

Podcast with industry experts and guests

#### [Customer newsletter](#)

Covering selected topics

#### [Cradle to Cradle® tool](#)

Gamified house planning tool

#### [Online newsroom](#)

A wide range of content for media professionals





## SUSTAINABILITY OF OUR CREDIT PORTFOLIO

The majority of our products are private home loans. In 2021, we therefore began examining how sustainable our loan portfolio is and how we can measure this.

### ESG risks

Our entire value chain is vulnerable to ESG risks which may have a negative impact on our net assets, financial position and results of operations. For this reason, the European Central Bank (ECB) conducted its first climate stress test of banks in 2022 with the aim of encouraging them to give greater focus and priority to climate risks. The test concentrated particularly on credit, market, reputational and operational risks. Bausparkasse Schwäbisch Hall underwent the stress test as part of the DZ BANK Group.

In general, we aim to use ESG data surveys to limit and actively manage physical and transitional climate and environmental risks. To achieve this, we will record, assess and refine our sustainability KPIs and work to satisfy additional regulatory ESG requirements.

### ESG indicators

Since 2021, we have been voluntarily reporting and recording ESG indicators in order to measure our progress and performance.

Indicator	Description	Results 2021 & 2022	Targets: New in 2023
SDG impact <sup>1</sup>	Proportion of property finance with a positive impact on the Sustainable Development Goals (SDGs)	2021: 40.69% (€22.5 bn) 2022: 41.36% (€23.8 bn)	We will increase the sustainability impact of the credit portfolio to 50% in order to achieve the SDGs by 2030.
CO <sub>2</sub> footprint	CO <sub>2</sub> emissions co-financed by our loans	2021: 1.92 million metric tons of CO <sub>2</sub> 2022: 1.7 million metric tons of CO <sub>2</sub>	We will reduce the carbon footprint of the credit portfolio by 4% per year by 2030.
EU Taxonomy ratio/ green asset ratio <sup>2</sup>	Proportion of our real estate financing that makes a material contribution to the goals of the EU Taxonomy	2021: 31.3% 2022: 23.9%	We will systematically stabilise the green asset ratio of the new business by 2030.

<sup>1</sup>You can read how we calculate the KPIs in the story about sustainable building financing (German only) on our website entitled [Nachhaltige Baufinanzierungen: Wie geht das?](#)

<sup>2</sup>The method for calculating the green asset ratio was amended in 2022. The reduction compared with 2021 is primarily due to a statistical effect (reduction of the reference value for energy consumption resulting from energy price development in 2022). This was taken into account in the update on 1 September 2023. We have also updated the value as of 31 December 2021 (previously 29.9%) for the Sustainability Report 2022 and considered new criteria such as the site adjustment factor that were defined for calculating the green asset ratio.

## CO<sub>2</sub> reduction measures for the credit portfolio and review of the reduction targets

In our sustainability strategy, we have set ourselves the goal of continuously reducing the carbon footprint of our credit portfolio. To achieve this, we will reduce the relative carbon footprint each year in line with the relevant sector pathways (energy industry and buildings) pursuant to Germany's Climate Change Act.



### SDGs = Sustainable Development Goals:

17 goals for sustainable development defined by the United Nations; we make a positive contribution to these five goals:



## Exclusion criteria for our own investments

We have defined the sectors in which we will not invest, including the production of certain armaments, gambling and pornography. We also exclude investment in companies associated with ethically controversial business practices such as child and forced labour, human rights abuses and significant environmental violations.



### EU Taxonomy = Taxonomy Regulation of the European Union (EU):

Establishes a framework and defines a classification of sustainable economic activities with the goal of directing investment into these areas



## ADVICE, LABELLING AND COMMUNICATION

We seek to comply with the law in providing clear and transparent information and advice to our customers about our products and their potential risks. The same principles are applied to our marketing and communication activities (see the section entitled “Our KPIs”). The framework for this is provided by the [Code of Conduct](#) of the DZ BANK Group. Our products are long-term investments and our contractual partners enter into obligations spanning as long as 30 years. For this reason, our products include various alternatives and flexible approaches in terms of volume, interest rates and maturities, to which we draw attention. Our financing products are subject to the requirements of the European [Mortgage Credit Directive](#).

### Data protection and customer satisfaction

Our data protection policy reflects the principles for the processing of personal data contained in Article 5 of the European General Data Protection Regulation (GDPR): lawfulness, fairness and transparency; purpose limitation; data minimisation; accuracy; storage limitation; integrity and confidentiality. A Data Protection Officer has been appointed pursuant to Article 37 GDPR. You will find information about data protection breaches in the section entitled [Our KPIs](#).

We maintain a close dialogue with our customers to ensure we understand their needs. Alongside face-to-face meetings, we conduct regular surveys and organise temporary customer communities. We also use various other tools to help us find out more about our customers’ satisfaction and adapt our services to meet their expectations. Moreover, we have established quality and complaints management systems. We measure satisfaction on a quarterly basis and conduct a total of 2,000 interviews each year. In addition, measuring customer experience generates more than 22,000 responses each year covering six key points of contact with customers. We use these responses to calculate our Net Promoter Score (NPS) which is one factor in our employees’ performance-based remuneration.



**Fairest housing finance provider**



**Best German Bausparkasse (2015-2022)**



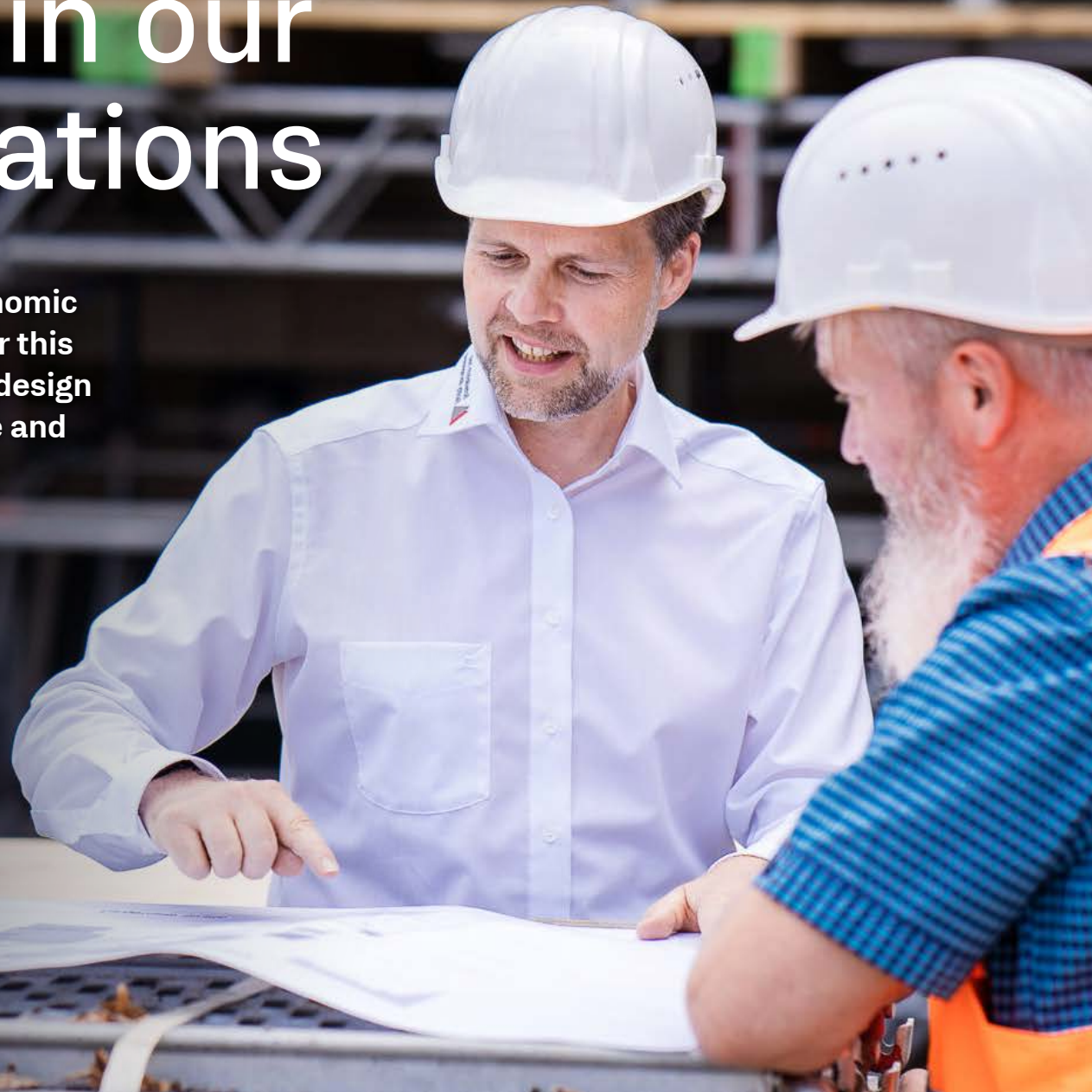
**A sustainable business ranked “very good” among 167 financial services companies**



# Business ecology

## Sustainability in our business operations

We are aware of the impacts – environmental, economic and social – of our business activities on others. For this reason, we make responsible use of our resources, design our business activities to be as efficient as possible and set ourselves ambitious targets.



# Climate and energy

As a company, we have the responsibility of making our business operations as sustainable and resource-friendly as possible. Climate and environmental protection features in all areas of our company – in the use of resources, energy management, procurement and regional collaboration.

**We are a responsible company with sustainable banking operations.**



## Good to know: The Paris Climate Agreement

The Climate Agreement was adopted at the 2015 World Climate Conference in Paris. The 195 signatory countries committed to curtailing the climate crisis and making the global economy climate friendly. The specific goal is: as far as possible to limit the global temperature increase to 1.5° Celsius above pre-industrial levels.

## NEW CLIMATE STRATEGY IN LINE WITH THE 1.5° GOAL

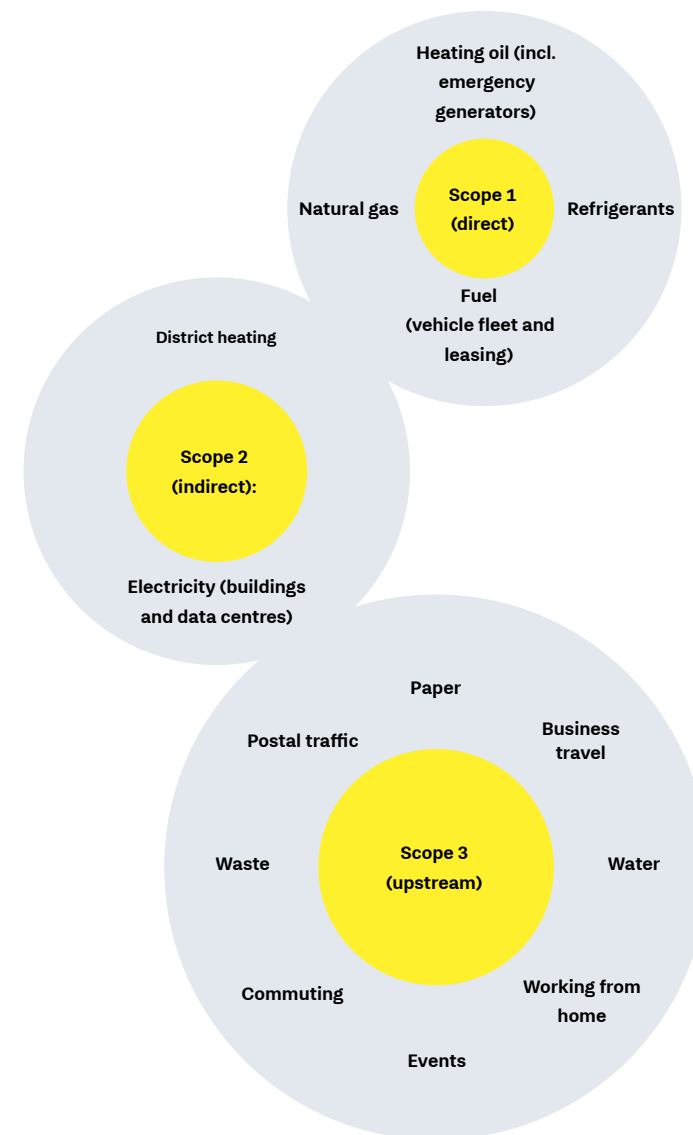
In the 2022 reporting year, we continued to refine our climate strategy for our business activities. Our aim is to move towards the 1.5° goal and, at the same time, to meet the German government's target of becoming climate neutral by 2045. The DZ BANK Group has committed to being climate neutral by 2045 at the latest but the Schwäbisch Hall Group is aiming to achieve this goal by 2043 already.

To this end, we intend to halve our greenhouse gas emissions by 2030 (compared with 2019). Our climate strategy is aligned with the [sustainability commitment](#) (German only) of the National Association of German Cooperative Banks (BVR) and [German CEO Alliance for Climate and Economy](#), which is based on the Science Based Targets initiative (SBTi). In order to achieve our goals, we must reduce our emissions by 4.2 per cent each year.

## EMISSIONS

Our climate strategy is based on the following definitions of direct, indirect and upstream emissions (see graphic). Compared with previous years, we expanded our Scope 3 reporting in 2021 to include the emissions from commuting, postal traffic, events and working from home. In order to achieve our goals until 2043, we are deploying measures aligned with the following principle: In the first instance, we seek to avoid or reduce emissions wherever possible. If neither are possible, we will then offset the emissions.

## Emissions recorded





We aim to make the Schwäbisch Hall Group climate neutral by 2043.



We use our direct and indirect CO<sub>2</sub> emissions to calculate the CO<sub>2</sub> intensity, i.e. our emissions per full-time equivalent (FTE). In 2022, we saw a reduction per FTE from 1,717.87 kilograms (2021) to 1,388 kilograms (2022). This was due to a decline in CO<sub>2</sub> emissions in 2022 despite the increasing number of employees. Further information can be found in our [KPI table](#).

SELECTED MEASURES TO REDUCE OUR EMISSIONS<sup>1</sup>

Energy-saving measures (electricity, heating)
Certified green electricity
Waste heat from municipal utility companies
Lighting replaced with LEDs
Reductions through technical and construction measures (renovations)
Resource-saving measures (materials, water, waste)
Reductions through digitalised processes, e.g. increased use of the MEIN KONTO online customer portal
FSC certificates for printing and mail consumables
Reduction of water consumption by installing efficient building technology in construction, refurbishment and technology projects
Traffic-reducing measures (fuel, commuter vehicles and public transport, business travel)
New company car policy: all leased vehicles with climate-neutral emissions by 2030
Fewer commuters due to more working from home
Less air travel due to more virtual meetings

OUR GREENHOUSE GAS EMISSIONS AS CO <sub>2</sub> EQUIVALENTS (METRIC TONS)			
Year	2022 <sup>1</sup>	2021	2020
Scope 1 emissions	1,024.93	389.06	299.99
Scope 2 emissions	322.53	459.96	415.494
Scope 3 emissions	2,596.99	4,117.0	4,124.1 (2,538.05) <sup>2</sup>
Total	3,944.24	4,966.11	4,839.58 (3,253.53) <sup>2</sup>

<sup>1</sup> From 2023, the carbon footprint of leased vehicles will be assigned to Scope 1 compared with Scope 3 in previous years. In 2022, there were increased and unavoidable losses of refrigerants.

<sup>2</sup> The values in parentheses are the values communicated in earlier reports and are provided for the purposes of comparison. Starting in 2021, we are reporting expanded Scope 3 emissions.



**Fox fact**  
Scope 1, 2 and 3 emissions are converted into CO<sub>2</sub> equivalents. This makes it easier to compare the effects of the different greenhouse gases and ensures a uniform reference parameter.





We are careful in the use of resources in our own business operations.

## Energy consumption and environmental management system

In the 2022 reporting year, we reduced our electricity consumption to 9,056,868 kilowatt hours from 9,302,429 kilowatt hours a year earlier. In the same period, energy-saving measures enabled us to cut our district heating consumption by a substantial 2,741,712 kilowatt hours to 6,453,118 kilowatt hours. Our consumption of gas and heating oil (including consumption for emergency power generation) also declined by 270,054 kilowatt hours to 149,719 kilowatt hours compared to 2021 because no emergency heating was required.

One focus of our future energy and environmental management system is energy supply and efficiency. Schwäbisch Hall Facility Management GmbH is responsible for our energy management. A further focus of our environmental management system is the use of resources. As far as possible, we aim to minimise our

impact on the environment and the use of natural resources in our own business operations. We use only FSC-certified paper for correspondence, photocopying and office printing. In the future, we aim to use certified paper for all our printed products and flyers – something which was previously not possible for technical reasons.

Moreover, in autumn 2022, we created an Energy Task Force in response to the energy crisis. The team has developed and implemented a range of energy-saving measures that enabled us to cut our district heating consumption by 51 per cent and our electricity consumption by 13 per cent in the period from September 2022 to March 2023 compared with the prior-year period. We subsequently reversed some measures but retained others because they allow us to reduce our consumption permanently.



# 2022

saw the establishment of the Energy Task Force that has enabled us to significantly reduce our energy consumption.

# Supply chain and procurement

**Supply chain management and procurement practices are important aspects of our business operations and include orders for tradespeople, IT services, canteen services, carbon-neutral electricity and printed products. That is why we focus on responsible practices and on fair and long-term relationships with suppliers who share our values.**



We are guided by social, economic and environmental standards in our procurement and supply chain management activities and select our suppliers accordingly. Compliance with labour law and respect for human rights are non-negotiable criteria. We will not enter into any partnerships that jeopardise the freedom of association and collective bargaining. Germany's Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) came into force on 1 January 2023. In order to satisfy the requirements of this legislation, Schwäbisch Hall has established a working group. We are planning to publish our own LkSG policy statement in 2023 and will be performing the first risk analyses in this connection, working closely with our partners in the DZ BANK Group.

In 2022, we introduced the EcoVadis sustainability rating tool which will also help us to satisfy the requirements of the LkSG. In the future, external analysts will use this tool to assess our suppliers' sustainability activities. We require our suppliers to comply with minimum standards in accordance with the [Sustainability requirements for suppliers of the DZ BANK Group](#). These are aligned with the principles of the UN Global Compact, the Code of Conduct of the Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (Federal Association for Materials Management, Procurement and Logistics) and the applicable International Labour Organization standards. We have refined our own requirements on the basis of the LkSG.

In addition to external assurance, we also ask our suppliers at regular intervals about their certification to standards such as

ISO 45001 (occupational safety), concepts to minimise their environmental impact and their signature of the UN Global Compact. We did not become aware of any breaches of human rights and labour practices in our supply chain during the reporting year. In the course of implementing EcoVadis and the requirements of the LkSG, we are planning to introduce an improved and more systematic process to assess our supply chains.

We also prioritise the use of regional suppliers. As a result, most of our service providers are based in Germany and between 50 to 70 per cent of the food products we purchase come from the area around Schwäbisch Hall. In the 2022 reporting year, we obtained organic certification for our company canteen facilities.

Our Procurement and Vendor Management department is responsible for ensuring that the procurement activities of the entire Schwäbisch Hall Group are as regional as possible and for a responsible approach to supplier relations.

Further information and data about our supply chain can be found in the section entitled [Our KPIs](#).

# Water and waste

**Our Environmental Management department measures and documents our water consumption and the generation of waste at our Schwäbisch Hall location. We aim to reduce both wherever it is possible to do so.**

We obtain all our water from the public supply network which has no significant impact on water sources. We also comply with waste water pretreatment requirements. Our team of caretakers is responsible for ensuring that waste is disposed of correctly in accordance with the applicable legislation and for documenting our waste generation. This team is integrated into the Environmental Management department and reports to the Environment Officer.

Data on water consumption (water withdrawal and discharge) and waste generation can be found in the [KPI table](#).





# Activities in the reporting year



**We participated in Earth Hour.** Each year, cities, communities, businesses and private individuals around the world participate in **Earth Hour**, the largest global climate protection event organised by WWF (Worldwide Fund For Nature). We have been involved since 2018 and encourage our employees to join in as well. Once a year, participants worldwide turn off their lights for one hour as a symbol of unity for greater climate protection. We will only be able to reverse the climate crisis if we act together.



**We financed 30,000 trees.** In our MEIN KONTO, mein Klima (My account, my climate) campaign, we financed the planting of one tree for every customer who registered to use our online service portal and digital mailbox within a given month. Some two million customers now use this digital option. Working with the Schutzgemeinschaft Deutscher Wald e. V. (Association for the Protection of the German Forest), our employees planted around 1,000 trees in the Schwäbisch Hall area on 30 March 2023.



# Employees We at Schwäbisch Hall

We seek to provide our employees with a working environment in which we treat each other with respect and everyone is able to contribute their ideas. We offer a wide range of development opportunities, prioritise work-life balance and give our employees the scope to shape their environment.

# Responsible employer



**Solidarity, fairness, partnership and responsibility are the pillars of our community at Schwäbisch Hall. Our employees are aware of the development pathways that are available to them, have equal opportunity to access these and are actively supported in doing so by their respective supervisors, even if this means moving to a different organisational unit.**

Our people are at the heart of our new human resources management strategy which is closely aligned with our sustainability strategy. We see our leadership culture and diversity as the key levers for implementing our strategy which is why, in 2022, we introduced new management guidelines (see the following section entitled Working conditions and leadership culture) and focused on feedback and specific suggestions for changes in the future. We also explored how we can foster diversity within the company (see also the section entitled [Diversity and equal opportunity](#)).

## WORKING CONDITIONS AND LEADERSHIP CULTURE

We set ourselves high standards – also in terms of sustainability – to maintain our regularly confirmed status as an excellent employer. We receive frequent awards for our attractive working conditions and rank among our peers as one of the most attractive employers. For example, in its 2022 employer survey, the Top Employers Institute honoured us as the best employer among Germany's financial institutions. We placed ninth in the ranking across all sectors. In the future, we aim to maintain this status as a top employer. We provide insights into our working environment in our growing social media activities on platforms such as [LinkedIn](#) and [Instagram](#).

In the Culture Beat management guidelines introduced at the start of 2022, we describe 16 attributes and behaviours that characterise good leadership at Schwäbisch Hall. They include empathy, a partnership of equals, a positive error culture and responsibility. These management guidelines were developed in a collaborative process to ensure that leadership is based on support and trust rather than on hierarchy.



# Fair pay and codetermination

**We are committed to ensuring transparency on pay and compensate women and men equally for the same tasks, suitability and experience.**

We employ 3,610 people in our back office, 2,992 (83 per cent) of whom are paid in accordance with collective bargaining agreements (see also the section entitled [Our KPIs](#)). Our back office employees are paid in accordance with company agreements based on the collective bargaining agreement for the private banking sector, supplemented by collective provisions at operational level. The employment contracts of our executives (including senior executives) are not covered by the collective bargaining agreement. We have implemented a coherent remuneration system covering all levels – from employees paid in accordance with the collective agreement to executives and senior executives.

We also have a system of performance-based remuneration for all employees that is based on the targets contained in the corporate strategy. The individual criteria are aligned with the performance indicators that we define each year, thus creating an incentive for our employees to behave in compliance with sustainable corporate development.

Information about performance-based remuneration can also be found in the section entitled [Corporate governance and sustainability management](#).

In Germany, codetermination by employee representatives (works council) is governed by law and we comply with all such requirements. Moreover, we seek to maintain a trust-based relationship with the employee representatives at our locations by providing regular and timely information about current developments. Key topics are governed by works agreements. In the event of any operational changes, we inform the works council

at an early stage in line with statutory requirements. There is no threat to the freedom of association in any of our operations.

Further information can also be found in the section entitled [Our KPIs](#).



# Work-life balance

**We support our employees' work-life balance with a wide range of attractive options, focusing especially on family friendliness.**

In this way, we aim to foster our employees' satisfaction and motivation. Our family-friendly HR policy was recertified in 2022 in the [workandfamily](#) audit, resulting in a sash award for our many years of sustainable commitment.



## Our offering for parents

For more than 50 years, our Fuchsbau (fox den) childcare facility has provided capacity for up to 100 children. In addition, we operate a two-week activity programme during the school holidays that is also open to employees whose children do not attend the childcare facility. Young parents have the option of taking parental leave of four years instead of the statutory three years. In the 2022 reporting year, 201 employees took parental leave.

## CARE LEAVE AND SABBATICALS

Employees caring for a family member at home may take care leave of up to two years. If a close relative requires care unexpectedly, short-term leave of up to ten days can be taken. For more than 20 years, we have worked with Dienste für Menschen GmbH to operate the Horst Kleiner retirement home for former employees and their family members. The facility consists of 52 one- and two-bed apartments.

We also offer our employees the possibility of taking a sabbatical lasting up to six months. During this period, employees receive reduced remuneration and we pay their health insurance and social security contributions. In the 2022 reporting year, six employees took or received approval for a sabbatical.

Further information can also be found in the section entitled [Our KPIs](#).

## FLEXIBLE WORKING MODELS

Variable working hours are a further element of ensuring work-life balance. For this reason, we have a large number of individual working time models. Some 37 per cent of our employees work part-time (see also the section entitled [Our KPIs](#)).

We aim to give our employees flexibility through mobile working and teleworking options. In our flexible working guidelines introduced in 2021, we created a hybrid working culture consisting of mobile working/teleworking and office-based working. The guidelines cover aspects such as technical support and performance-based working, special development measures, communication formats and a newsletter to support our executives. We are also experimenting with hybrid forms of collaboration in new office concepts based on desk sharing. To this end, part of a building at our Schwäbisch Hall campus is being converted for projects and will come into use at the start of 2024.

Other flexible working options include unpaid leave, special volunteering leave, educational leave, and additional special leave, forfeiting pay.



# Occupational health and safety

**The health and safety of our employees are a priority for us. The goals of occupational health and safety management include avoiding accidents at work, minimising work-related health risks and ensuring an ergonomic workplace.**

We comply with the requirements of occupational health and safety in accordance with the Fundamental Principles of the International Labour Organization as well as with German legislation and regulations on occupational safety and accident prevention. The Safety Officer in the Corporate Security Office is responsible for our occupational safety, reporting directly to the Management Board. Occupational safety specialists and our company physician support him, advising on all aspects of occupational safety and accident prevention. As a rule, the company's executives are responsible for occupational safety in their areas of responsibility. Employees receive regular information and training on occupational health and safety issues. A special focus is the safe and ergonomic design of their workplaces.

As part of our occupational safety activities, we conduct regular and ad hoc workplace inspections. Any anomalies and corrective action are recorded in a database, enabling us to monitor how the measures are implemented by those responsible.

## **“SCHWÄBISCH HALL IN BALANCE”: OUR COMPANY HEALTH PROGRAMME**

Our company health and performance management programme named “Schwäbisch Hall in Balance” offers our employees a range of options that include seminars and events about individual health, for example improving mental health, mobility, relaxation and healthy diet. Participants can use the company's own mobility centre to participate in the offerings.

Employees who are facing a serious illness or stressful situation can take advantage of a broad range of services including consultation with the company physician, telephone consultation with a psychologist, psychosocial counselling, addiction counselling, mediation, referral to an external counselling service and access to a support fund.



# Employee development

**To ensure long-term business success, we need qualified and committed employees. That is why we support our employees with various measures and training opportunities to develop their personal, leadership and specialist skills and enable them to optimise their individual potential.**

Our HR department has a dedicated team responsible for training and education. In the 2022 reporting year, the average number of training days per back office employee was 1.3.

Our training and development programmes include specialist offerings such as the Masterplan learning platform covering the topics of innovation, digitalisation and agility and the Data Science Academy providing specialist data science training for employees. Added to these are seminars, workshops and other dialogue formats aimed at anchoring the new Culture Beat management guidelines within the organisation (see also the section entitled [Working conditions and leadership culture](#)). We also use talent development programmes to specifically foster our employees' development. One of these is the "jump" programme aimed at helping employees take their first steps in management by developing their leadership and personal skills. We use our intranet and other channels to inform our employees about the available programmes.

Our employees have an annual review meeting with their supervisor in order to define tasks and targets and provide feedback. All employees have the right to such a meeting. However, it is voluntary for employees over the age of 55.

## TRAINING OPPORTUNITIES

At the end of 2022, we employed a total of 229 (2021: 221) apprentices, students and trainees. For many years, we have offered some 100 positions for apprentices, students and trainees each year. Our modern training centre gives our apprentices the space for independent learning and group work under the guidance of experienced colleagues.

The participants of our dual apprenticeship/undergraduate programme alternate between university study and work placements to prepare them for a role with our company or one of our subsidiaries. University graduates with a degree in business administration, (business) mathematics, law or (business) IT can join the company directly or via our one-year trainee programme.

Each year, around



# 100

young people start their working lives with us.

# Diversity and equal opportunity

**We see our employees' individuality as the foundation for our success which is why we foster a working environment that values and supports all our employees equally, irrespective of gender, nationality, ethnic origin, religion or belief, disability, age or sexual orientation.**



As an expression of this conviction, we became a signatory to Germany's [Charta der Vielfalt](#) (Diversity Charter) in 2012. In the 2022 reporting year, we appointed [Kristin Seyboth](#) as the first female member of our Management Board and Chief Information Officer. We performed an internal analysis of the current status of diversity and, as a result, are developing various measures such as establishing a women's network and organising regular breakfast meetings between members of the Management Board and employees who are parents. Other measures are being planned.

Information about the number of women in leadership positions can be found in the section entitled [Our KPIs](#).

The responsibility for diversity lies with the Human Resources department (for the back office) and the Sales department (for the sales force). We are working to anchor diversity in all areas

of our company and to create the conditions for a working environment without prejudice. In addition, all our employees receive training on Germany's General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz) in accordance with the company's statutory duty to provide training and information.

In the event of proven discrimination, we decide on a case-by-case basis whether to take legal or disciplinary action with the aim of preventing such breaches in the future. In the 2022 reporting year, we received no complaints concerning compliance with the General Act on Equal Treatment or breaches of our anti-discrimination principles (see also the section entitled [Our KPIs](#)).

In 2022, disabled employees made up five per cent of our workforce, thus satisfying the statutory minimum requirement.

**It is essential to provide targeted support for women. That is one of the reasons for establishing our women's network in which we can share information and tips.**

**Kristin Seyboth** joined Bausparkasse Schwäbisch Hall after completing her degree and became the company's Chief Information Officer in May 2022.





# Our offering for our sales force employees

**Our sales force of more than 3,000 home experts advises and supports our customers. These independent sales representatives work closely with local cooperative banks to broker Bauspar contracts, housing finance and the products of our partner companies.**

We offer our sales force a long-term perspective with safe and

modern workplaces, a working environment built on partnership and a wide range of personal development opportunities. Our commission agreements apply irrespective of gender.

We also support our sales force with a comprehensive package that we are constantly expanding. For example, they can suspend their contract with Schwäbisch Hall on a temporary basis or cut the size of their territory for up to three years in order to reduce their workload (parental working model). Our model for senior sales force employees is designed to meet the needs of employees over the age of 60. A collective relief fund to which sales force employees contribute provides financial support to surviving dependants in the event of a sales force employee's death. Our package also includes a detailed reintegration scheme for employees who have interrupted their sales activities for some time. Other benefits are comprehensive company insurance protection and retirement provision on the basis of the R+V Horizont+ product. Employees also have access to a psychological counselling

hotline and a support fund in the event of illness or other emergency situations.

If they need help to care for family members, our independent sales force representatives can use the Senporta portal to obtain information on all aspects of caregiving – for example, how to reorganise their day around providing care. Individual challenges can also be discussed directly by phone with a caregiving counsellor.

We support our sales force employees in their professional development and career planning throughout all phases of their working life. Responsibility for this rests with a dedicated team in our Sales department. We offer a comprehensive personal and leadership development programme that includes talent development. In addition to personal skills development, we also provide specialist qualification measures. These are currently focused on digital skills in particular. We are also working to increase the number of women in acquisition and leadership roles. In order to attract more women to the sales force and promote overall diversity within the company, we established the Diversity Expert Board at the start of 2023. It meets three times a year.



# Commitment Helping others

Our economic success is linked to the contribution to the public good that we seek to make. At our Schwäbisch Hall location, we support social and cultural activities and encourage local commitment. Young people are a special focus of our commitment. And we contribute to the political dialogue on aspects of building and living.



# Social and cultural activities

**As a responsible business, our social commitment is focused on our home region and especially on building and living as well as support for young people, education and culture. Our corporate social responsibility (CSR) activities are aligned with the United Nations Sustainable Development Goals (SDGs).**

For more than 25 years, our company foundation named bauen-wohnen-leben has been working with the scientific community, government and practitioners to foster the debate surrounding building and living. The foundation is independent of our business activities to enable us to participate freely in this debate. Its capital totals €12.2 million.



## Fox fact

By 2025, 90 per cent of our CSR activities are to be aligned with the SDGs.

Open-air theatre on the steps of St. Michael's Church in Schwäbisch Hall



## OUR SOCIAL COMMITMENT AT A GLANCE



### EDUCATION

The [Schwäbisch Haller Bürgerstiftung “Zukunft für junge Menschen”](#) (German only) is a community foundation dedicated to providing development and training opportunities for young people in the Schwäbisch Hall region. We helped establish the foundation in 2002 and it celebrated its 20th anniversary in the reporting year. To mark this occasion, the foundation initiated a regional art and culture prize. With its motto of “educate – support – integrate”, the foundation is committed to helping young people.

We support the Schwäbisch Hall campus of Heilbronn University of Applied Sciences. Among other things, we have gifted a building to the campus and created student car parking facilities. We also support the university with four scholarships which we award each year in conjunction with the Bürgerstiftung “Zukunft für junge Menschen”. In addition, our company foundation makes an annual contribution to financing the operation of the university campus.



### SOCIAL

We donate used IT equipment to the non-profit organisation [Arbeit für Menschen mit Behinderung \(AfB\)](#) (Work for people with disabilities), thus combining economic, environmental and social benefits. AfB refurbishes and remarkets used but still functional IT equipment, generating an annual saving of more than 25,000 kilograms of CO<sub>2</sub> equivalents.

We support [Off Road Kids](#) (German only), an organisation that helps street children and homeless young people throughout Germany. In the 2022 reporting year, we donated €50,000 to the organisation.



### CULTURE

In the 2022 reporting year, the Landesmediendienste Bayern e.V. (Bavarian Media Services) invited young people to collaborate on a film project entitled “Our future – how do we want to live when we’re old?” that was financed by our [bauen – wohnen – leben](#) foundation (German only).

We are a regular main sponsor of the [Freilichtspiele](#) (German only), an annual programme of open air theatre events performed on the steps of St. Michael’s Church in Schwäbisch Hall. In addition, we hold a collection for the Schwäbisch Hall music school each year during the Christmas concert, collecting a total of €8,000 in the 2022 reporting year.



Off Road Kids streetworkers

## OUR EMPLOYEES’ COMMITMENT

Our employees’ social commitment is also important to us and we actively encourage it via our corporate volunteering programme. We give one day of special leave each year to any employee who engages in volunteering and takes at least one leave day or flexiday for this purpose. In the 2022 reporting year, 63 employees took advantage of this offering. In order to further raise our employees’ awareness of sustainability and foster their active involvement, we have launched a series entitled #Nachhaltigkeit konkret on our intranet in which employees report on their volunteering activities. On the following page, we present two such projects.





**I'm making a small contribution to ensuring that less lands in the dustbin and making people aware of the need to be more careful with food.**

#### Committed to preventing food waste

Each year, Germany wastes one third of the food produced. Our IT expert Georg Schiele aims to help change the way people think. He is a member of an organisation named [foodsharing](#) (German only) that rescues foodstuffs from disposal.



**I feel it is important to do something for the next generation in the club. It's something I benefited from myself and I would really like to pass this positive experience on to others.**

#### Working with children and young people

Melina Klenk, a sustainability management specialist, works with children and young people in her spare time. Each year, she organises a holiday programme for children in her community and is also active in her local sports club, SSV Geißelhardt, where she has been training the girls' volleyball teams for many years.

# Initiatives and memberships

Through various initiatives and memberships, we work with our partners to achieve value-oriented and sustainable governance and align our conduct with the Ten Principles of the UN Global Compact.

Since 2016, we have participated in [Wir zusammen](#) (We Together; German only), a nationwide German business initiative aimed at providing jobs and training for people who have fled to Germany to escape from war and persecution, thus facilitating their integration into society.



## Commitment to the German CEO Alliance for Climate and Economy

We are a member of the [Stiftung KlimaWirtschaft](#) (formerly Stiftung 2), the German CEO Alliance for Climate and Economy, which works actively towards achieving European and German climate targets and ensuring the sustainable use of natural resources. Our CEO Reinhard Klein is the Deputy Chairman of the organisation's Board of Trustees. On our [website](#) (German only), you can read why he thinks that businesses must contribute to climate protection.

**As one of Germany's leading providers of property financing, we are predestined and willing to lead the climate-neutral transformation of the country's housing stock. However, effective climate protection requires collaboration which is why we are a member of the German CEO Alliance for Climate and the Economy.**

**Reinhard Klein**

Chief Executive Officer of Bausparkasse Schwäbisch Hall AG





## MEMBERSHIP ASSOCIATIONS

We are a member of many national and regional organisations, scientific bodies and cultural associations. These include the following housing and banking industry associations and institutions:



Working Group of  
Baden-Württemberg  
Bausparkassen (ARGE), Stuttgart



National Association of German  
and Cooperative Banks  
(BVR), Berlin



German Association for  
Housing, Urban and  
Spatial Development (DV), Berlin



Verband der Privaten  
Bausparkassen e.V.

Association of Private  
Bausparkassen, Berlin



The German  
Pfandbrief Banks (vdp),  
Berlin



European Federation of  
Building Societies,  
Brussels



International Union for Housing  
Finance (IUHF), Brussels



The Institute of International Finance  
(IIF), Washington, DC



Sustainable Finance Network  
(VfU), Frankfurt am Main



German Cooperative and  
Raiffeisen Confederation  
(DGRV), Berlin



German Raiffeisen Confederation  
(DRV), Berlin



Federal Association for  
Housing and Urban Development (vhw),  
Berlin



Active Citizenship  
Foundation, Berlin

Other sustainability-relevant memberships and contributions:



## Political dialogue

Through our membership of industry associations – especially the European Federation of Building Societies, the German Association of Private Bausparkassen and the Working Group of Baden-Württemberg Bausparkassen – we engage in political dialogue in Brussels, Berlin and Stuttgart. The General Office unit has organisational responsibility for these activities which enable us to provide information about disclosures in the state and federal parliamentary lobby registers.

We do not make donations to political parties.

Klara Geywitz,  
Germany's  
Minister for  
Construction,  
in conversation  
with Reinhard  
Klein, Chief Ex-  
ecutive Officer  
of Schwäbisch  
Hall



# Our KPIs

We use our KPIs to measure the progress of our sustainability activities and develop measures for the future.



## Profile: Schwäbisch Hall at a glance

### NUMBER OF BACK OFFICE EMPLOYEES OF THE SCHWÄBISCH HALL GROUP IN GERMANY

AS OF 31 DECEMBER 2022 GRI 2-7 Employees

Year	2022	2021	2020
<b>Total employees</b>	<b>3,610</b>	<b>3,527</b>	<b>3,588</b>
Permanent	3,273	3,217	3,274
Temporary	108	89	87
Trainees and apprentices	229	221	227
<b>Permanent employees</b>	<b>3,273</b>	<b>3,217</b>	<b>3,274</b>
Female	1,983	1,949	1,989
Male	1,290	1,268	1,285
<b>Part-time employees (permanent)</b>	<b>1,217</b>	<b>1,201</b>	<b>1,248</b>
Female	1,088	1,077	1,112
Male	129	124	136

### NUMBER OF INDEPENDENT SALES FORCE ADVISORS

OF THE SCHWÄBISCH HALL GROUP IN GERMANY GRI 2-8 Workers who are not employees

Year	2022		2021		2020	
Gender	f	m	f	m	f	m
Independent sales force advisors	607 (19.3%)	2,542 (80.7%)	604 (19.1%)	2,551 (80.9%)	651 (19.7%)	2,638 (80.2%)
<b>Total</b>	<b>3,149</b>		<b>3,155</b>		<b>3,289</b>	

### FINANCIAL KPIS GRI 201-1 Direct economic value generated and distributed

	2022	2021	2020	Change, absolute <sup>1</sup>	Change, % <sup>1</sup>
Net interest income	744	581	531	163	28.1
Interest income	1,303	1,401	1,497	-98	-7.0
Interest expenses	-564	-829	-971	265	32.0
Income from investments in joint ventures (using the equity method)	5	9	5	-4	-44.4
Loss allowances	-16	-14	-29	-2	-14.3
Net fee and commission income	11	12	-9	-1	-8.3
Fee and commission income	132	120	103	12	10.0
Fee and commission expenses	-121	-108	-112	-13	-12.0
Gains or losses on investments	-90	22	56	-112	>-100
Other gains or losses on measurement of financial instruments	3	0	5	3	100.0
Gains or losses on derecognition of financial assets measured at amortised cost	3	2	15	1	50.0
Administrative expenses	-528	-515	-526	-13	-2.5
of which personnel expenses	-274	-232	-256	-42	-18.1
of which other administrative expenses	-191	-214	-211	23	10.7
of which depreciation/amortisation	-63	-69	-59	6	8.7
Other net operating income	16	42	38	-26	-61.9
<b>Profit/loss before taxes</b>	<b>143</b>	<b>130</b>	<b>81</b>	<b>13</b>	<b>10.0</b>
Income taxes	-53	-40	-22	-13	-32.5
<b>Net profit</b>	<b>90</b>	<b>90</b>	<b>59</b>	<b>0</b>	<b>-</b>

<sup>1</sup> The changes refer to the comparison between 2022 and 2021.



## Corporate governance: Our values and sustainability strategy

### OPERATIONS ASSESSED FOR CORRUPTION AND CASES OF CORRUPTION

GRI 205-1 Operations assessed for risks related to corruption  
GRI 205-3 Confirmed incidents of corruption and actions taken

Year	2022	2021	2020
Operations assessed	0	0	0
Confirmed incidents of corruption	0	0	0

## Products and services: Building and living with Schwäbisch Hall

### INCIDENTS OF NON-COMPLIANCE IN RESPECT OF PRODUCTS AND SERVICES

GRI 417-2 Incidents of non-compliance concerning product and service information and labeling

Year	2022	2021	2020
Number of incidents of non-compliance	0	0	0

### NUMBER OF DATA PRIVACY COMPLAINTS

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Year	2022	2021	2020
Number of complaints <sup>1</sup>	112	151	156
Of which upheld	15	18	11

<sup>1</sup> Complaints or requests from third parties incl. requests for information from the relevant data protection authorities or the ombudsman of the German Association of Private Bausparkassen on the basis of complaints they have received from third parties

## Business ecology: Sustainability in our business operations

### PAPER CONSUMPTION BY SCHWÄBISCH HALL (CAMPUS) (METRIC TONS)

GRI 301-1 Materials used by weight or volume

Year	2022	2021	2020 <sup>2</sup>
Total	497	952	910
Per employee <sup>1</sup>	0.168	0.33	0.31

<sup>1</sup> Schwäbisch Hall location, based on full-time equivalents

<sup>2</sup> From 2020, the data also includes the paper consumption for printed products and flyers.

### ENERGY CONSUMPTION BY SCHWÄBISCH HALL (CAMPUS) (KWH)

GRI 302-1 Energy consumption within the organization

Year	2022	2021	2020	Change, %
Electricity				
Certified green electricity	9,056,868	9,302,429	10,333,953	-2.64
Electricity per employee <sup>1</sup>	3,072	3,218	3,504	-4.54
Heat (kWh)				
Heating energy (district heating)	6,453,118	9,194,830	8,466,005	-29.82
Heating generated on-site (gas and heating oil) <sup>2</sup>	110,519	495,731	116,035	-77.71
Heating energy consumption per employee <sup>1</sup>	2,226	3,352	2,910	-33.59

<sup>1</sup> Schwäbisch Hall location, based on full-time equivalents

## ENERGY INTENSITY OF SCHWÄBISCH HALL (CAMPUS) (KWH)

GRI 302-3 Energy Intensity

Year	2022	2021	2020
Total energy consumption (electricity, heat, district heating)	15,620,505	18,992,990	18,799,958
Number of employees as full-time equivalents	2,948	2,891	2,949
Energy intensity per employee	5,299	6,570	6,414

## WATER WITHDRAWAL, EFFLUENT GENERATION AND WATER CONSUMPTION

BY SCHWÄBISCH HALL (M<sup>3</sup>) GRI 305-4 GHG emissions intensity

Year	2022	2021	2020
<b>Water withdrawal</b>			
Total water withdrawal	33,308	31,814	37,103
Specific water withdrawal (per employee) <sup>1</sup>	11.30	11.00	12.61
<b>Effluent</b>			
Total effluent	23,997	23,209	27,868
Specific effluent (per employee) <sup>1</sup>	8.14	8.02	9.45
<b>Water consumption</b>			
Total water consumption	9,311	8,605	9,235
Specific water consumption (per employee) <sup>1</sup>	3.16	2.98	3.16

<sup>1</sup> Schwäbisch Hall location, based on full-time equivalents

## SCOPE 1, 2 AND 3 GREENHOUSE GAS EMISSIONS BY SCHWÄBISCH HALL (METRIC TONS)

GRI 305-1 Direct greenhouse gas emissions, 305-2 Indirect greenhouse gas emissions and

GRI 305-3 Other indirect greenhouse gas emissions

Year	2022	2021	2020
Scope 1 emissions	1,024.93	389.06	299.99
Scope 2 emissions	322.53	459.96	415.49
Scope 3 emissions	2,596.99	4,117.09	4,124.10 (2,538.05) <sup>1</sup>
<b>Total</b>	<b>3,944.45</b>	<b>4,966.11</b>	<b>4,839.58</b> <b>(3,253.53)<sup>1</sup></b>

<sup>1</sup> The values in parentheses are the values communicated in earlier reports and are provided for the last time for the purposes of comparison. Starting in 2021, we are reporting expanded Scope -3 emissions.

## INTENSITY OF SCOPE 1, 2 AND 3 GREENHOUSE GAS EMISSIONS

BY SCHWÄBISCH HALL (METRIC TONS) GRI 305-4 GHG emissions intensity

Year	2022	2021	2020
Direct and indirect greenhouse gas emissions (Scope 1, 2 and 3)	3,944.45	4,966.11	4,839.58
Intensity of GHG emissions (t CO <sub>2</sub> e/number of employees) <sup>1</sup>	1,338.01	1,717.78	1,641.09

<sup>1</sup> Schwäbisch Hall location, based on full-time equivalents

## GENERATION OF WASTE BY SCHWÄBISCH HALL (METRIC TONS)

GRI 306-3 Waste generated

Year	2022	2021	2020
Residual waste/domestic waste	140.44	123.01	171.89
Data protection documents	208.10	222.86	259.77
Glass	38.70	33.60	33.60
Plastic/packaging	5.85	5.85	6.47
Commercial waste	29.23	78.29	62.94
Paper	36.90	27.44	22.85
Electronic waste	4.61	5.27	11.48
Hazardous waste	1.15	0.30	0.27
Lamps	0.47	0.01	0.25
<b>Total</b>	<b>465.45</b>	<b>496.63</b>	<b>569.52</b>
Waste per employee <sup>1</sup>	0.16	0.17	0.19

<sup>1</sup> Schwäbisch Hall location, based on full-time equivalents

## ORDER VOLUMES TO SERVICE PROVIDERS AND SUPPLIERS IN THE REGION<sup>1</sup>

GRI 204-1 Proportion of spending on local suppliers

Year	2022	2021	2020
Order value	17.05	13.1 <sup>2</sup>	4.87

<sup>1</sup> Orders for tradespeople, IT services, canteen services, carbon-neutral electricity and printed products in € million (net); based on postcodes within a 50 km radius of the Campus

<sup>2</sup> The large change resulted from the inclusion of all regional procurement and a modified calculation system.

## Employees: We at Schwäbisch Hall

### ADDITIONAL BENEFITS FOR BACK OFFICE EMPLOYEES OF THE SCHWÄBISCH HALL GROUP

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

Year	2022	2021	2020
Sabbaticals	6	10	7
Part-time ratio	37.2%	37.3%	38.1%

### WORK-RELATED INJURIES TO BACK OFFICE EMPLOYEES OF THE SCHWÄBISCH HALL GROUP

GRI 403-9 Work-related injuries

Year	2022	2021	2020
Number (accidents caused by tripping, falling and impact)	11	17	8
Severe work-related injuries	0	0	0
Incidence rate	0.06	0.06	0.05

### DAYS OF SICK LEAVE TAKEN BY BACK OFFICE EMPLOYEES OF THE SCHWÄBISCH HALL GROUP

GRI 403-10 Work-related ill health

Year	2022	2021	2020
Days per employee	17.8	14.0	15.5
Sickness rate (incl. long-term sickness)	7.1	5.6	6.2



## TRAINING AT THE SCHWÄBISCH HALL GROUP

GRI 404-1 Average hours of training per year per employee

Year	2022	2021	2020
Training days per employee – back office	1.3	1.8	1.7
Training days per employee – sales force	3.8	4.1	4.5

## PERMANENT EMPLOYEES IN THE BACK OFFICE OF THE SCHWÄBISCH HALL GROUP BY GENDER AND AGE (%)

GRI 405-1 Diversity of governance bodies and employees

Year	2022	2021	2020
Total	3,273	3,217	3,274
Male	1,290	1,268	1,285
Female	1,983	1,949	1,989
By gender and age			
Below 30	402	391	391
Male	157	148	147
Female	245	243	244
30–49	1,397	1,342	1,378
Male	534	516	530
Female	863	826	848
50 and older	1,474	1,484	1,505
Male	599	604	608
Female	875	880	897
Average age (years)	45.5	45.7	45.6
Average length of service (years)	18.9	19.3	19.2
Fluctuation, %	5.1	5.8	5.1

## WOMEN IN LEADERSHIP POSITIONS AT THE SCHWÄBISCH HALL GROUP (%)

GRI 405-1 Diversity of governance bodies and employees

Year	2022	2021	2020
Executive level F1	13.6	15.8	8.7
Executive level F2	17.1	18.2	18.3
Executive level F3	34.5	35.1	35.0
Total	31.3	31.7	31.3

## INCIDENTS OF DISCRIMINATION

GRI 406-1 Incidents of discrimination and corrective actions taken

Year	2022	2021	2020
Reported incidents of discrimination	0	0	0

## BACK OFFICE EMPLOYEES OF THE SCHWÄBISCH HALL GROUP PAID IN ACCORDANCE WITH COLLECTIVE BARGAINING AGREEMENTS

GRI 2-30 Collective bargaining agreements

Year	2022	2021	2020
Number of employees in back office	3,609	3,527	3,588
Number of employees covered by collective bargaining agreements	2,992	2,946	3,088
Coverage (%)	83%	84%	86%

# GRI Index

Statement of use	Bausparkasse Schwäbisch Hall AG has reported for the period from 1 January 2022 to 31 December 2022 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	–

	GRI Standards	Page	Omission/comment
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
<b>THE ORGANIZATION AND ITS REPORTING PRACTICES</b>	GRI 2-1: Organizational details	<u>19</u>	
	GRI 2-2: Entities included in the organization's sustainability reporting		This Sustainability Report covers the activities of Bausparkasse Schwäbisch Hall AG and its affiliated companies in Germany (Schwäbisch Hall Kreditservice GmbH, Schwäbisch Hall Facility Management GmbH, Schwäbisch Hall Transformation GmbH, BAUFINEX GmbH, Schwäbisch Hall Wohnen GmbH and Impleco GmbH). Schwäbisch Hall AG and its subsidiaries are referred to jointly in the report as the Schwäbisch Hall Group. Any deviations are indicated accordingly. We refer to the company's independent sale representatives on a case-by-case basis. As a rule, the environmental KPIs provided (energy, water, waste, etc.) refer to the company's head office in Schwäbisch Hall. Around 95 per cent of the company's back office employees work at this location.
	GRI 2-3: Reporting period, frequency and contact point		<p>The reporting year is financial year 2022 (1 January to 31 December). Schwäbisch Hall has also included selected events of particular relevance that occurred before the reporting date of 30 April 2023.</p> <p>The Sustainability Report 2022 of Bausparkasse Schwäbisch Hall was published on 2 August 2023. The next Sustainability Report will be published in 2024.</p> <p>Contact point:  Wim Buesink, Sustainability Officer at Schwäbisch Hall  E-mail: wim.buesink@schwaebisch-hall.de  Kathrin Milich, Corporate Communications  E-mail: kathrin.milich@schwaebisch-hall.de</p>
	GRI 2-4: Restatements of information		There were no significant restatements of information relating to financial year 2022.
	GRI 2-5: External assurance		The Sustainability Report 2022 was not audited by an external third party.

	GRI Standards	Pages	Omission/comment
ACTIVITIES AND WORKERS	GRI 2-6: Activities, value chain and other business relationships	19	
	GRI 2-7: Employees	19, 62	
	GRI 2-8: Workers who are not employees	19, 62	
GOVERNANCE	GRI 2-9: Governance structure and composition	25	
	GRI 2-10: Nomination and selection of the highest governance body	25	
	GRI 2-11: Chair of the highest governance body	25	
	GRI 2-12: Role of the highest governance body in overseeing the management of impacts	25	
	GRI 2-13: Delegation of responsibility for managing impacts	25	
	GRI 2-14: Role of the highest governance body in sustainability reporting	25	
	GRI 2-15: Conflicts of interest	29	
	GRI 2-16: Communication of critical concerns	25	
	GRI 2-17: Collective knowledge of the highest governance body	25	
	GRI 2-18: Evaluation of the performance of the highest governance body		Individual reports on this matter are contained in the <a href="#">Disclosure Report</a> (German only) of the Schwäbisch Hall Group.
	GRI 2-19: Remuneration policies	48	
	GRI 2-20: Process to determine remuneration	24, 48	
	GRI 2-21: Annual total compensation ratio	24, 48	
STRATEGIES, POLICIES AND PRACTICES	GRI 2-22: Statement on sustainable development strategy	27, 28	
	GRI 2-23: Policy commitments	28, 29, 30	
	GRI 2-24: Embedding policy commitments	25, 30	
	GRI 2-25: Processes to remediate negative impacts	30	
	GRI 2-26: Mechanisms for seeking advice and raising concerns	30	
	GRI 2-27: Compliance with laws and regulations	29, 30	
	GRI 2-28: Membership associations	59	



	GRI Standards	Pages	Omission/comment
STAKEHOLDER ENGAGEMENT	GRI 2-29: Approach to stakeholder engagement	28	
	GRI 2-30: Collective bargaining agreements	48, 66	
GRI 3-2: MATERIAL TOPICS 2021			
	GRI 3-1: Process to determine material topics	28	
	GRI 3-2: List of material topics	28	
	GRI 3-3: Management of material topics	22	
SPECIFIC STANDARD DISCLOSURES			
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	201-2 Financial implications and other risks and opportunities due to climate change	36	
	201-4 Financial assistance received from government	22	
	GRI 203: INDIRECT ECONOMIC IMPACTS 2016		
	GRI 3-3 Management approach	55	
	203-1 Infrastructure investments and services supported	56	
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	GRI 204: PROCUREMENT PRACTICES 2016		
	GRI 3-3 Management approach disclosures	43	
	204-1 Proportion of spending on local suppliers	65	
	GRI 205: ANTI-CORRUPTION 2016		
	GRI 3-3 Management approach	30	
	205-1 Operations assessed for risks related to corruption	63	
	205-2 Communication and training about anti-corruption policies and procedures	30	
	205-3 Confirmed incidents of corruption and actions taken	63	

	GRI Standards	Pages	Omission/comment
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	GRI 3-3 Management approach	29	
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	29	
	GRI 207: TAX 2019		
	GRI 3-3 Management approach	30	
	207-1: Approach to tax	30	
	207-2: Tax governance, control, and risk management	30	
	207-3: Stakeholder engagement and management of concerns related to tax	30	
	207-4 Country-by-country reporting	30	
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	301-1 Materials used by weight or volume	63	
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	GRI 302: ENERGY 2016		
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	GRI 303: WATER AND EFFLUENTS 2018		
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	GRI Standards	Pages	Omission/comment
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	305-2 Energy indirect (Scope 2) GHG emissions	41	
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	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	49, 53, 65	
	GRI 402: LABOR/MANAGEMENT RELATIONS 2016		
	GRI 3-3 Management approach	48	
	402-1 Minimum notice periods regarding operational changes	48	
	GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
	GRI 3-3 Management approach	50	
	403-1 Occupational health and safety management system	50	
	403-2 Hazard identification, risk assessment, and incident investigation	50	
	403-3 Occupational health services	50	
	403-4 Worker participation, consultation, and communication on occupational health and safety	50	



	GRI Standards	Pages	Omission/comment
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	403-6 Promotion of worker health	50	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50	
	403-8 Workers covered by an occupational health and safety management system	50	
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	GRI 404: TRAINING AND EDUCATION 2016		
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	GRI 413: LOCAL COMMUNITIES 2016		
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	413-2 Operations with significant actual and potential negative impacts on local communities	19	

	GRI Standards	Pages	Omission/comment
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	GRI 415: PUBLIC POLICY 2016		
	GRI 3-3 Management approach	60	
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	GRI 417: MARKETING AND LABELING 2016		
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	417-1 Requirements for product and service information and labeling	38	
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